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CIVIC FEDERATION SUPPORTS CITY COLLEGES FY2013 BUDGET *FY2013 Proposed Budget Controls Expenses and Holds Property Tax Levy Flat for Third Consecutive Year*

The Civic Federation will announce its support for the proposed \$659.5 million FY2013 City Colleges of Chicago budget at a public hearing today. The Federation supports the budget because it demonstrates continued fiscal discipline and long-term planning as City Colleges enters the third phase of its multi-year *Reinvention* effort. The full 47-page report is available at www.civicfed.org.

“City Colleges continues to be a model of fiscal stewardship with its attention to financial best practices,” said Civic Federation president Laurence Msall. The FY2013 proposed unrestricted operating budget, over which City Colleges has the most discretion and control, will decrease by \$2.4 million or 0.8%. With the exception of negotiated salary increases, appropriations for all unrestricted funds will decline from FY2012.

The Civic Federation supports City Colleges’ fiscal restraint in keeping its property tax levy flat for the third consecutive year, holding in-district tuition rates flat and maintaining a strong fund balance of 15.2% of operating expenses. “We applaud the continued commitment of Chancellor Cheryl Hyman and her team to improve student outcomes without adding to the burden of Chicago taxpayers,” said Msall.

City Colleges is now in the third phase of its multi-year reorganization effort called *Reinvention*. The program includes improving student outcomes, as well as the financial and operational health of the colleges system, by using zero-based budgeting to better align resources with goals. Under *Reinvention*, the District has achieved operational savings of \$41.0 million that have now been redirected toward instruction and other quality improvements.

The Civic Federation is concerned that City Colleges provided only five working days from the budget release to the first public hearing, limiting time for public input. More than one week’s time should be allowed for the public to intelligently review and understand the City Colleges’ \$659.5 million budget.

The Federation’s full analysis also includes several recommendations based on recent fiscal developments in the State of Illinois and City of Chicago. The Civic Federation strongly urges the District to prepare for a potential shift of pension costs from the State of Illinois by incorporating a proposed phased-in shift of the normal cost of the District’s pension benefits into its expenditure forecasts. Also, the District’s future capital budgets should provide full disclosure of information about investors and contracts when engaging in projects related to the Chicago Infrastructure Trust.

The Civic Federation is an independent, non-partisan government research organization that promotes efficient delivery of public services and sustainable tax policies in the Chicago region and State of Illinois. For more information, please visit the Federation’s website at www.civicfed.org.



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