

Board of Directors

Steven H. Abbel
David A. Abel
A.G. Anglum*
Adrienne Archia*
Murray E. Ascher*
Brian A. Bernardoni
Jeffrey Bethke
Roger H. Bickel
Scott A. Bremer
Whitney Carlisle
Victor Chang*
Timothy L. Christen
Robert J. Christie
Richard A. Ciccarone*
Jerry Cizek III*
Nancy J. Clawson
Elizabeth G. Coolidge*
Ronald S. Cope
Omar Daghestani
Mark R. Davis*
Nancy DeMaso
Kevork M. Derderian*
Jon B. DeVries
Charles R. Droege*
Michelle Dukler
Jeff Emme
Brian D. Fabes
Stephen B. Friedman
Charles R. Gardner*
John P. Garvey
Anthony G. Gedeller
Ronald J. Gidwitz
Judith A. Gold*
Andrew F. Gottschalk*
Paul D. Green
Philip Hale
Albert C. Hanna
Patricia M. Holden
Jason Horwitz
Gregory C. Hosbein
Margaret Houlihan Smith
Lori H. Igleski
Mark Ishaug
John A. Janicik
James H. Kane
William Ketchum
Jim Kranjc*
Kandace C. Lenti
Thomas E. Livingston*
William D. Mack*
Christine Maki
Glenn Mazade
Susan McKeever
Thomas J. McNulty*
Bradley D. Mincke
Timothy E. Moran
Monica M. Mueller*
Brian Murphy
Michael E. Murphy*
Bert Nuehring*
Michael F. O'Brien
Holly O'Connor
Gregory O'Leary
Robert Pasin
Donovan W. Pepper*
Samuel L. Persico
Maira K. Pollard
Sylvia Puente
Amar Rajpurkar
Tony Reinhart
Aaron C. Rudberg
Scott Saef*
Harry J. Seigle*
Brian Septon
Stratford Shields
Stephen R. Smith*
James E. Spiotto*
Daniel C. Sprehe
Barbara L. Stewart*
Eugene S. Sunshine
Courtney A. Thompson*
Jack Tierney
Christopher Tobin
Allen B. Truesdell
Thomas C. Vanden Berk
Robert S. Vihon
Daniel Wagner
Sue E. Wallace*
John F. Ward, Jr.*
John L. Ward
Andrew L. Weil
Jerrold Wolf
Jill Wolowitz
Corinne Wood
Daniel T. Yunker

The Civic Federation

10 North Dearborn Street, Suite 800, Chicago, IL 60602 • 312.201.9066 fax 312.201.9041 • civicfed.org

FOR IMMEDIATE RELEASE – WEDNESDAY, JULY 8, 2015

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

CIVIC FEDERATION SUPPORTS CITY COLLEGES' FY2016 BUDGET *Proposal Holds Property Tax Levy Flat and Introduces Flat-Rate Tuition Structure*

(CHICAGO) In an analysis released today, the Civic Federation supports the City Colleges of Chicago's proposed FY2016 operating budget of \$695.6 million because it continues to minimize the financial burden placed on taxpayers by avoiding a property tax increase at a time when other local governments in Chicago are facing financial crises that will likely result in significant demands for increasing the City's overall property tax burden. However, the Federation expresses concern that a new flat-rate tuition structure proposed for the upcoming school year could negatively impact future enrollment and was not communicated to students before registration for fall 2015 classes was opened. The full 50-page report is available at www.civicfed.org.

The FY2016 budget would hold the District's gross property tax revenues relatively flat for the sixth consecutive year. Instead of raising general taxes to balance the FY2016 budget, City Colleges is proposing a new flat-rate tuition and fee structure that will increase rates for certain students. The new tuition structure is intended to incentivize full-time status and on-time completion of degree programs as it would lower the cost for larger class loads for full-time students.

"This budget appropriately responds to falling State revenues and rising expenditure pressures without adding greater financial burden to Chicago taxpayers," said Civic Federation President Laurence Msall. "However, the proposed shift to a flat-rate tuition structure will significantly impact students who are currently enrolling in City Colleges' fall 2015 semester – especially those with lower course loads – and we are concerned that the plan was not communicated to them in a timely manner."

City Colleges plans to inform students about the tuition changes by providing information on the District's website, through email communication and by other means, but they did not do so before registration for fall 2015 classes was opened. As of the publication of the Federation's analysis, tuition rates listed for fall 2015 classes were still the same as those from the previous year. Although the Civic Federation generally prefers user fees, like tuition, to general tax increases, we are concerned that the proposal amounts to a large increase in tuition for certain students and could precipitate a larger than projected decline in future enrollment.

Overall, this budget continues a dramatic improvement for City Colleges' finances in recent years. The Civic Federation commends City Colleges for introducing and maintaining a number of prudent financial management practices including a healthy fund balance for contingencies, a publicly available long-term financial plan and a formal debt management policy that prohibits negative short-term measures such as borrowing for operations or non-economic debt refunding.

The full analysis also includes recommendations for City Colleges to include more stakeholder input in its long-term financial planning process and to adopt a formal fund balance policy. The Civic Federation also continues to recommend that the District adopt a charges and fees policy to govern tuition rate decisions and help prevent sudden tuition changes like the one City Colleges students may experience this year.

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.



OFFICERS

Allan R. Ambrose
Chairman
Eileen Mitchell
Vice Chairman
Kent A. Swanson
Vice Chairman
Patrick J. Hagan
Treasurer
Laurence J. Msall
President
Sarah J. Wetmore
Vice President