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CIVIC FEDERATION COMMENDS CITY COLLEGES LEADERSHIP FOR FISCAL RESTRAINT

District to Reduce Overall Property Tax Burden 7.8% in FY2008

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The Civic Federation will announce its **support** of the \$473.6 million FY2008 City Colleges of Chicago budget at the district's public hearing on Tuesday, July 17th at 9:00 a.m. The Federation approves of the budget because the district has reduced its property tax burden and exercised fiscal restraint.

At a time when most governments in northeastern Illinois continue to reflexively increase spending, the City Colleges of Chicago will **reduce** its budget by 0.5% from FY2007 and **reduce** its overall property tax burden by 7.8% or \$10.2 million during FY2008. "The Civic Federation commends the district's leadership for affording much needed relief to overburdened Chicago taxpayers," said Laurence Msall, President of the Civic Federation. "It is refreshing to see a local government exert such careful fiscal stewardship over the funds homeowners and businesses provide."

The Federation is further encouraged that City Colleges has moved forward in its efforts to use strategic planning and improved business processes to improve its fiscal management over time. With the implementation last year of its first-ever five-year capital plan and continuing annual strategic planning process, the district stands in stark contrast to many other local governments, which still fail to implement even the most rudimentary planning systems. In its analysis, the Federation recommends the district build upon these management improvements by developing a formal long-term financial plan, a process that should help the City Colleges anticipate and prepare for contingencies before they become crises.

This year, the City Colleges addressed a longstanding Civic Federation concern and allowed two weeks for public review of the budget before holding its final public hearing. We congratulate the leadership of the district for being responsive to citizen concerns and making this significant improvement in the budget process.

The Civic Federation remains concerned, however, by the lack of current information on personnel or enrollment in the City Colleges' budget document, which is troubling from a transparency and planning standpoint. All other nine local governments the Civic Federation analyzes provide full personnel information in their budgets. Furthermore, as the City Colleges' policies and revenues are determined largely by enrollment trends, it is important that this key piece of information be included in the budget book. Finally, the Federation is concerned that the forecast of operating funds published in the budget shows the City Colleges will have an operating deficit of \$13.7 million by 2010 and \$20.6 million by 2011. Although the challenge of finding solutions to these future fiscal difficulties will require significant operating cost reductions and greater efficiencies, the City Colleges' renewed commitment to strategic planning and improved business processes should be beneficial in addressing these long-term fiscal challenges.

The report is available on our website www.civicfed.org.

* Executive Committee
✨ Past Chairmen's Council

The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions.