

## Board of Directors

Steven H. Abbey  
David A. Abel  
Catherine M. Adduci  
A.G. Anglum\*  
Adrienne Archia\*  
Murray E. Ascher\*  
Karen Atwood  
Euriiah Bennett  
Alicia Berg  
Brian A. Bernardoni  
Roger Bickel  
J.D. Bindenagel  
Scott Bremer  
Whitney Carlisle  
Victor Chang  
Timothy L. Christen  
Robert J. Christie  
Richard A. Ciccarone\*  
Jerry Cizek III\*  
Nancy J. Clawson  
Peter Coburn  
Lew Collens\*  
Steven Collens  
Elizabeth G. Coolidge\*  
Ronald S. Cope  
David P. Crosson  
Mary Culler  
Omar Daghestani  
Kevork M. Derderian\*  
Julian D'Esposito  
Jon B. DeVries  
Michelle Dukler  
Martin L. Eisenberg  
Jeff Emme  
Brian D. Fabes  
William T. Foley  
Stephen B. Friedman  
Charles R. Gardner\*  
Carol Garnant\*  
John Garvey  
Anthony Gedeller  
Ronald J. Gidwitz  
Peter G. Glick  
Judith A. Gold\*  
Andrew F. Gottschalk\*  
Paul D. Green  
Patrick J. Hagan\*  
Philip Hale  
M. Hill Hammock\*  
Albert C. Hanna  
David Hickerson  
Patricia M. Holden  
Gregory C. Hosbein  
Margaret Houlihan Smith  
Lori Igleski  
Bennett J. Johnson III  
Blake Johnson  
James H. Kane  
Karen Kane  
William Ketchum  
Jim Kranjc\*  
Stephen Legatzke  
Kandace Lenti  
Thomas Livingston\*  
Michael A. Lovett  
William Mack\*  
Christine Maki  
Glenn Mazade  
Thomas McNulty\*  
Timothy E. Moran  
Monica M. Mueller  
Michael E. Murphy\*  
Bert Nuehring\*  
Michael F. O'Brien  
Denise Obrochta  
Holly O'Connor  
Gregory O'Leary  
Sarah Pang  
Robert Pasin  
Donovan Pepper  
Moira Pollard  
Judith Rice  
Scott Saef\*  
Kevin Scanlan  
Patrick Sheahan  
Stephen R. Smith  
James E. Spiotto\*  
Keith Staats  
Caryn Stancik  
Barbara Stewart\*  
Eugene S. Sunshine  
Kent A. Swanson\*  
Courtney A. Thompson\*  
Jack Tierney  
Allen Truesdell  
Thomas C. Vanden Berk  
Robert S. Vihon\*  
Daniel Wagner  
Sue E. Wallace\*  
John F. Ward\*  
John L. Ward, Jr.  
Jeffrey D. Warner  
Andrew L. Weil  
Paul Wierbicki  
Jerrold Wolf  
Corinne Wood  
Philip Zinn

# The Civic Federation

177 North State Street, Suite 400, Chicago, IL 60601 • 312.201.9066 fax 312.201.9041 • [civicfed.org](http://civicfed.org)

## FOR IMMEDIATE RELEASE – TUESDAY, JULY 9, 2013

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

### CIVIC FEDERATION SUPPORTS CITY COLLEGES FY2014 BUDGET

#### *Proposed budget holds property tax levy flat and prepares for State's uncertain fiscal outlook*

(CHICAGO) In an analysis released today, the Civic Federation supports the City Colleges of Chicago's proposed FY2014 budget of \$657.0 million which continues the District's exemplary work to improve its financial and operational health. The full 44-page report is available at [www.civicfed.org](http://www.civicfed.org).

“Under the leadership of Chancellor Cheryl Hyman and her team, City Colleges has consistently shown commendable fiscal restraint and a commitment to implementing strong financial management practices,” said Civic Federation President Laurence Msall. The FY2014 proposed budget holds the property tax levy flat for the fourth consecutive year and reduces the unrestricted operating portion of the budget, the portion over which the District has the most control, by 6.9% or \$21.1 million. The District also negotiated a new agreement with its labor unions in FY2013 to curb the rising personnel-related costs that make up 69.0% of the City Colleges budget.

The Civic Federation commends City Colleges for prudently addressing uncertainties related to the State of Illinois' financial distress. The District's expenditure forecasts incorporate a proposed phased-in shift of the normal cost of employee pension benefits from the State of Illinois to City Colleges. The proposed legislation to shift pension costs for community colleges and state universities was approved by the Illinois House of Representatives but was not agreed to by the Senate before the spring legislative session ended in May 2013. If the bill were to go into effect, the District estimates that its employer pension contribution in FY2015 would be approximately \$1.0 million. City Colleges has also maintained a strong fund balance for the last five years, with an FY2012 unrestricted fund balance equal to approximately 20.6% of operating expenses. A healthy fund balance for contingencies, such as unexpected revenue shortfalls, is particularly important at a time when the State of Illinois' finances are precarious and its scheduled payments to the District are delayed.

City Colleges is in the middle stages of its multi-year *Reinvention* reorganization effort to improve student outcomes and the financial health of the colleges system. With financial and operational efficiencies such as zero-base budgeting, the District has redirected \$51 million in administrative costs toward the classroom. “Although far from fully implemented, *Reinvention's* focus on efficiency will continue to assist the District as it addresses its financial challenges,” said Msall.

The full analysis includes budget recommendations to enhance the District's sound fiscal health including formalizing a comprehensive long-term financial plan. The Federation also urges the State to change the community college equalization formula that results in disproportionately low funding to City Colleges and other community colleges located in counties subject to the Property Tax Extension Limitation Law.

*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](http://www.civicfed.org).*



## Officers

Mark R. Davis  
*Chairman*  
Allan Ambrose  
*Vice Chairman*  
Susan McKeever  
*Vice Chairman*  
Eileen Mitchell  
*Vice Chairman*  
Joseph B. Starshak  
*Treasurer*  
Laurence J. Msall  
*President*  
Sarah J. Wetmore  
*Vice President*

\*Executive Committee  
\*Past Chairmen's Council