



DUPAGE BUDGET OK IN SHORT-TERM BUT MUST MODERNIZE
Reform and Rationalization Necessary to Avoid Continual Tax Increases

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The Civic Federation announced its **support** for the \$469.5 million proposed FY2007 DuPage County preliminary budget on Monday, citing a combination of prudent fiscal management and spending cuts.

The Federation recognized the County for working to curb spending by proposing a 2.8% reduction in spending over the previous year and a 25.7% reduction since FY2003. "The Civic Federation commends Chairman Schillerstrom for his efforts to cut and control spending by DuPage County government over time," said Laurence Msall, president of the Civic Federation. The Federation urged support for the Chairman's request that the elected officials reduce their budgets by 9.9%, a reasonable request that unfortunately has gone unheeded in years past. The Federation firmly believes that the burden of budget cuts should not rest solely on those departments controlled by the Chairman. The Federation expressed disappointment, however, that the budget contained the maximum property tax increase allowed under the tax cap law for the second consecutive year.

The Federation was also disappointed by the lack of transparency in the budget document, which makes meaningful public input and understanding extremely difficult. The Civic Federation also recommends that the Chairman release a final executive budget rather than a tentative and incomplete financial plan that may change substantially during negotiations between elected officials and the Chairman. "A more user-friendly budget document would both raise the quality and relevance of public commentary and demonstrate to County residents that their government takes public input seriously," said Msall.

In looking at DuPage County's longer term financial health, the Federation found that the County faces a number of serious financial challenges common to mature, urban counties. These include a stagnant, narrow revenue base and new and growing expenses due to demographic changes. The County's outdated government structure hinders progress in overcoming these fiscal challenges. Without serious reform, the financial pressures will require continuous property tax increases for the foreseeable future and an expanding burden on taxpayers. The Civic Federation's analysis included a number of key recommendations for reform that would improve the efficiency and accountability of County operations:

- 1) Consolidate DuPage County government and the County Health Department into a single unified legal entity that would allow the County to streamline service delivery and introduce greater efficiencies and accountability into government and Health Department operations.
- 2) Look into alternative options for operating the Convalescent Center, including privatization. If efficient and modern business practices are not implemented, the County's current financial structure will not be able to absorb the continual growth in expenses the Center will incur.
- 3) Reduce the number of elected officials in County government to help ameliorate the problem of fragmentation of authority, which leads to costly duplication of functions and a lack of coordination among departments and agencies. Excessive numbers of elected officials makes it difficult for the public to determine which official is responsible for governmental actions and therefore to hold appropriate officials accountable for service quality and demands for tax increases.

"Changes to the structure of the DuPage County government will not come without challenges," said Msall, "but continuing on the path of divided authority and inefficient government is no longer sustainable or fiscally responsible."

* Executive Committee

☼ Past Chairmen's Council

EMBARGOED FOR RELEASE UNTIL 12:01 AM NOVEMBER 20, 2006

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.