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For more information, please contact  
Laurence Msall at (312) 201-9044

## CHICAGO'S CIVIC FEDERATION EXPANDS TO DUPAGE COUNTY, SUPPORTS PROPOSED \$482.8 MILLION BUDGET FOR FY2006

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In its first annual analysis of DuPage County's budget and fiscal policies, the Civic Federation of Chicago Monday announced **support** of the County's proposed \$482.8 million budget for FY2006.

Although this proposed budget includes a \$2.5 million property tax increase, the maximum allowed under the tax cap law, the Civic Federation considers this property tax increase to be justified by the County's record of thoughtful financial management. DuPage County Government has kept property taxes level for the past 10 years, by cutting spending, drawing down the surplus in its Corporate Fund balance, and reducing headcount.

By embarking upon the annual analysis of the DuPage County budget, the Civic Federation underscores the county's importance to the regional economy as a whole. In 2004, the U.S. Census Bureau estimated DuPage County's population at 928,718; one in every 14 Illinois residents lives in DuPage County. The county is home to a number of major corporate headquarters. As a result, the tax policies of DuPage County Government have an increasing impact on the region's business climate. "The city vs. suburb distinction is irrelevant when considering the economy of Northeastern Illinois," said Laurence Msall, the organization's president. "Clearly, DuPage County presents an important opportunity for the Civic Federation to fulfill our mission by working with elected officials to effect positive changes in government tax and fiscal policy."

The Civic Federation notes that the FY2006 budget calls for a total appropriation of \$482.8 million. Although this represents an increase of \$8.3 million, or 1.7%, above the FY2005 appropriation, the Federation **commends** DuPage County for reducing its appropriation by 20.2% from the FY2002 budget of \$605 million. The Federation also notes with approval the proposed employee headcount of 2,475, which represents a reduction of 175 full-time equivalent positions from the FY2003 headcount.

The Civic Federation is further **encouraged** that DuPage County is beginning a long-term strategic planning process to develop mission statements and set goals for County programs, as a necessary step toward establishing programmatic and financial priorities for the next 10 to 20 years. The Federation considers long-term planning to be a crucial component of any governmental budgeting process, which must balance current fiscal needs with future priorities and expected revenues.

While the Federation's overall response to this proposed budget is positive, it **cautions** that DuPage County faces some critical financial challenges in the coming years. Despite headcount reductions and limited wage increases, personnel costs for County Government excluding the Health Department have risen by 14.9%, or \$22.9 million, between FY2003 and FY2006. During that same four-year period, Health Department appropriations have risen by 25.1%, from \$43 million to \$53.8 million. On the revenue side, areas of concern include flattening of fee revenues and the 2007 sunset of the \$15 million intergovernmental transfer from the DuPage Water Commission. Clearly, as DuPage County government embarks on its new strategic planning process, county officials must take a hard-nosed look at operations and revenues as they outline future priorities and how to pay for them.

The full text of the Civic Federation's analysis of the DuPage County FY2006 Budget is available on-line at [www.civicfed.org](http://www.civicfed.org).

*The Civic Federation is a 112-year-old nonpartisan independent government research organization whose members include business leaders from the region's largest corporations, service firms and institutions.*