

Celebrating its 100th Year

**CHICAGOLAND--A FISCAL PERSPECTIVE
1983-1992**

RESEARCH...POLICY...ACTION...FOR CHICAGO TAXPAYERS

SEPTEMBER, 1994

MISSION

The Civic Federation is the nation's oldest taxpayers' watchdog organization. Incorporated in 1894, its mission was then, as it is now, to provide a citizen agency for promoting efficiency and economy in the organization and management of public business; for guarding against wasteful expenditure of public funds and excessive taxation; and for furnishing the public with accurate information concerning governmental revenues and expenditures.



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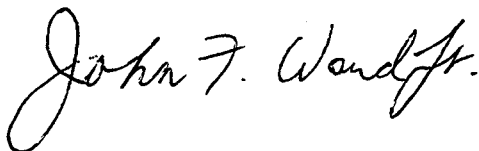
PREFACE

The Civic Federation, a non-partisan public interest organization, serves the taxpayer by monitoring the budgets of major local taxing units and by applying its research to public policy issues. The Federation has published an annual overview of the tax levels and debt of the major local governments since 1934. In recent years, expenditure trends for the major local government units in Cook County have also been included.

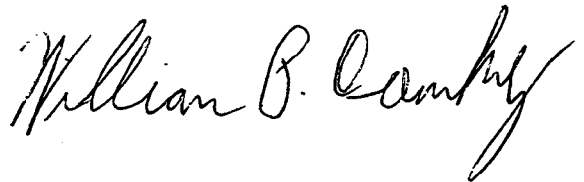
This document depicts revenues over a ten year period and expenditures over an eight year period. The data necessary to produce this report are gathered from a variety of sources over a protracted period of time. Unfortunately, some segments are not available until 15 to 18 months after the close of the calendar year. In the case at hand, vital information was not available for 1992, the final year of this study, until the late Spring of 1994.

Information in this document comes from the financial officers of the major local government units and their staffs. The Cook County Clerk, Treasurer and Assessor, the State of Illinois Department of Revenue and Moody's Investors Service have also provided essential information. We thank the many local government officials whose cooperation and assistance made this study possible. The study was prepared by the Civic Federation staff: Toni Hartrich, Ph.D., Director of Research; Myer Blank, Senior Research Associate; Roland Calia, Senior Research Associate; Mark Paul, Research Associate; Margaret Jones and Hong Liu, Research Assistants.

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John F. Ward, Jr.
Chairman



William P. Cowhey
President

CHICAGOLAND - A FISCAL PERSPECTIVE 1983-1992

EXECUTIVE SUMMARY

The Civic Federation produces *Chicagoland - A Fiscal Perspective* annually. This publication analyzes property taxes, other sources of local government revenue, debt and expenditure trends for the eight major local government units in Cook County. It also includes representative municipal property tax burdens within Cook, Lake and DuPage Counties and compares local and national fiscal trends in taxation and long term liabilities.

Local governments in Cook County continued to rely heavily on property tax revenues in 1992 to fund their operations. The percentage of total revenues derived from property taxes rose from 33.1 percent in 1983 to 35.8 percent nine years later. Overall, property tax revenues collected by the eight major local governments within Cook County rose by \$390 million between 1991 and 1992, increasing at an annual rate nearly four percent greater than inflation.

The largest share of property tax dollars continued to go to education in 1992. Nearly 47 percent of the total collected in the City of Chicago and 55 percent collected in the Cook County suburbs was earmarked for education.

1992 effective overall and educational tax rates for commercial, home and industrial properties were compared in the major municipalities of the Chicago metropolitan region. Municipalities ranking in the top ten for *effective overall effective tax rates* for commercial and industrial property were located in Cook County while all of the communities making the top ten list for residential property were found in the suburban collar counties. At the same time, all of the municipalities enjoying the lowest overall effective property tax rate for commercial and industrial properties were found in the collar counties. However, nine of the ten communities with the lowest residential tax rates were located in Cook County.

All of the municipalities ranking in the top ten for *effective education tax rates* for commercial and industrial property were located in Cook County while all ten communities with the highest residential tax rates were to be found in the collar counties. Conversely, all of the communities with the lowest tax rates for commercial and industrial property were in the collar counties and all but one of the municipalities in the bottom ten ranking for residential tax rates were located in Cook County.

Seventeen new Tax Increment Financing (TIF) districts were created in 1992, bringing the total number to 124 in Cook County. Overall Equalized Assessed Valuation (EAV) within the Cook County TIF districts grew by 21 percent over 1991. The total tax dollar received by TIF districts in 1992 increased to \$101 million, a 20 percent increase over 1991. In 1992, only two municipalities experienced negative increment growth (less EAV in the TIF district than the amount of frozen EAV). There were twelve municipalities where the EAV in TIF districts declined between 1992 and 1991.

Government expenditures for the eight major governments within Cook County increased almost 38 percent in inflation adjusted dollars between 1984 and 1992. When the effect of inflation was factored in, expenditures for the City of Chicago rose about 23 percent from 1984 to 1992. In 1992, spending for police and fire protection continued to consume the largest portion of the municipal budget, over 28% of total expenditures. Overall, Cook County's expenditures rose by 38 percent in inflation adjusted dollars. Expenditures for public safety and health took the lion's share of Cook County spending in 1992, constituting over 66 percent of all County expenditures.

Per capita local government overlapping debt within the City of Chicago increased by \$85.08 between 1991 and 1992. This raised the per capita debt burden to \$1266.26. Chicago's overlapping debt totalled \$4.7 billion, an increase of 14.7 percent from 1991. This amount represented 13 percent of the EAV within the city.

Collectively, the eight major governments within Cook County extended \$942 million for long term obligation in 1992. From 1987-1992, local governments increased their extensions for long term obligations 20.4 percent while overall property tax extensions rose 48.7 percent. Long term obligations as a share of the composite tax bill fell from 36 percent of total extensions in 1987 to 29 percent in 1992.

The nine major public pension funds in the Chicago area covered 122,250 active employees and 58,183 beneficiaries. These funds invested and managed over \$13 billion in assets and were responsible for \$17 billion in liabilities.

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BACKGROUND NOTES

Local government finance in the Chicago region is quite complex. Illinois leads the nation in the number of special taxing districts and authorities that can levy property taxes, and Cook County has the highest number of such districts in the state.

Cook County is the only Illinois county in which real property is classified for tax purposes. Homes are assessed at 16 percent of market value, commercial properties at 38 percent and industrial properties at 36 percent. These three types of property represent the range in a system that has ten different property classes, each bearing a different proportion of the tax burden. Elsewhere in the State of Illinois, property owners, with the exception of farmland owners, pay taxes based on assessments of 33 1/3 percent of property value.

Cook County taxpayers support the eight major local government units included in this study. These units do not all have the same fiscal year calendars. They include:

<u>Government Unit</u>	<u>Fiscal Year</u>
City of Chicago	January 1 - December 31
Cook County	December 1 - November 30
Chicago Board of Education	September 1 - August 31
Chicago School Finance Authority	September 1 - August 31
Chicago Park District	January 1 - December 31
Chicago City Colleges #508	July 1 - June 30
Forest Preserve District of Cook County	January 1 - December 31
Metropolitan Water Reclamation District of Greater Chicago	January 1 - December 31

In Illinois there is more than a year's lag between the time a local government approves the property tax levy it needs to fund that year's budget and the actual extension and collection of the property taxes which pay for that year's public services. For example, the tax bills local residents received in the spring and summer of 1993 actually cover 1992 local government expenditures. Because tax levies tend to increase annually, there is normally a gap between the amount of tax dollars actually received in one year and the amount needed to cover expenditures made in the same year. To deal with this shortfall, local governments in Illinois can float short-term loans or notes which are backed by the revenue stream from property taxes to be collected the following year. These loans are called tax anticipation notes or daily tender notes.

Some of the charts in the text include comparisons between current dollars and inflation-adjusted dollars. The annual consumer price index (CPI) for the Chicago-area was used to make the inflation adjustments.

I: LOCAL GOVERNMENT REVENUES AND EXPENDITURES

OVERVIEW

Local governments in Cook County continued to rely heavily on property tax revenues in 1992 to fund their operations. The percentage of total revenues derived from property taxes rose from 33.1 percent in 1983 to 35.8 percent nine years later. Overall, property tax revenues collected by the eight major local governments within Cook County rose by \$390 million between 1991 and 1992, increasing at an annual rate nearly four percent greater than inflation.

The County of Cook as a government entity raised its property tax extension by nearly 21 percent between 1991 and 1992, followed by the Cook County Forest Preserve District with a 5 percent increase and the Chicago Park District at 4.5 percent.

The largest share of property tax dollars continued to go to education, just as in past years. Nearly 47 percent of the total collected in the City of Chicago and 55 percent collected in the Cook County suburbs was earmarked for education.

This year Chicagoland adds a new feature, examining comparative effective tax rates in the metropolitan region. The following two exhibits compare top and bottom effective tax rates for commercial, home and industrial properties in the 21 municipalities in Cook and the Collar Counties with populations greater than 40,000.

TOP AND BOTTOM TEN EFFECTIVE OVERALL COMPARATIVE TAX RATES FOR HOMES, BUSINESSES IN THE 21 CITIES OVER 40,000 IN THE CHICAGO REGION

1992 taxes (paid in 1993)

County	Place	Overall Effective Prop. Taxrate For HOME*
TOP TEN:		
Du Page	Naperville (U)	3.0560
Will	Joliet	2.5727
Will	Joliet(U)	2.4361
Du Page	Bolingbrook	2.4023
Du Page	Aurora (U)	2.3927
Du Page	Wheaton (U)	2.3818
Kane	Aurora (U)	2.3423
Lake	Waukegan (U)	2.3101
Du Page	Aurora (U)	2.2154
Will	Naperville (U)	2.1978
BOTTOM TEN:		
Cook	Schaumburg	1.4767
Cook	Schaumburg	1.4677
Cook	Oak Lawn	1.4542
Cook	Des Plaines	1.4526
Du Page	Elmhurst	1.4411
Cook	Mt. Prospect	1.3137
Cook	Arlington Hts.	1.2812
Cook	Des Plaines	1.2562
Cook	Hoffman Est. (U)	1.2482
Cook	Skokie	1.1849

County	Place	Overall Effective Prop. Taxrate For COMMRL*
TOP TEN:		
Cook	Evanston	8.3407
Cook	Oak Park	8.1328
Cook	Evanston	8.0463
Cook	Skokie	7.6621
Cook	Elgin (U)	7.5290
Cook	Hoffman Est.	7.2758
Cook	Palatine	7.2519
Cook	Berwyn	7.2455
Cook	Palatine	7.0776
Cook	Oak Lawn	7.0034
BOTTOM TEN:		
Will	Naperville (U)	2.4578
Du Page	Downers Grove	2.4515
Kane	Aurora (U)	2.4300
Du Page	Bolingbrook	2.3301
Du Page	Elmhurst (U)	2.2977
Du Page	Wheaton (U)	2.1865
Will	Naperville (U)	2.1423
Du Page	Naperville (U)	2.0520
Du Page	Downers Grove	1.7866
Du Page	Elmhurst	1.6190

County	Place	Overall Effective Prop. Taxrate For INDUSTRIAL*
TOP TEN:		
Cook	Oak Park	9.0134
Cook	Evanston	8.4973
Cook	Evanston	8.1973
Cook	Berwyn	8.0300
Cook	Skokie	7.8060
Cook	Oak Lawn	7.7617
Cook	Elgin (U)	7.6703
Cook	Berwyn	7.5854
Cook	Hoffman Est.	7.4124
Cook	Palatine	7.3881
BOTTOM TEN:		
Will	Naperville (U)	2.4578
Du Page	Downers Grove	2.4515
Kane	Aurora (U)	2.4300
Du Page	Bolingbrook	2.3301
Du Page	Elmhurst (U)	2.2977
Du Page	Wheaton (U)	2.1865
Will	Naperville (U)	2.1423
Du Page	Naperville (U)	2.0520
Du Page	Downers Grove	1.7866
Du Page	Elmhurst	1.6190

* Most of the 21 municipalities in this sample had a range of property tax rates, some were also in two counties and we included both ends of the tax ranges in our data for each county. This means it is possible for a municipality to have more than one tax rate shown in the highest and/or lowest ten ranks. (U) means this area has a Unit school district.

The first chart shows the top ten and bottom ten effective overall comparative 1992 effective tax rates. The most striking finding was that all of the municipalities in the top ten commercial and industrial rankings were in Cook County while all of the communities making the top ten list for residential effective property tax rates were located in the suburban collar counties. A similarly sharp dichotomy exists when the rankings for the bottom ten communities in the three categories were considered.

All of the municipalities enjoying the lowest overall effective property tax rate for commercial and industrial properties were found in the collar counties, mostly in DuPage County. However, nine of the ten communities with the lowest residential tax rates were located in Cook County.

The next chart presents the ten highest and lowest effective 1992 education tax rates. The same pattern found regarding overall effective property tax rates emerges here as well.

TOP TEN AND BOTTOM TEN EFFECTIVE 1992 EDUCATION TAX RATES FOR 21 LARGEST MUNICIPALITIES IN SIX COUNTY REGION

County	Place	Education Eff. Prop. Taxrate HOME*	County	Place	Education Eff. Prop. Taxrate COMMRCL*	County	Place	Education Eff. Prop. Taxrate INDUSTRL
TOP TEN:			TOP TEN*:			TOP TEN*:		
Du Page	Downers Grove	1.5943	Cook	Oak Park	5.0869	Cook	Oak Park	5.6377
Du Page	Bolingbrook	1.4187	Cook	Evanston	4.8016	Cook	Skokie	4.8917
Du Page	Wheaton (U)	1.4112	Cook	Evanston	4.8016	Cook	Evanston	4.8917
Du Page	Wheaton (U)	1.4112	Cook	Skokie	4.8016	Cook	Evanston	4.8917
Will	Naperville (U)	1.3881	Cook	Oak Lawn	4.3395	Cook	Oak Lawn	4.8094
Will	Joliet (U)	1.3824	Cook	Berwyn	4.2399	Cook	Berwyn	4.6989
Du Page	Aurora (U)	1.3707	Cook	Hoffman Est.	4.1208	Cook	Berwyn	4.2947
Du Page	Aurora (U)	1.3627	Cook	Schaumburg	4.1208	Cook	Hoffman Est.	4.1982
Will	Joliet	1.3585	Cook	Palatine*	4.0687	Cook	Schaumburg	4.1982
Lake	Waukegan (U)	1.3369	Cook	Palatine*	4.0687	Cook	Schaumburg*	4.1451
			Cook	Schaumburg*	4.0687	Cook	Palatine*	4.1451
						Cook	Palatine*	4.1451
BOTTOM TEN			BOTTOM TEN			BOTTOM TEN		
Cook	Mt. Prospect	0.8475	Lake	Waukegan (U)	1.5100	Lake	Waukegan (U)	1.5100
Cook	Des Plaines	0.8475	Kane	Aurora (U)	1.4154	Kane	Aurora (U)	1.4154
Du Page	Elmhurst	0.8258	Du Page	Bolingbrook	1.4133	Du Page	Bolingbrook	1.4133
Cook	Oak Lawn	0.7731	Du Page	Naperville (U)	1.4018	Du Page	Naperville (U)	1.4018
Cook	Chicago (U)	0.7252	Du Page	Naperville (U)	1.4018	Du Page	Naperville (U)	1.4018
Cook	Mt. Prospect	0.6511	Will	Naperville (U)	1.3682	Will	Naperville (U)	1.3682
Cook	Arlington Hts.	0.6511	Du Page	Downers Grove	1.3044	Du Page	Downers Grove	1.3044
Cook	Des Plaines	0.6511	Du Page	Elmhurst (U)	1.2861	Du Page	Elmhurst (U)	1.2861
Cook	Hoffman Est. (U)	0.5526	Kane	Aurora (U)	1.2080	Kane	Aurora (U)	1.2080
Cook	Skokie	0.5084	Du Page	Elmhurst	0.9278	Du Page	Elmhurst	0.9278

*There are several cases where there is a tie for tenth ranked municipality. In these cases all of the tenth ranked municipalities are included. Also most municipalities had a range of taxrates, some were also in two counties as well and we include both ends of the range in our data as well as information for each county. This means it is possible for a municipality to have more than one taxrate shown in the highest and/or lowest ten ranks. (U) means that this is a unit school district.

All of the municipalities ranking in the top ten for effective education tax rates for commercial and industrial property were located in Cook County while all ten communities with the highest residential tax rates were to be found in the collar counties. Conversely, all of the communities with the lowest tax rates for commercial and industrial property were in the collar counties and all but one of the municipalities in the bottom ten ranking for residential tax rates were in Cook County. With an effective educational tax rate of 0.7252 (translating into a tax bill of \$725 for a \$100,000 home), Chicago ranked in the bottom ten listing.

Government expenditures for the eight major governments in Cook County increased almost 38 percent in inflation adjusted dollars between 1984 and 1992. The myriad factors driving the expenditure increases included the rapidly rising cost of employee health benefits, capital and infrastructure needs, federal and state mandates and public safety.

When the effect of inflation was factored in, expenditures for the City of Chicago rose about 23 percent from 1984 to 1992. In 1992, spending for police and fire protection continued to consume the largest portion of the municipal budget, over 28% of total expenditures. Public safety spending rose 43 percent in actual dollars over the period of this study.

Expenditures for public safety and health took the lion's share of Cook County spending in 1992, constituting over 66 percent of all County expenditures. In actual dollars, public safety expenditures rose 87 percent between 1984 and 1992, from \$290 million to \$544 million while health spending rose from \$314 million to \$518 million. Overall, expenditures rose by 38 percent in inflation adjusted dollars.

In the following three sections, revenues and expenditures are examined more closely. The first section addresses property taxes throughout Cook County in terms of:

- Overall property tax climate
- Where 1992 property tax dollar went
- Assessed value by class of property
- Cook County classification and its impact on property tax burdens
- Regional effective property tax comparisons

In the second section, other local government revenues for major local governments are examined relative to:

- Other local tax revenue
- Intergovernmental revenue
- Local non-tax revenue
- Future directions

In the third section, the expenditures of Chicago area major local governments are examined in the following areas:

- The City of Chicago
- Cook County
- Education
 - City Colleges
 - Chicago Board of Education
- Special Districts
 - Metropolitan Water Reclamation District
 - Forest Preserve
 - Chicago Park District

I.1: PROPERTY TAX REVENUE

GLOSSARY

ASSESSED VALUE (AV) – The designated legal percentage of a property's full cash value as estimated by the Cook County Assessor. It is the basis for levying property taxes. (See EAV and Classification System.)

CLASSIFICATION SYSTEM – Cook County is the only county in Illinois which assesses different types of properties at varying percentages of full cash value; all other counties assess all properties at 33 1/3 percent of full value. In 1991 Cook County's major assessment classes were as follows:

- Residential Units (up to six units) – 16 percent
- Commercial Properties – 38 percent
- Industrial Properties – 36 percent
- Apartments – 33 1/3 percent
- Vacant Land – 22 percent

COUNTY EQUALIZATION FACTOR – Each county is given its own equalization factor which is determined annually by the State Department of Revenue. This factor is based on a comparison of the property assessments of those properties which have been sold over the past several years to their actual sales prices. This factor is applied to each property assessment in the county in an effort to make the total assessments equal to 33 1/3 percent of the full value of the property.

EFFECTIVE TAX RATE – The tax bill of a typical property divided by its market value.

EQUALIZED ASSESSED VALUE (EAV) – The assessed value as determined by the assessor multiplied by an annual EQUALIZATION FACTOR which is determined for each individual county by the Illinois Department of Revenue. The EAV in the county is what is normally meant when one refers to a county's property tax base.

FULL VALUE – An estimate of the market value of a property. The Civic Federation annually estimates the total full value of property in Cook County based on current sales assessment ratio data from the Illinois Department of Revenue and assessment information from the Cook County Assessor's office.

PERSONAL PROPERTY REPLACEMENT TAX (PPRT) – Until 1979 personal property of corporations in Illinois was assessed and taxed. In 1979 that tax was converted to the personal property replacement tax (PPRT) which is an additional tax of 2 percent on state corporate income tax returns. The PPRT is distributed by formula to the appropriate local government units by the state.

TAX EXTENSION -- The actual amount of money allocated to a local government generated through property taxes. In the case of a government unit which has a ceiling on its tax rate, like the Chicago Board of Education, this figure would not necessarily be the same as the tax levy. The levy amount requested by a government unit that has a tax rate limit may force the tax rate to be higher than the legal rate limit. Thus, the extension for this government unit will be set lower than the tax levy in order to keep the tax rate within the legal range. (See Tax Levy.)

TAX INCREMENT FINANCING (TIF) -- A property tax-related economic development incentive. A specifically defined district in need of special assistance is created by a local city, town or county. The total equalized assessed value (EAV) at the time of creation is measured and frozen. Bonds are floated to pay for public infrastructure costs or to help the developer through low interest loans or lowered land prices. These long-term bonds are paid off from the additional property tax revenue generated in the district over and above the amount of tax revenue generated from the frozen tax base.

TAX LEVY -- The total dollar amount of a local government's annual budget appropriation which that government requests to be covered by property taxes. (See Tax Extension.)

TAX RATE -- Calculated by taking the total property tax dollars allocated to the local government (final tax extension) and dividing this amount by the total EAV in that locality. In the case of the City of Chicago, it is based on the total EAV within the city boundaries.

TOWNSHIP MULTIPLIER -- The equalization factor that is used by most counties other than Cook County to bring township property assessments in line with current sales prices for property in that township. For example, if a township has not been assessed for two years, the township multiplier would reflect the change in property values over those two years. A township multiplier of 1.1 would mean, on average, property tax values in this township have increased by 10 percent since the last time the property was assessed.

TRIENNIAL ASSESSMENT -- In 1990, Cook County switched from a quadrennial (every four year) to a triennial assessment system. Under the triennial system, property will normally be assessed once every three years. The valuation of individual properties will stay the same for the two years in between reassessments. Exceptions to this occur when there have been changes in the property in the years between regular assessments (usually due to new construction or improvements to the property). In 1990, the southern Cook County suburbs were reassessed. In 1991, the entire City of Chicago was reassessed and in 1992, the northern Cook County suburbs were reassessed to round out the first triennial assessment cycle. In 1993, the southern suburbs will be reassessed to start the next cycle, then the City of Chicago in 1994 and the northern suburbs in 1995.

OVERALL PROPERTY TAX CLIMATE

Politicians in Illinois, like their counterparts across the country have become highly sensitive to the issue of high property taxes. As a result there have been a multitude of tax relief measures introduced in the Illinois State Legislature to lessen the burden of local property taxes. These measures have included homestead and senior citizen exemptions, tax rate limits on many local governments, and a limited property tax circuit breaker for low income elderly and for the disabled. In the 1970s Cook County officially adopted its classification system which sets higher property assessments for businesses and the lowest assessments for homeowners. All other counties in Illinois assess all types of property at the same percentage of value, 33 1/3 percent. As a result, homeowner tax bills have tended to be lower in Cook County than many areas in the other five counties surrounding Cook, while business property taxes have tended to be two to three times higher in Cook.

Property tax bills climbed in the burgeoning suburban areas outside Cook County throughout the 1980s. Infrastructure had to be built to support new business and residential development and, as populations increased, government service needs became more complex and extensive. Both homeowners and business owners experienced the effect of this growth.

In Cook County, the aging infrastructure, growing service needs, an increasingly diverse population, the loss of federal revenue sharing dollars, and increased federal and state mandates all contributed to steady increases in property taxes.

Many property tax reforms and relief measures were proposed during the last several years. They culminated in the passage of property tax caps in the five suburban counties while the prior year assessment was instituted in Cook County.¹ The tax caps became effective with the 1991 fiscal year and prior year assessment became effective with the 1992 fiscal year. These particular changes, especially the suburban county tax caps, constitute the most significant tax reform legislation instituted in recent decades in Illinois. The tax caps are having a major impact -- keeping down property tax growth and forcing some very tough programmatic decisions on local governments as they deal with this new revenue limitation.

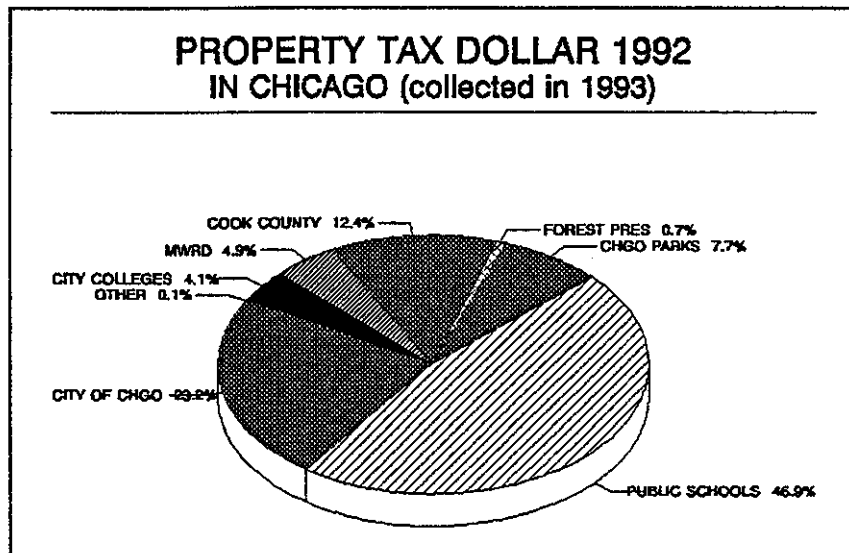
¹The property tax caps limit annual property tax extension growth for all non-home rule governments in the five collar counties to five percent or the annual consumer price index growth, whichever is less. Prior year assessment actually affects only Cook County non-home rule government units. The 1992 tax levies of the non-home rule governments (payable in 1993) are based on 1991 EAV rather than 1992 EAV. This eliminates the practice of "balloon levying" by non-home rule governments in Cook County. It only has a one-time effect because the growth in taxes made possible by normal annual EAV growth within these taxing districts will just be postponed by one year to 1993.

This section of *Chicagoland* focuses on 1992 property taxes within Cook County, highlighting the major property taxing bodies in the county. It includes information on where property taxes go, property assessments, tax bills, and tax increment financing. This year there is an added feature, an analysis of the effective overall property tax rates in the 21 largest municipalities in the six county region. There is also an analysis of the education effective property tax levels for these same municipalities.

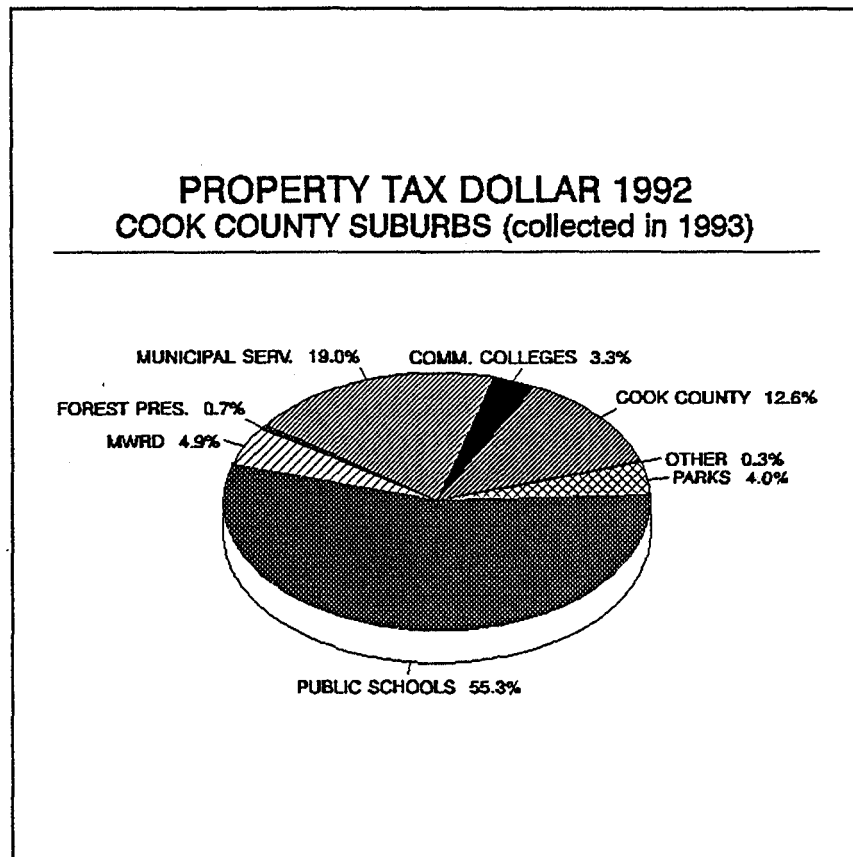
WHERE 1992 PROPERTY TAX DOLLAR WENT

In 1992, local government units in Cook County raised \$6 billion in property taxes. This was \$390 million more than was raised in 1991 and represents an annual increase of 3.9 percent more than inflation. Between 1983 and 1992 inflation growth has been approximately 41 percent. Over the same period, property taxes in Cook County have increased by almost 54 percent more than inflation. With tax growth consistently outpacing inflation growth, it is understandable that taxpayers feel their property taxes are too high.

The following exhibit shows the proportion of your property tax bill that goes to each government unit. In Chicago, the largest share of the tax bill goes to public schools, at 46.9 percent. The City of Chicago is next, at 23.2 percent. Cook County government is a distant third, at 12.4 percent.



In suburban Cook County the public schools are also the highest portion of the local tax bill at 55.3 percent, with municipal services² at 19.0 percent and Cook County ranking third at 12.6 percent.



In 1992, the Chicago Board of Education and Cook County suburban public schools slightly decreased their shares of the property tax pie from 1991 when schools had represented 47.5 percent of the total tax dollar in the city and 57.6 percent of the tax dollar in the suburbs. However, Cook County Government and suburban municipal services both exhibited slight increases over their 1991 portion of the local property tax dollar.

The following exhibit shows the percent change in property tax extensions of each of the eight major property taxing districts in Cook County. The largest percentage increase in 1992 was for Cook County Government which raised its tax extension by 20.6 percent, followed by the Cook County Forest Preserve District at 5 percent and the Chicago Park District at 4.5 percent. The Chicago School Finance Authority actually lowered its property tax extension by 4.9 percent in 1992.

²To be comparable with the City of Chicago, we have included city, village and town governments, library districts, fire protection districts, and township services under the category of municipal services.

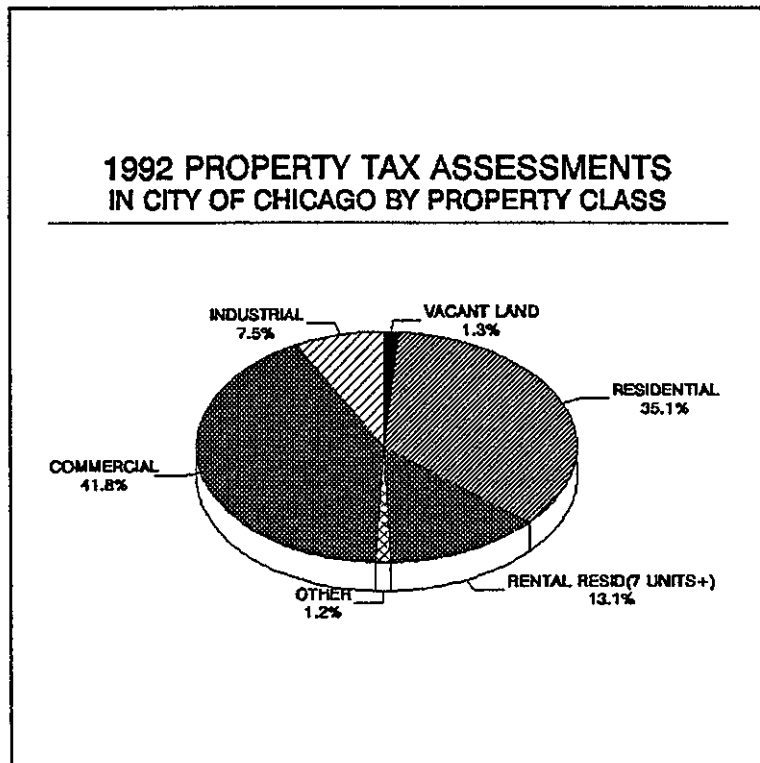
**ANNUAL PERCENTAGE CHANGE IN PROPERTY TAX EXTENSIONS
OF MAJOR COOK COUNTY GOVERNMENTS**

GOVT UNIT	% CHANGE	% CHANGE	% CHANGE	%CHANGE	%CHANGE
	1987-88	1988-89	1989-90	1990-91	1991-92
Cook County	33.7%	0.3%	12.2%	5.9%	20.6%
City of Chicago	20.7%	-0.7%	-4.0%	0.7%	3.3%
Chgo Board of Educ.	13.9%	8.4%	10.5%	17.9%	3.2%
Chgo Schl Fin. Auth.	-6.1%	-4.8%	0.5%	1.2%	-4.9%
Metro Watr Recl Dist.	12.3%	5.0%	10.7%	0.0%	3.9%
Cook Forest Pres Dist	7.1%	5.8%	-11.0%	-13.0%	5.0%
Chicago Park Dist.	3.1%	11.8%	0.9%	4.3%	4.5%
Chgo City Colleges	16.6%	-0.5%	-6.5%	12.4%	0.0%
Chgo Cons. Price Indx	3.9%	5.0%	5.4%	4.0%	3.0%

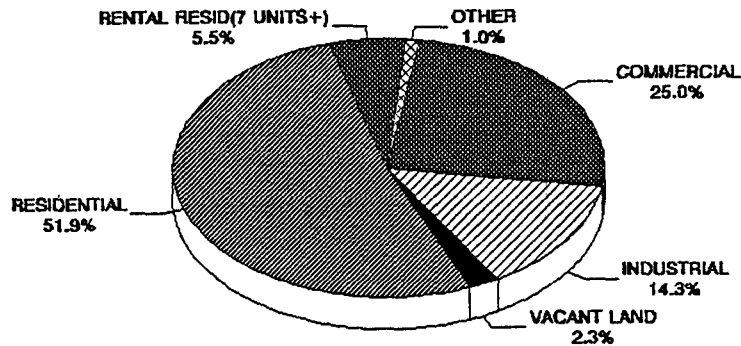
Six of the eight major governments within Cook County: Cook County, the Cook County Forest Preserve District, the Chicago Park District, the Metropolitan Water Reclamation District, the City of Chicago and the Chicago Board of Education exceeded inflation level increases in 1992.

ASSESSED VALUE BY CLASS OF PROPERTY

Cook County's property assessment classification system results in different classes of property bearing various levels of tax burden rather than a uniform tax burden based on each property's market value. The following two exhibits show the portion of the total assessable property tax base represented by the different types of property.



1992 PROPERTY TAX ASSESSMENTS IN SUBURBAN COOK BY PROPERTY CLASS



In 1992, commercial and industrial properties represented over 49 percent of the assessed valuation in Chicago and 39.3 percent in suburban Cook County. At the same time, these business properties represented only 33.3 percent of the market value of real estate in Chicago and 17.5 percent of the market value of suburban Cook County. This shift of tax burden onto business properties is increased by the homestead and senior citizen exemptions. It exacerbates the problem further by lowering the residential portion of the property tax base and shifting more of the tax burden onto businesses than the above pie charts would indicate.³

Residential property assessments (1 to 6 unit residences) are the second largest portion of the city's assessable base and are the largest segment in suburban Cook County. In 1992, residences represented 35.1 percent of the city's assessment base and 51.9 percent of suburban Cook County's base. At the same time, residential property represented 54.1 percent of the city's real estate market value and 76.6 percent of the market value in suburban Cook County. The next section examines the impact of classification and its effect on local property tax bills in more depth.

³The homestead exemption was increased from \$3,500 to \$4,500 and the senior citizen exemption also was increased from \$2,000 to \$2,500 in Cook County starting with the 1991 assessments.

CLASSIFICATION AND ITS IMPACT ON PROPERTY TAX BURDENS

Cook County is unique in Illinois because it is the only county in which property taxes are based on different percentages of value depending on the use of the property. The other counties in Illinois assess all property at 33 1/3 percent of value.⁴ The classification system in Cook County gives commercial and industrial property higher assessment levels, 38 and 36 percent of value respectively, than in the other Illinois counties. However, homes (1 to 6 unit residential property) in Cook County have much lower assessments, 16 percent, than in the other counties.

Cook County historically has had an unusually high state property multiplier.⁵ For 1992 assessments, the state multiplier for Cook County was set at 2.0897. The other counties in the state tend to have multipliers around 1, indicating that the State Department of Revenue analysis found that the assessments in these counties were falling at or close to 33 1/3 of the county market values. The high multiplier in Cook County is due in large part to the classification system. There is simply not enough commercial and industrial property (which is legally assessed at more than 33 1/3 percent) in Cook County to offset the amount of property, primarily residential (which is legally assessed at much less than 33 1/3 percent). As a result of classification, total assessments in Cook County would not equal 33 1/3 percent of market value even if assessments were perfect and were made annually instead of triennially.

The following example shows the effect of the high multiplier and the classification system on tax bills in Chicago for a home valued by the assessor at \$100,000 and two business properties each valued at \$1,000,000. The home's tax bill was \$2,749 in 1992. The industrial and commercial/office tax bills for properties with assessor full values of \$1,000,000 would have tax bills, of \$71,475 and \$75,446, respectively.

⁴A major exception to this is farm property which is assessed throughout the state on a different determinant of the property's market value. However, farmland is treated consistently in all counties in the state.

⁵There is an individual state equalization factor calculated for each county that is applied to all the assessments in that county in order to equalize the total assessable base to 33 1/3 of market value in the county.

**INDIVIDUAL TAX BILLS IN THE CITY OF CHICAGO
FOR A HOUSE, A COMMERCIAL AND AN INDUSTRIAL PROPERTY**

	1992
State Equalization Factor	2.0897
Overall Chicago Tax Rate (per \$100 EAV)	9.501

A: \$100,000 HOME (Assessor's Full Value)*	1992
Assessed Value(AV)	\$16,000
Equalized Assessed Value(EAV)	\$33,435
Homestead Exemption**	\$4,500
TAX BILL	\$2,749

B: \$1,000,000 BUSINESS PROPERTY (Assessor's Full Value)*	1992
Assessed Value(AV)	\$360,000/380,000
Equalized Assessed Value(EAV)	\$752,292/794,086
TAX BILL	\$71,475/\$75,446

* The full value shown here is the full cash value estimated by the assessor for a home and for industrial and commercial types of business properties in 1992. It does not equate to market value for such properties. On average, in 1992 a Chicago home valued at \$100,000 by the assessor would sell for \$161,000 while a Chicago commercial or industrial property valued at \$1 million by the assessor would sell for \$1,749,000 or \$1,222,000.

REGIONAL EFFECTIVE PROPERTY TAX COMPARISONS

Comparison of effective tax rates is another important way to analyze tax burdens.⁶ Effective tax rates compare market values to the property tax bill for the sample properties. It allows us to account for differences in assessment levels, state equalizer and local tax rates within the different jurisdictions in the sample. An individual shopping for a \$100,000 property in different communities can compare the actual tax bills for a similarly priced property in each community using effective tax rates as a guide.

⁶The effective tax rate used is based on tax bills of typical commercial and industrial properties and homes divided by their market values. The market values used are based on the Illinois Department of Revenue median 1991 assessment-sale-ratio figures for Chicago and Suburban Cook County in each of these three property classes. They are based on the Illinois Department of Revenue prior year property sales (1991) data compared to the 1992 assessments (adjusted through the appeals process). The calculation of tax bills includes the homestead exemption for residential properties but does not include the senior citizen exemption.

The following chart shows the overall 1992 effective tax rates for industrial, commercial and residential properties in Chicago, and the 20 other municipalities in the six county region with over 40,000 residents. This table is sorted by effective home property tax rates.

EFFECTIVE COMPARATIVE PROPERTY TAX RATES FOR HOMES, BUSINESSES IN THE 21 CITIES OVER 40,000 IN THE CHICAGO REGION, 1992 taxes (paid in 1993)

County	Place	-----Effective	Overall	-----Taxrate-----	Nominal	Education
		For HOME*	Property For COMMRL*	For INDUSTRIAL*	(legal) Prop. Taxrate	% of Total Prop. Tax Bill
Du Page	Naperville (U)	3.0560	3.4242	3.4242	10.5199	40.9%
Will	Joliet	2.5727	2.8962	2.8962	9.2411	52.8%
Will	Joliet(U)	2.4361	2.7397	2.7397	8.6754	56.7%
Du Page	Bolingbrook	2.4023	2.6899	2.6899	8.2159	59.1%
Du Page	Aurora (U)	2.3927	2.6793	2.6793	8.1887	57.3%
Du Page	Wheaton (U)	2.3818	2.6727	2.6727	8.3107	59.3%
Kane	Aurora (U)	2.3423	2.6374	2.6374	8.4315	53.7%
Lake	Waukegan (U)	2.3101	2.6091	2.6091	8.543	57.9%
Du Page	Aurora (U)	2.2154	2.4823	2.4823	7.6262	61.5%
Will	Naperville (U)	2.1978	2.4578	2.4578	7.4276	63.2%
Du Page	Downers Grove	2.1847	2.4515	2.4515	7.6227	73.0%
Kane	Aurora (U)	2.1581	2.4300	2.4300	7.7685	49.7%
Cook	Oak Park	2.0795	8.1328	9.0134	12.731	62.5%
Du Page	Bolingbrook	2.0714	2.3301	2.3301	7.3901	60.7%
Du Page	Elmhurst (U)	2.0424	2.2977	2.2977	7.2943	56.0%
Cook	Evanston	1.9723	8.3407	8.4973	11.529	57.6%
Du Page	Wheaton (U)	1.9486	2.1865	2.1865	6.7989	72.4%
Will	Naperville (U)	1.9062	2.1423	2.1423	6.743	63.9%
Cook	Evanston	1.9027	8.0463	8.1973	11.122	59.7%
Cook	Berwyn	1.8526	7.2455	8.0300	11.342	58.5%
Du Page	Naperville (U)	1.8314	2.0520	2.0520	6.3042	68.3%
Cook	Skokie	1.8119	7.6621	7.8060	10.591	62.7%
Cook	Oak Lawn	1.7907	7.0034	7.7617	10.963	62.0%
Cook	Elgin (U)	1.7804	7.5290	7.6703	10.407	48.7%
Cook	Berwyn	1.7501	6.8443	7.5854	10.714	56.6%
Cook	Hoffman Est.	1.7205	7.2758	7.4124	10.057	56.6%
Cook	Palatine	1.7149	7.2519	7.3881	10.024	56.1%
Cook	Palatine	1.6736	7.0776	7.2104	9.783	57.5%
Cook	Elgin (U)	1.6428	6.9473	7.0778	9.603	52.7%
Du Page	Downers Grove	1.5902	1.7866	1.7866	5.6093	73.0%
Cook	Arlington Hts.	1.5893	6.7209	6.8471	9.29	56.7%
Cook	Chicago (U)	1.5460	4.3143	5.8510	9.501	46.9%
Cook	Mt. Prospect	1.5126	6.3968	6.5169	8.842	56.0%
Cook	Schaumburg	1.4767	6.2449	6.3621	8.632	65.2%
Cook	Schaumburg	1.4677	6.2065	6.3230	8.579	66.4%
Cook	Oak Lawn	1.4542	5.6874	6.3032	8.903	53.2%
Cook	Des Plaines	1.4526	6.1428	6.2582	8.491	58.3%
Du Page	Elmhurst	1.4411	1.6190	1.6190	5.0833	57.3%
Cook	Mt. Prospect	1.3137	5.5554	5.6597	7.679	49.6%
Cook	Arlington Hts.	1.2812	5.4179	5.5197	7.489	50.8%
Cook	Des Plaines	1.2562	5.3123	5.4121	7.343	51.8%
Cook	Hoffman Est. (U)	1.2482	5.2783	5.3774	7.296	44.3%
Cook	Skokie	1.1849	5.0106	5.1047	6.926	42.9%

* (U) denotes areas which have unit school districts.

In the above table, the effective tax rate is the actual property tax bill divided by that property's market value. Most of the 21 cities had ranges of property tax rates and some were in several counties, so we include a total of 43 observations in this data base in order to show the top and bottom property tax rates in these cities. The chart which formerly was used in this section comparing effective tax rates in ten Cook County suburbs, Chicago, three DuPage County suburbs and three Lake County suburbs is now shown in the appendix as Table A.7. The highest effective homeowner tax rate was in part of Naperville in DuPage County. This rate would represent an actual homeowner tax bill of \$3,056 for a home with a market value of \$100,000. Chicago is in the lower third of the observations with a homeowner effective tax bill of \$1,546 while the lowest homeowner tax bill would be in part of Skokie at \$1,185. The highest tax bill for a home with a \$100,000 market value in this sample would be over 2 1/2 times the lowest tax bill.

The Naperville home profiled in the chart has only 40.9 percent of its property taxes going to pay for elementary and high school costs. In Chicago, 46.9 percent of the tax bill goes to schools. In the part of Skokie which had the lowest overall home effective tax rate, 42.9 percent of the property tax bill goes to fund schools. The highest percentages of the tax bill going to schools are in Downers Grove (73 percent) and in part of Wheaton (72.4 percent). The lowest portion of the tax bills going to schools are in the Naperville and Skokie areas already discussed (40.9 and 42.9 percent, respectively) and in part of Hoffman Estates (44.3 percent). It is also notable that most of the higher effective tax rates are in the collar counties and the lower ones tend to be in Cook County.

For commercial and industrial property the Cook County Classification System has a dramatic impact on the effective property tax levels. Here all the top effective tax rates are the Cook County rates and all the lower ones are in the collar counties. Evanston tops the list with a \$8,341 effective property tax bill for a \$100,000 commercial property and Oak Park has the highest bill for a similar priced industrial property at \$9,013. At the other extreme, the lowest industrial and commercial effective property tax bills are in Elmhurst at \$1,619. The differential here is quite substantial between Cook and the collar counties. The highest effective commercial property tax rate in Cook County (Evanston) is over five times that of Elmhurst. The Oak Park industrial effective tax level is over 5 1/2 times that of Elmhurst. When compared to the home differential where Naperville is 2 1/2 times the tax level of the lowest tax level in Skokie, one can see the importance of this much more sizable gap among the business properties.

Discrepancies among education legal property tax rates and primary and secondary education tax levels have been of intense interest to state legislators, local politicians, educators and local taxpayers. The following chart focuses on the effective education tax rates for the same 21 communities. In this exhibit, the observations have been put in order by the size of their effective education tax rates for homes.

**EFFECTIVE COMPARATIVE EDUCATION PROPERTY TAX RATES FOR HOMES, BUSINESSES IN THE 21 CITIES
OVER 40,000 IN THE CHICAGO REGION, 1992 taxes (paid in 1993)**

County	Place	-----	Education	-----	Nominal Education Prop. taxrate	Education % of total Prop. Tax
		---Effective HOME*	Property COMMRL*	Tax Rate--- INDUSTRL*		
Du Page	Downers Grove	1.5943	1.7890	1.7890	5.5629	73.0%
Du Page	Bolingbrook	1.4187	1.5885	1.5885	4.8519	59.1%
Du Page	Wheaton (U)	1.4112	1.5836	1.5836	4.9241	59.3%
Du Page	Wheaton (U)	1.4112	1.5836	1.5836	4.9241	72.4%
Will	Naperville (U)	1.3881	1.5523	1.5523	4.691	63.2%
Will	Joliet(U)	1.3824	1.5547	1.5547	4.923	56.7%
Du Page	Aurora (U)	1.3707	1.5349	1.5349	4.691	57.3%
Du Page	Aurora (U)	1.3627	1.5269	1.5269	4.691	61.5%
Will	Joliet	1.3585	1.5293	1.5293	4.8796	52.8%
Lake	Waukegan (U)	1.3369	1.5100	1.5100	4.944	57.9%
Cook	Oak Park	1.3007	5.0869	5.6377	7.963	62.5%
Kane	Aurora (U)	1.2570	1.4154	1.4154	4.525	53.7%
Du Page	Bolingbrook	1.2564	1.4133	1.4133	4.4825	60.7%
Du Page	Naperville (U)	1.2511	1.4018	1.4018	4.3066	40.9%
Du Page	Naperville (U)	1.2511	1.4018	1.4018	4.3066	68.3%
Will	Naperville (U)	1.2175	1.3682	1.3682	4.3066	63.9%
Du Page	Downers Grove	1.1611	1.3044	1.3044	4.0956	73.0%
Du Page	Elmhurst (U)	1.1432	1.2861	1.2861	4.0827	56.0%
Cook	Skokie	1.1354	4.8016	4.8917	6.637	62.7%
Cook	Evanston	1.1354	4.8016	4.8917	6.637	59.7%
Cook	Evanston	1.1354	4.8016	4.8917	6.637	57.6%
Cook	Oak Lawn	1.1096	4.3395	4.8094	6.793	62.0%
Cook	Berwyn	1.0841	4.2399	4.6989	6.637	58.5%
Kane	Aurora (U)	1.0729	1.2080	1.2080	3.862	49.7%
Cook	Berwyn	0.9908	3.8751	4.2947	6.066	56.6%
Cook	Hoffman Est.	0.9744	4.1208	4.1982	5.696	56.6%
Cook	Schaumburg	0.9744	4.1208	4.1982	5.696	66.4%
Cook	Palatine	0.9621	4.0687	4.1451	5.624	56.1%
Cook	Palatine	0.9621	4.0687	4.1451	5.624	57.5%
Cook	Schaumburg	0.9621	4.0687	4.1451	5.624	65.2%
Cook	Arlington Hts.	0.9009	3.8097	3.8812	5.266	56.7%
Cook	Elgin (U)	0.8663	3.6636	3.7324	5.064	52.7%
Cook	Elgin (U)	0.8663	3.6636	3.7324	5.064	48.7%
Cook	Mt. Prospect	0.8475	3.5840	3.6513	4.954	56.0%
Cook	Des Plaines	0.8475	3.5840	3.6513	4.954	58.3%
Du Page	Elmhurst	0.8258	0.9278	0.9278	2.9129	57.3%
Cook	Oak Lawn	0.7731	3.0235	3.3509	4.733	53.2%
Cook	Chicago (U)	0.7252	2.0239	2.7448	4.457	46.9%
Cook	Mt. Prospect	0.6511	2.7535	2.8052	3.806	49.6%
Cook	Arlington Hts.	0.6511	2.7535	2.8052	3.806	50.8%
Cook	Des Plaines	0.6511	2.7535	2.8052	3.806	51.8%
Cook	Hoffman Est. (U)	0.5526	2.3368	2.3806	3.23	44.3%
Cook	Skokie	0.5084	2.1501	2.1905	2.972	42.9%

* The effective property taxrate is the actual property taxbill divided by that property's market value. Most of the 21 cities had a range of property taxrates and some were in several counties, so there are a total of 43 observations in this data base in order to show the top and bottom property tax rates in these cities. (U) denotes Unit School Districts.

The above chart show that most of the higher education effective tax levels for homes are in the collar counties with Oak Park the highest Cook County municipality with a \$1,301 education property tax bill on a \$100,000 home. Part of Downers Grove has the highest of all the education effective homeowner tax bills at \$1,594 while part of Skokie has the lowest homeowner education tax bill at \$508. Chicago was sixth lowest with a homeowner education tax bill of \$725.

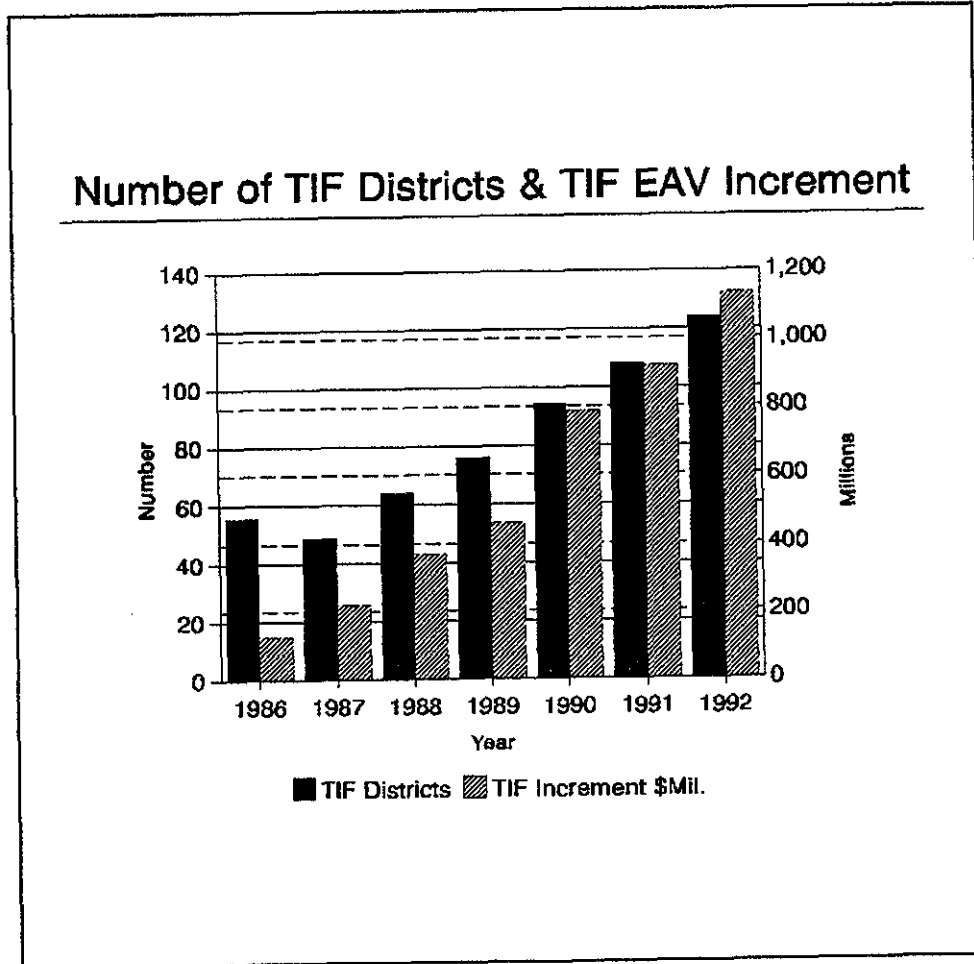
When commercial and industrial effective education property tax rates are examined the level of tax burden shifts substantially between the collar counties and Cook County. This is similar to the overall effective tax rate table analysis. All of the top 22 effective school commercial and industrial tax rates are in the Cook County municipalities and all of the remaining 17 lower rates are in the collar county municipalities.

The highest commercial and industrial education tax bills for \$100,000 business properties are in Oak Park at \$5,087 and \$5,638, respectively. The lowest commercial and industrial education tax bills are in part of Elmhurst in DuPage County at \$928. Chicago has higher effective education tax bills on commercial and industrial than any of the collar county communities at \$2,024 and \$2,745, respectively.

The highest commercial and industrial effective education tax bills which are in Oak Park are respectively 5 1/2 and 6 times the bills for similarly priced business properties in Elmhurst.

TAX INCREMENT FINANCING

Tax Increment Financing (TIF) was enacted into law in Illinois in 1977. It is an economic development tool which was developed to enable municipalities to target financial assistance to encourage economic development or economic revitalization of blighted areas. TIF districts can have a significant effect, whether positive or negative, on the overall tax base of a municipality. The use of TIF districts has grown steadily in this region since 1986, with the addition of about 15 new districts per year in Cook County.



The first step of the TIF process is to define the area to be included in the TIF district, namely a blighted area or one in danger of becoming blighted which would not likely experience economic growth without assistance from the TIF generated revenues¹. The equalized assessed valuation (EAV) within the established boundaries of the TIF district is then frozen at a level equal to the EAV at the time the TIF district is established. Any subsequent increases in EAV over the life of the TIF district are then used to pay for expenses incurred to create the planned project, usually the cost to improve related infrastructure in the area or to write down some of the developer's cost, such as low cost project financing. Once the time limit of the project has expired, the incremental tax dollars then revert to the local taxing bodies and the municipality. TIF districts created before 1981 can have a life span of 35 years, and those created after 1981 can have a life span of only 23 years.

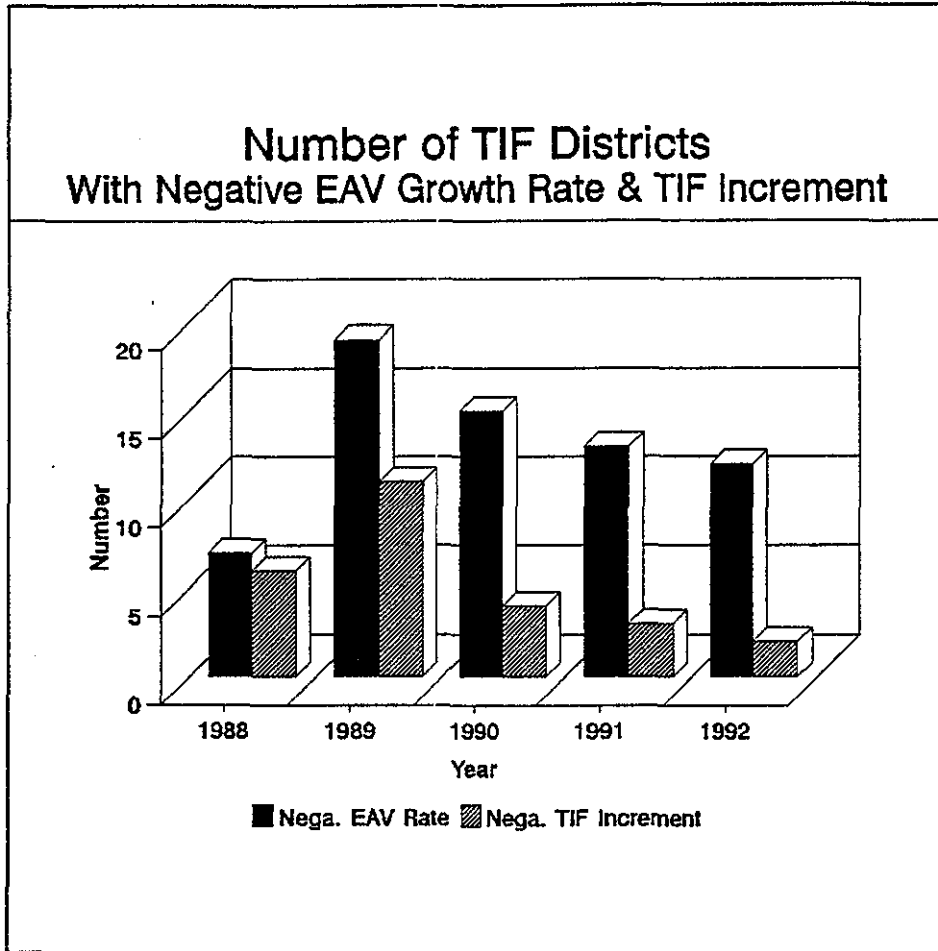
Business owners and developers may prefer TIF districts to some other property tax-related incentives such as tax abatements because TIFs are more efficient than tax abatement in terms of the benefit received per tax dollar spent. In the case of property tax abatements, while property taxes may be lower, business owners may be faced with higher federal taxes because they lose the additional federal deductibility of the higher property taxes they would have paid. On TIF projects, unlike the property tax abatement projects, full property taxes are paid, thus enabling business owners to deduct full property tax costs from the federal taxes. While retaining their federal tax deductibility on their full property taxes, TIF project owners get the benefit of having the TIF tax increment also covering their land costs, their lower cost project financing and/or the cost of city infrastructure needed for the project.

The total property tax increment dollars received by TIF districts in 1992 increased to \$101 million, a 20 percent increase over 1991. Seventeen new TIF districts were created in 1992, to bring the total number of districts in Cook County to 124. Overall EAV in Cook County TIF districts increased to \$1.9 billion, a 21 percent increase over the total EAV in these districts in 1991. All of this information is detailed in the appendices at the back of this study.

In 1992, there were two municipalities with less total EAV in the TIF district than the amount of their frozen EAV. (This is referred to as a negative increment. There were three municipalities with a negative increment in 1991, and eleven such districts in 1989.) Between 1991 and 1992, there were 24 municipalities where the growth in EAV in the TIF district was lower than the growth in EAV for the entire municipality. There were twelve municipalities where the EAV in TIF districts in 1992 had declined from the level in 1991. There were thirteen such districts in 1991.

¹ In 1989, as part of a financing plan to retain the Sears Merchandise Group in Illinois, which makes up the bulk of Sears, Roebuck and Company, the TIF legislation was altered to permit municipalities with certification from the Illinois Department of Commerce and Community Affairs to create TIF districts in areas not necessarily *blighted*. Under this authorization, the project must retain or create at least 2,000 jobs and promise at least \$100 million in private investment.

Negative TIF increments, declining TIF EAV and slow TIF EAV growth are all indicators of poorly performing TIF districts. The following graph shows the trend of districts with negative TIF increment and negative EAV growth rate between 1988-1992. The table on the following page provides more detailed information for 1992.



TAX INCREMENT FINANCING DISTRICTS
NEGATIVE INDICATORS
1992

NEGATIVE TIF INCREMENT	(\$)	YEAR ADDED
Lynwood	(345,119)	1988
Oak Forest	(22,959)	1987

LESS TIF EAV IN 1992 THAN IN 1991	(%) CHANGE
Arlinton Heights	-2%
Bedford Park	-19%
Blue Island	-2%
Calumet Park	-3%
Country Club Hills	-8%
Elmwood Park	-5%
Evergreen Park	-15%
Harvey	-8%
Hodgkins	-10%
Maywood	-4%
Sauk Village	-2%
Summit	-1%

LOWER GROWTH IN TIF THAN MUNICIPAL EAV	TIF (%) CHANGE	MUNICIPAL (%) CHANGE
Arlinton Heights	-2%	15%
Bartlett	12%	24%
Bedford Park	-19%	5%
Blue Island	-2%	2%
Calumet Park	-3%	1%
Cicero	0%	2%
Country Club Hills	-8%	2%
Elmwood Park	-5%	17%
Evanston	15%	16%
Evergreen Park	-15%	3%
Harvey	-8%	3%
Hodgkins	-10%	7%
Justice	2%	4%
Lansing	5%	7%
Lemont	6%	7%
Lynwood	0%	2%
Maywood	-4%	1%
Niles	12%	15%
Northlake	7%	11%
Rolling Meadows	2%	11%
Sauk Village	-2%	0%
South Holland	1%	2%
Summit	-1%	2%
Wheeling	15%	16%

The next exhibits show the ten municipalities with the largest TIF EAV, the largest percent of TIF EAV in the total municipal tax base, the largest tax dollars paid to the TIF district, the lowest TIF EAV growth and the highest TIF EAV growth.

TAX INCREMENT FINANCING DISTRICTS
TOP TEN TIF STATISTICS (1992)

(1) TOTAL TIF EAV (\$MILLIONS)	(2) TIF AS A % OF TOTAL TOWN EAV (%)
Chicago \$452	Rosemont 73%
Rosemont \$357	Deerfield* 54%
Cicero \$97	Riverdale 38%
Hoffman Estates \$95	Cicero 24%
Franklin Park \$76	Lansing 20%
Deerfield \$66	Crestwood 20%
Lansing \$62	Maywood 17%
Skokie \$50	Park Forest 17%
Oak Park \$46	Hodgkins 15%
Riverdale \$39	Franklin 14%
	Orland Hills 14%
	Richton Park 14%

(3) HIGHEST TOTAL TAX \$ IN TIF INCREMENT (\$THOUSANDS)	(4) LOWEST TIF EAV GROWTH ANNUAL CHANGE (%)
Chicago \$29,814	Bedford Park -19%
Rosemont \$18,126	Evergreen Park -15%
Hoffman Estates \$6,843	Hodgkins -10%
Deerfield \$4,471	Harvey -8%
Lansing \$4,179	Elmwood Park -5%
Homewood \$3,288	Maywood -4%
Oak Park \$3,092	Calumet Park -3%
Crestwood \$2,502	Blue Island -2%
Arlington Heights \$2,289	Sauk Village -2%
Chicago Ridge \$2,008	Arlington Heights -2%

(5) HIGHEST TIF EAV GROWTH ANNUAL CHANGE (%)
Franklin Park 440%
Orland Hills 163%
Hoffman Estates 157%
Hazelcrest 91%
Crestwood 84%
Mount Prospect 81%
Prospect Heights 50%
Hillside 40%
Chicago 27%
Palos Heights 23%

* Deerfield is in two counties, Lake and Cook. The total EAV of the TIF is matched here against the portion of the municipality's EAV in Cook County.

Due to the size of the city, Chicago continued to top the lists with the largest EAV in TIF districts (\$452 million) and the highest level of tax dollars paid to TIF districts (\$29.8 million). Rosemont, a much smaller municipality in comparison, followed close behind Chicago in its use of TIF districts (\$357 million in TIF EAV and \$18 million in TIF increment tax dollars). However, Rosemont ranked first in municipalities with the highest percentage of its EAV captured in TIF districts (73%).

Another change in these top ten statistics from 1991 to 1992 also relates to the first list, largest total TIF EAV. Franklin Park was added to this list while Arlington Heights dropped from the top ten. Cicero maintained its third position in amount of total EAV. Hoffman Estates rose from its 9th position in 1991 to 4th position in 1992. In 1992, Flossmoor created its first district which totalled \$1 million in EAV, one percent of the entire municipal EAV. Chicago added seven new districts in 1992, raising its TIF EAV by \$66 million for these districts. However, Chicago's TIF EAV still remains at approximately two percent of total municipal EAV.

NEWLY CREATED TIF DISTRICTS (1992)

NEW DISTRICTS	# ADDED	# IN MUNI	ADDED (\$MILLIONS)
Chicago	7	21	\$66.0
Franklin Park	1	4	\$62.0
Riverdale	1	2	\$6.0
Rosemont	1	4	\$3.0
Melrose Park	1	3	\$1.0
Flossmoor	1	1	\$1.0
Mount Prospect	1	2	\$1.0
South Holland	1	4	\$0.5
Markham	1	2	\$0.3
Bedford Park	1	4	\$0.3
Matteson	1	2	\$0.0
TOTAL	17		141.1

NEW TIF DISTRICTS WITH HIGHEST GROWTH (1992)

NEW DISTRICTS	TIF % OF TOTAL MUNI EAV	% GROWTH 91-92	# DIST ADDED
Franklin Park	14%	440%	1
Mount Prospect	1%	81%	1
Chicago	2%	27%	7
Melrose Park	5%	21%	1
Riverdale	38%	18%	1
Markham	7%	12%	1

The creation of 17 new TIF districts added approximately \$87.4 million in TIF district EAV in Cook County. Of the seventeen new districts in Cook County, three are identified on the top ten list on the previous page as demonstrating the highest growth in TIF district EAV. Franklin Park showed a highest percentage of growth in TIF district EAV over 1991.

While TIF districts may be very popular with many municipalities, they are by no means free from drawbacks. First, terms such as *blighted* or *conservation area* are loosely defined in the text of the enabling legislation. This has allowed the creation of certain TIF districts which do not follow the intent of the legislation. Creating districts where existing commercial activity is present or districts in which development would have occurred without government intervention is an abuse. On the opposite end of this spectrum are TIF districts created in blighted areas without any economic foresight, simply as a low-cost last-ditch attempt to promote growth in an area which might have seen a different form of economic growth had the TIF district not been created. Fine-tuning of the legislation is necessary to deter the use of TIF's in either of these extreme situations.

Another concern is that other taxing bodies with jurisdictions within the TIF district, such as school districts or park districts, lose the higher tax dollars otherwise resulting from normal EAV growth. While the municipality granting the TIF is required to serve notice to these other taxing bodies of any public hearings regarding the implementation of a TIF district in their jurisdiction, the affected units have no authority to alter the structure or veto the creation of the district.

The TIF system also does not provide for any natural increase in the available TIF tax base until the tax allocation bonds have been retired. Taxpayers outside the project area indirectly subsidize any increased service needs of the area during this period.

Although the redevelopment costs are paid for by the increased property taxes generated from new revenue source rather than being subsidized by taxes from other areas, there is no guarantee that redevelopment policy will always generate the anticipated new private investment. If new private investment does not occur or is inadequate, and the tax base does not reach its projected higher level, then the tax increment will not be realized, and the self-sufficiency of the project is called into questions.

On the whole, the TIF districts work only under certain conditions as a development tool. Unless limited in its use, tax increment financing can eat up a majority of the growth in a community's property tax base and thus will not return the benefits of the program to the community as a whole. It is important that TIF's are not used to replace the full range of appropriate economic development tools. Tax increment financing can work if it is used *selectively* as a catalyst to improve areas truly in need of assistance which have no other avenues available to achieve economic development.

GLOSSARY

PROPERTY TAX REVENUE -- Revenue raised from local property tax extended by Chicago area local government units. The figures used in this section are the property tax extensions for the relevant tax years and not actual tax collections in those years.

OTHER LOCAL TAX REVENUE -- Revenue received by Chicago-area major local government units from such sources as property transfer, amusement, hotel, gasoline, utility, sales, cigarette, parking and liquor taxes. It also includes the government's share of the personal property replacement tax (PPRT) administered by the state and distributed to local governments.

LOCAL NON-TAX REVENUE -- Income generated by various local user charges, license fees, permits, interest on investments, real estate rent or sale, and miscellaneous income.

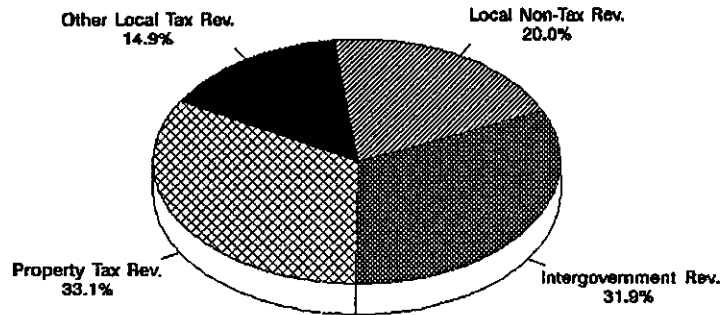
INTERGOVERNMENTAL REVENUE -- Funds received by Chicago-area major local government units from state, federal and other local government units, such as federal community block grants, federal revenue sharing (which ended in 1986), state Medicaid payments to Cook County Hospital, state aid to

For the eight major governments within Cook County, revenue sources other than the property tax and intergovernmental revenue became more significant during the 1980s and the early 1990s. By 1992, local tax revenue and non-tax revenue represented almost 39 percent of total revenues, providing close to \$3.4 billion in actual dollars. At the same time, property taxes provided \$3.1 billion while intergovernmental revenue furnished \$2.2 billion in actual revenue dollars.

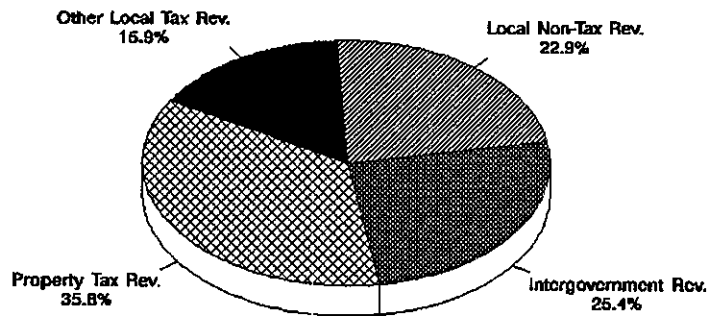
The property tax, remained the major source of revenue for all local governments Throughout the 1980s and continued to do so for the start of the 1990s. In 1983, property tax extensions accounted for 33 percent of total revenues. In 1992, property tax extensions accounted for close to 36 percent of total revenues. In inflation-adjusted dollars, property tax extensions for all local governments increased over 23 percent from 1983 to 1992, the largest boost of all revenues.

The property tax is the basic building block of local government, virtually the only independent source of revenue for many governments. Yet it is the subject of considerable controversy because many citizens consider it unfair. Property tax collections per capita in Illinois are about 19 percent above the national average and 9 percent above the average as a percentage of personal income. This raises questions regarding the proper role of property of taxes in the system of local revenues, particularly with regard to education.

**1983 SOURCES OF REVENUE
TOTAL FOR COOK COUNTY MAJOR LOCAL GOVTS**



**1992 SOURCES OF REVENUE
TOTAL FOR COOK COUNTY MAJOR LOCAL GOVTS**



During the 1983-1992 time period, other local taxes and non-tax income became the most robust additional revenue generator for the general fund. In inflation-adjusted dollars, these "other" local tax revenues increased over 21 percent from 1983 to 1992 for all local governments. Non-tax revenues, such as user fees, increased about 32 percent over the same time period.

Significant changes in intergovernmental revenue flows have taken place during the period of this study. Federal grants-in-aid, once dominant, remain vital but are receding in importance. State governments, in response, are reappraising program spending priorities while local governments are becoming more reliant on own-source revenues.¹ In 1983, intergovernmental revenue represented 31 percent of total revenue for the eight major local governments. In 1992, that figure decreased to 25 percent. In inflation-adjusted dollars, intergovernmental revenue for the eight major Cook County local governments decreased 9 percent from 1983 to 1992. This downward trend is likely to continue in the near future.

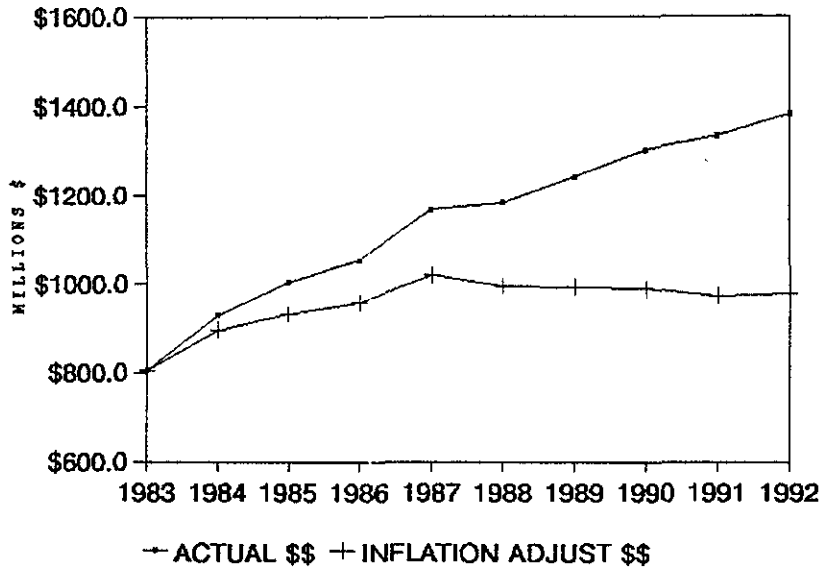
OTHER LOCAL TAX REVENUE

Local tax revenue encompasses local option income and sales taxes, as well as license taxes, franchises fees, severance tax, inventory tax and others. Midwestern cities had about a 6 percent increase in other local taxes between 1991 and 1992 according to a recent study by the National League of Cities. Local option sales and income tax privileges are shared by more of the larger cities nationally, which explains a strong correlation between city size and per capita revenues. The forty-one largest cities surveyed received \$252.10 per capita.² In 1992, other local tax revenue accounted for 16 percent of total revenues for the eight major governments within Cook County. During the 1980s, other local tax revenue was the fastest growing source other than property tax for these governments. However in the late 1980s, local non-tax revenue also started a fast upward climb. This climb occurred because local governments wanted to diversify their revenue sources. Local non-tax revenue such as user fees, provided the vehicle for this diversification.

¹ Forrer, John J., and James Edwin Kee. "Intergovernmental Revenues". Local Government Finance. Government Finance Officers Association, 1991, p. 153.

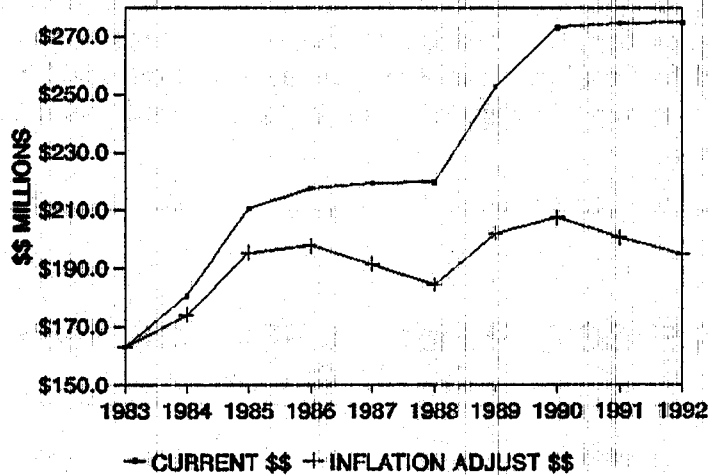
² Pagano, Michael A. City Fiscal Conditions in 1993. National League of Cities, 1993, p 25.

OTHER LOCAL TAX REVENUE 1983-1992 TOTAL COOK COUNTY MAJOR LOCAL GOVTS



Cook County government alone, experienced a 19 percent increase in other local tax revenue from 1983 to 1992 in inflation-adjusted dollars. Even though other local tax revenue has increased significantly for Cook County from 1983 to 1992, property tax revenues increase at an even higher rate, 83 percent in inflation-adjusted dollars during the same time. The County still relies more heavily on property taxes than any other revenue source.

OTHER LOCAL TAX REVENUE 1983-1992 COOK COUNTY



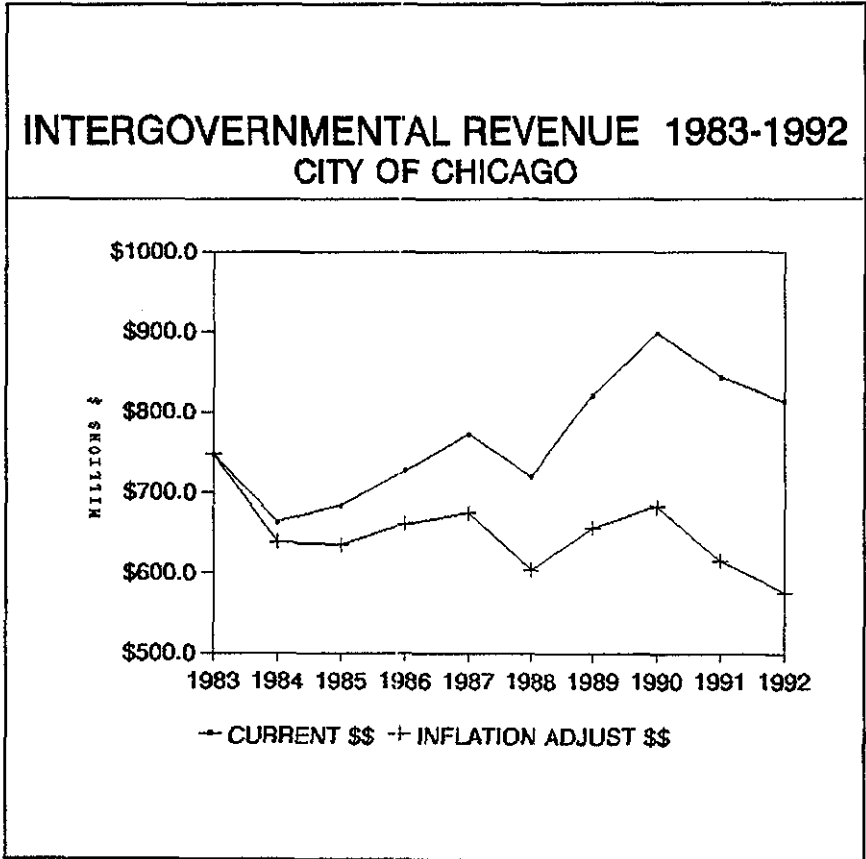
The City of Chicago also depends on other local tax revenues. These revenues represented almost 27 percent of total revenues for the City in 1992, a slight increase from almost 24 percent in 1982, but a decrease from 28 percent in 1987.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue has declined over the past decade as federal aid has been reduced. The proportion of intergovernmental revenue to total revenue for the eight major governments within Cook County has declined from 33 percent in 1982 to 26 percent in 1991. In inflation-adjusted dollars, intergovernmental revenue decreased 15 percent from 1982 to 1991.

The City of Chicago is a perfect example of how the decrease in federal grants has affected local governments. Intergovernmental revenue as a percent of total city revenue accounted for 32 percent in 1983 and dropped to approximately 22 percent in 1992. As a result, Chicago has had to rely more heavily on local taxes to finance its operations. "In the early 1980s, Chicago received about 33 percent of its corporate fund revenue from federal and state sources. However, in 1986, federal revenue sharing was eliminated and replaced by local revenue rather than alternative intergovernmental revenue sources.

By 1988, the percentage of intergovernmental revenue received by the city of Chicago, decreased to 19 percent. The 1989 state income tax surcharge temporarily reversed this trend, because funds were earmarked for revenue sharing with local governments. Thus, revenue from higher levels of government increased to nearly 24 percent in 1990. In 1992, however, intergovernmental revenue fell to 21 percent of total corporate revenue. Chicago continues to increase its reliance on the local tax and non-tax base. The state began fiscal 1992 with an \$765 million deficit from the prior year. In an attempt to balance the state budget without tax increases, the portion of the surcharge reserved for local governments was diverted from local governments to state general fund. As a result, Chicago lost \$41 million dollars in its distributive share of income tax revenue.

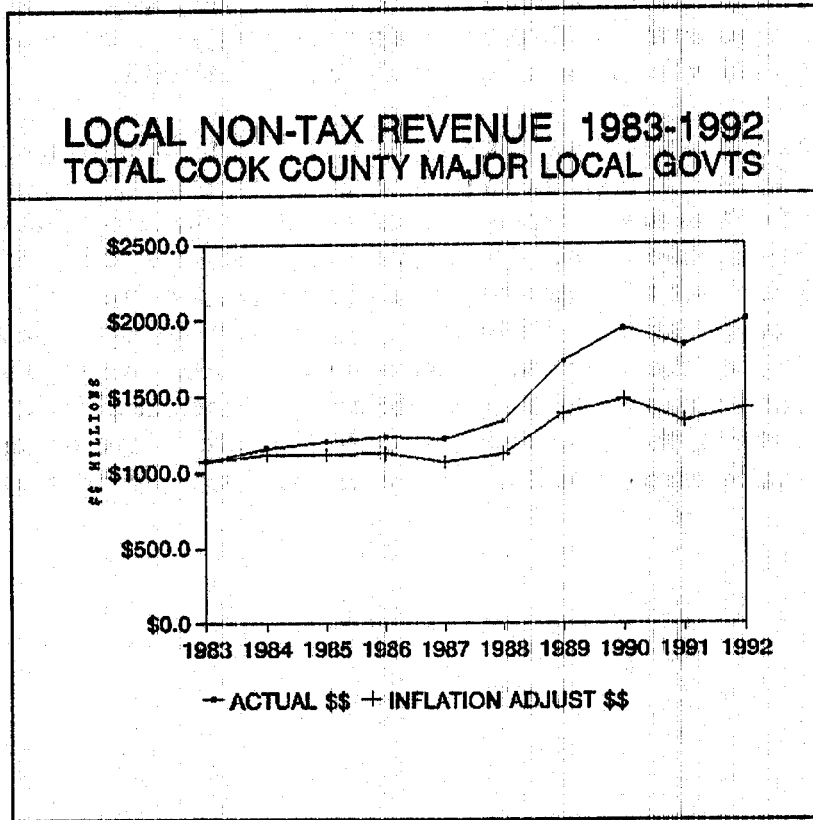


LOCAL NON-TAX REVENUE

Non-tax revenue has replaced other local tax revenue as the fastest growing revenue source other than property tax for the eight major local governments. Since the late 1980s, local governments have increased their use of this revenue source dramatically. Unlike other local governments across the nation, Midwestern local governments have just started utilizing fees and charges. While governments in other regions have started to approach the revenue ceiling for these fees, the eight major governments within Cook County are still seeing large

increases. In inflation-adjusted dollars, non-tax revenue increased about 32 percent from 1983 to 1992. In some governments, such as the City of Chicago, the proportion of non-tax revenue in relation to total revenue is larger than that of the property tax.

Between 1983 and 1992, Cook County has increased its non-tax revenue from \$266 million in 1983 to \$475 million in 1992 in actual dollars. The Cook County Health Fund is the largest source of the county's revenues totalling approximately 35 percent of Cook County revenue. This can be attributed to the Implementation of the Medicaid Match Program, obtaining Federally Qualified Health Center Designation for Outpatient Services at County health care facilities, and new billing procedures that have increased collections.³



The City of Chicago has also increased its reliance on non-tax revenue significantly from 1983 to 1992. In actual dollars, local non-tax revenue has increased from \$630 million in 1983 to \$1.25 billion in 1992. The proportion of non-tax revenue to total revenue increased from 27 percent in 1983 to 34 percent in 1992. The 1992 budget called for new fees and increases in existing for services provided by the fire department, the zoning department and the zoning board of appeals. The user charges were designed to cover the cost of providing the service.

³ Cook County. 1994 Cook County Budget-Annual Appropriation Bill. 1993, Vol. I, pp. 48 & 54.

FUTURE DIRECTIONS

As the 1990s progress, the future of intergovernmental revenue as a source for the eight major governments within Cook County appears bleak. As shown by the City of Chicago example, federal aid to local governments has declined during the past decade.

In addition, many federal programs used by our area local governments are based on decennial population figures. These programs include basic support programs such as Head Start, Drug and Alcohol Abuse, airport improvements, and Vocational Education. As the population in the area drops, so do the funds for these programs. Unless the federal government, through Congress, changes the formulas for these programs, federal aid will decline more rapidly during the 1990s.

Local governments in the Cook County area will be faced with many challenges during the next decade. It appears a major revenue concern will be how to increase existing revenues or find new revenue sources to replace the impending loss of intergovernmental revenue. Then the mix of revenue sources will become crucial. As government officials look to different sources of revenue, they must also examine the volatility of the revenue stream. Historically, the property tax has been a relatively stable revenue source. The sales tax, on the other hand, is known to produce double-digit growth in good economic times, while forcing government officials to cover deficits in economic downturns, thereby showing its cyclical nature. Governments which use more volatile revenue sources must look to other sources or mechanisms to control this volatility.

I.3 EXPENDITURES

GLOSSARY

CAPITAL OUTLAY--Expenditures for infrastructure, buildings, and equipment.

DEBT SERVICE--Expenditures made for principal and interest payments on long-term and short-term debt paid during the fiscal year.

HEALTH--Expenditures for the provision of health care services, information, and education; and enforcing health regulations.

INSTRUCTION--Expenditures related to all areas of teaching and the provision of instruction to students.

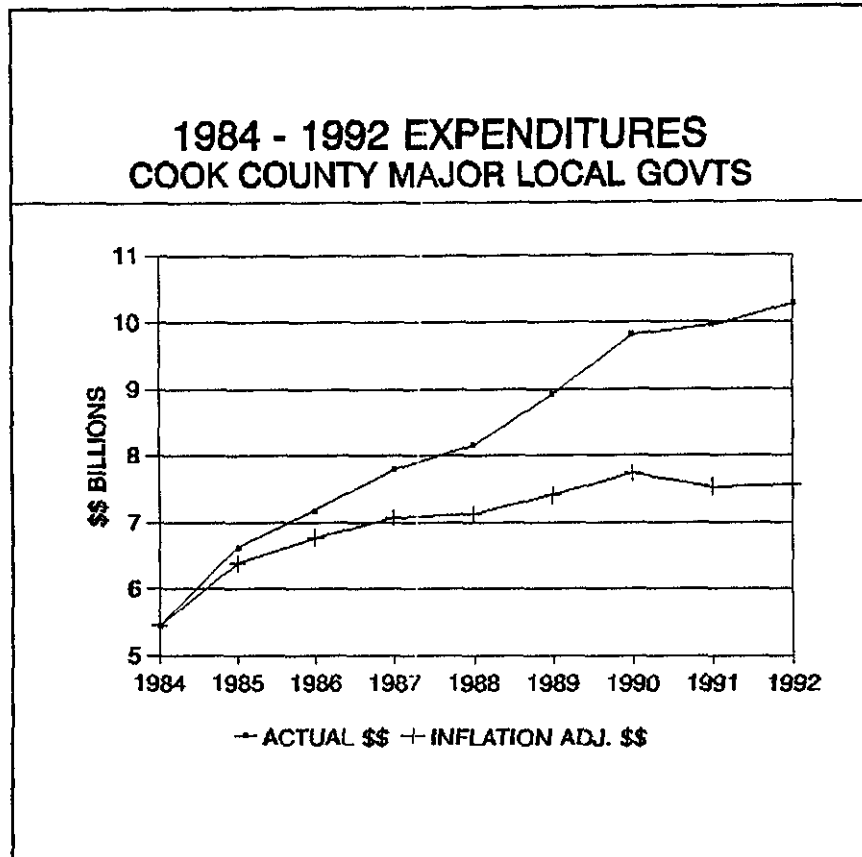
PUBLIC SAFETY EXPENDITURES--Expenditures for police, fire, inspectional services, and animal control.

While revenue sources, such as property tax and user fees, can be easily categorized, it is more difficult to categorize expenditures across different types of governments. Due to this problem, it is nearly impossible to analyze combined local spending patterns. Therefore, this section will deal with individual governments and their spending patterns.

Overall, in the seven major governments within Cook County (City of Chicago, Cook County, Chicago Board of Education, Metropolitan Water Reclamation District, Chicago Park District, Chicago City Colleges, Forest Preserve District of Cook County) expenditures⁴ in actual dollars increased from \$5.5 billion in 1984 to \$10.3 billion in 1992. In inflation-adjusted dollars, expenditures increased almost 38 percent between 1984 and 1992.

Local governments in Cook County continue to deal with increasing pressures on expenditures. Factors that have an adverse affect on expenditures include the rising cost of employee health benefits, the cost of landfills and waste recycling, infrastructure and capital needs, federal and state mandates, and public safety.

⁴ The charts in the Expenditures section show nine year trends. This section will have a year of data added annually until it includes ten year trends.



CITY OF CHICAGO

In actual dollars, the City of Chicago experienced a 66 percent increase in expenditures between 1984 to 1992. When adjusted for inflation, the expenditure increase was almost 23 percent.

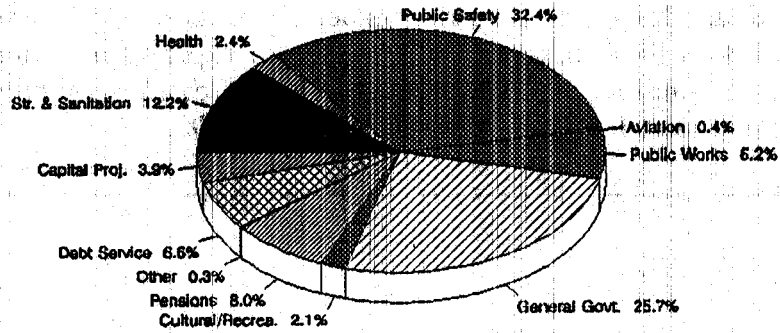
The 1992 fiscal year represented a challenge for the City of Chicago in its effort to control expenditures. Public safety expenditures accounted for 28 percent of total expenditures increasing 43 percent from 1984 to 1992 in actual dollars. In actual dollars public safety increased \$48 million between 1991 and 1992 because of an increase in salaries and staffing.⁵

In 1992, general government expenditures rose almost 70 million from 1991. This can be attributed in part to increased personnel costs negotiated in the new union contracts. Capital project expenditures decreased almost 6 percent during this time period. This decrease, in part, resulted from the completion of the Harold Washington Library.⁶

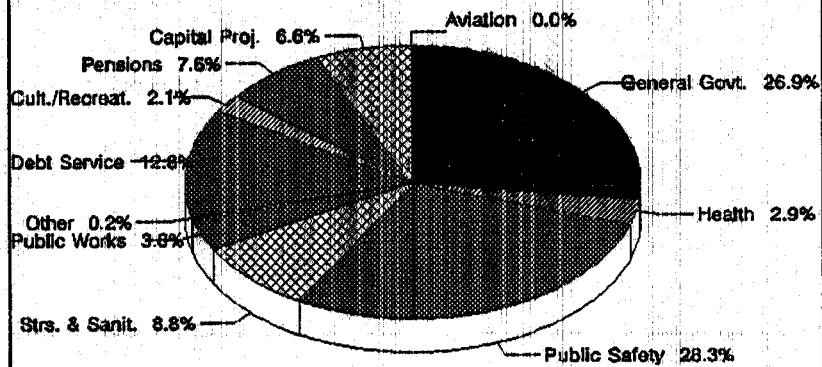
⁵ City of Chicago. 1992 Comprehensive Annual Financial Report. 1992, p. 13-14.

⁶ City of Chicago. 1992 Comprehensive Annual Financial Report. 1992, p. 14.

1984 EXPENDITURES CITY OF CHICAGO



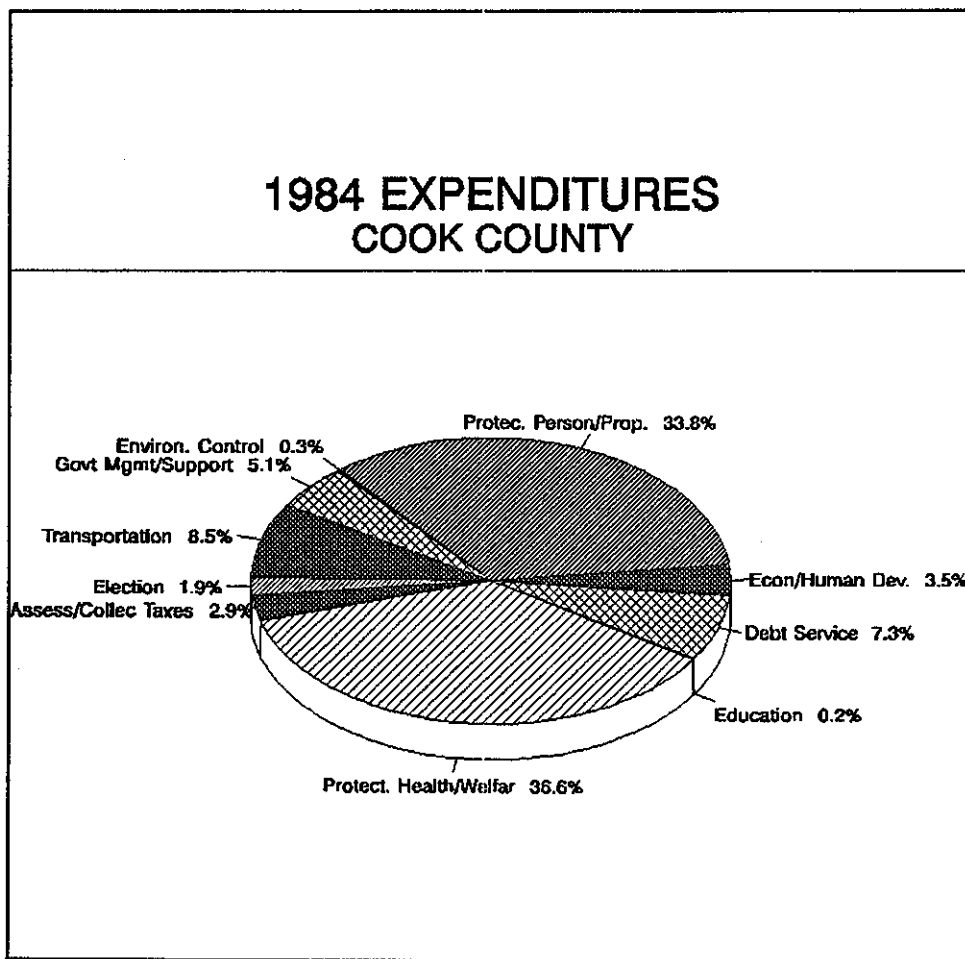
1992 EXPENDITURES CITY OF CHICAGO



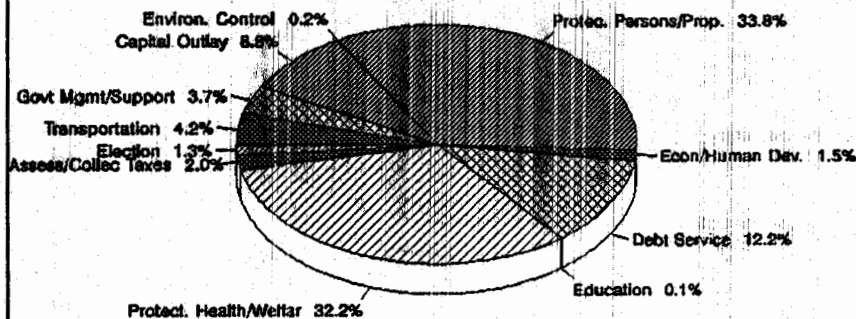
COOK COUNTY

Health care costs and the demand for criminal justice represent two of the fastest growing components of most large government budgets. Cook County is no exception to this trend. Two of Cook County's largest responsibilities are public health care and the operation of the justice system. This includes Cook County Hospital and the Cook County Bureau of Health Services, the Circuit Court of Cook County, and Cook County Jail.

Public safety and health expenditures constitute over 66 percent of total County expenditures. In actual dollars, public safety expenditures rose 87 percent, increasing from \$290 million in 1984 to \$544 million in 1992. Health expenditures increased from \$314 million in 1984 to \$518 million in 1992. Overall, Cook County expenditures increased 38 percent in inflation-adjusted dollars between 1984 and 1992.



1992 EXPENDITURES COOK COUNTY



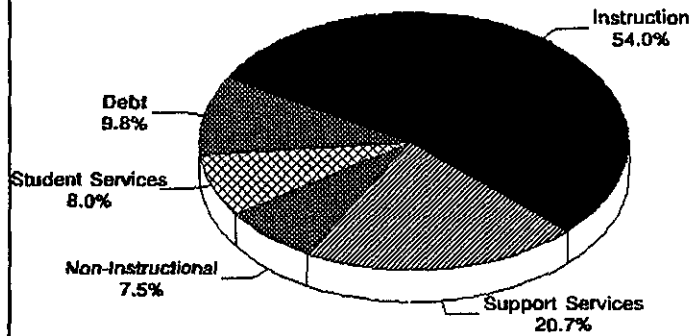
EDUCATION

Instruction represented the largest expenditure for the Chicago Board of Education and City Colleges in the period from 1984 to 1992. For City Colleges, instructional costs remained fairly constant, accounting for around 40 percent of total expenditures between 1984 and 1992. Instruction expenditures at the Chicago Board of Education hovered around 56 percent of total expenditures during that same time period⁷. At the Board of Education, 1992 debt service expenditures remained consistent with 1991's significant decrease. Debt service expenditures fell 71 percent from 1990 to 1992 in actual dollars. During the years of 1989 and 1990, the Board "entered into lease agreements with the Public Building Commission (PBC) to acquire, construct, improve, rehabilitate, and equip a number of schools for the Board."⁸ In 1991 and 1992, no new lease agreements were entered into, moreover causing the drastic decline in debt service. More information for long term debt is contained in section II.1. Support services has been a fast growing expenditure. In actual dollars, support services increased from \$207 million in 1984 to \$492 million in 1992.

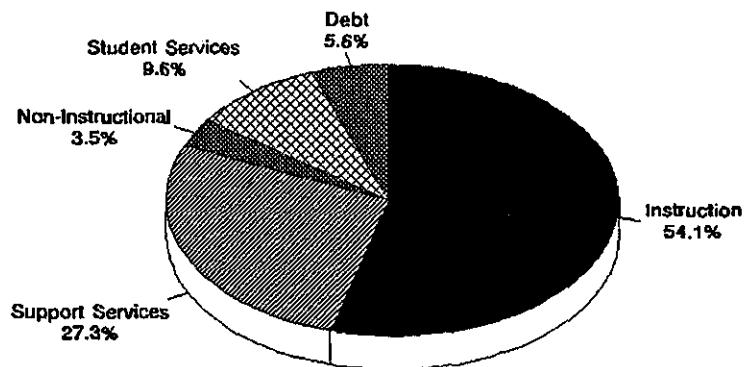
⁷The decreases in this ratio for the years 1989 and 1990 are due to large increases in the area of debt service. During that time, the Board entered into lease agreements with the Public Building Commission for a number of school buildings.

⁸ Chicago Board of Education. Annual Financial Reports. 1990, 1991 and 1992, p. 17.

**1984 EDUCATION EXPENDITURES
BD. OF ED. & COMM. COLL. DIST. 508**



**1992 EDUCATION EXPENDITURES
BD. OF ED. & COMM. COLL. DIST. 508**

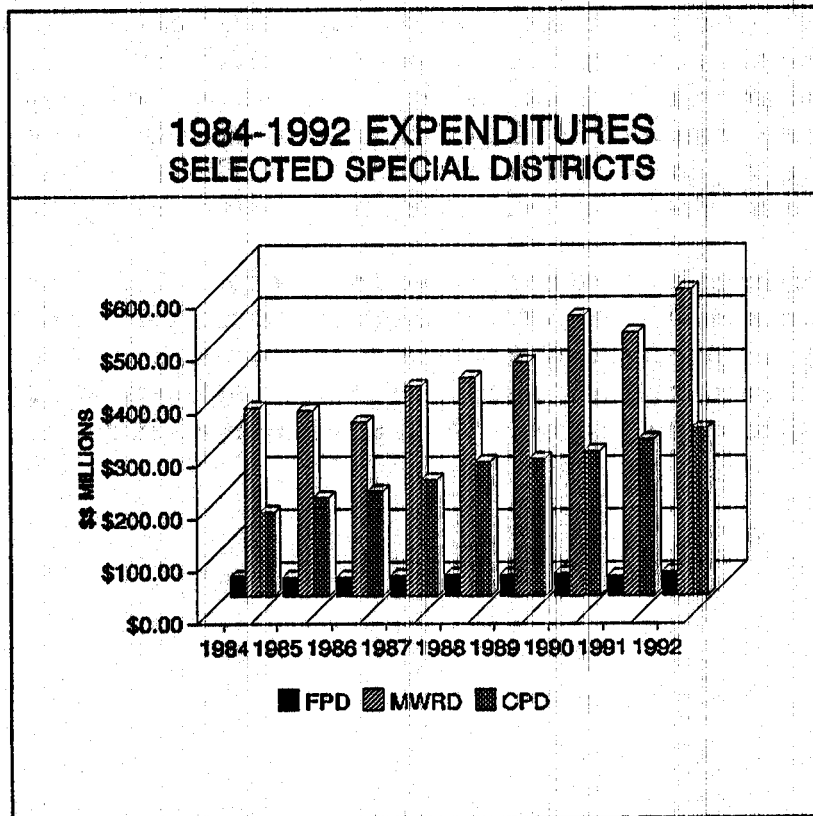


SPECIAL DISTRICTS

Special district governments provide single service functions. They include the Metropolitan Water Reclamation District (MWRD), the Chicago Park District (CPD), and the Cook County Forest Preserve District (FPD). The CPD and the FPD provide recreational services while the MWRD provides water treatment services that require extensive capital investment.

The largest expenditures for the MWRD are capital outlay and maintenance. Between 1991 and 1992, capital outlay increased from \$173 million to \$237 million, due to an increase in capital projects scheduled. In past years, maintenance expenditures have not kept pace with inflation. From 1984 to 1992, these expenditures, in inflation-adjusted dollars, increased by only 1 percent.

Total expenditures for the FPD have decreased almost 8 percent in inflation-adjusted dollars from 1984 to 1992. However, the largest expenditure for the FPD, general maintenance, increased 6 percent, in inflation-adjusted dollars during this time period. Most of the other expenditures remained static or even decreased. On the other hand, total expenditures for the CPD increased 43 percent in inflation-adjusted dollars from 1984 to 1992. Much of this increase is due to the changeover of the Park District from a centralized system to a decentralized system. Since 1988, host and regional parks expenditures have increased 56 percent.



OUTSIDE INFLUENCE

A number of factors, such as federal and state mandates, sewage collection and treatment and especially rising employee health benefits have contributed to soaring expenditures by the eight major governments within Cook County analyzed in this section. As Peterson notes,

"Medical price inflation, the rising number of catastrophic claims, and increasing outpatient costs are driving health care expenditures toward unprecedented levels and making health care one of the hottest national issues due to rising costs for hospitals, doctors, and employees."⁹

Health costs have hit Cook County particularly hard. Not only is the County facing increased health insurance costs for its employees, but it is also experiencing rising expenditures from operating Cook County Hospital.

Public safety expenditures are also increasing rapidly. The national drug epidemic has finally found its way into the Chicago region. The Chicago Police Department and the Cook County Sheriff's Police have become the front line in this war on drugs. Consequently, expenditures for police and courts are increasing exponentially.

Federal and state mandates imposed on local governments often strain the resources of local governments. Mandates are the most numerous and costly in the areas of environmental regulation and personnel administration. For example, the Illinois General Assembly, in the early 1990s, passed legislation requiring local governments to increase their contributions to police and fire pension funds. Also, federal courts have mandated local governments to provide a service or face serious consequences. In this region, the federal court mandated the County to build additional jails for prisoners or face hefty fines. The completion of the first of these jails occurred in 1992.

Solid waste management has become an important issue for local governments, given society's renewed interest in environmental issues. As large numbers of landfills are closing, fewer are opening because of increases in construction and operation costs ...and stricter EPA requirements.¹⁰ In addition, sewage collection and treatment costs have soared, more federal mandates and less federal money. These factors will continue to pressure local government expenditures.

⁹Peterson, Douglas D. City Fiscal Conditions in 1990. National League of Cities, 1990, p. 30.

¹⁰Ibid, p. 31.

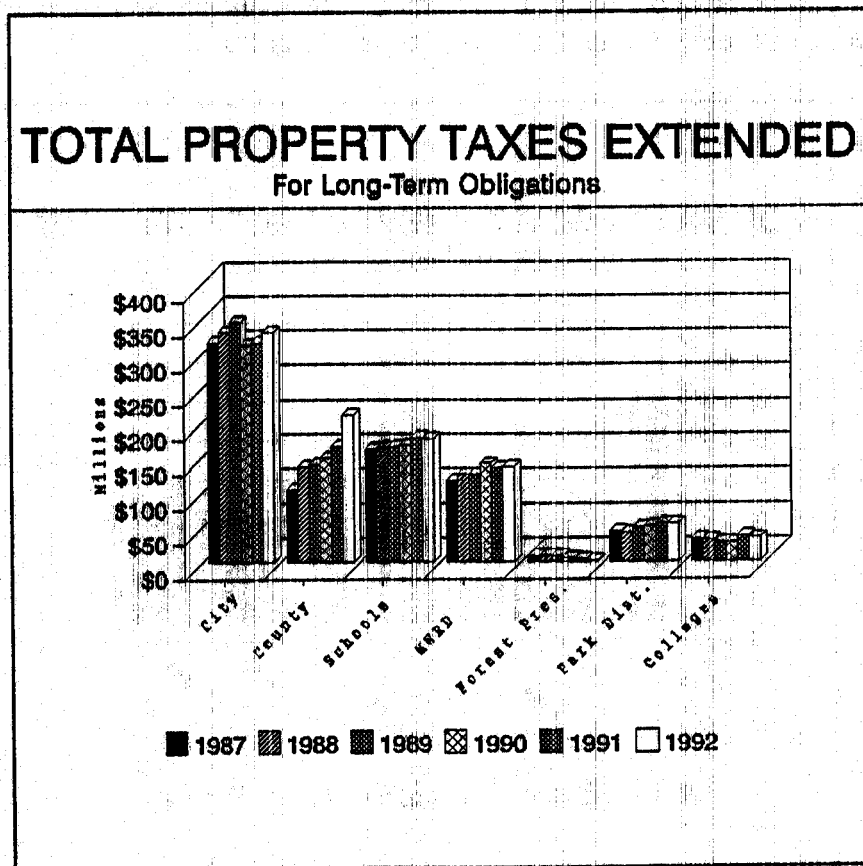
II. LOCAL GOVERNMENT LONG TERM LIABILITY

OVERVIEW

In 1992, twenty-nine percent of property taxes extended by the eight major governments within Cook County were used to pay current liabilities of long term obligations. Collectively, major local governments extended \$942 million for long term obligations in 1992.

Long term obligations for the eight major governments within Cook County include: contributions to public employee pension systems, debt service on long term bonds and, for some governments, lease payments to the Public Building Commission for capital facilities.

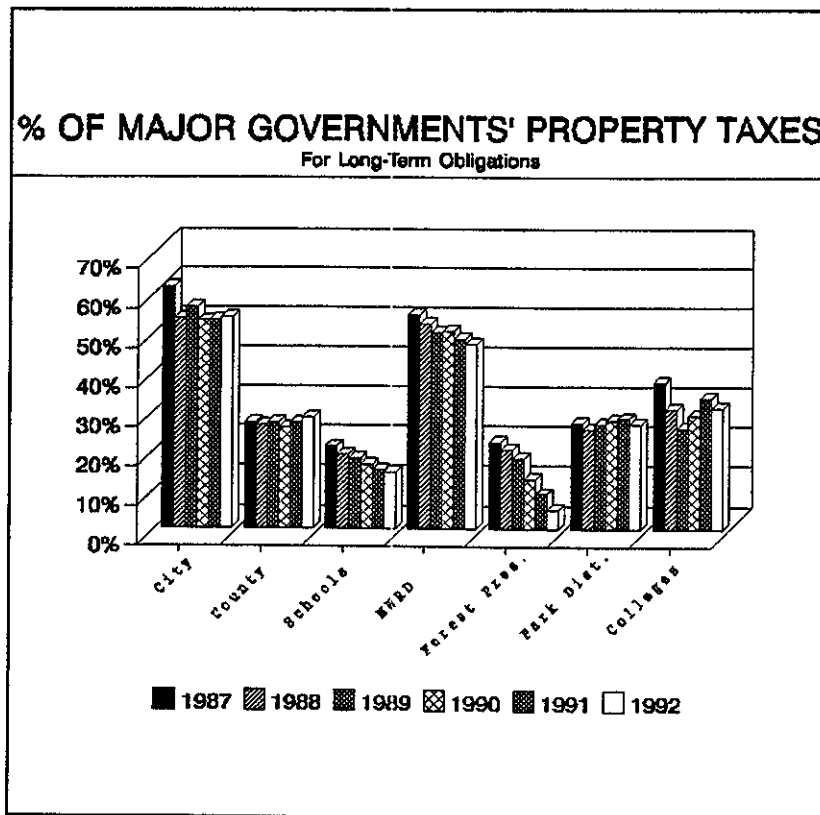
From 1987-1992, local governments increased their extensions for long-term obligations 20.4% while overall property tax extensions have risen 48.7%. EAV growth was 47% over the period. Long term obligations are a smaller share of the composite tax bill falling from 36% of total extensions in 1987 to 29% in 1992.



Cook County property tax extensions for long term obligations increased by 102% from 1987 to 1992, faster than any other local government. Most of this increase was due to new long term debt issued since 1990 for Cook County Jail reconstruction, along with rehabilitation of Provident and Oak Forest Hospitals and rehabilitation of courtrooms. Extensions for long term obligations alone rose 153% from 1987 to 1992. The county had a 55% increase in property tax extended for pension liabilities over the same period due to increases in salaries and employees participating in the pension plan. Other major governments within Cook County have had smaller increases in their extensions devoted to long term obligations. Chicago's total extension, for example, rose only 5%, due to a large reduction in extensions for long term debt.

The Chicago Board of Education increased its extensions for long term obligations by 19%. Most of this increase was due to increased pension contributions while taxes dedicated to debt service and lease payments were relatively stable, growing only 3%.

In 1992, 53.5% of taxes collected by the City of Chicago were for paying for long term obligations. MWRD used 46.6% of its extension for covering its long term liabilities. With the exception of the Forest Preserve District, the other governments extending taxes used (Cook County, Chicago Board of Education, City Colleges and Chicago Park District) about 30 percent of their extension for long term obligations.



II. 1 LONG TERM DEBT

GLOSSARY

GENERAL OBLIGATION BONDS (G.O. Bonds) -- Long-term debt obligations of local governments which are backed by the full faith and borrowing power of the local government. Generally, the collateral is the ability of the local government to levy property taxes to pay the principal and interest on this debt. Local governments pay off these bonds through property taxes.

NET BONDED INDEBTEDNESS -- An indication of how much of the future property tax base (minus interest payments) will be dedicated to retiring long-term general obligation bonds.

REVENUE BONDS -- Long-term bond obligations that the local government units retire with income from the project being financed. The Public Building Commission (PBC) revenue bonds described below are the exception. Examples of revenue bonds are O'Hare Airport Bonds paid for by income from operating agreements with the airlines and other airport-related revenue, or Chicago Park District parking bonds paid for from parking garage income.

PUBLIC BUILDING COMMISSION (PBC) -- A municipal corporation from which the major local government taxing authorities lease facilities. The PBC is directed by these local governments to acquire land, contract for construction and issue revenue bonds for projects. Since the PBC has no statutory authority to levy taxes, it submits its annual budget to each local government which enters into lease agreements with the PBC. Annual payments on these leases are included in the local government's property tax extensions.

OVERLAPPING DEBT -- The proportionate share of the long-term debt of local government units located wholly or partly within the jurisdiction of the City of Chicago that must be supported by the property tax base within the City.

DAILY TENDER NOTES, INTERIM NOTES, G.O. NOTES, TAX ANTICIPATION NOTES AND WORKING CASH BONDS -- Various forms of short- and long-term debt instruments which are used by local governments to finance capital projects, purchases of capital equipment, and cover costs funded by anticipated property taxes, etc.

Governments borrow money to meet both short term and long term needs. Short term borrowing is primarily used to improve cash flow when bills are due prior to taxes being collected to pay for them. Long term debt is generally used to pay for infrastructure and other assets which benefit future as well as present taxpayers.

To meet these basic needs governments use several forms of bonds. General obligation bonds are backed by the "full faith and credit" of the local government. The collateral for General Obligation bonds is the taxing authority of a local government. Property taxes are levied annually to pay the debt service on any General Obligation debt.

General obligation debt is the least risky to the investor and, therefore, the cheapest way for governments to borrow money. For projects which may not be of use to all taxpayers, revenue bonds are used. Revenue bonds are guaranteed by the income derived from the enterprise. In Chicago, sewer, water, skyway and dock facilities are all financed through revenue bonds by local governments. Revenue bonds are retired by the income from the project that is financed. Sewer and water revenue bonds might be paid off by revenues from user fees for these services. If the government defaults on this type of debt, there is no legal obligation of property taxes or other revenue streams (like the sales tax, for example) to pay off the debt obligation.

For short term credit needs, normally with maturities of one year or less, governments use a variety of short maturity bonds and notes. In some cases this debt is guaranteed by the equivalent of the full faith and credit of the local government. However, governments often borrow funds to remedy cash flow problems caused by the slow collection of the property taxes and guarantee debt by the pending collection of property taxes.¹

TRENDS IN TAX SUPPORTED BONDED DEBT

Long term tax-supported bonded debt includes the total outstanding principal (no interest) of general obligation debt, the principal portion of lease obligations, and in some cases construction and equipment tender notes. All of these obligations are supported by the taxing authority of local governments.

General Obligation Bonds

General obligation debt is the most common and represents the largest portion of tax supported bonded debt. All local governments use some general obligation debt to finance capital needs, however, some governments are restricted in their ability to finance projects through general obligation means and revenue bonds or other financing vehicles are used.

¹The span of time between the extension and the actual collection of property taxes results from a moratorium on property tax collections granted by the State of Illinois during the Great Depression. This time lag, in addition to creating immense confusion for the taxpayer, raises otherwise unnecessary borrowing costs for governments. Its elimination, though widely sought, has been elusive because of state and local government reluctance to assume the short term consequence of implementation.

The bond market has generally regarded G.O. bonds as less of a risk than revenue bonds, resulting in lower interest costs. This is because G.O. bonds represent a *legal obligation* of the government, where the G.O. debt payments are a legal first lien on the resources of the government. Revenue bonds represent only a *moral obligation* where no direct funding source like the property tax base is available to pay off the debt. However, to break the moral obligation on a revenue bond would certainly make it more difficult for a government to issue future debt.

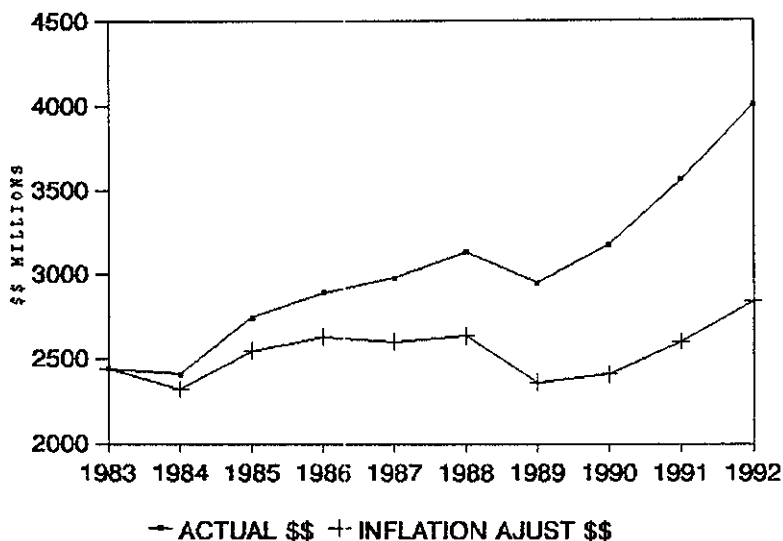
The greater security for repayment offered by G.O. bonds has resulted in an historic difference in yield from revenue bonds that has been as high as 140 basis points, though the difference has been somewhat less dramatic in recent years. Nonetheless, many governments with the ability to issue general obligation debt to fund necessary projects choose this source because of the savings in interest costs over time.²

Debt service includes the principal and interest payments due on outstanding notes and bonds. Because each bond issue has its own rate of interest or unique payment schedule, most analyses focus on the principal when referring to the balance outstanding. Net bonded indebtedness means the outstanding principal on long term, G.O. debt.

In actual dollars, net bonded indebtedness for the eight largest local governments has grown about \$1.2 billion from 1983 to 1992. In 1992, this growth trend continued and net bonded indebtedness increased \$444 million over the 1991 level to reach an all-time high of \$4.0 billion. The increase over 1991 was driven primarily by new bond issues from Cook County and the City of Chicago.

²Those governments which are not home-rule units are subject to statutory restrictions on either the amount of money they may borrow or on the methods for borrowing money. They may, for example, be required to seek voter approval before issuing G.O. debt.

NET BONDED INDEBTEDNESS CHICAGO MAJOR GOVERNMENTS 1983-1992



Over the last ten years cumulative net bonded indebtedness has remained relatively stable; however, 1992 brought a significant increase. Most of this increase was due to new capital projects by Cook County ranging from court rehabilitation to jail expansion and the rehabilitation of Provident Hospital.

- *Chicago Public Schools.* One of the more significant changes between 1983 and 1992 occurred in the total bonded indebtedness of the Chicago Public Schools (Board of Education debt and School Finance Authority debt). In 1983, the total debt level for the schools stood at \$827 million, the majority of which resulted directly from the fiscal crisis of 1979-80 and the subsequent financial bailout. By 1992, the total debt of the schools had dropped to \$490 million, as a large portion of the original "bailout" debt had been retired. Additionally, the Board of Education issued no bonds between 1983 and 1992, and the School Finance Authority issued only one bond to fund new projects in this period, a \$320 million G.O. issue (1984, Series E), which was used to fund capital projects for the schools.³

³The School Finance Authority did refinance existing bonds on several occasions between these years which resulted in "new bond issues." But only the 1984, Series E bonds were issued for new projects.

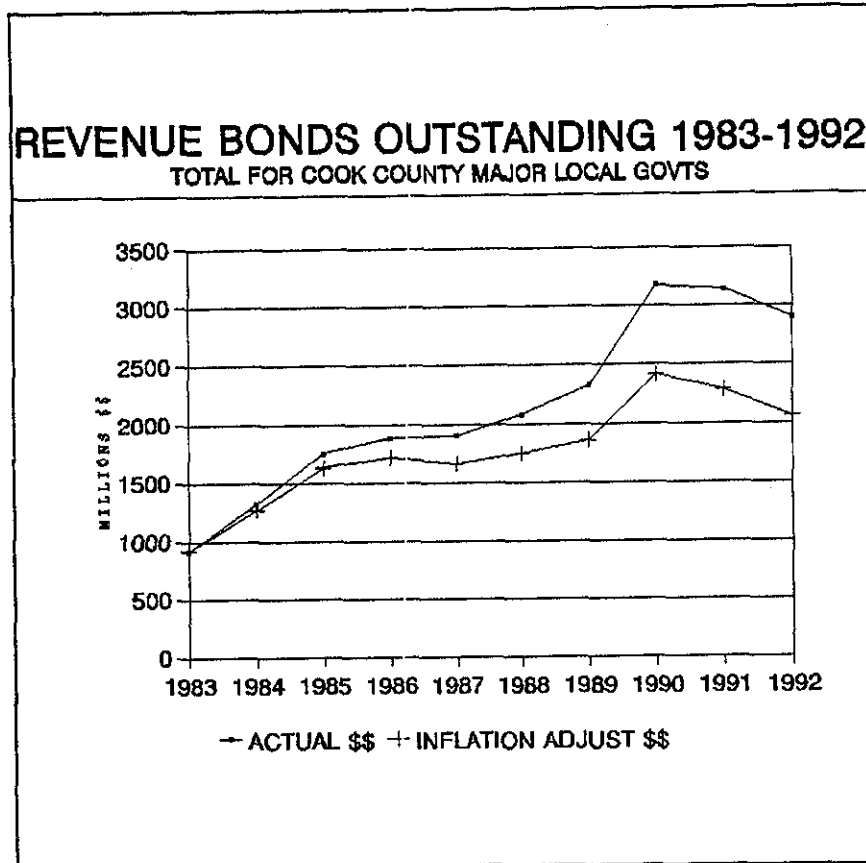
- *Cook County.* Of the eight governments, Cook County's share of total indebtedness grew the most, from \$310 million in 1983 to nearly \$1.214 billion in 1992. In 1991, \$422 million in new debt was issued for Capital Improvements in many county buildings including: downtown county office buildings, county court buildings, Cook County Jail, Juvenile Detention Center, Cook County Hospital and Provident Hospital.
- *City of Chicago.* The city's total indebtedness grew from \$459 million in 1983 to \$1.059 billion in 1992. As the need for replacement of the city's infrastructure continues to grow, the city is likely to find itself adding to this balance in coming years. This could be somewhat offset by the concurrent final retirement of several of the city's older, existing G.O. bonds.
- *Others.* The Chicago Park District and the City Colleges also had modest increases in their share of total G.O. debt over this ten year period. The Metropolitan Water Reclamation District (MWRD) maintained a consistent, large outstanding balance of long term debt over the period which increased from \$720 million in 1983 to \$836 million in 1992. As the most capital-intensive of the eight major governments within Cook County, the MWRD mainly uses its capital program to fund the Tunnel and Reservoir Project (TARP) or "Deep Tunnel," a multi-year program aimed at controlling flooding in the metropolitan area. 1992 was the first year the District was able to borrow \$24.5 million from the state at subsidized interest rates.

Revenue Bonds

Local governments also make extensive use of revenue bonds to finance major long-term capital projects. Unlike G.O. bonds, revenue bonds depend on user charges or other project-related income streams to cover the debt service costs. These bonds are not normally backed by the full faith and credit of the local government. Locally, revenue bonds have been used to finance the construction of projects such as the Park District's downtown parking facilities, O'Hare Airport facilities, the Chicago Skyway and Chicago's waste water treatment centers. Each of these projects was constructed with the proceeds from the sale of revenue bonds which are being retired with income generated by these projects.

In a period of extensive reliance on property taxes, many governments have found revenue bonds a convenient vehicle for funding major projects without adding to their property tax extensions. They also provide some governments with a means of issuing debt without turning to voters for prior approval, since they are not backed by the full faith and credit of the government unit. As the type of revenue bonds available for issuance increases, and as the difference in interest costs compared with G.O. bonds narrows, the appeal of revenue issues will probably endure for some time.

As can be seen in the following graph, revenue bonds outstanding for the eight local governments increased from \$925 million in 1983 to \$2.9 billion in 1992. The majority of the revenue bond debt outstanding is attributable to the City of Chicago. In 1992, the total balance outstanding was about \$2.858 billion. \$2.318 billion of this balance was related to renovations, expansions, and maintenance projects at the city's airports, primarily O'Hare International Airport. Bonds for O'Hare are retired by income generated from operating agreements with the airlines using the airport and other airport-related revenue.



While revenue bonds are designed so that debt service will be paid by income from the specific project or facility, the Chicago Skyway Authority has not generated enough income to make required minimum payments on the original bonds issued to construct the highway and landmark bridge. Consequently, these bonds have been technically in default since 1963, though the Authority has been able to make periodic payments on back interest. \$10.8 million of the current principal was paid off in November 1991 from bond fund reserves, bringing the balance outstanding to \$90.2 million. The due date on the bonds is January 1, 1995. If the bonds default, then an interest rate penalty of 5% will be charged. Under court order tolls were increased to \$2.00 per vehicle in order to meet required minimum payment levels.

THE SPECIAL CASE OF PBC

PBC bonds, although technically revenue bonds, are different from the revenue bonds discussed in the previous section. PBC bonds are issued for capital projects of major local governments in Cook County and have been used to finance the construction and rehabilitation of buildings like court houses, schools, City Colleges facilities, and the Daley Center. The PBC itself was created in 1956 as an entity that could finance these facilities for Cook County governments without the statutory requirement of voter approval.

These revenue bonds, however, are more like G.O. bonds since the income stream used to pay them comes from master lease agreements set up with the local governments for which the facilities are built. By signing this lease, the local government commits resources to cover the life of the bonds issued by the PBC. The money to cover the lease payments comes from the local government's property taxes. This action is tantamount to a pledge of the local government's full faith and credit. Though this is not a G.O. bond and is not included in a government's net bonded indebtedness, this debt is still recognized in any assessment of the individual government's overall long term debt and the lease itself is interpreted by the Supreme Court of Illinois to be present debt of the local government for the aggregate of all the rental payments due.

PBC bonds have been popular among Cook County's major units of local government, particularly among those that have state-imposed property tax rate limits on their operating and debt service funds. Since PBC leases allow for a separate tax levy to maintain and operate the facilities which are covered under PBC leases, financing projects through the PBC not only allows a government to finance a project's construction, but also removes the cost of maintenance and operation of the facility from the government's operating fund over the life of the lease. Thus, spending pressure is removed from the operating fund and the illusion of cost control in that fund's property tax levy is created.⁴

In recent years, the Public Building Commission's role has changed. Although it continues to issue revenue bonds for local governments subject to property tax rate limits. Local home rule governments--Chicago and Cook County--have adequate borrowing power under state law and statutes to make the PBC largely obsolete for their purposes. In 1992, most of the outstanding debt of these bonds was refinanced through general obligation lease certificates. These certificates represent a right to the principal and interest payments under the lease agreement. Both the Board of Education and the City Colleges utilized general obligation lease certificates in 1992. The proceeds of the sale were placed in escrow and defeased \$265 million in debt underlying the lease between the PBC and the Board. City colleges defeased \$125 million in debt underlying its lease with the PBC by selling general obligation lease certificates.

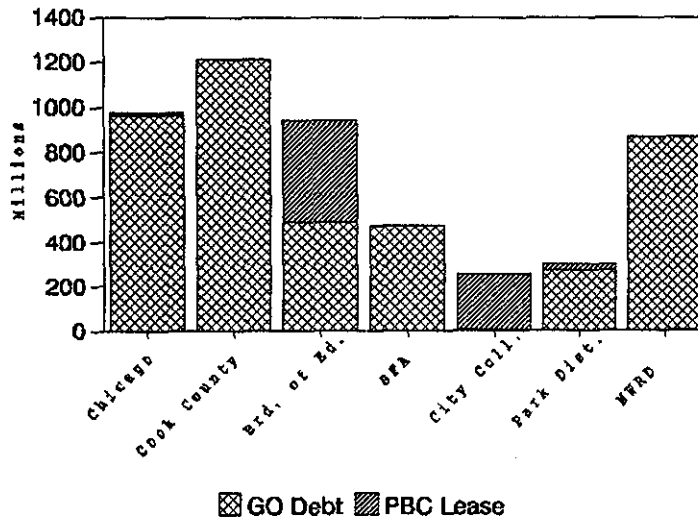
To local governments, these changes in the finance structure have meant significant

⁴The operating fund is generally called the "corporate fund" by most governments, and the "education fund" by schools and community colleges.

savings in lease payments by reducing the interest cost of outstanding debt. However, changes in finance structure do not change the underlying obligation of long term lease payments on the taxing authority of governments. Lease obligations are a significant portion of long term debt for rate limited governments. The exhibit below shows PBC lease obligations and general obligation debt for major local governments.

Tax Supported Bonded Debt, Jan. 2, 1993

Chicago Area Govts.



The Chicago Board of Education had the largest share of PBC debt of local governments in 1992 at \$448.8 million. New leases of \$148.9 million in March, 1989 and \$265.6 million in May, 1990 were issued to construct new school buildings and complete needed repairs on existing facilities. No new leases were issued by the Chicago Board of Education during 1992.

OTHER LONG TERM DEBT VEHICLES

As the outcry for control of property taxes has grown, and as governments have become more sophisticated in managing their long term debt, new long term debt vehicles have become popular. These new types of debt make traditional analyses of governments' long term liabilities more complicated. As discussed earlier, the use of PBC revenue bonds provides governments with a means of constructing and maintaining buildings without carrying the burden of maintenance costs in their regular operating funds.

Certificates of Participation and Certificates of Obligation represent other, newer debt vehicles growing in popularity among governments around the country.

- *Certificates of Obligation* (C of Os) are very much like any G.O. bond in that they are direct obligations of the issuing government and are payable from property taxes. However, the additional pledge of a minimal portion of the underlying project's revenues to meet debt service costs in conjunction with the property tax satisfies statutes or codes where they are used that permit the issuance of these instruments without voter referendum. In this sense, these debt vehicles provide governments with a means of financing projects using the property tax without consideration of debt limits or voter approval, though they carry the full faith and credit obligation of the issuer. C of Os have not yet been issued for any of the major governments within Cook County.
- *Certificates of Participation* (COPs) also circumvent legal restrictions on debt issuance and voter referendum, though they are structurally different from C of Os. COPs are issued to finance projects through lease agreements and, like the PBC leases described earlier, are paid from annual budget appropriations. The appropriations are generally paid by the property tax though, unlike PBCs, there is not a discrete "COP" property tax levy, and, unlike G.O.s, these are not backed by the full faith and credit of the government using them. In other words, a default by a government on a COP would mean the termination of the lease, though COP holders would have rights to the proceeds from the sale of the mortgage on the leased facility.⁵

The Public Building Commission, with the consent of the City Colleges, authorized

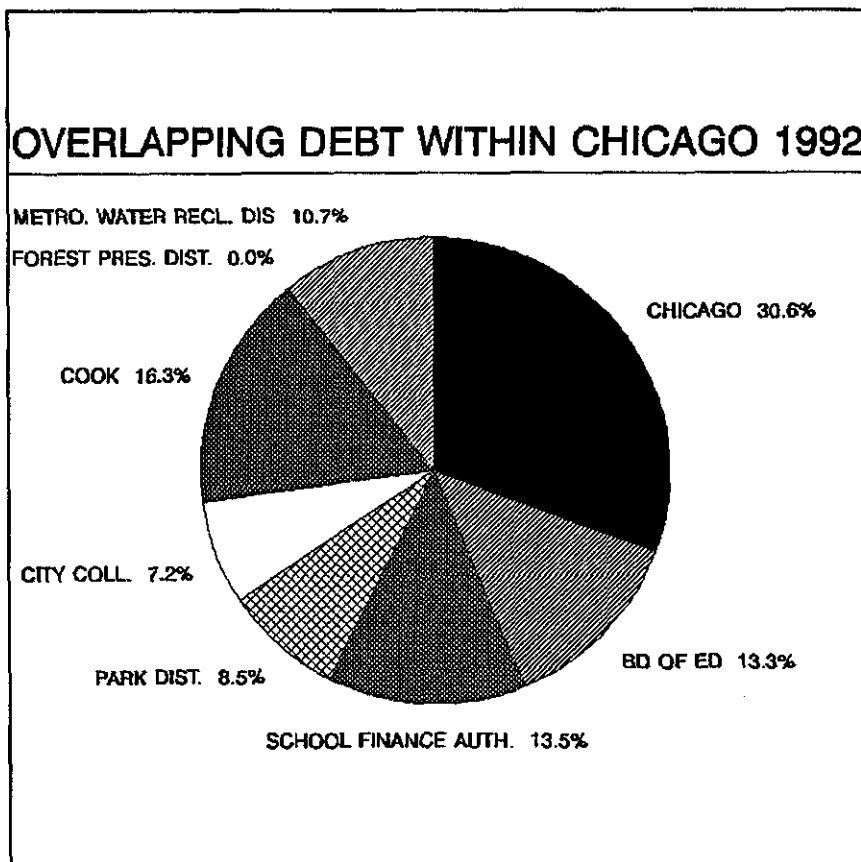
⁵Ciccarone, Richard A., "Understanding the Risks and Rewards of Certificates of Participation," Kemper Fixed Income Research, November 21, 1991, p. 1.

the issuance of a COP to refinance a portion of principal and interest in the Colleges' outstanding master lease agreements (1987 Series B, \$125.6 million) in November, 1990. The issuance of the certificates in no way affects the on-going responsibility of the Colleges to meet the lease payments as stipulated in the lease agreement and, accordingly, the principal outstanding on the lease is still considered part of the Colleges' outstanding long term debt. However, because the Public Building Commission no longer holds the debt, the balance is no longer included in the PBC's debt obligations.

In 1991, the City of Chicago issued its first COP in July of 1991 for \$24.7 million to finance a new automotive repair yard for city vehicles. The COPs are payable over twenty years and are counted by the City as part of its long-term debt obligation.

OVERLAPPING DEBT

Overlapping debt measures the portion of total outstanding general obligation, long term debt of the major government units supported by the property tax base within the City of Chicago. This measure, relied on by most bond rating agencies, provides an important piece of the overall fiscal picture of local government.



In 1992, overlapping debt for Chicago totalled \$4.7 billion, increasing 14.7 percent from 1991. This amount represented 13 percent of the equalized assessed value (EAV) within the city. Dividing by population, this figure represented a debt burden of \$1266.26 per capita in 1992, \$85.08 higher than the per capita figure in 1991.

The City of Chicago and the Chicago Public Schools (Board of Education and the Chicago School Finance Authority) constituted the largest share of the city's overlapping debt in 1992 at 30.6 percent and 26.8 percent, respectively. The County of Cook's proportionate debt in Chicago rose to 16.3% of the total debt supported by the property tax. The City Colleges, the Chicago Park District and the MWRD each accounted for approximately 10 percent of 1992 overlapping debt.

A NATIONAL PERSPECTIVE ON DEBT

In assessing the local governments' long term debt picture, it is helpful to consider the use of debt by other major urban centers around the country. There are several ways to measure and compare debt burden. As already noted in this section, study of total bonded indebtedness is a straight-forward means to compare different jurisdictions' debt levels. However, in making comparisons with other areas, it is important to consider other measures such as local employment, per capita income, housing stock, building activity, and other growth trends, as well.

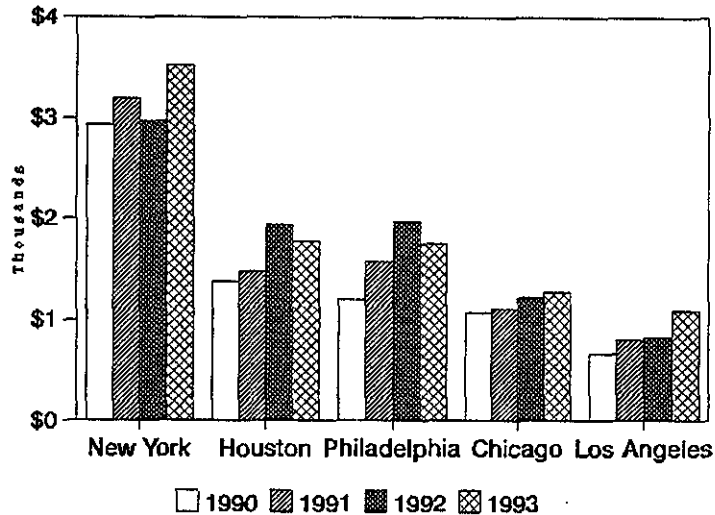
More sophisticated analyses might include the ratio of outstanding debt to household and business income, the ratios of outstanding debt to market value of taxable property, unused debt margins, and histories of voter referenda for tax increases and bond issues.⁶ For this analysis, total per capita overlapping debt is used to compare the nation's five most populated cities and counties. This straightforward measure helps adjust for shifts in population growth and accounts for all of the government debt that is borne by taxpayers in the city or county.

A host of factors influenced each individual jurisdiction's debt levels or burdens, though expanding costs for correctional services, health care delivery, and infrastructure placement and repair are common denominators driving many of the high per capita debt ratios within major metropolitan areas. The following graph compares the most recent per capita overlapping debt figures for the nation's five most populated cities (June, 1993), along with figures from the previous two years.

⁶Checklist of Indicators of Fiscal Health, Management Policies in Local Government Finance, published by International City Management Association, 1987.

PER CAPITA DEBT BURDENS FOR CITIES

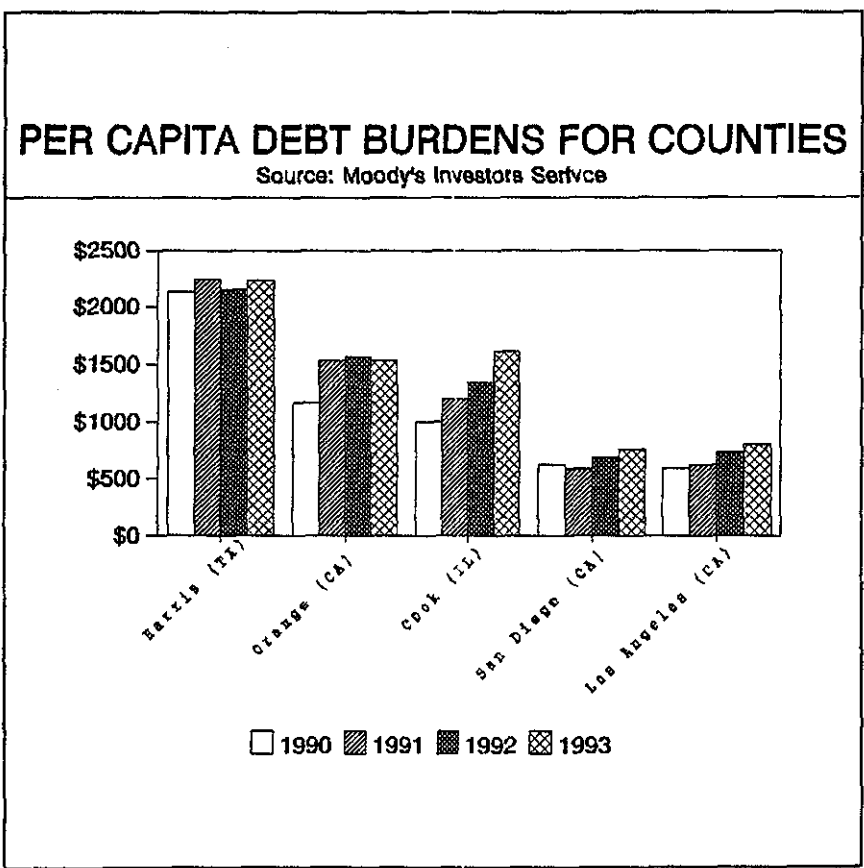
Source: Moody's Investors Service



- Per capita overlapping debt for Chicago continues to rank fourth among the five largest cities. In coming years, the city's overall infrastructure needs, the county's health and correctional facility requirements, and the MWRD TARP project, combined with a constant or perhaps declining population, are likely to continue to push the overlapping debt per capita in Chicago much higher.
- Los Angeles has the lowest overlapping debt per capita of the five cities at \$1098, a 24% increase over 1991.
- New York City has had the highest per capita overlapping debt of these cities in recent years, standing now at \$3523. Still far ahead of its peers, New York's debt burden increased 16 percent from 1991 levels. A history of fiscal troubles has resulted in use of long term debt financing as a means of correcting past fiscal imbalances.
- Houston and Philadelphia each experienced significant decline in overlapping per capita debt from 1992 to 1993.

Both Houston and Philadelphia had significant increases in overlapping debt last year. For Houston, much of this growth may be due to the replacement of water and sewer facilities to meet EPA mandates. Philadelphia's persistent fiscal crisis has led to the creation of the Pennsylvania Intergovernmental Cooperation Authority and a subsequent \$250 million bond issue to help pay the city's past-due bills. This may be not be the end of the growth in Philadelphia's debt, though, as infrastructure needs and budget imbalances may result in more debt financing over the short term.

The five most populated counties shown below experienced and continue to be pressured by many of the same demands placed on cities. The need for more jail cells, courtroom facilities, expanded health care facilities for the indigent and medically underserved, and infrastructure replacement have increased most of these counties' per capita debt burden. The overall debt per capita figures shown include the percent of debt let by each of the government entities within the counties applicable to that portion of the governments' equalized assessed valuation lying within the counties.



San Diego, Los Angeles, and Cook Counties each experienced large annual increases in 1993 overall debt per capita at 9.2, 8.9 and 15.9 percent, respectively. Orange County, California experienced a 2.0 percent decline while Harris County, Texas actually experienced a reduction in overall debt per capita in the last year. However, Harris has the highest per capita debt burden of all five counties, at \$2,230.

It is interesting to note that two different growth patterns in population seem to be producing similar results for the California counties and for Cook County. The former have experienced tremendous population growth over the last few years, bringing demands for new infrastructure and facilities to these county governments. On the other hand, Cook County has experienced only slight growth, but aging infrastructure and expanding social problems have persisted, leading to increased debt financing by governments within the county. It is likely that the growth in Cook County's debt per capita will continue for at least the next few years for the reasons already described. It will be interesting to follow whether this growth occurs for the other counties and for similar or different reasons.

II.2: PUBLIC PENSION LIABILITY

GLOSSARY

ACCRUED LIABILITY -- the present value of all costs and all benefits owed to members of a retirement system, including retirees and active employees.

ACTUARY -- a person who calculates future financial requirements and constructs asset accumulation schedules to meet future cash needs.

ASSETS -- all money, property and other valuables owned by the pension funds which when converted into cash would cover all or part of the liabilities of the funds.

BENEFITS -- payments either disbursed or promised to a beneficiary based on the salary level of the employee and number of years of service.

COST VALUE -- the value of assets at the time of acquisition.

EMPLOYER'S PENSION MULTIPLIER -- a multiplier set by the state legislature which varies by individual pension system. It is multiplied by the total dollars of employee contributions to the individual pensions fund from two prior years. The results determine the dollar amount that the employer is obligated to contribute to the pension fund in that year.

FUNDED RATIO -- shows the extent to which the current assets of the pension fund will cover projected benefit costs. For example, a 50% ratio is one where current assets would cover half of the pension funds' accrued liability.

MARKET VALUE -- the value of assets at a particular time based on their original cost plus any appreciation or minus any depreciation.

QUICK LIABILITY RATIO -- the extent to which current assets of a pension fund would cover benefit payments for current retirees and refund all contributions made by current employees if the plan were liquidated. A quick liability ratio of 100% is considered a minimum level of solvency since it indicates assets would meet all current obligations but not cover any continued benefits for current employees.

UNFUNDED LIABILITY -- the amount of money in addition to the current assets of the pension fund which would be required in order to retire the total accrued liability.

YIELD -- comparison of actual investment earnings to total asset value based on either the original cost or market value of these investments.

As local governments continue to struggle with annual budgetary shortfalls whether local governments will be able to meet their long term pension obligations without increasing the burden on taxpayers is an issue of concern. In the case of the nine major public pension funds in the Chicago area, the assets and obligations of these funds are quite large. These funds covered 122,250 active employees and 58,183 beneficiaries in 1992. Together, these funds invested and managed over \$13 billion in assets and had over \$17 billion in liabilities. As with many public pension funds, the local governments are obligated to meet any liabilities which the funds have to their beneficiaries. Since all of the funds examined here are supported in some part by the real property tax, if these funds cannot meet their liability costs, then local taxpayers will likely have to bear the costs of keeping these funds solvent.

The City of Chicago enrolls its employees in four different pension systems: the Laborers' and Retirement Board Employees' Annuity and Benefit Fund; the Firemen's Annuity and Benefit Fund; the Municipal Employees' Annuity and Benefit Fund; and the Policemen's Annuity and Benefit Fund. Cook County, the Chicago Park District, the Forest Preserve District, and the Metropolitan Water Reclamation District (MWRD) each have their own pension systems. The Chicago Board of Education enrolls teachers in the Public School Teachers' Pension and Retirement Fund of Chicago. All other employees of the Board of Education are enrolled in the City of Chicago's Municipal Employees' Annuity and Benefit Fund.¹

FUNDING REQUIREMENTS

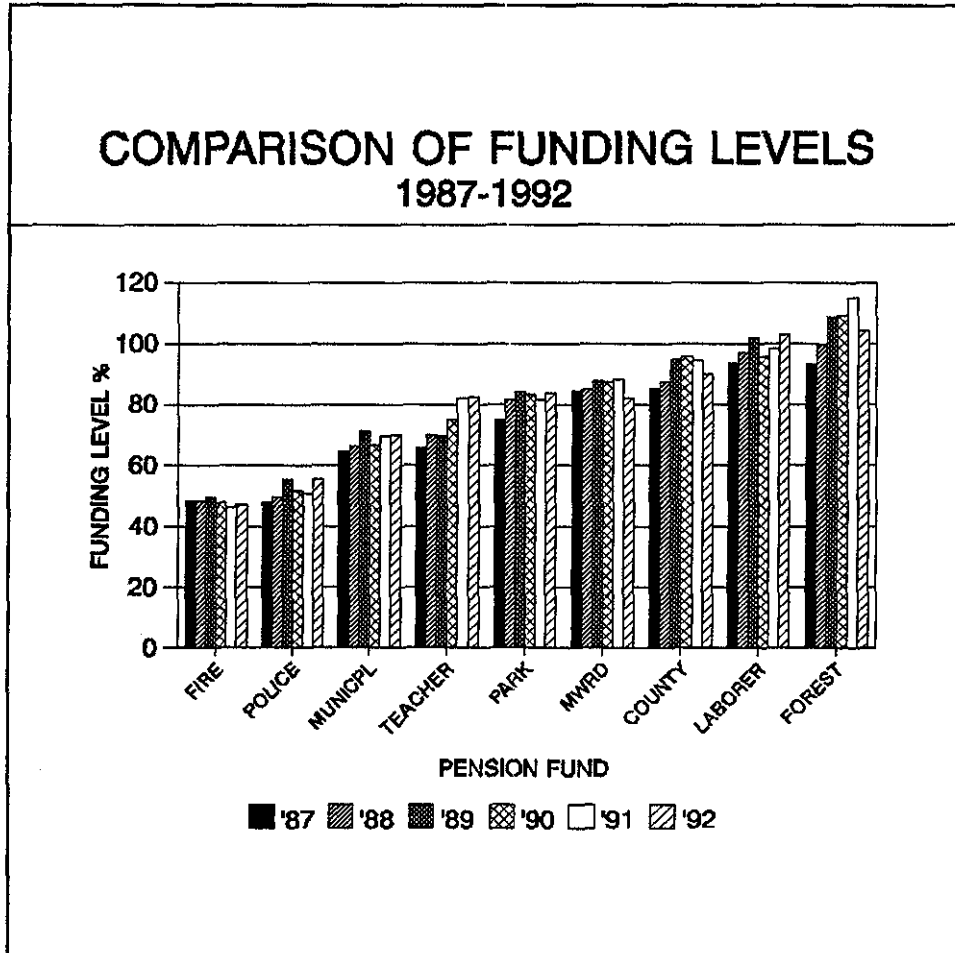
One problem that some of these funds continue to have is that the assets of these funds are not keeping pace with the benefits being accrued by annuitants. This problem can be understood better by breaking the pension funds down into their five primary funding and liability components. On the funding side, pensions receive their assets from three sources: 1) employer contributions; 2) employee contributions; and 3) investment income. In the case of public pension funds, the employer contribution is most often paid with property tax revenue. Pension funds primarily make expenditure payments to cover benefit and administrative costs. Included in benefit payments are disability payments and refunds to employees who have left before becoming fully vested. Administrative expenses include the cost of paying for investment managers. Each of these components plays a major role in determining the health and growth potential of a public pension fund.

Pension experts agree that the method of funding a public pension fund should prevent growth of the *unfunded liability*, or that portion of future projected costs and interest not currently covered by assets. This is called *the normal cost plus interest method* and it is the minimum funding target local pension funds should meet. Paying the interest

¹ Two other major funds cover a number of local public employees but are not supported by property taxes and are not included in this analysis. They are the Chicago Transit Authority Employees' Pension Plan and State University Employees' Pension Fund (some City College Employees are enrolled in this fund).

on the unfunded liability stabilizes it, and paying the "normal cost" covers the accruing costs of the fund as employees earn benefits through working. Other methods of funding generally seek to systematically amortize the unfunded liability over a period of time. The State of Illinois' five pension systems are supposed to *amortize their unfunded liability over 40 years as a level percentage of payroll*, determined under the projected unit credit actuarial cost method.² At the present time, the prospect that some of these funds will be able to meet that goal without major changes in either future benefits or revenues is in doubt.

The following graph shows the funded ratios for each of the nine public pension funds for each year from 1987 to 1992.



² Though forty year amortization of the accrued liability of the five state funds has been mandated by state statute since 1989, the state has, in fact, never fully met its annual obligation for this plan.

The funds grouped toward the right of chart have had higher funded ratios over the period than have those toward the left. In 1992, the MWRD, Cook County, and the Forest Preserve funds had lower funded ratios. The Fire, Police, Municipal, Teachers', Park, and Laborers funds realized moderate increases in their funded ratios. Some funds experienced a decrease in their funded ratios in part due to an increase in beneficiary benefits. In the case of the MWRD, changes in State legislation increased the extra years of service employees are allowed to purchase from 10 to 15 years. In addition, the MWRD also increased benefits to surviving spouses of vested employees and provided for a minimum benefit for surviving spouses of non-vested employees. This increase in benefits was partially responsible for the fund's 7.5% decrease in its funded ratio.

The aggregate funded ratio of the nine funds increased to 74.3 percent in 1992 from 73.2 percent in 1991 (see Appendix E.3). Although the Forest Preserve Employees' funded ratio decreased over 5% in 1992, it still maintains a ratio of over 100% as does the Laborers' Pension Fund. Both the Fire and Policemens' pension funds are below 60% in their funded ratios at 47.1% and 55.3%, respectively. The low ratios of these two funds are a continuing concern, requiring improvement.

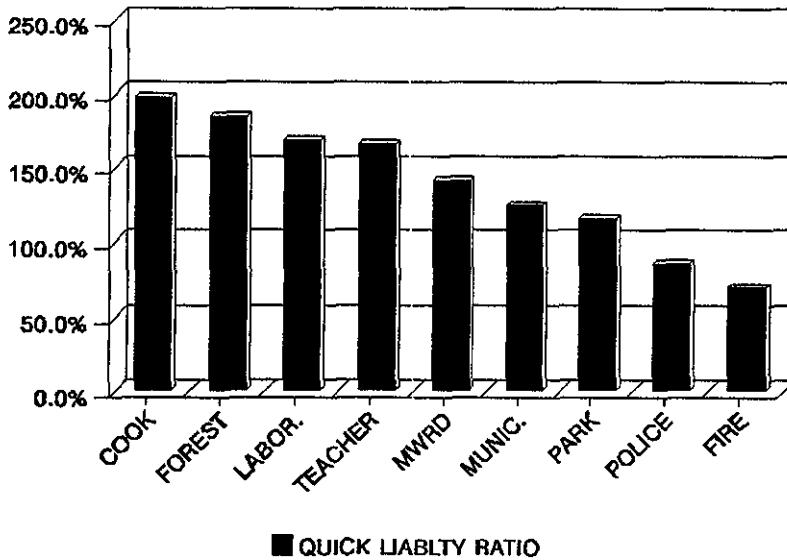
SOLVENCY TEST

Another good measure of the adequacy of pension funding often used by pension fund analysts is known as a solvency test, or the *quick liability ratio*. This is really a test of whether a pension fund's current assets would be sufficient to cover the continued pension benefits of current retirees and refund all contributions into the fund made by current employees if the pension plan were liquidated. The difference between the funded ratio and the quick liability ratio is that the latter assumes the pension fund would have no obligation to pay any future retirement benefits to current employees.

The quick liability ratio is obtained by dividing the total assets by the sum of all benefits owed to current retirees and the total contributions made by all employees. A quick liability ratio of 100 percent is often considered the minimum level of funding that should be attained by public pension systems since it would cover all current obligations of a pension fund in the event of termination. However, it is not necessarily an indication of adequate funding since it neither considers nor provides for the substantial accrual of liability for current employees' future retirement benefits in excess of their own contributions.

The following graph compares the quick liability ratios of the nine local funds (Also, see Appendix E.1).

QUICK LIABILITY RATIO FY 1992



The Chicago Policemen's and Firemen's Funds are the only local pension systems that had quick liability ratios below the 100 percent minimum target in 1992. The termination of either of these pension plans is extremely unlikely. However, their relatively weak quick liability ratios raise concerns that they need to begin improving their funding base.

REVENUES

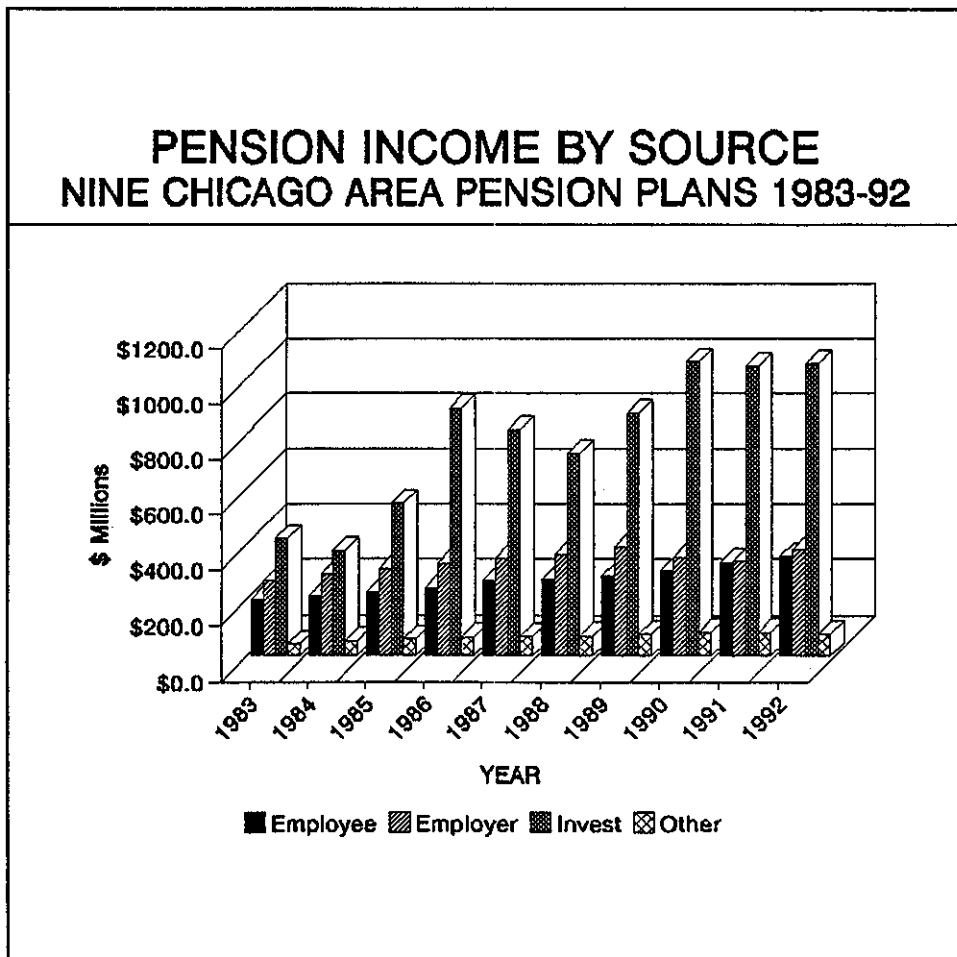
There are three primary sources of revenue for meeting the funding requirements of public pension funds:

1. *The Employee's Share* is the amount contributed by or on behalf of the employee. It is deducted from the employee's paycheck. The amount is determined by a rate of salary as specified by statute. In some cases (e.g. the Chicago Board of Education) the employer "picks up" a portion of the employee's share, thus bearing more of the funding responsibility.

2. *The Employer's Share* is the amount contributed by the employer. The employer's share is usually calculated by multiplying the employee's share from two years prior to the current year by a constant multiplier that is set for each fund by the State Legislature.

3. *Investment Income* is the third major source of revenue. In recent years, income earned on the invested assets of local public pension funds has become the largest of the three sources. It remains the most volatile and difficult revenue source to forecast.

The next graph shows pension revenue by source for 1983 through 1992.



Total revenues for the nine local public pension systems grew slightly, by \$68.7 million, from \$1.794 billion in 1991 to \$1.859 billion in 1992. Much of this increase can be attributed to strong investment returns. However, it is important to remember that this source of revenue is sensitive to rapid changes in the economy and to cyclical market conditions. This makes investment returns difficult to forecast and unreliable as a steady, growing source of revenue.

INVESTMENT INCOME PERFORMANCE

Investment income is money earned on the assets of the pension fund, including investments in such vehicles as stocks, bonds, real estate, mortgages, and venture capital. The Illinois Legislature has imposed some restrictions on the investments of the public pension funds in Illinois. But the funds still have considerable discretion in determining the kinds of investments they can make.³

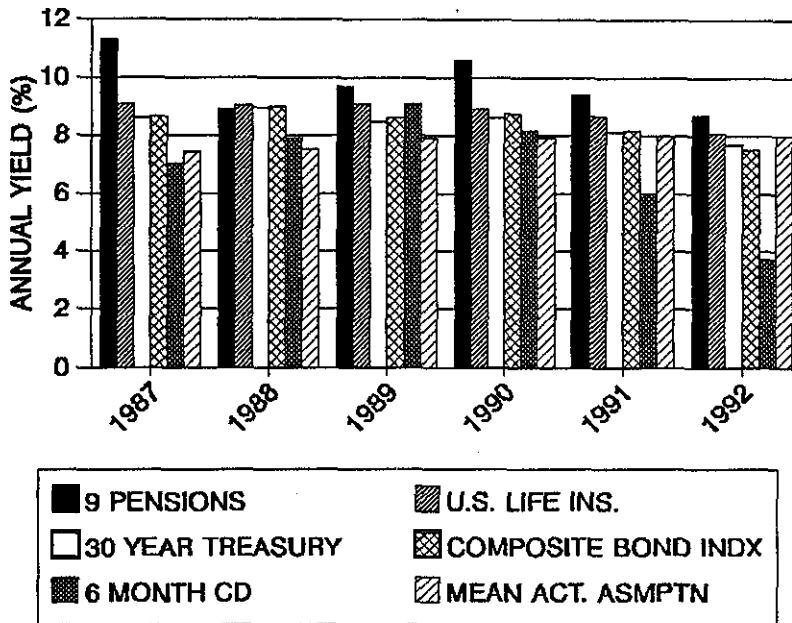
**AVERAGE INVESTMENT INCOME PERFORMANCE
FOR THE NINE LOCAL PUBLIC PENSION FUNDS
1992 COMPARED TO 1991**

PENSION FUND	YIELD IN 1991	YIELD IN 1992
Cook County Employees'	9.1%	8.9%
Municipal Employees	12.1%	8.0%
Laborers'	10.5%	9.0%
Policemens'	9.0%	10.6%
Firemens'	8.5%	9.3%
MWRD Employees'	9.8%	10.4%
Forest Preserve Employees'	12.8%	8.8%
Park District Employees'	8.2%	9.3%
Public School Teachers'	7.9%	7.9%
AGGREGATE YIELD FOR ALL FUNDS	9.4%	8.7%

³ State law restricts the investment policies of the local funds. These restrictions vary by fund. For example, the Public School Teachers' Pension Fund must follow the Prudent Man Rule. It must limit its investment in stocks or convertible debt to 40 percent or less of the aggregate book value of all of the fund's investments. Another 10 percent of the assets of the fund can be invested at the fund's discretion (making the maximum for stocks and convertibles 50 percent).

The following bar graph compares the performance of the nine public funds' aggregate yield to the yields of other similar institutions and indices from 1987 to 1992.

COMPARISON OF INCOME YIELDS



The nine funds achieved an aggregate yield⁴ of 8.7 percent in 1992. This figure represents the total of investment income earned by all funds divided by these funds' total combined assets. The Chicago Teachers' Pension Fund had the lowest yield for the second year in a row at 7.9 percent. The two leading funds, in terms of returns on investment, were the Chicago Policemens' (10.6 percent) and MWRD (10.4 percent).

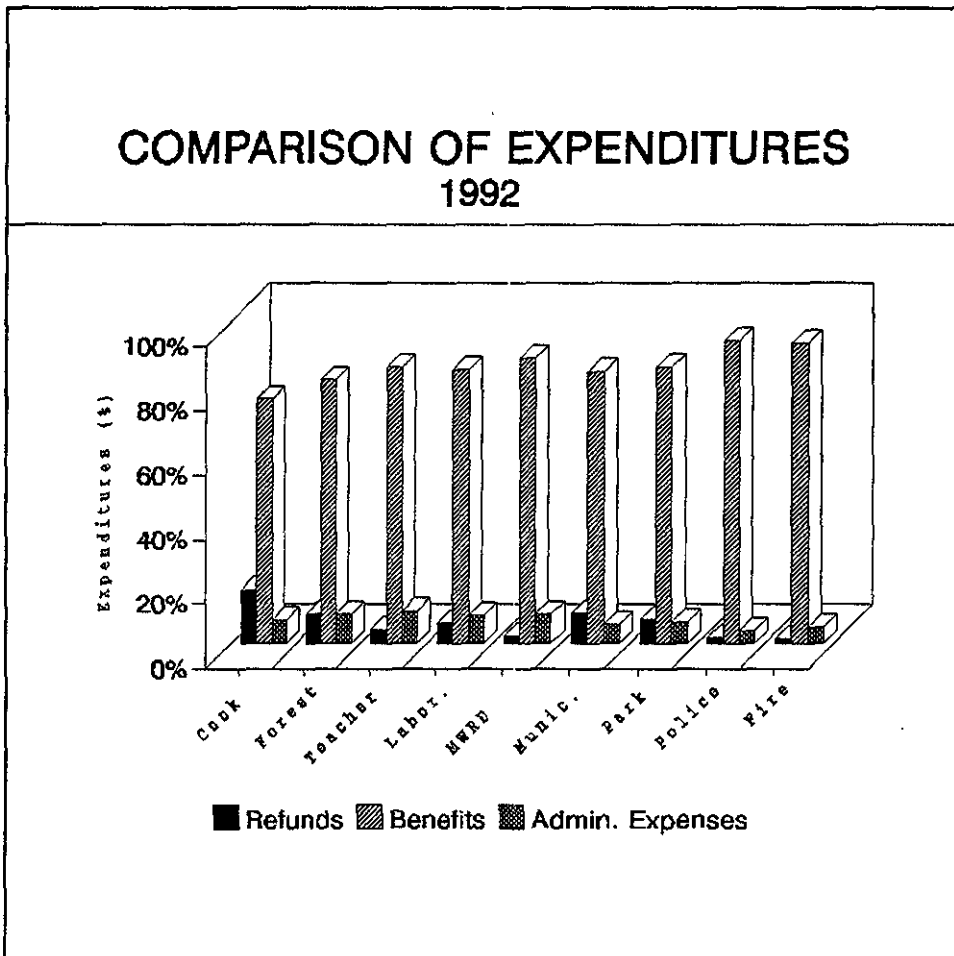
The nine pension funds' combined yield for 1992 outperformed the yields of the other indices shown. Long term interest rates declined in 1992, as evidenced by the decline in 30 Year Treasury Bonds from 8.14 percent to 7.67 percent. The growth in equity markets that occurred in 1991 slowed in 1992. The S&P 500 Index gained only 7.62 percent. Since pension funds invest a considerable portion of their assets in stocks, this may explain part of the decline in the aggregate yield of the nine pension funds.

⁴ The yield represents capital gains and losses on the sale of investments, dividends, interest, and other investment-related distributions made during the fiscal year for the pension fund. The yield does not account for increases or decreases in the value of investments that have not yet been sold.

The degree to which investment income for the fiscal year exceeds actuarial assumed rates of return for the year helps to reduce a pension system's unfunded liability. Actuarial yield expectations were 8.0 percent for each of the nine funds in 1992. The 8.6 percent actual aggregated yield results of these funds exceeded the expectations of the actuaries, thus contributing to the reduction of the combined unfunded liability.

EXPENDITURES

Pension fund disbursements include pension benefits, refund payments, death benefits (often categorized with regular benefits), health insurance refunds and administrative expenses. The following pie charts and Appendix E.2 show the breakdown of these expenditures for the nine local public pension funds.



There is a wide range in the proportions of total expenditures represented by each of the three major expense categories shown. Refunds, for example, range from a high of 16.7 percent of total expenses for Cook County Employees' Pension Fund, to a low of 1.5 percent for the Firemen's Fund. A high ratio of refunds to total expenses generally indicates a high degree of employee turnover. In other words, employment terminates before the employee is eligible for a full pension and thus gets a refund of his or her own contributions made to the fund.

Administrative expense as a percent of the total expenditures also varies widely between funds. The Teachers' fund and the MWRD had the highest administrative expense percentages at 10.0 percent and 9.1 percent, respectively. It is important to note that for some systems, commissions on investments are included in the administrative expense category, while other systems include these fees in the purchase cost or sale proceeds of investments. It is difficult to determine which funds fully account for investment commissions as administrative expenses since existing accounting principles do not mandate this. Obviously, those systems that do not account for all commissions and costs of investments as administrative expenses account for them by debiting investment income and the value of the asset base.

The greatest outflow for the pension systems is the payment of benefits to annuitants. The amount of annuities and benefits paid varies from fund to fund based on the type of plan that has been established in the Illinois Statutes. Benefits per individual member can vary dramatically, depending on such considerations as the type of occupation covered, the average salary levels of employees, age of eligibility for full retirement, and level of health care benefits provided to members.

THE BENEFITS ISSUE

As some pension funds struggle to secure sufficient assets to meet their obligations, one issue that has come under close scrutiny is the benefits being awarded to annuitants. Part of the reason for this concern is that once an annuitant accrues a benefit, the pension fund is required to meet that obligation and cannot reduce it. Therefore, any proposals, such as early retirement, which can dramatically increase an employee's future benefits must be closely evaluated so as not to dramatically increase a fund's future liabilities. Incentives given in early retirement packages will most likely increase a funds' obligations decreasing its funded ratio.

In the 1991 and 1992 State legislative sessions, early retirement incentive packages were approved affecting the Laborers', Municipal, Forest Preserve, Cook County, and the Teachers' pension funds. Included in these packages were inducements such as a reduction in retirement age requirements from 60 to 55 years of age and provisions for annuitants to purchase additional years of service. According to the Illinois Economic and Fiscal Commission, approximately half (49%) of the 3,500 eligible employees working for the

Cook County government accepted early retirement.⁵ Given that the window of opportunity for employees who participate in the Municipal and Laborers' funds was between December 31, 1992 and June, 30, 1993, the effect of early retirement on the unfunded liabilities of these funds is not yet known. The early retirement proposal for the Teachers' fund has windows of opportunity scheduled for time periods in 1993 and 1994.

In addition to the benefits awarded annuitants as a result of early retirement, the cost of providing health care coverage for beneficiaries greatly increased for six of the local pension funds.

Health Care Insurance Costs for Local Pension Funds: 1988-1992 (\$1,000s)

	1988	1989	1990	1991	1992	1988-92
Cook County	-	-	\$2,675	\$2,973	\$3,295	\$8,943
Forest Pres.	-	-	\$141	\$157	\$115	\$413
Laborers'	\$310	\$435	\$1,785	\$1,191	\$1,218	\$4,939
Municipal	\$1,331	\$4,090	\$3,772	\$3,944	\$4,033	\$17,170
Firemens'	\$843	\$1,726	\$1,102	\$1,885	\$1,339	\$6,895
Policemens'	\$2,086	\$2,398	\$4,262	\$4,421	\$3,409	\$16,576
Teachers'	\$2,620	\$6,858	\$7,815	\$8,141	\$12,928	\$38,362
Total	\$7,190	\$15,507	\$21,552	\$22,712	\$26,337	\$93,298
% Change	-	115.7%	39.0%	5.4%	16.0%	266.3%

Between 1988 and 1992, the cost of health insurance for all beneficiaries and their spouses increased 266%. Benefits offered to annuitants range from payment for 50% of the cost of premiums to a supplementary allocation of \$75 a month to pay premiums. In total, over \$93 million was spent by the six pension funds to provide health insurance for their annuitants between 1988 and 1992. As health care insurance costs continue to rise, pension funds may wish to reconsider the types of health benefits provided to annuitants and the plans in which their beneficiaries are enrolled.

⁵ The Illinois Economic & Fiscal Commission, The Financial Condition of the Illinois Public Retirement System, February 1994.

APPENDICES

TABLE A.1: CHICAGO AREA GOVERNMENTS--TAX RATES AND PERCENTAGE OF CITY TAX DOLLAR BY GOVERNMENT UNIT
1983-1992 (PER \$100 EQUALIZED ASSESSED VALUE)

UNIT OF GOVERNMENT	TAX YEAR:									
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CITY OF CHICAGO	\$2.769	\$2.768	\$2.536	\$3.068	\$2.716	\$2.871	\$2.848	\$2.570	\$2.183	\$2.210
% OF TOTAL	27.68%	27.24%	26.10%	29.64%	28.12%	29.72%	27.93%	25.79%	23.45%	23.26%
BOARD OF EDUCATION	\$3.777	\$3.720	\$3.721	\$3.776	\$3.783	\$3.773	\$4.088	\$4.246	\$4.222	\$4.267
% OF TOTAL	37.64%	36.61%	38.28%	36.48%	39.16%	38.01%	40.09%	42.61%	45.34%	44.91%
SCHOOL FINANCE AUTH	\$0.442	\$0.492	\$0.472	\$0.399	\$0.304	\$0.266	\$0.253	\$0.239	\$0.204	\$0.190
% OF TOTAL	4.41%	4.84%	4.86%	3.85%	3.15%	2.68%	2.48%	2.40%	2.19%	2.00%
CITY COLLEGES #508	\$0.371	\$0.377	\$0.363	\$0.527	\$0.471	\$0.481	\$0.478	\$0.420	\$0.398	\$0.390
% OF TOTAL	3.70%	3.71%	3.73%	5.09%	4.88%	4.85%	4.69%	4.22%	4.27%	4.10%
PARK DISTRICT	\$0.987	\$1.062	\$1.061	\$0.983	\$0.854	\$0.771	\$0.861	\$0.816	\$0.718	\$0.735
% OF TOTAL	9.84%	10.45%	10.92%	9.50%	8.84%	7.77%	8.44%	8.19%	7.71%	7.74%
COOK COUNTY	\$0.865	\$0.929	\$0.847	\$0.858	\$0.913	\$1.128	\$1.048	\$1.068	\$1.040	\$1.176
% OF TOTAL	8.62%	9.14%	8.71%	8.29%	9.45%	11.36%	10.28%	10.72%	11.17%	12.38%
METRO WATER RECLM DI	\$0.715	\$0.694	\$0.612	\$0.635	\$0.517	\$0.536	\$0.522	\$0.525	\$0.482	\$0.470
% OF TOTAL	7.12%	6.83%	6.30%	6.13%	5.35%	5.40%	5.12%	5.27%	5.18%	4.95%
FOREST PRESERVE	\$0.116	\$0.118	\$0.107	\$0.106	\$0.102	\$0.101	\$0.099	\$0.080	\$0.064	\$0.063
% OF TOTAL	0.98%	1.16%	1.10%	1.02%	1.06%	1.02%	0.97%	0.80%	0.69%	0.66%
TOTAL TAX RATE	\$10.042	\$10.160	\$9.719	\$10.352	\$9.660	\$9.927	\$10.197	\$9.964	\$9.311	\$9.501

NOTES: Not shown are the Special Service Area tax rates within the City of Chicago, nor the consolidated elections tax rate which is only applicable to the suburban townships in Cook County. The School Finance Authority was created in 1980 due to a Board of Education financial crisis and is considered together with the Board of Education tax levy. SOURCE: Cook County Clerk

TABLE A.2: TOTAL PROPERTY TAXES BILLED AND UNCOLLECTED IN COOK COUNTY
TAX YEARS 1983 - 1992, AS OF 1/3/93 (\$000'S)

TAX YEAR	(1)		TOTAL REFUNDS AND RESERVES	(2)	
	TOTAL PROPERTY TAX EXTENSION	TOTAL PROPERTY TAX COLLECTED		TOTAL PROPERTY TAX UNCOLLECTED	% OF PROPERTY TAX UNCOLLECTED
1983	3,085,927	3,060,451	44,964	25,476	0.8%
1984	3,224,983	3,208,466	44,573	16,517	0.5%
1985	3,313,240	3,318,932	57,777	(5,692)	-0.2%
1986	3,703,974	3,649,135	58,956	54,839	1.5%
1987	4,009,043	3,981,502	45,949	27,541	0.7%
1988	4,550,489	4,487,924	41,693	62,565	1.4%
1989	4,832,188	4,795,593	38,373	36,575	0.8%
1990	5,273,957	5,234,369	37,988	39,588	0.8%
1991	5,725,384	5,675,824	35,895	49,560	0.9%
1992	6,058,901	5,906,430	16,795	152,471	2.5%
TOTAL	\$43,778,066	\$43,318,626	\$422,963	\$459,440	1.0%

SOURCE: Office of the Treasurer, Cook County

NOTES:

(1) Total Property Tax Extension includes railroad and tax increment financing levies.

(2) Uncollected is the difference between property tax extended and collected

**TABLE A.3: PERCENTAGE OF PROPERTY TAX COLLECTED BY CHICAGO MAJOR GOVERNMENTS (1)
TAX YEARS 1983 – 1992, AS OF 1/3/93**

CHICAGO AREA GOVERNMENT	TAX YEAR 1983	TAX YEAR 1984	TAX YEAR 1985	TAX YEAR 1986	TAX YEAR 1987	TAX YEAR 1988	TAX YEAR 1989	TAX YEAR 1990	TAX YEAR 1991	TAX YEAR 1992
Cook County	99.2%	99.4%	100.0%	98.3%	98.8%	98.0%	98.4%	97.9%	94.3%	95.9%
Forest Preserve District	99.2%	99.4%	100.0%	98.3%	98.8%	98.0%	98.4%	97.9%	97.7%	95.9%
Metro Water Reclamation District	99.2%	99.4%	100.0%	98.3%	98.8%	98.0%	98.4%	98.0%	97.7%	96.0%
City of Chicago	98.1%	98.2%	99.9%	97.3%	98.3%	97.1%	98.1%	98.1%	97.6%	95.6%
City of Chicago – Special Service Areas 1–13	98.1%	101.7%	99.4%	98.9%	105.7%	97.8%	97.4%	92.8%	95.3%	94.2%
Chicago Park District	98.1%	98.2%	99.9%	97.3%	98.3%	97.1%	98.1%	97.8%	97.6%	95.6%
Chicago Board of Education	98.1%	98.2%	99.9%	97.3%	98.3%	97.1%	98.1%	97.8%	97.6%	95.6%
Chicago School Finance Authority	98.1%	98.2%	99.9%	97.3%	98.3%	97.1%	98.1%	97.8%	97.6%	95.6%
Chicago Community College District #508	98.1%	98.2%	99.9%	97.3%	98.3%	97.1%	98.1%	97.8%	97.6%	95.6%
AVERAGE ALL GOVERNMENTS	98.5%	99.0%	99.9%	97.8%	99.3%	97.5%	98.1%	97.3%	97.0%	95.5%

SOURCE: Office of the Treasurer, Cook County
(1) Gross collections, not including refunds.

TABLE A.4: SUMMARY OF 1992 REAL ESTATE ASSESSED VALUES IN CITY OF CHICAGO AND SUBURBAN COOK COUNTY BY CLASS OF PROPERTY
(\$000'S)

CLASS	LEGAL % OF MRKT VALUE ASSESSED	-----CHICAGO-----		---SUBURBAN COOK---		---TOTAL COOK COUNTY---	
		1992 ASSESSED VALUATION	% OF TOTAL	1992 ASSESSED VALUATION	% OF TOTAL	1992 ASSESSED VALUATION	% OF TOTAL
I--VACANT LAND	22.0%	\$183,608	1.3%	\$439,481	2.3%	\$623,089	1.9%
II--RESIDENTIAL	16%	\$5,073,399	35.1%	\$9,892,004	51.9%	\$14,965,403	44.7%
III--RENTAL RESID(7 UNITS+)	33%	\$1,896,807	13.1%	\$1,052,042	5.5%	\$2,948,849	8.8%
IV--NOT FOR PROFITS	30%	\$27,402	0.2%	\$75,587	0.4%	\$102,989	0.3%
VA--COMMERCIAL(EXCEPT BELOW)	38%	\$6,035,043	41.8%	\$4,769,221	25.0%	\$10,804,264	32.2%
VB--INDUSTRIAL(EXCEPT BELOW)	36%	\$1,086,819	7.5%	\$2,723,981	14.3%	\$3,810,800	11.4%
VIA--INDUSTRIAL WITH REDEVELOPMT TAX INCENTIVE	30%	\$3,956	0.0%	\$48,174	0.3%	\$52,130	0.2%
VIB--INDUSTRIAL (IN ENTERPRISE ZONE) OR MANUFACTR WITH REDEVL TAX INCENTIVE	16%	\$28,150	0.2%	\$41,097	0.2%	\$69,247	0.2%
VII--COMMERCIAL TAX INCENTIVE IN SPECIAL AREAS	16%	\$8,385	0.1%	\$0	0.0%	\$8,385	0.0%
VIII--ADDED VALUE DEVELPMT INCENTIVE COMM/INDUST IN BLIGHTED AREAS	16%	\$0	0.0%	\$5,328	0.6%	\$5,328	0.3%
IX--APTS WITH INCENTIVE FOR REHAB FOR LOW/MODERATE INCOME HOUSEHOLDS(4)	16%	\$3,903	0.0%	\$136	0.0%	\$4,039	0.0%
FARM HOMESITE/DWELLINGS/BLDGS	16%	\$0	0.0%	\$2,997	0.0%	\$2,997	0.0%
OTHER FARM LAND(1)	---	\$0	0.0%	\$11,626	0.1%	\$11,626	0.0%
RAILROAD(2)	16% TO 38%	\$100,417	0.7%	\$3,256	0.0%	\$103,673	0.3%
TOTAL REAL ESTATE		\$14,447,889	43.1%	\$19,064,930	56.9%	\$33,512,819	
TOTAL PARCELS(3)		672,593		870,722		1,543,315	

1. Other farm land is assessed by a special farmland formula and does not conform to the regular classification system in Cook County.
 2. This is the portion of railroad EAV assessed by the county. There is a much smaller portion which is assessed by the state. The locally assessed railroad property varies in the percentage it is assessed at depending on the zoning of the property (whether it is commercial, residential, etc.)
 3. Does not include exempt parcels.
 4. Class IX is a new class which is to be used to encourage rehab of multi-family apartment bldgs for low/moderate income households. Qualifying properties will be assessed at 16% rather than the normal 33% of value that larger apartment bldgs are normally assessed at.
- NOTE: Commercial and Industrial property which fits special qualifications for economic development can get tax abatements. If a property qualifies, it would be in class VI, VII or VIII and would be assessed at lower than the normal industrial 36% or commercial 38% for a specified number of years.
- SOURCE: Cook County Assessor

TABLE A.5: CHICAGO AND COOK COUNTY EQUALIZED ASSESSED VALUATIONS AND ESTIMATED FULL VALUE TAX YEARS 1983-1992 (\$000'S)

-----CITY OF CHICAGO-----							
TAX YEAR	EAV WITHIN COOK	EAV WITHIN DUPAGE	TOTAL EAV	ANNUAL % CHANGE	(1) ESTIMATED FULL VALUE	ANNUAL % CHANGE	EQUALIZED ASSESSMNT RATIO
1983	\$14,602,279	\$3,274	\$14,605,553	3.2%	\$47,469,194	1.8%	30.5%
1984	\$15,181,245	\$3,284	\$15,184,529	4.0%	\$49,461,048	4.2%	30.4%
1985	\$15,604,112	\$3,117	\$15,607,229	2.8%	\$51,193,280	3.5%	30.2%
1986	\$16,284,410	\$3,085	\$16,287,495	4.4%	\$58,036,788	13.4%	27.8%
1987	\$18,993,636	\$4,084	\$18,997,720	16.6%	\$60,126,675	3.6%	31.2%
1988	\$21,693,816	\$4,106	\$21,697,922	14.2%	\$67,031,890	11.5%	32.0%
1989	\$21,711,267	\$4,064	\$21,715,331	0.1%	\$68,825,425	2.7%	31.2%
1990	\$23,104,106	\$4,057	\$23,108,164	6.4%	\$82,394,517	19.7%	27.8%
1991	\$27,397,830	\$2,478	\$27,400,308	18.6%	\$91,031,582	10.5%	29.8%
1992	\$27,964,128	\$2,521	\$27,400,308	2.1%	\$94,361,550	3.7%	29.4%

-----SUBURBS-----					
TAX YEAR	EAV	ANNUAL % CHANGE	(1) ESTIMATED FULL VALUE	ANNUAL % CHANGE	EQUALIZED ASSESSMNT RATIO
1983	\$19,023,257	-0.1%	\$69,286,729	2.2%	27.4%
1984	\$19,585,186	3.0%	\$72,555,085	4.7%	27.0%
1985	\$20,885,276	6.6%	\$73,438,465	1.2%	28.4%
1986	\$23,100,413	10.6%	\$79,726,571	8.6%	28.9%
1987	\$23,898,402	3.5%	\$86,417,693	8.4%	27.6%
1988	\$24,717,933	3.4%	\$91,907,383	6.4%	26.9%
1989	\$28,395,263	14.9%	\$102,268,326	11.3%	26.9%
1990	\$32,068,760	12.9%	\$112,426,163	9.9%	28.5%
1991	\$32,580,177	1.6%	\$123,950,570	10.3%	26.3%
1992	\$35,995,211	10.5%	\$126,547,833	2.1%	28.4%

-----COOK COUNTY TOTALS-----						
TAX YEAR	TOTAL EAV	ANNUAL % CHANGE	(1) ESTIMATED FULL VALUE	ANNUAL % CHANGE	EQUALIZED ASSESSMNT RATIO	STATE MULTIPLR FOR EAV
1983	\$33,625,536	1.3%	\$116,755,923	2.0%	28.7%	1.9122
1984	\$34,766,431	3.4%	\$122,016,133	4.5%	28.3%	1.8445
1985	\$36,489,388	5.0%	\$124,631,745	2.1%	28.4%	1.8085
1986	\$39,384,823	7.9%	\$137,763,359	10.5%	28.4%	1.8486
1987	\$42,892,038	8.9%	\$146,544,368	6.4%	29.1%	1.8916
1988	\$46,411,749	8.2%	\$158,939,274	8.5%	29.0%	1.9266
1989	\$50,106,530	8.0%	\$171,093,751	7.6%	29.0%	1.9133
1990	\$55,172,867	10.1%	\$194,820,680	13.9%	28.3%	1.9946
1991	\$59,978,007	8.7%	\$214,982,152	10.3%	27.8%	2.0523
1992	\$63,959,338	6.6%	\$220,909,383	2.8%	28.8%	2.0897

NOTE:
 Full value calculations are based partly on assessment sales ratio data supplied by the Illinois Department of Revenue and on data supplied by the Cook County Assessor.
 The assessment/sales ratio calculation used here is the sales data of the year prior the assessment year compared to the EAV.
 (1) Full value figures do not include Railroad or DuPage County full value. In 1992, the DuPage full value was approximately \$7,639,400.

TABLE A.6: TAXES EXTENDED WITHIN COOK COUNTY BY TYPE OF GOVERNMENT (1)
1983-1992 (\$000'S)

GOVERNMENT UNIT	1983			1984			1985			1986			1987		
	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED
COOK COUNTY	\$128,310	\$164,551	\$292,861	\$141,034	\$181,946	\$322,980	\$132,167	\$176,898	\$309,065	\$139,720	\$198,202	\$337,922	\$173,412	\$218,192	\$391,604
FOREST PRESERVE	\$16,939	\$22,067	\$39,006	\$17,914	\$23,111	\$41,024	\$16,696	\$22,347	\$39,044	\$17,261	\$24,457	\$41,718	\$19,374	\$24,376	\$43,750
MWRD	\$104,406	\$130,485	\$234,891	\$105,356	\$130,433	\$235,791	\$95,497	\$122,970	\$218,467	\$103,406	\$140,974	\$244,380	\$98,197	\$118,756	\$216,953
CITY OF CHICAGO (2)	\$405,546		\$405,546	\$420,217		\$420,217	\$395,720		\$395,720	\$499,606		\$499,606	\$515,867		\$515,867
CHGO PARK DIST	\$144,124		\$144,124	\$161,225		\$161,225	\$165,560		\$165,560	\$160,076		\$160,076	\$162,206		\$162,206
CITY COLLEGES	\$54,152		\$54,152	\$57,211		\$57,211	\$56,615		\$56,615	\$85,777		\$85,777	\$89,421		\$89,421
BOARD OF EDUC	\$551,528		\$551,528	\$564,742		\$564,742	\$580,629		\$580,629	\$614,899		\$614,899	\$718,529		\$718,529
CHGO SCHL FIN AUTH	\$64,542		\$64,542	\$74,692		\$74,692	\$73,651		\$73,651	\$84,975		\$84,975	\$57,741		\$57,741
S. COOK MOSQUITO ABATEMENT DIST	\$214	\$908	\$1,122	\$204	\$876	\$1,081	\$209	\$916	\$1,126	\$190	\$1,027	\$1,217	\$246	\$1,166	\$1,415
SUBRBN T.B. SAN CITIES & VILLAGES		\$2,283	\$2,283		\$2,350	\$2,350		\$2,297	\$2,297		\$2,310	\$2,310		\$2,390	\$2,390
TOWNSHIPS (4)		\$35,584	\$35,584		\$36,041	\$36,041		\$39,458	\$39,458		\$45,720	\$45,720		\$307,637	\$307,637
SANITARY DIST		\$1,063	\$1,063		\$1,047	\$1,047		\$1,092	\$1,092		\$1,355	\$1,355		\$48,632	\$48,632
MOSQ ABTMT DIST		\$1,576	\$1,576		\$1,580	\$1,580		\$1,479	\$1,479		\$2,729	\$2,729		\$3,131	\$3,131
ELEM/UNIT SCH DIST		\$470,002	\$470,002		\$492,490	\$492,490		\$531,376	\$531,376		\$602,915	\$602,915		\$672,621	\$672,621
HIGH SCHOOLS		\$403,928	\$403,928		\$411,587	\$411,587		\$446,441	\$446,441		\$502,699	\$502,699		\$533,297	\$533,297
JUNIOR COLLEGES		\$46,733	\$46,733		\$47,605	\$47,605		\$58,713	\$58,713		\$64,330	\$64,330		\$72,393	\$72,393
PARK DISTRICTS		\$60,865	\$60,865		\$64,699	\$64,699		\$71,203	\$71,203		\$80,597	\$80,597		\$88,953	\$88,953
FIRE PROTECT DIST		\$16,377	\$16,377		\$16,862	\$16,862		\$17,936	\$17,936		\$20,523	\$20,523		\$23,226	\$23,226
PUBLIC LIBRARIES		\$14,663	\$14,663		\$17,941	\$17,941		\$20,162	\$20,162		\$23,282	\$23,282		\$25,887	\$25,887
SPECIAL DIST (3)		\$10,906	\$10,906		\$4,899	\$4,899		\$13,061	\$13,061		\$5,180	\$5,180		\$11,654	\$11,654
TOTAL EXTENSIONS	\$1,467,781	\$1,918,166	\$3,385,927	\$1,542,598	\$1,982,789	\$3,225,385	\$1,516,745	\$1,797,182	\$3,313,927	\$1,685,910	\$2,007,861	\$3,693,781	\$1,634,995	\$2,153,745	\$3,988,741
GOVERNMENT UNIT	1988			1989			1990			1991			1992		
	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED	WITHIN CHICAGO	OUTSIDE CHICAGO	TOTAL EXTENDED
COOK COUNTY	\$244,706	\$278,818	\$523,525	\$227,534	\$297,582	\$525,116	\$246,752	\$342,494	\$589,246	\$284,937	\$338,834	\$623,771	\$328,856	\$423,304	\$752,162
FOREST PRESERVE	\$21,911	\$24,965	\$46,876	\$21,484	\$28,111	\$49,605	\$18,463	\$25,655	\$44,138	\$17,535	\$20,851	\$38,386	\$17,617	\$22,677	\$40,294
MWRD	\$116,279	\$127,965	\$244,244	\$113,333	\$142,524	\$255,857	\$121,297	\$161,911	\$283,208	\$132,058	\$151,029	\$283,087	\$131,431	\$162,609	\$294,040
CITY OF CHICAGO (2)	\$622,829		\$622,829	\$618,337		\$618,337	\$593,776		\$593,776	\$598,095		\$598,095	\$618,007		\$618,007
CHGO PARK DIST	\$167,259		\$167,259	\$186,934		\$186,934	\$188,530		\$188,530	\$196,716		\$196,716	\$205,536		\$205,536
CITY COLLEGES	\$104,309		\$104,309	\$103,748		\$103,748	\$97,008		\$97,008	\$109,043		\$109,043	\$109,060		\$109,060
BOARD OF EDUC	\$818,508		\$818,508	\$887,557		\$887,557	\$981,000		\$981,000	\$1,156,736		\$1,156,736	\$1,193,229		\$1,193,229
CHGO SCHL FIN AUTH	\$57,706		\$57,706	\$54,930		\$54,930	\$55,219		\$55,219	\$55,892		\$55,892	\$55,132		\$55,132
S. COOK MOSQUITO ABATEMENT DIST	\$249	\$1,214	\$1,463	\$233	\$1,170	\$1,403	\$110	\$646	\$756	\$269	\$1,446	\$1,717	\$246	\$1,341	\$1,587
SUBRBN T.B. SAN CITIES & VILLAGES		\$2,472	\$2,472		\$2,556	\$2,556		\$2,566	\$2,566		\$2,606	\$2,606		\$2,880	\$2,880
TOWNSHIPS (4)		\$49,833	\$49,833		\$49,833	\$49,833		\$46,520	\$46,520		\$399,802	\$399,802		\$493,696	\$493,696
SANITARY DIST		\$1,870	\$1,870		\$1,809	\$1,809		\$4,599	\$4,599		\$61,354	\$61,354		\$65,533	\$65,533
MOSQ ABTMT DIST		\$1,912	\$1,912		\$2,075	\$2,075		\$2,124	\$2,124		\$2,165	\$2,165		\$1,960	\$1,960
ELEM/UNIT SCH DIST		\$733,607	\$733,607		\$818,175	\$818,175		\$927,416	\$927,416		\$1,012,753	\$1,012,753		\$2,482	\$2,482
HIGH SCHOOLS		\$574,193	\$574,193		\$610,909	\$610,909		\$703,442	\$703,442		\$754,964	\$754,964		\$1,062,791	\$1,062,791
JUNIOR COLLEGES		\$79,785	\$79,785		\$87,951	\$87,951		\$99,409	\$99,409		\$107,892	\$107,892		\$790,059	\$790,059
PARK DISTRICTS		\$94,566	\$94,566		\$104,171	\$104,171		\$148,189	\$148,189		\$127,991	\$127,991		\$109,188	\$109,188
FIRE PROTECT DIST		\$26,028	\$26,028		\$27,795	\$27,795		\$32,661	\$32,661		\$35,018	\$35,018		\$36,155	\$36,155
PUBLIC LIBRARIES		\$26,046	\$26,046		\$31,706	\$31,706		\$36,190	\$36,190		\$40,333	\$40,333		\$41,821	\$41,821
SPECIAL DIST (3)		\$161	\$161		\$10,032	\$10,032		\$1,945	\$1,945		\$2,074	\$2,074		\$1,517	\$1,517
TOTAL EXTENSIONS	\$2,153,756	\$2,358,532	\$4,511,709	\$2,214,100	\$2,568,040	\$4,782,140	\$2,304,120	\$2,906,127	\$5,210,247	\$2,653,311	\$3,086,790	\$5,620,103	\$2,660,633	\$3,349,921	\$6,010,554

NOTE: (1) Source: Cook County Clerks Office. Tax Extensions do not include tax increment financing levies or special service area levies.
 (2) Includes Chicago Public Library tax levy
 (3) Includes River Conservancy, Street Lighting, Consolidated Elections (for odd numbered years when suburban elections only are taxed by County), Bond Districts, Drainage Districts, Home Equity Districts (In Chicago as of 1990), DuPage Water District and Mass Transit Districts. Until 1991 Special Police Distis were in this category too. As of 1991, these Police Distis are under Townships.
 (4) Township includes township road and bridge, general assistance, mental health, public health and township police districts.

Table A.7

**1992 EFFECTIVE TAX RATES IN CHICAGO AND SELECTED SUBURBS
FOR HOMES, COMMERCIAL AND INDUSTRIAL PROPERTIES***

	<i>HOME</i>	<i>COMMERCIAL</i>	<i>INDUSTRIAL</i>
CHICAGO	1.54	4.31	5.85
COOK COUNTY SUBURBS:			
SCHAUMBURG**	1.47	6.20-6.24	6.32-6.36
ROSEMONT**	1.14-1.39	4.82-5.87	4.92-5.98
ELKGROVE**	1.19-1.54	5.04-6.52	5.14-6.64
HARVEY	2.58	10.08	11.17
CHICAGO HTS	1.90-2.90	7.44-11.36	8.24-12.59
SOUTH HOLLAND	1.70-1.95	6.66-7.64	7.38-8.47
ORLAND PARK	1.53	5.99	6.64
SKOKIE	1.18-1.81	5.01-7.65	5.10-7.80
NORTHBROOK	1.11-1.32	4.69-5.59	4.78-5.69
BUFFALO GROVE**	1.47	6.22	6.33
DUPAGE COUNTY SUBURBS:			
ELKGROVE**	1.64-1.66	1.85-1.86	1.85-1.86
OAK BROOK**	1.14-1.79	1.28-2.01	1.28-2.01
BURR RIDGE**	1.46-2.22	1.64-2.49	1.64-2.49
LAKE COUNTY SUBURBS:			
DEERFIELD**	2.07	2.31	2.31
BUFFALO GROVE**	2.05	2.31	2.31
LINCOLNSHIRE**	1.59	1.79	1.79

* These effective tax rates are based on information from the Cook County Clerk, DuPage County Clerk and Lake County Clerk and on assessment sales ratio studies from the Illinois Dept. of Revenue. The suburbs with ** were part of the Civic Federation study, *Report on Intercountry Industrial and Commercial-Office Property Tax Differentials*, released in February, 1990. The effective tax rates are ranges in some cases, while in the others (Chicago, Orland Park, Harvey, Buffalo Grove, Deerfield and Lincolnshire) they represent the average rate level for that municipality. These effective tax rates are based on dividing the actual tax bill of a typical home or business property within these municipalities by the market value of that property.

TABLE A.8: COMPARATIVE NOMINAL AND EFFECTIVE PROPERTY TAX RATES IN THE 21 LARGEST MUNICIPALITIES IN THE SIX COUNTY CHICAGO METROPOLITAN AREA IN 1992 (OVERALL RATES AND EDUCATION RATES)

COUNTY/CITY	Overall Nominal Taxrate	School * Nominal Taxrate	Overall Effective Taxrate for HOME	Overall Effective Taxrate for COMMRL	Overall Effective Taxrate for INDUSTRIAL	Education Effective Taxrate for HOME	Education Effective Taxrate for COMMRL	Education Effective Taxrate for INDUSTRIAL	Education % of Total Proptry Taxbill
COOK:									
Arlington Hts	7.489 to 9.29	3.806 to 5.266	1.281 to 1.589	5.418 to 6.721	5.52 to 6.85	.651 to .901	2.754 to 3.81	2.805 to 3.881	50.8% to 56.7%
Berwyn	10.714 to 11.342	6.066 to 6.637	1.750 to 1.853	6.844 to 7.246	7.585 to 8.03	.991 to 1.084	3.875 to 4.24	4.295 to 4.699	56.6% to 58.5%
CHICAGO	9.501	4.457	1.546	4.314	5.851	0.7252	2.024	2.745	46.9%
DesPlaines	7.343 to 8.491	3.806 to 4.954	1.256 to 1.453	5.312 to 6.143	5.412 to 6.258	.651 to .848	2.754 to 3.584	2.805 to 3.651	51.8% to 58.3%
Elgin	9.603 to 10.407	5.064	1.643 to 1.780	6.947 to 7.529	7.078 to 7.670	0.866	3.664	3.792	48.7% to 52.7%
Evanston	11.122 to 11.529	6.637	1.903 to 1.972	8.046 to 8.341	8.197 to 8.497	1.135	4.802	4.892	57.6% to 59.7%
Hoffman Estates	7.296 to 10.057	3.23	1.248 to 1.721	5.278 to 7.276	5.377 to 7.412	.553 to .974	2.337 to 4.121	2.381 to 4.198	44.3% to 56.6%
Mt Prospect	7.679 to 8.842	3.806 to 4.954	1.314 to 1.513	5.555 to 6.397	5.66 to 6.517	.651 to .848	2.754 to 3.584	2.805 to 3.651	49.6% to 56%
OakLawn	8.903 to 10.963	4.733 to 6.793	1.454 to 1.791	5.687 to 7.003	6.303 to 7.762	.773 to 1.11	3.024 to 4.34	3.351 to 4.809	53.2% to 62%
Oak Park	12.731	7.963	2.08	8.133	9.013	1.301	5.087	5.638	62.5%
Palatine	9.783 to 10.024	5.624	1.674 to 1.715	7.078 to 7.252	7.21 to 7.388	.962	4.069	4.145	56.1% to 57.5%
Schaumburg	8.579 to 8.632	5.624 to 5.696	1.468 to 1.477	6.207 to 6.245	6.323 to 6.362	.962 to .974	4.069 to 4.121	4.145 to 4.198	65.2% to 66.4%
Skokie	6.926 to 10.591	2.972 to 6.637	1.185 to 1.812	5.011 to 7.662	5.105 to 7.806	.508 to 1.135	2.15 to 4.802	2.191 to 4.892	42.9% to 62.7%
KANE:									
Aurora**	7.769 to 8.432	3.862 to 4.525	2.158 to 2.342	2.43 to 2.637	2.43 to 2.637	1.073 to 1.257	1.208 to 1.415	1.208 to 1.415	49.7% to 53.7%
DUPAGE:									
Aurora**	7.626 to 8.189	4.691	2.215 to 2.393	2.482 to 2.679	2.482 to 2.679	1.363 to 1.371	1.527 to 1.535	1.527 to 1.535	57.3% to 61.5%
Bolingbrook	7.390 to 8.216	4.483 to 4.852	2.071 to 2.402	2.33 to 2.69	2.33 to 2.69	1.256 to 1.419	1.413 to 1.589	1.413 to 1.589	59.1% to 60.7%
Downers Grove	5.609 to 7.623	4.096 to 5.563	1.59 to 2.185	1.787 to 2.451	1.787 to 2.451	1.161 to 1.594	1.304 to 1.789	1.304 to 1.789	73.0%
Elmhurst	5.083 to 7.294	2.913 to 4.083	1.441 to 2.042	1.619 to 2.298	1.619 to 2.298	.826 to 1.143	.928 to 1.286	.928 to 1.286	56% to 57.3%
Wheaton	6.926 to 10.591	4.924	1.949 to 2.382	2.187 to 2.673	2.187 to 2.673	1.411	1.584	1.584	59.3% to 72.4%
Naperville**	6.304 to 10.52	4.307	1.831 to 3.056	2.052 to 3.424	2.052 to 3.424	1.251	1.402	1.402	40.9% to 68.3%
WILL:									
Naperville**	6.743 to 7.428	4.307 to 4.691	1.906 to 2.198	2.142 to 2.458	2.142 to 2.458	1.218 to 1.368	1.368 to 1.552	1.368 to 1.552	63.2% to 63.9%
Joliet	8.675 to 9.241	4.88 to 4.923	2.436 to 2.573	2.74 to 2.896	2.74 to 2.896	1.359 to 1.382	1.529 to 1.555	1.529 to 1.555	52.8% to 56.7%
LAKE:									
Waukegan	8.543	4.944	2.31	2.609	2.609	1.337	1.51	1.51	57.9%

Notes:

* Education rate here means the total taxrate for primary and secondary education and in Chicago it includes the School Finance Authority rate.

** These two communities have a significant portion of their tax base in more than one county.

In many of the communities the tax rates given are ranges because there are different school districts and other special districts in different parts of these municipalities. In some municipalities there was one prevalent tax rate given by the County Clerk so that rate was used.

The effective property tax rates calculated by the Civic Federation are based on the 21 municipalities nominal property tax rate ranges from the county clerks and on the assessment sales ratio data compiled by the Illinois Department of Revenue on 1992 post appeals assessments compared to 1991 property sales.

The township level assessment sales ratios for Lake, Dupage, Will and Kane Counties and the assessment sales ratios by property class for each of the three assessment districts in Cook County, i.e., the City of Chicago, North Suburbs, and South Suburbs are used in this analysis.

TABLE A.9: TAX INCREMENT FINANCING DISTRICTS (1992)

GOVERNMENT	# OF DIST	FROZEN EAV	TIF EAV	TIF INCREMENT	% INC TIF/ FROZEN EAV	-----TIF TAXES PAID-----			% TO INC	% TO REG
						TIF INCREMENT	TIF REGULAR	TOTAL		
Arlington Height	2	10,750,521	36,381,394	25,630,873	238%	2,289,093	960,129	3,249,222	70%	30%
Bartlett	1	6,910,302	11,646,485	4,736,183	69%	449,937	656,479	1,106,416	41%	59%
Bedford Park	4	9,707,054	10,883,591	1,176,537	12%	388,547	897,605	1,286,152	30%	70%
Berwyn	1	4,719,751	8,021,753	3,302,002	70%	366,883	521,708	888,590	41%	59%
Blue Island	1	2,518,670	3,349,572	830,902	33%	86,860	262,644	349,504	25%	75%
Bridgeview	2	3,352,206	16,424,775	13,072,569	390%	1,246,915	310,321	1,557,236	80%	20%
Burbank	1	0	12,699,279	12,699,279		1,133,157	0	1,133,157	100%	0%
Calumet Park	1	1,778,408	2,121,121	342,713	19%	43,141	223,866	267,007	16%	84%
Chicago	21	144,747,092	451,611,421	306,864,329	212%	29,813,689	14,202,088	44,015,776	68%	32%
Chicago Heights	3	2,661,739	5,578,880	2,917,141	110%	441,772	403,094	844,866	52%	48%
Chicago Ridge	2	3,371,055	23,055,791	19,684,736	584%	2,008,155	343,924	2,352,079	85%	15%
Cicero	1	87,270,268	97,135,057	9,864,789	11%	1,262,592	11,156,519	12,419,111	10%	90%
Country Club Hi	1	2,914,164	5,336,284	2,422,120	83%	328,962	395,185	724,147	45%	55%
Crestwood	1	913,534	30,607,158	29,693,624	3250%	2,501,985	76,974	2,578,959	97%	3%
Deerfield	1	8,394,068	65,533,717	57,139,649	681%	4,470,929	653,434	5,124,364	87%	13%
Des Plaines	2	20,621,330	34,006,781	13,385,451	65%	1,021,908	1,573,998	2,595,906	39%	61%
Dixmoor	1	975,865	1,191,770	215,905	22%	32,040	144,818	176,859	18%	82%
Elmwood Park	1	3,687,658	4,610,517	922,859	25%	86,352	345,054	431,406	20%	80%
Evanston	3	9,877,631	24,674,174	14,796,543	150%	1,665,278	1,113,311	2,778,589	60%	40%
Evergreen Park	2	1,594,098	2,363,290	769,192	48%	77,081	159,745	236,825	33%	67%
Flossmoor	1	1,179,849	1,209,127	29,278	2%	3,534	141,408	144,941	2%	98%
Franklin Park	4	65,497,933	75,565,299	10,067,366	15%	817,135	5,399,966	6,217,101	13%	87%
Glenwood	1	7,051,613	8,297,692	1,246,079	18%	145,181	821,583	966,764	15%	85%
Hanover Park	2	5,360,261	18,028,964	12,668,703	236%	1,484,717	593,421	2,078,138	71%	29%
Harvey	1	258,980	573,489	314,509	121%	53,460	44,021	97,482	55%	45%
Hazelcrest	1	106,917	2,785,716	2,678,799	2505%	328,206	13,099	341,306	96%	4%
Hillside	1	10,975,465	12,684,547	1,709,082	16%	150,947	969,362	1,120,309	13%	87%
Hodgkins	1	10,813,145	13,771,100	2,957,955	27%	264,855	968,209	1,233,064	21%	79%
Hoffman Estates	2	5,236,815	95,016,010	89,779,195	1714%	6,843,019	394,616	7,237,635	95%	5%
Homewood	5	3,939,466	29,888,278	25,948,812	659%	3,288,165	497,216	3,785,380	87%	13%

TABLE A.9: TAX INCREMENT FINANCING DISTRICTS (1992)

GOVERNMENT	# OF DIST	FROZEN EAV	TIF EAV	TIF INCREMENT	% INC TIF/ FROZEN EAV	TIF TAXES PAID			% TO INC	% TO REG
						TIF INCREMENT	TIF REGULAR	TOTAL		
Justice	1	175,138	474,351	299,213	171%	30,963	18,123	49,086	63%	37%
La Grange	1	9,259,881	16,525,132	7,265,251	78%	742,581	946,452	1,689,034	44%	56%
Lansing	3	19,954,894	61,941,138	41,986,244	210%	4,178,726	1,987,442	6,166,169	68%	32%
Lemont	1	4,826,272	7,049,526	2,223,254	46%	209,408	454,587	663,995	32%	68%
Lynwood	1	360,721	15,602	(345,119)	-96%	0	41,739	41,739	0%	100%
Markham	2	3,979,108	4,249,673	270,565	7%	37,906	557,473	595,379	6%	94%
Matteson	2	3,060,208	3,952,060	891,852	29%	100,280	344,090	444,370	23%	77%
Maywood	1	15,967,334	19,671,080	3,703,746	23%	582,932	2,548,470	3,131,401	19%	81%
Melrose Park	3	4,682,593	19,170,845	14,488,252	309%	1,199,094	461,756	1,660,850	72%	28%
Mount Prospect	2	7,576,159	13,366,611	5,790,452	76%	511,123	668,748	1,179,871	43%	57%
Niles	2	7,625,028	27,462,357	19,837,329	260%	1,214,874	464,733	1,679,607	72%	28%
Northlake	3	4,773,886	5,780,698	1,006,812	21%	109,330	476,690	586,020	19%	81%
Oak Forest	1	537,751	514,792	(22,959)	-4%	0	62,718	62,718	0%	100%
Oak Lawn	1	4,569,192	9,526,021	4,956,829	108%	506,489	466,880	973,369	52%	48%
Oak Park	1	23,762,593	46,269,426	22,506,833	95%	3,091,841	3,256,474	6,348,315	49%	51%
Orland Hills	1	716,124	7,579,308	6,863,184	958%	654,958	73,354	728,312	90%	10%
Palos Heights	2	602,129	8,970,366	8,368,237	1390%	783,160	55,335	838,495	93%	7%
Park Forest	1	11,710,716	16,020,342	4,309,626	37%	685,748	1,863,409	2,549,157	27%	73%
Prospect Height	1	842,154	9,402,915	8,560,761	1017%	791,699	77,882	869,582	91%	9%
Richton Park	2	8,070,970	10,482,542	2,411,572	30%	353,139	932,247	1,285,386	27%	73%
River Forest	1	19,173,727	22,176,334	3,002,607	16%	340,886	2,176,793	2,517,679	14%	86%
Riverdale	2	36,465,919	39,473,626	3,007,707	8%	479,275	4,339,018	4,818,293	10%	90%
Rolling Meadow	1	2,464,411	4,115,522	1,651,111	67%	150,449	224,557	375,006	40%	60%
Rosemont	4	92,733,583	356,829,862	264,096,279	285%	18,125,978	6,387,885	24,513,863	74%	26%
Sauk Village	2	676,143	2,154,041	1,477,898	219%	201,423	92,152	293,574	69%	31%
Schaumburg	1	10,754,500	18,183,423	7,428,923	69%	637,327	922,629	1,559,956	41%	59%
Skokie	3	38,838,553	50,405,221	11,566,668	30%	997,969	3,121,645	4,119,614	24%	76%
South Holland	4	15,185,643	19,979,800	4,794,157	32%	517,924	1,638,308	2,156,231	24%	76%
Summit	1	3,335,069	5,281,235	1,946,166	58%	224,219	384,065	608,284	37%	63%
Thornton	1	1,550,667	2,616,136	1,065,469	69%	122,573	178,446	301,019	41%	59%
Wheeling	1	12,681,639	21,894,088	9,212,449	73%	799,364	1,100,386	1,899,750	42%	58%
Worth	1	0	0	0		0	0	0		
TOTAL	124	804,098,563	1,936,587,105	1,132,488,542	141%	101,476,132	80,568,281	182,044,413	56%	44%

TABLE A.10: COMPARISON OF GROWTH IN TIF EAV AND MUNICIPAL EAV – 1992

1992						
	# OF	TIF	%	TOTAL	%	TIF %
GOVERNMENT	UNFDIST	EAV	GROWTH-	MUNI EAV	GROWTH OF TOTAL	MUNI EAV
			OVER 91		OVER 91	
Arlington Heights	2	36,381,394	-2%	1,484,820,338	15%	2%
Bartlett	1	11,646,485	12%	99,685,673	24%	11%
Bedford Park	4	10,883,591	-19%	340,957,945	5%	3%
Berwyn	1	8,021,753	9%	358,694,427	2%	2%
Blue Island	1	3,349,572	-2%	123,426,926	2%	3%
Bridgeview	2	16,424,775	21%	260,356,565	2%	6%
Burbank	1	12,699,279	2%	198,547,335	2%	6%
Calumet Park	1	2,121,121	-3%	45,323,751	1%	5%
Chicago	21	451,611,421	27%	27,964,127,826	2%	2%
Chicago Heights	3	5,578,880	9%	244,011,761	1%	2%
Chicago Ridge	2	23,055,791	2%	173,468,847	1%	12%
Cicero	1	97,135,057	0%	397,851,477	2%	24%
Country Club Hills	1	5,336,284	-8%	83,941,138	2%	6%
Crestwood	1	30,607,158	84%	124,825,127	-2%	20%
Dearfield	1	65,533,717	13%	63,323,605	9%	54%
Des Plaines	2	34,006,781	16%	1,195,280,201	13%	3%
Dixmoor	1	1,191,770	4%	17,720,342	2%	7%
Elmwood Park	1	4,610,517	-5%	223,257,084	17%	2%
Evanston	3	24,674,174	15%	1,017,945,267	16%	2%
Evergreen Park	2	2,363,290	-15%	193,425,916	3%	1%
Flossmoor	1	1,209,127	ERR	132,311,596	ERR	1%
Franklin Park	4	75,565,299	440%	528,261,141	11%	14%
Glenwood	1	8,297,692	1%	72,558,561	1%	11%
Hanover Park	2	18,028,964	16%	135,010,543	14%	12%
Harvey	1	573,489	-8%	164,674,068	3%	0%
Hazelcrest	1	2,785,716	91%	86,117,119	6%	3%
Hillside	1	12,684,547	40%	159,238,627	2%	8%
Hodgkins	1	13,771,100	-10%	87,972,538	7%	15%
Hoffman Estates	2	95,016,010	157%	695,164,488	19%	12%
Homewood	5	29,886,278	7%	203,736,237	2%	13%
Justice	1	474,351	2%	73,720,331	4%	1%
La Grange	1	16,525,132	2%	210,412,791	2%	8%
Lansing	3	61,941,138	5%	268,261,092	7%	20%
Lemont	1	7,049,526	6%	100,696,683	7%	7%
Lynwood	1	15,602	0%	51,371,501	2%	0%
Markham	2	4,249,673	12%	61,205,319	1%	7%
Matteson	2	3,952,060	5%	247,631,319	3%	2%
Maywood	1	19,671,080	-4%	114,719,769	1%	17%
Melrose Park	3	19,170,845	21%	405,090,881	5%	5%
Mount Prospect	2	13,366,611	81%	913,693,108	15%	1%
Niles	2	27,462,357	12%	712,635,280	15%	4%
Northlake	3	5,780,698	7%	187,318,600	11%	3%
Oak Forest	1	514,792	2%	227,100,775	2%	0%
Oak Lawn	1	9,526,021	2%	595,395,767	2%	2%
Oak Park	1	46,269,426	4%	542,814,186	2%	8%
Orland Hills	1	7,579,308	163%	46,873,421	5%	14%
Palos Heights	2	8,970,366	23%	180,991,905	3%	5%
Park Forest	1	16,020,342	2%	91,744,267	1%	17%
Prospect Heights	1	9,402,915	50%	224,092,842	15%	4%
Richton Park	2	10,482,542	14%	73,374,846	-3%	14%
River Forest	1	22,176,334	3%	194,567,435	2%	11%
Riverdale	2	39,473,626	18%	99,818,367	1%	38%
Rolling Meadows	1	4,115,522	2%	552,810,208	11%	1%
Rosemont	4	354,047,601	9%	222,935,954	3%	73%
Sauk Village	2	2,154,041	-2%	44,258,310	0%	5%
Schaumburg	1	18,183,423	16%	1,991,297,453	11%	1%
Skokie	3	50,405,221	19%	1,252,011,134	16%	4%
South Holland	4	19,979,800	1%	261,023,186	2%	8%
Summit	1	5,281,235	-1%	70,489,575	2%	7%
Thornton	1	2,616,136	4%	42,867,675	-1%	6%
Wheeling	1	21,894,088	15%	613,907,743	16%	4%
Worth	1	0	ERR	88,629,160	2%	0%
TOTAL	125	1,936,587,105	21%	47,640,797,361	5%	3%

TABLE B.1: OTHER REVENUE SOURCES FOR COOK COUNTY AREA MAJOR LOCAL GOVERNMENTS
1983-1992 (000'S)

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
ALL GOVERNMENTS (excluding RTA)										
Other Local Tax Revenue	\$805,084	\$930,589	\$1,004,112	\$1,054,789	\$1,187,977	\$1,184,100	\$1,241,928	\$1,302,220	\$1,334,176	\$1,382,335
Local Non-Tax Revenue	\$1,076,016	\$1,159,961	\$1,202,314	\$1,232,895	\$1,218,949	\$1,332,313	\$1,728,417	\$1,941,164	\$1,829,352	\$1,996,834
Intergovernmental Revenue	\$1,720,129	\$1,713,746	\$1,770,138	\$1,910,854	\$1,965,849	\$1,894,184	\$2,087,108	\$2,278,716	\$2,194,206	\$2,210,449
TOTAL ALL GOVERNMENTS	\$3,601,229	\$3,804,296	\$3,976,564	\$4,198,538	\$4,352,775	\$4,410,597	\$5,057,453	\$5,522,100	\$5,357,734	\$5,589,618
GOVERNMENT UNIT										
COOK COUNTY (1)										
Other Local Tax Revenue	\$163,211	\$180,887	\$210,628	\$217,588	\$219,354	\$219,565	\$252,511	\$273,198	\$274,633	\$274,939
Local Non-Tax Revenue	\$266,035	\$281,543	\$290,081	\$288,117	\$255,213	\$280,983	\$338,789	\$383,252	\$419,028	\$475,272
Intergovernmental Revenue	\$30,720	\$54,651	\$41,125	\$40,070	\$26,901	\$21,865	\$22,461	\$48,171	\$53,299	\$48,567
From Federal	\$21,999	\$24,748	\$23,652	\$21,949	\$1,356	\$862	\$678	\$15,221	\$15,139	\$11,126
From State	\$7,405	\$29,031	\$16,569	\$18,920	\$24,708	\$19,274	\$19,868	\$30,932	\$35,657	\$36,570
From Other Locals	\$1,326	\$872	\$904	\$1,201	\$837	\$1,729	\$1,915	\$2,018	\$2,503	\$871
TOTAL COOK COUNTY	\$459,986	\$517,081	\$541,834	\$545,775	\$501,468	\$522,413	\$611,761	\$704,621	\$746,960	\$798,778

Other Local Tax Revenue includes: PPRT, Inheritance, New Vehicle, Sales, Wheel, Income, Alcoholic Beverage Gasoline, Cigarette, Motor Fuel.

Local Non-Tax Revenue includes: Fees and Licenses, Interest on Investments, Miscellaneous, Patient Service Revenues.

Federal Revenue includes: General Revenue Sharing, Grants.

State Revenue includes: Motor Fuel Tax, Daley Center Rental, Grants.

Revenue from other Local Governments includes: Motor Fuel Tax, Grants.

(1) Includes revenue of Cook County Health Facilities.

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CITY OF CHICAGO (2)										
Other Local Tax Revenue	\$557,885	\$648,416	\$679,280	\$715,075	\$810,146	\$821,723	\$845,682	\$895,166	\$933,821	\$980,397
Local Non-Tax Revenue	\$630,271	\$670,736	\$700,644	\$731,534	\$764,310	\$858,126	\$1,003,568	\$1,037,706	\$1,150,940	\$1,248,867
Intergovernmental Revenue	\$747,013	\$683,650	\$683,962	\$727,388	\$772,052	\$719,595	\$820,795	\$898,521	\$843,117	\$812,548
From Federal										
From State										
From Other Locals										
TOTAL CITY OF CHICAGO	\$1,935,169	\$1,992,802	\$2,063,886	\$2,173,997	\$2,346,508	\$2,399,444	\$2,670,045	\$2,831,393	\$2,927,878	\$3,041,812

Other Local Tax Revenue includes: PPRT; Utility; Sales; Transportation; Property Transaction; Employer's Expense; Recreation; Other taxes.

Local Non-Tax Revenue includes: Internal Service Earnings; Licenses & Permits; Fines; Interest on Investments; Charges for Services; Rents & Concessions; Sale of Land & Buildings; Miscellaneous.

Intergovernmental Revenue includes Federal and State Grants and State Shared Taxes.

(2) 1991 figures were adjusted to reflect restated 1991 figures in the city's Comprehensive Annual Financial Report.

TABLE B.1: OTHER REVENUE SOURCES FOR COOK COUNTY AREA MAJOR LOCAL GOVERNMENTS
1983-1992 (000'S)

METROPOLITAN WATER RECLAMATION DISTRICT (MWRD)

Other Local Tax Revenue	\$11,540	\$14,285	\$15,477	\$17,446	\$19,549	\$19,165	\$19,176	\$18,032	\$16,993	\$19,221
Local Non-Tax Revenue	\$42,345	\$50,472	\$54,217	\$55,524	\$56,252	\$50,082	\$63,842	\$71,649	\$74,645	\$73,782
Intergovernmental Revenue	\$47,536	\$44,862	\$42,766	\$49,556	\$32,369	\$33,864	\$64,988	\$97,025	\$69,611	\$84,178
From Federal	\$47,496	\$44,601	\$40,015	\$41,314	\$32,248	\$29,525	\$52,434	\$70,667	\$48,013	\$57,902
From State	\$40	\$261	\$2,751	\$8,242	\$121	\$4,339	\$12,554	\$26,358	\$21,598	\$26,276
TOTAL MWRD	\$101,421	\$109,619	\$112,460	\$122,526	\$108,170	\$103,111	\$148,006	\$186,706	\$161,249	\$177,181

Other Local Tax Revenue includes PPRT.

Local Non-Tax Revenue includes: User Charge, Industrial Surcharge, Land Rentals, Interest on Investments, Premium/Interest Bond Sales, Miscellaneous.

Federal Revenue includes Federal Grants.

State Revenue includes State Grants.

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BOARD OF EDUCATION (3)										
Other Local Tax Revenue	\$56,850	\$65,109	\$72,003	\$76,618	\$87,633	\$92,516	\$92,273	\$88,812	\$82,336	\$80,180
Local Non-Tax Revenue	\$61,563	\$74,609	\$80,921	\$78,439	\$60,271	\$63,449	\$22,161	\$342,745	\$81,959	\$87,982
Intergovernmental Revenue	\$819,469	\$867,800	\$921,421	\$1,007,921	\$1,045,377	\$1,030,064	\$1,030,062	\$1,138,232	\$1,134,339	\$1,173,838
From Federal	\$195,595	\$205,281	\$194,388	\$207,052	\$211,266	\$218,580	\$233,822	\$247,587	\$284,989	\$319,790
From State	\$623,874	\$662,519	\$727,033	\$800,869	\$834,111	\$811,484	\$852,240	\$890,645	\$849,350	\$854,048
TOTAL BOARD OF EDUCATION	\$937,882	\$1,007,518	\$1,074,345	\$1,162,978	\$1,193,281	\$1,186,029	\$1,402,496	\$1,567,789	\$1,298,634	\$1,342,010

Other Local Tax Revenue includes PPRT.

Local Non-Tax Revenue includes: Lunchroom Sales, Investment Income, Other, Other Financing Sources, and SFA investment income.

Federal Revenue includes: ESEA, School Lunch, CETA, Other.

State Revenue includes: Distributive Fund, Special Education, Bilingual, Other, SFA state aid.

(3) Includes School Finance Authority revenue.

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CHICAGO PARK DISTRICT										
Other Local Tax Revenue	\$9,164	\$14,843	\$18,275	\$18,815	\$22,287	\$22,154	\$23,002	\$20,469	\$18,262	\$19,355
Local Non-Tax Revenue	\$48,368	\$47,234	\$41,707	\$44,033	\$47,002	\$41,860	\$48,200	\$52,512	\$48,445	\$51,579
Intergovernmental Revenue						\$1,522	\$32	\$762	\$130	\$136
From Federal										
From State										
TOTAL CHICAGO PARK DISTRICT	\$57,532	\$62,077	\$59,982	\$62,848	\$69,289	\$65,536	\$71,234	\$73,743	\$66,837	\$71,070

Other Local Tax Revenue includes PPRT.

Local Non-Tax Revenue includes: Investment Income, Parking Stations, Concessions, Rent, Reimbursements, Golf Fees, Miscellaneous.

TABLE B.1: OTHER REVENUE SOURCES FOR COOK COUNTY AREA MAJOR LOCAL GOVERNMENTS
1983-1992 (000'S)

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
FOREST PRESERVE DISTRICT (FPD)										
Other Local Tax Revenue	\$2,312	\$2,861	\$3,100	\$3,494	\$2,599	\$2,506	\$2,498	\$2,331	\$2,177	\$2,478
Local Non-Tax Revenue	\$5,317	\$5,998	\$6,152	\$6,231	\$6,415	\$6,773	\$7,466	\$10,105	\$10,622	\$10,649
Intergovernmental Revenue	\$1,113	\$288	\$200	\$0	\$251	\$627	\$1,060	\$363	\$501	\$650
From Federal	\$1,113	\$288	\$200	\$0	\$251	\$627	\$1,060	\$363	\$501	\$650
From State										
TOTAL FPD	\$8,742	\$9,147	\$9,452	\$9,725	\$9,265	\$9,906	\$11,024	\$12,799	\$13,300	\$13,777

Other Local Tax Revenue includes PPRT.
Local Non-Tax Revenue includes: Interest on Investment, Fees, Miscellaneous, and Bid Deposits.
Federal Revenue includes Federal Grants.

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CITY COLLEGES										
Other Local Tax Revenue	\$4,122	\$4,188	\$5,349	\$5,753	\$6,409	\$6,471	\$6,786	\$6,212	\$5,954	\$5,765
Local Non-Tax Revenue	\$22,117	\$29,369	\$28,592	\$29,017	\$29,486	\$31,040	\$44,391	\$43,195	\$43,713	\$48,693
Intergovernmental Revenue	\$74,278	\$82,495	\$80,664	\$85,919	\$88,899	\$86,647	\$91,710	\$95,642	\$93,209	\$90,532
From Federal	\$19,105	\$20,909	\$21,158	\$22,585	\$18,737	\$18,177	\$18,280	\$19,627	\$23,730	\$29,817
From State	\$54,746	\$60,643	\$59,072	\$62,963	\$69,881	\$68,301	\$73,298	\$76,015	\$69,479	\$60,715
From Other Locals	\$427	\$943	\$434	\$371	\$281	\$169	\$132	\$0	\$0	\$0
TOTAL CITY COLLEGES	\$100,517	\$116,052	\$114,605	\$120,689	\$124,794	\$124,158	\$142,887	\$145,049	\$142,876	\$144,990

Other Local Tax Revenue includes PPRT.
Local Non-Tax Revenue includes: Investment Income, Student Tuition, Fees and Charges, Miscellaneous.
Federal Revenue includes Government Grants.
State Revenue includes: ICCB Credit Hour Grant, ICCB Equalization Grant, Vocational Education, Special Projects Grants.
Revenue from Locals includes local government grants.

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
RTA (including CTA, METRA, PACE)										
Other Local Tax Revenue			\$342,441	\$368,579	\$386,439	\$418,752	\$429,988	\$444,110	\$425,173	\$445,891
Local Non-Tax Revenue			\$448,135	\$491,607	\$498,697	\$522,757	\$534,822	\$565,195	\$552,774	\$581,077
Intergovernmental Revenue	(4)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds			\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
State Funds			\$84,830	\$90,264	\$95,895	\$102,701	\$123,384	\$150,501	\$144,462	\$143,784
Federal Funds			\$58,269	\$56,675	\$54,276	\$49,878	\$49,867	\$50,119	\$49,405	\$49,541
TOTAL RTA			\$938,675	\$1,012,125	\$1,040,307	\$1,099,088	\$1,143,061	\$1,214,925	\$1,176,814	\$1,225,293

Other Local Tax Revenue includes: Retail Sales Tax.
Local Non-Tax Revenue includes: Interest, Passenger Fares, Miscellaneous.
Revenue from Federal includes: Federal Operating Assistance Grant; Unified Work Program;
Other Federal Grants.
Revenue from State includes: Public Transportation Fund; Reduced Fare; Additional State Assistance.
Revenue from Locals includes: Contributions from Cook County to the CTA.
(4) Combined statements of revenues unavailable before 1985.
Provision for depreciation is not recognized.
Injury and damage expense in excess of budgeted provision is not recognized beginning in 1992.
Pension expense in excess of pension contributions and early retirement incentive expense in excess of payments are not recognized.
Source: Each Government Unit's annual reports and Cook County Clerk Tax Extension Office.

TABLE C.1: EXPENDITURES OF CHICAGO AREA MAJOR LOCAL GOVERNMENTS
1984-1992 ('000'S)

Government Unit:	1984	1985	1986	1987	1988	1989	1990	1991	1992
CITY OF CHICAGO									
General Government	\$516,622	\$548,686	\$617,888	\$670,192	\$695,892	\$757,670	\$751,701	\$815,024	\$884,672
Health	\$47,341	\$49,215	\$59,310	\$61,733	\$66,183	\$70,454	\$76,066	\$90,448	\$96,626
Public Safety	\$650,994	\$682,506	\$730,748	\$768,757	\$795,540	\$778,753	\$814,499	\$883,314	\$931,670
Streets & Sanitation	\$246,223	\$239,539	\$240,112	\$262,661	\$253,217	\$252,429	\$289,733	\$301,776	\$290,527
Public Works	\$124,985	\$122,750	\$111,533	\$113,079	\$103,086	\$112,934	\$113,092	\$126,551	\$125,524
Aviation	\$7,622	\$1,133	\$1,208	\$1,142	\$1,566	\$1,795	\$1,887	\$1,074	\$987
Cultural/Recreational	\$42,011	\$42,442	\$50,385	\$59,414	\$63,717	\$70,203	\$66,252	\$71,177	\$67,603
Pensions	\$160,910	\$168,770	\$180,607	\$201,154	\$198,099	\$219,326	\$224,910	\$232,799	\$249,703
Other	\$5,107	\$5,342	\$5,326	\$3,882	\$2,731	\$5,363	\$6,248	\$2,015	\$6,119
Debt Service	\$132,311	\$127,859	\$121,406	\$244,394	\$331,785	\$446,881	\$483,191	\$421,002	\$420,534
Capital Projects	\$77,979	\$71,746	\$216,676	\$199,219	\$200,154	\$251,800	\$275,152	\$254,646	\$215,507
sub-total	\$2,012,105	\$2,059,998	\$2,335,199	\$2,585,827	\$2,711,970	\$2,967,608	\$3,102,731	\$3,199,826	\$3,289,472
Enterprise Funds: Water	\$144,249	\$144,491	\$157,899	\$168,575	\$169,599	\$186,369	\$175,710	\$195,650	\$200,146
Sewer	\$51,196	\$49,180	\$51,124	\$54,968	\$59,814	\$71,859	\$79,934	\$94,118	\$94,626
Chi-Cal Skyway	\$5,602	\$7,086	\$8,835	\$8,724	\$8,920	\$8,339	\$10,398	\$8,147	\$7,648
O'Hare	\$101,202	\$132,858	\$131,381	\$175,398	\$174,932	\$198,320	\$221,228	\$230,622	\$238,696
Midway	\$5,155	\$6,522	\$8,688	\$13,285	\$15,371	\$16,833	\$22,837	\$23,851	\$25,297
TOTAL CITY OF CHICAGO	\$2,319,509	\$2,400,135	\$2,693,126	\$3,006,777	\$3,140,606	\$3,449,328	\$3,612,838	\$3,742,214	\$3,855,883
84-92 % Change	66.2%								
Annual % Change		3.5%	12.2%	11.6%	4.5%	9.8%	4.7%	3.6%	3.0%
COOK COUNTY (1)									
Environmental Control	\$2,541	\$2,753	\$2,609	\$2,938	\$2,923	\$2,900	\$3,137	\$3,303	\$3,086
Protec. Persons/Prop.	\$290,194	\$309,553	\$328,826	\$396,299	\$421,362	\$468,531	\$546,546	\$509,016	\$544,414
Econ/Human Dev.	\$30,041	\$30,260	\$26,217	\$28,770	\$22,611	\$22,909	\$29,982	\$28,256	\$23,997
Debt Service	\$62,664	\$59,410	\$93,381	\$59,293	\$54,621	\$79,382	\$208,438	\$234,233	\$196,672
Education	\$1,375	\$1,520	\$1,572	\$1,752	\$1,761	\$1,854	\$1,895	\$1,895	\$1,505
Protect. Health/Welfare	\$319,938	\$353,733	\$350,119	\$372,409	\$429,931	\$458,952	\$498,230	\$518,321	\$518,326
Assess/Collec Taxes	\$24,476	\$25,233	\$24,445	\$27,110	\$29,512	\$31,028	\$30,683	\$35,056	\$32,446
Election	\$16,272	\$9,946	\$14,903	\$10,205	\$18,802	\$11,502	\$20,265	\$11,555	\$21,105
Transportation	\$73,252	\$73,055	\$77,942	\$77,409	\$80,214	\$85,155	\$81,406	\$78,140	\$68,187
Govt Mgmt/Support	\$43,745	\$47,251	\$49,686	\$54,346	\$57,255	\$63,063	\$68,050	\$62,302	\$60,185
Capital Outlay							\$9,070	\$136,159	\$141,914
TOTAL COOK COUNTY	\$859,498	\$912,714	\$969,699	\$1,030,532	\$1,118,991	\$1,225,276	\$1,496,768	\$1,618,236	\$1,611,827
84-92 % Change	88.5%								
Annual % Change		6.3%	6.2%	6.3%	8.6%	9.5%	22.2%	8.1%	-0.4%
(1) Includes operating expenses: Cook County Health Facilities									

TABLE C.1: EXPENDITURES OF CHICAGO AREA MAJOR LOCAL GOVERNMENTS
1984-1992 (000'S)

Government Unit:	1984	1985	1986	1987	1988	1989	1990	1991	1992
BOARD OF EDUCATION									
Administration	\$2,906	\$2,049	\$1,972	\$2,392	\$2,463	\$2,512	\$5,653	\$2,766	\$3,506
Instruction	\$859,549	\$915,781	\$997,114	\$1,045,044	\$1,080,127	\$1,159,127	\$1,183,369	\$1,270,468	\$1,338,428
Pupil Services	\$121,720	\$129,052	\$142,082	\$153,432	\$159,771	\$169,665	\$175,785	\$191,000	\$222,396
Support Services	\$207,195	\$216,213	\$243,197	\$256,709	\$254,127	\$273,731	\$453,605	\$485,332	\$492,836
Food Services	\$73,881	\$78,267	\$88,377	\$84,841	\$87,108	\$87,512	\$93,484	\$97,179	\$95,889
Community Services	\$14,231	\$14,106	\$16,364	\$17,530	\$21,167	\$22,698	\$30,261	\$36,136	\$45,486
Capital Outlay	\$8,494	\$7,171	\$8,951	\$10,045	\$8,825	\$2,113	\$15,206	\$14,639	\$10,099
General Charges	\$111,625	\$127,024	\$131,068	\$137,879	\$127,128	\$150,723	\$79,716	\$76,413	\$66,490
Capital Projects	\$2,199	\$12,722	\$16,608	\$34,318	\$37,878	\$32,477	\$15,291	\$11,108	\$8,700
Debt Service	\$78,269	\$76,840	\$69,191	\$66,747	\$59,460	\$206,898	\$322,287	\$58,745	\$58,392
TOTAL BD OF ED	\$1,480,069	\$1,579,225	\$1,714,924	\$1,808,937	\$1,838,054	\$2,107,456	\$2,374,657	\$2,243,786	\$2,342,222
84-92 % Change	58.3%								
Annual % Change		6.7%	8.6%	5.5%	1.6%	14.7%	12.7%	-5.5%	4.4%
SCHOOL FINANCE AUTHORITY									
Operational Expenses	\$69	\$86	\$116	\$131	\$117	\$118	\$105	\$120	\$176
Consultants/Services	\$552	\$262	\$175	\$196	\$400	\$356	\$750	\$878	\$1,079
Administrative	\$111	\$111	\$110	\$96	\$370	\$133	\$423	\$362	\$138
School Construction	\$66	\$66	\$1,691	\$8,759	\$8,543	\$5,902	\$4,254	\$5,445	\$1,944
School Rehab	\$0	\$0	\$4,824	\$20,761	\$22,179	\$16,172	\$5,784	\$2,035	\$779
Debt Service	\$73,573	\$66,395	\$72,205	\$63,121	\$58,987	\$55,715	\$69,306	\$53,283	\$63,150
TOTAL SFA	\$74,194	\$66,920	\$79,121	\$93,064	\$90,597	\$78,896	\$80,622	\$62,123	\$67,266
84-92 % Change	-16.3%								
Annual % Change		-9.8%	18.2%	17.6%	-2.7%	-12.9%	2.2%	-22.9%	8.3%
BO OF ED AND SFA COMBINED									
Administration	\$3,527	\$2,508	\$2,373	\$2,815	\$3,351	\$3,619	\$6,931	\$4,126	\$4,899
Instruction	\$859,549	\$915,781	\$997,114	\$1,045,044	\$1,080,127	\$1,159,127	\$1,183,369	\$1,270,468	\$1,338,428
Pupil Services	\$121,720	\$129,052	\$142,082	\$153,432	\$159,771	\$169,665	\$175,785	\$191,000	\$222,396
Support Services	\$207,195	\$216,213	\$243,197	\$256,709	\$254,127	\$273,731	\$453,605	\$485,332	\$492,836
Food Services	\$73,881	\$78,267	\$88,377	\$84,841	\$87,108	\$87,512	\$93,484	\$97,179	\$95,889
Community Services	\$14,231	\$14,106	\$16,364	\$17,530	\$21,167	\$22,698	\$30,261	\$36,136	\$45,486
Capital Outlay	\$8,494	\$7,171	\$8,951	\$10,045	\$8,825	\$2,113	\$15,206	\$14,639	\$10,099
General Charges	\$111,625	\$127,024	\$131,068	\$137,879	\$127,128	\$150,723	\$79,716	\$76,413	\$66,490
Capital Projects	\$2,199	\$12,788	\$23,123	\$63,838	\$68,600	\$54,551	\$25,329	\$18,588	\$11,423
Debt Service	\$151,842	\$143,235	\$141,396	\$129,868	\$118,447	\$262,613	\$391,593	\$112,028	\$121,542
TOTAL BD OF ED & SFA	\$1,554,263	\$1,646,145	\$1,794,045	\$1,902,001	\$1,928,651	\$2,186,352	\$2,455,279	\$2,305,909	\$2,409,488
84-92 % Change	48.4%								
Annual % Change		5.9%	9.0%	6.0%	1.4%	13.4%	12.3%	-6.1%	4.5%

TABLE C.1: EXPENDITURES OF CHICAGO AREA MAJOR LOCAL GOVERNMENTS
1984-1992 (000'S)

Government Unit:	1984	1985	1986	1987	1988	1989	1990	1991	1992
CITY COLLEGES									
Instruction	\$68,233	\$70,547	\$71,312	\$73,350	\$73,201	\$88,898	\$87,535	\$94,382	\$97,395
Academic Support	\$0,908	\$0,451	\$8,728	\$10,937	\$11,701	\$13,366	\$15,308	\$15,020	\$17,835
Student Services	\$8,448	\$7,730	\$8,380	\$8,770	\$8,965	\$9,788	\$11,534	\$13,000	\$13,658
Public Service	\$14	\$20	\$8	\$1,093	\$1,144	\$1,490	\$1,044	\$1,242	\$1,400
Data Processing	\$3,204	\$3,742	\$3,979	\$3,785	\$4,018	\$3,340	\$3,555	\$2,728	\$3,301
Operation & Maintenance	\$16,059	\$17,151	\$17,758	\$19,444	\$19,339	\$21,174	\$22,110	\$23,483	\$24,140
General Administration	\$5,629	\$5,037	\$6,401	\$7,275	\$7,204	\$9,820	\$9,830	\$11,775	\$9,912
Institutional Support	\$15,825	\$15,588	\$16,712	\$21,836	\$23,200	\$18,479	\$23,240	\$15,752	\$24,824
Wages/Grants/Loans to Students	\$15,748	\$16,556	\$18,324	\$18,030	\$16,738	\$17,425	\$19,010	\$19,767	\$20,983
Capital Outlay	\$7,103	\$5,905	\$6,009	\$6,650	\$2,080	\$3,539	\$9,094	\$11,233	\$7,721
Debt Service	\$16,379	\$15,470	\$15,178	\$16,785	\$30,280	\$38,194	\$30,610	\$31,907	\$26,745
TOTAL CITY COLLEGES	\$161,510	\$165,008	\$173,449	\$187,835	\$197,827	\$225,539	\$232,888	\$241,205	\$247,580
84-92 % Change	53.2%								
Annual % Change		2.1%	5.1%	8.3%	5.3%	14.0%	3.3%	3.6%	2.6%
FOREST PRESERVE DISTRICT									
Administration	\$2,516	\$2,403	\$2,078	\$2,750	\$2,884	\$2,862	\$3,065	\$1,062	\$1,217
Forestry	\$1,414	\$1,484	\$1,614	\$1,732	\$1,816	\$1,656	\$1,870	\$1,828	\$2,217
Conservation	\$857	\$903	\$908	\$1,132	\$1,166	\$1,207	\$1,320	\$1,257	\$1,711
General Maintenance	\$8,245	\$8,484	\$8,471	\$9,269	\$10,272	\$10,874	\$12,308	\$11,732	\$11,871
Golf/Sports/Misc	\$2,489	\$2,700	\$2,668	\$2,943	\$3,024	\$3,285	\$3,874	\$4,292	\$4,929
Law Enforcement	\$2,557	\$2,889	\$2,668	\$2,555	\$3,007	\$3,523	\$3,446	\$3,625	\$4,604
Fixed Charges	\$2,928	\$3,937	\$2,451	\$2,917	\$3,428	\$4,011	\$5,662	\$5,501	\$4,973
Interest (TAN's)	\$403	\$318	\$248	\$311					
Acquisition of Land	\$2,201	\$3,145	\$2,372	\$1,861	\$1,331	\$3,498	\$1,449	\$1,823	\$8,854
Debt Service	\$9,951	\$7,511	\$9,317	\$8,277	\$7,051	\$8,166	\$8,981	\$3,773	\$1,458
Capital Projects	\$3,468	\$3,225	\$2,883	\$3,810	\$5,085	\$2,368	\$3,241	\$4,260	\$6,821
TOTAL FPD	\$37,118	\$38,885	\$38,312	\$37,288	\$39,724	\$41,710	\$43,229	\$39,291	\$48,855
84-92 % Change	5.9%								
Annual % Change		-0.7%	-1.5%	2.7%	6.5%	5.0%	3.0%	-9.1%	18.7%
MWRD									
Board of Commissioners	\$1,437	\$1,453	\$1,505	\$1,601	\$1,670	\$1,849	\$1,782	\$1,955	\$2,040
General Administration	\$4,987	\$5,324	\$6,143	\$8,888	\$9,585	\$9,903	\$9,844	\$11,273	\$10,815
Research & Development	\$8,907	\$9,955	\$10,485	\$11,531	\$12,578	\$14,072	\$17,835	\$19,495	\$19,779
Purchasing	\$2,983	\$3,071	\$3,462	\$3,258	\$3,655	\$4,320	\$5,012	\$5,812	\$5,982
Personnel	\$6,084	\$7,915	\$9,240	\$10,001	\$11,710	\$13,002	\$15,378	\$17,811	\$18,491
Law	\$1,704	\$1,971	\$1,854	\$1,995	\$1,979	\$2,900	\$3,190	\$3,087	\$3,089
Finance	\$4,118	\$3,102	\$2,531	\$3,449	\$3,481	\$2,755	\$2,882	\$3,054	\$2,772
Engineering	\$1,552	\$1,723	\$1,946	\$1,947	\$2,350	\$2,121	\$2,854	\$2,373	\$2,934
Maintenance & Operations	\$92,553	\$97,888	\$101,642	\$104,704	\$108,138	\$112,712	\$117,909	\$123,510	\$128,898
Person Costs	\$10,778	\$13,322	\$13,151	\$13,881	\$12,498	\$12,259	\$14,769	\$18,799	\$18,395
Claims/Judgements	\$1,043	\$2,450	\$2,709	\$1,867	\$1,976	\$3,319	\$2,234	\$2,277	\$2,335
Capital Outlay	\$107,434	\$87,185	\$87,882	\$115,729	\$128,429	\$155,581	\$217,705	\$172,820	\$237,124
Debt Service	\$110,820	\$110,207	\$87,380	\$110,735	\$117,833	\$110,138	\$110,143	\$117,888	\$131,210
TOTAL MWRD	\$356,200	\$351,244	\$329,773	\$397,156	\$415,858	\$445,011	\$530,950	\$500,054	\$581,847
84-92 % Change	83.3%								
Annual % Change		-1.4%	-8.1%	20.4%	4.7%	7.0%	19.3%	-5.8%	16.4%

TABLE C.1: EXPENDITURES OF CHICAGO AREA MAJOR LOCAL GOVERNMENTS
1984-1992 (000'S)

Government Unit:	1984	1985	1986	1987	1988	1989 (2)	1990	1991	1992
RTA (including cta, metra, and pace)									
Service Boards		\$882,100	\$903,000	\$936,900	\$977,900	\$1,022,800	\$1,091,600	\$1,148,100	\$1,153,300
RTA Operating		\$10,946	\$11,988	\$8,684	\$11,999	\$13,395	\$13,667	\$17,776	\$11,581
RTA Debt Service & Related Expenses		\$2,586	\$7,077	\$20,446	\$35,858	\$26,656	\$8,848	\$12,735	\$29,005
RTA Capital Provision and Other		\$35,647	\$63,779	\$48,714	\$44,736	\$25,143	\$54,895	\$27,066	\$11,637
TOTAL RTA		\$931,279	\$985,844	\$1,014,744	\$1,070,493	\$1,087,994	\$1,169,010	\$1,205,677	\$1,205,523
85-92 % Change		29.4%							
Annual % Change			5.9%	2.9%	5.5%	1.6%	7.4%	3.1%	0.0%

(2) In 1989, the RTA altered the way in which revenues and expenditures are reported. Revenue in 1989, and the years which follow, includes service board operating expenditures.

Government Unit:	1984	1985	1986	1987	1988 (3)	1989	1990	1991	1992
CHICAGO PARK DISTRICT (3)									
Administration	\$6,096	\$7,062	\$8,245	\$7,359					
Finance & Management Services	\$11,519	\$12,862	\$12,801	\$14,474					
Recreation & Cultur Activities	\$22,881	\$24,273	\$25,538	\$28,340					
Cultural Institutions	\$2,052	\$2,326	\$2,447	\$2,470					
Op & Facilities Support	\$60,506	\$64,145	\$69,398	\$68,792					
Engineering	\$1,749	\$1,795	\$2,138	\$2,205					
Special Operations	\$1,650	\$1,859	\$1,974	\$1,854					
General Financing	\$8,725	\$8,823	\$11,584	\$23,543					
Underground Prtg: operations	\$7,012	\$7,999	\$8,652	\$5,869	\$8,273	\$5,589	\$7,294	\$7,631	\$6,709
Stardock Harbor: operations	\$159	\$158	\$136	\$162	\$156	\$296	\$169	\$180	\$196
General and Administrative					\$31,482	\$26,721	\$25,991	\$27,692	\$42,325
Special Services:									
auto parking					\$1,462	\$630	\$1,594	\$1,947	\$1,624
zoological and marine					\$4,334	\$5,081	\$5,791	\$6,518	\$6,209
soldier field					\$295				
golf courses					\$1,487	\$1,406	\$1,543	\$1,648	\$1,719
aquarium and museum					\$25,101	\$29,666	\$24,549	\$28,994	\$31,047
other special services					\$2,648	\$4,335	\$3,918	\$5,049	\$11,045
Parks and Recreation:									
host & regional parks					\$39,344	\$71,616	\$68,865	\$75,869	\$61,472
program support & plng.					\$11,152	\$2,432	\$2,047	\$2,569	\$612
engineering & operational					\$60,774	\$47,901	\$54,747	\$49,663	\$51,405
Capital Projects	\$18,612	\$22,973	\$24,298	\$23,036	\$25,078	\$22,441	\$31,961	\$45,838	\$53,037
Debt Service	\$21,551	\$33,991	\$33,883	\$43,674	\$43,088	\$41,531	\$45,071	\$43,699	\$47,019
Miscellaneous							\$799	\$44	\$2,789
TOTAL CPD	\$162,512	\$188,267	\$201,094	\$221,778	\$254,673	\$259,645	\$274,339	\$297,341	\$317,208
84-92 % Change	95.2%								
Annual % Change		15.8%	6.8%	10.3%	14.8%	2.0%	5.7%	8.4%	6.7%
(3) reflects CPD reorganization									

TOTAL ALL GOVTS	1984	1985	1986	1987	1988	1989	1990	1991	1992
City of Chicago	\$2,319,509	\$2,400,135	\$2,693,126	\$3,006,777	\$3,140,606	\$3,449,328	\$3,612,838	\$3,742,214	\$3,855,883
Cook County	\$858,498	\$912,714	\$969,699	\$1,030,532	\$1,118,991	\$1,225,276	\$1,496,766	\$1,618,236	\$1,611,827
Board of Ed & SFA	\$1,554,263	\$1,646,145	\$1,794,045	\$1,902,001	\$1,928,651	\$2,186,352	\$2,455,279	\$2,305,909	\$2,409,488
City Colleges	\$161,610	\$165,006	\$173,449	\$187,835	\$197,827	\$225,539	\$232,888	\$241,205	\$247,580
FPD	\$37,118	\$36,665	\$36,312	\$37,286	\$39,724	\$41,710	\$43,229	\$39,291	\$46,655
MWRD	\$356,200	\$351,244	\$329,773	\$397,156	\$415,858	\$445,011	\$500,950	\$500,054	\$581,847
RTA	\$0	\$931,279	\$985,844	\$1,014,744	\$1,070,493	\$1,087,994	\$1,169,010	\$1,205,677	\$1,205,523
CPD	\$162,512	\$188,267	\$201,094	\$221,778	\$254,673	\$259,645	\$274,339	\$297,341	\$317,208
TOTAL	\$5,449,711	\$6,631,654	\$7,183,342	\$7,798,110	\$8,166,824	\$8,920,855	\$9,815,301	\$9,949,927	\$10,276,011
84-92 % Change	82.6%								
Annual % Change		21.7%	8.3%	8.6%	4.7%	9.2%	10.0%	1.4%	3.3%

TABLE D.1: MATURATION SCHEDULE FOR GENERAL OBLIGATION DEBT SHOWN BY GOVERNMENT
AS OF 1/2/93 (\$000'S)

YEAR	CITY OF CHGO	COOK COUNTY	CHGO BD OF ED.	SCHOOL FIN.AUTH.	CHGO CITY COLLEGS	CHGO PARK DISTRICT	METRO SAN. DIST	FOREST PRESERVE	PUBLIC BLDG COMM	TOTAL
1993	\$51,220	\$49,475	\$11,450	\$18,280	\$5,750	\$17,610	\$4,450	\$1,250	\$23,954	\$183,439
1994	\$61,665	\$51,925	\$5,575	\$19,915	\$0	\$20,070	\$69,185	\$1,400	\$30,700	\$260,435
1995	\$28,645	\$55,190	\$0	\$21,165	\$0	\$22,010	\$69,395	\$0	\$28,515	\$224,920
1996	\$33,145	\$53,800	\$0	\$22,550	\$7,565	\$24,845	\$65,870	\$0	\$20,385	\$228,160
1997	\$36,465	\$56,805	\$0	\$24,015	\$8,095	\$20,190	\$64,595	\$0	\$15,000	\$225,165
TOTAL										
1993-97	\$211,140	\$267,195	\$17,025	\$105,925	\$21,410	\$104,725	\$273,495	\$2,650	\$118,554	\$1,122,119
PERCENT	19.94%	22.01%	100.00%	22.39%	16.30%	38.81%	32.73%	100.00%	20.63%	24.51%
1998	\$33,575	\$48,390	\$0	\$25,600	\$8,655	\$22,400	\$61,695	\$0	\$15,345	\$215,660
1999	\$35,220	\$50,765	\$0	\$27,345	\$9,295	\$23,460	\$62,165	\$0	\$16,585	\$224,835
2000	\$37,955	\$44,375	\$0	\$29,225	\$9,990	\$17,535	\$53,530	\$0	\$17,945	\$210,555
2001	\$40,760	\$47,920	\$0	\$31,255	\$10,720	\$18,575	\$49,700	\$0	\$19,460	\$218,390
2002	\$41,300	\$50,385	\$0	\$33,440	\$11,550	\$19,700	\$38,000	\$0	\$21,100	\$215,475
TOTAL										
1999-2002	\$188,810	\$241,835	\$0	\$146,865	\$50,210	\$101,670	\$265,090	\$0	\$90,435	\$1,084,915
PERCENT	17.83%	19.92%	0.00%	31.05%	38.24%	37.68%	31.72%	0.00%	15.73%	23.70%
2003	\$44,510	\$45,615	\$0	\$35,790	\$12,460	\$17,635	\$36,200	\$0	\$22,905	\$215,115
2004	\$44,325	\$35,375	\$0	\$25,010	\$13,460	\$10,785	\$36,000	\$0	\$24,850	\$189,805
2005	\$47,598	\$36,100	\$0	\$26,925	\$14,535	\$5,565	\$38,250	\$0	\$27,460	\$196,433
2006	\$50,495	\$38,630	\$0	\$44,865	\$19,240	\$5,955	\$40,700	\$0	\$10,000	\$209,885
2007	\$54,728	\$41,555	\$0	\$27,450	\$0	\$6,355	\$48,200	\$0	\$36,305	\$214,591
TOTAL										
2003-2007	\$241,654	\$197,275	\$0	\$160,040	\$59,695	\$46,295	\$199,350	\$0	\$121,520	\$1,025,829
PERCENT	22.82%	16.25%	0.00%	33.83%	45.46%	17.16%	23.86%	0.00%	21.14%	22.41%
2008	\$58,576	\$44,475	\$0	\$11,360	\$0	\$5,350	\$40,800	\$0	\$14,140	\$174,701
2009	\$63,762	\$47,480	\$0	\$48,840	\$0	\$5,700	\$26,400	\$0	\$15,145	\$207,327
2010	\$50,248	\$36,895	\$0	\$0	\$0	\$6,100	\$12,150	\$0	\$16,220	\$121,611
2011	\$53,742	\$23,875	\$0	\$0	\$0	\$0	\$18,350	\$0	\$17,375	\$113,342
2012	\$45,037	\$25,430	\$0	\$0	\$0	\$0	\$0	\$0	\$18,615	\$89,082
TOTAL										
2008-2012	\$271,364	\$178,155	\$0	\$60,200	\$0	\$17,150	\$97,700	\$0	\$81,495	\$706,064
PERCENT	25.62%	14.68%	0.00%	12.73%	0.00%	6.36%	11.69%	0.00%	14.18%	15.43%
2013	\$20,300	\$25,725	\$0	\$0	\$0	\$0	\$0	\$0	\$19,940	\$65,965
2014	\$21,835	\$27,415	\$0	\$0	\$0	\$0	\$0	\$0	\$21,360	\$70,610
2015	\$23,535	\$29,225	\$0	\$0	\$0	\$0	\$0	\$0	\$21,310	\$74,070
2016	\$25,340	\$31,155	\$0	\$0	\$0	\$0	\$0	\$0	\$22,695	\$79,190
2017	\$10,440	\$33,205	\$0	\$0	\$0	\$0	\$0	\$0	\$24,170	\$67,815
TOTAL										
2013-2017	\$101,450	\$146,725	\$0	\$0	\$0	\$0	\$0	\$0	\$109,475	\$357,650
PERCENT	9.58%	12.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.05%	7.81%
2018	\$10,985	\$35,365	\$0	\$0	\$0	\$0	\$0	\$0	\$25,740	\$72,090
2019	\$11,285	\$37,645	\$0	\$0	\$0	\$0	\$0	\$0	\$27,540	\$76,450
2020	\$12,130	\$39,990	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,120
2021	\$10,295	\$42,490	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,785
2022	0	27295	0	0	0	0	0	0	0	\$27,295
TOTAL										
2018-2022	\$44,675	\$182,785	\$0	\$0	\$0	\$0	\$0	\$0	\$53,280	\$280,740
PERCENT	4.22%	15.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.27%	6.13%
GRAND TOTAL (% OF TOTL PER GOVT)	\$1,059,093 23.14%	\$1,213,970 26.52%	\$17,025 0.37%	\$473,030 10.33%	\$131,315 2.87%	\$269,840 5.90%	\$835,635 18.26%	\$2,650 0.06%	\$574,759 12.56%	\$4,577,317 100.00%

Note: Maturation schedule is based on calendar year and not governments' fiscal years.

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TABLE D.2: MARGINS OF BORROWING POWER IN 1992 FOR THE MAJOR CHICAGO AREA LOCAL GOVERNMENT UNITS WHICH HAVE STATUTORY DEBT LIMITS (\$000'S)

GOVERNMENT UNIT	ALLOWABLE DEBT LEVEL (% OF EAV)	DEBT LIMIT	1992 APPLICABLE DEBT	DEBT MARGIN	DEBT MARGIN % CHANGE 1991-92
BOARD OF EDUCATION	13.800%	\$3,859,050	\$1,138,524	\$2,720,526	7.9%
FOREST PRESERVE	0.345%	\$220,660	\$2,650	\$218,010	7.4%
CHICAGO PARK DIST.	2.300%	\$643,175	\$280,425	\$362,750	5.9%
Park Improvement Bonds	1.000%	\$279,641	\$183,292	\$96,349	13.2%
METRO WATER RECLM DIST.	5.750%	\$3,597,299	\$823,016	\$2,774,283	9.4%

NOTE: Three major government units do not have such limitations on their borrowing power: the City of Chicago, Cook County, and the City Colleges. The School Finance Authority has a limit on the total dollar amount of debt it can extend which is not based on the EAV, but rather on the total dollar amount the State Legislature mandates to assist the Chicago School Board as a result of its financial crisis in 1979-80. The Park District debt limitation is on bonded debt alone and does not include other forms of general obligation debt like PBC leases. The Forest Preserve's and the MWRD's margins of borrowing power shown above are for long term debt. Each also has a limit for tax anticipation notes. The value of the tax anticipation notes issued by these Districts must not exceed 85 percent of their current year tax levies. This table shows the margin of borrowing power for each government according to its own fiscal year. The margins are calculated based on the 1992 EAV for each government.

TABLE D.3 OVERLAPPING LONG TERM DEBT WITHIN CHICAGO IN 1992
(As of 01/02/93)

GOVERNMENT	1992 TOTAL LONGTERM DEBT (\$000s)	(1) PERCENT EAV IN CITY	(2) OVRLPNG DEBT (\$000s)	% OVERLAP DEBT TO CITY EAV	U.S.CENSUS PER CAPITA DEBT (ACTUAL \$s)	(3) % OVERLAP DEBT TO FULL VALUE	% TOTAL OVRLPNG DEBT	% CHANGE OVRLPNG DEBT 91-92
CHICAGO	\$1,072,260	100.00%	\$1,072,260	3.8%	\$387.31	1.1%	30.6%	13.2%
BD OF ED	\$465,847	100.00%	\$465,847	1.7%	\$168.27	0.5%	13.3%	3.2%
SFA	\$473,030	100.00%	\$473,030	1.7%	\$170.86	0.5%	13.5%	-1.8%
PARK DIST.	\$296,540	100.00%	\$296,540	1.1%	\$107.11	0.3%	8.5%	-7.7%
CITY COLLEGES	\$251,825	100.00%	\$251,825	0.9%	\$90.96	0.3%	7.2%	-3.7%
COOK COUNTY	\$1,306,970	43.72%	\$571,430	2.0%	\$206.41	0.6%	16.3%	37.8%
FOREST PR DIST	\$2,650	43.72%	\$1,159	0.0%	\$0.42	0.0%	0.0%	-34.5%
MWRD	\$835,635	44.70%	\$373,516	1.3%	\$134.92	0.4%	10.7%	-3.7%
TOTAL	\$4,704,757		\$3,505,606	12.5%	\$1,266.26	3.7%	100.0%	7.3%

NOTES:

(1) All EAV and Estimated Full Value amounts are 1992 figures -- the latest available as of 5/94.

(2) Overlapping debt is the portion of the debt outstanding at the end of the day, 1/2/93 for the govts. included here paid for by the prop. taxpayers within Chicago. It includes all long term debt (principal only -- no interest payments) which local govts. are pay with prop. tax. Includes PBC lease payments on the princ. outstanding on PBC bonds, Cook County's const. tender notes, \$93 million, the City of Chicago's daily tender notes with maturities longer than 18 months that are not used to pay for regular operating expenses

(3) Full value refers to the total full market value of property in the City of Chicago as calculated by the Civic Federation based on figures from the State Department of Revenue and the Cook County Assessor's Office.

TABLE D.4: REVENUE BONDS OUTSTANDING: MAJOR CHICAGO GOVERNMENTS 1983-1992, (\$000'S)

GOVERNMENT UNIT	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CHICAGO										
WATER	\$174,200	\$157,395	\$156,760	\$195,925	\$186,360	\$176,320	\$248,994	\$237,475	\$225,145	\$223,610
WASTE WATER	\$34,865	\$34,720	\$34,560	\$70,000	\$68,805	\$67,550	\$142,460	\$196,070	\$193,700	\$225,860
TOLL BRIDGE	\$101,000	\$101,000	\$101,000	\$101,000	\$101,000	\$101,000	\$101,000	\$101,000	\$90,195	\$90,195
AIRPORT	\$175,000	\$624,550	\$1,087,610	\$1,085,010	\$1,079,535	\$1,318,750	\$1,316,980	\$2,026,545	\$2,031,190	\$2,317,930
TOTAL CITY	\$485,065	\$917,665	\$1,379,930	\$1,451,935	\$1,435,700	\$1,663,620	\$1,809,434	\$2,561,090	\$2,540,230	\$2,857,595
CHGO PARK DIST										
PARKING	\$19,300	\$17,800	\$16,300	\$14,600	\$12,900	\$0	\$0	\$0	\$0	\$0
HARBOR FACILIT.	\$2,220	\$2,150	\$2,075	\$1,990	\$1,895	\$1,795	\$1,685	\$1,560	\$1,420	\$1,275
TOTAL PARK DIST	\$21,520	\$19,950	\$18,375	\$16,590	\$14,795	\$1,795	\$1,685	\$1,560	\$1,420	\$1,275
MWRD (SEWERS)										
PUBLIC BLDG COMM	\$417,935	\$384,150	\$355,400	\$413,950	\$450,895	\$415,635	\$510,835	\$617,914	\$598,035	\$45,150
TOT \$ OUTSTNDNG	\$924,520	\$1,321,765	\$1,753,705	\$1,882,475	\$1,901,390	\$2,081,050	\$2,321,954	\$3,180,564	\$3,139,685	\$2,904,020

NOTES: This bond information is by each government's fiscal year which is not necessarily January through December. PBC revenue bonds are issued for building construction or rehabilitation and are paid off by the property tax ext. of the govt. units which commissioned the projects.

A the end of 1992 the principal owed on the PBC bonds by each government unit is:

City of Chicago: \$13,167,500; Board of Education \$5,282,500;

Park District: \$26,700,000; Chicago City Colleges: \$0.

TABLE D.5: NET BONDED INDEBTEDNESS: MAJOR CHICAGO AREA GOVERNMENTS 1983-1992 (\$000'S)

GOVERNMENT UNIT	1983	% OF TOTAL	1984	% OF TOTAL	1985	% OF TOTAL	1986	% OF TOTAL	1987	% OF TOTAL
CITY OF CHICAGO	\$459,960	18.8%	\$451,900	18.8%	\$615,920	22.4%	\$762,940	26.4%	\$952,570	32.0%
COOK COUNTY	\$310,100	12.7%	\$290,550	12.1%	\$361,050	13.2%	\$340,350	11.8%	\$313,250	10.5%
BOARD OF EDUCATION	\$285,260	11.7%	\$253,070	10.5%	\$220,290	8.0%	\$188,350	6.5%	\$156,485	5.3%
SFA	\$541,575	22.2%	\$524,325	21.8%	\$633,195	23.1%	\$648,855	22.4%	\$637,265	21.4%
CITY COLLEGES #508	\$5,950	0.2%	\$2,950	0.1%	\$2,200	0.1%	\$1,450	0.1%	\$30,700	1.0%
CHICAGO PARK DISTRICT	\$91,020	3.7%	\$129,270	5.4%	\$176,405	6.4%	\$209,670	7.3%	\$216,275	7.3%
MWRD	\$720,500	29.5%	\$729,600	30.3%	\$708,000	25.8%	\$709,210	24.5%	\$647,390	21.8%
FOREST PRESERVE	\$26,550	1.1%	\$26,150	1.1%	\$26,600	1.0%	\$30,350	1.0%	\$22,450	0.8%
TOTAL	\$2,440,915		\$2,407,815		\$2,743,660		\$2,891,175		\$2,976,385	

GOVERNMENT UNIT	1988	% OF TOTAL	1989	% OF TOTAL	1990	% OF TOTAL	1991	% OF TOTAL	1992	% OF TOTAL
CITY OF CHICAGO	\$1,159,425	37.0%	\$889,195	30.2%	\$882,930	27.8%	\$928,763	26.1%	\$1,059,053	26.5%
COOK COUNTY	\$400,355	12.8%	\$510,605	17.3%	\$617,480	19.5%	\$814,643	22.9%	\$1,213,970	30.3%
BOARD OF EDUCATION	\$129,470	4.1%	\$75,440	2.6%	\$48,425	1.5%	\$30,300	0.9%	\$17,025	0.4%
SFA	\$540,870	17.3%	\$512,600	17.4%	\$497,005	15.7%	\$481,735	13.5%	\$473,030	11.8%
CITY COLLEGES #508	\$27,925	0.9%	\$20,225	0.7%	\$141,390	4.5%	\$135,590	3.8%	\$131,315	3.3%
CHICAGO PARK DISTRICT	\$209,015	6.7%	\$244,990	8.3%	\$236,520	7.5%	\$287,480	8.1%	\$269,840	6.7%
MWRD	\$648,715	20.7%	\$682,065	23.1%	\$739,390	23.3%	\$876,305	24.6%	\$835,635	20.9%
FOREST PRESERVE	\$14,550	0.5%	\$13,300	0.5%	\$7,225	0.2%	\$3,875	0.1%	\$2,650	0.1%
TOTAL UNMATURED BON	\$3,130,325		\$2,948,420		\$3,170,365		\$3,558,691		\$4,002,518	
	\$1,970,900		\$2,059,225		\$2,287,435		\$2,629,928		\$2,943,465	

Notes: This table does not include the City's Special Service Area bonds. This table shows the gross long term general obligation bonded indebtedness of each of the major local government units for their individual fiscal years 1982-1991.

TABLE E.1: TEST FOR SOLVENCY
 QUICK LIABILITY RATIOS FOR LOCAL RETIREMENT SYSTEMS
 FY 1992 (\$000's)

RETIREMENT SYSTEM	1 NET PRESENT ASSETS	2 RETIRED LIABILITY	3 ACCUMULATED CONTRIBUTIONS OF ACTIVE MMBRS	4 NEEDED FOR TERMINATION (2 + 3)	5 QUICK LIABILITY RATIO (1 / 4)
COOK	\$2,112,357.8	\$548,839.1	\$521,424.2	\$1,070,263.3	197.4%
FOREST	\$71,579.5	\$23,379.9	\$15,353.0	\$38,732.9	184.8%
LABOR.	\$797,641.2	\$311,642.8	\$161,298.9	\$472,941.7	168.7%
TEACHER	\$4,299,936.0	\$1,738,280.0	\$857,624.4	\$2,595,904.4	165.6%
MWRD	\$536,682.9	\$279,794.0	\$100,963.3	\$380,757.3	141.0%
MUNIC.	\$2,546,997.0	\$1,331,738.2	\$714,169.4	\$2,045,907.6	124.5%
PARK	\$360,549.3	\$193,727.1	\$117,457.4	\$311,184.5	115.9%
POLICE	\$1,795,962.0	\$1,513,967.0	\$580,878.8	\$2,094,845.8	85.7%
FIRE	\$597,316.6	\$620,585.3	\$233,769.8	\$854,355.1	69.9%

TABLE E.2: BREAKDOWN OF LOCAL PENSION FUNDS' EXPENDITURES
 FY 1992 (\$000'S)

	BENEFITS	REFUNDS	ADMIN. EXPS.	TOTAL EXPENSES
COOK COUNTY	\$65,763.4	\$14,433.0	\$6,286.4	\$86,482.8
% of Total	76.0%	16.7%	7.3%	100.0%
FOREST PRESERVE	\$2,676.9	\$292.3	\$292.9	\$3,262.1
% of Total	82.1%	9.0%	9.0%	100.0%
MUNICIPAL EMPLOYEES'	\$161,209.4	\$18,237.6	\$11,404.7	\$190,851.7
% of Total	84.5%	9.6%	6.0%	100.0%
LABORERS'	\$38,101.3	\$2,789.3	\$3,911.7	\$44,802.3
% of Total	85.0%	6.2%	8.7%	100.0%
FIREMENS'	\$79,739.8	\$1,326.0	\$4,392.4	\$85,458.2
% of Total	93.3%	1.6%	5.1%	100.0%
POLICEMENS'	\$148,666.3	\$3,274.0	\$6,142.8	\$158,083.1
% of Total	94.0%	2.1%	3.9%	100.0%
PARK EMPLOYEES'	\$23,170.2	\$2,019.5	\$1,813.6	\$27,003.2
% of Total	85.8%	7.5%	6.7%	100.0%
MWRD	\$25,625.5	\$2,645.7	\$2,645.7	\$30,916.8
% of Total	82.9%	8.6%	8.6%	100.0%
SCHOOL TEACHERS'	\$177,657.0	\$8,603.2	\$20,710.6	\$206,970.8
% of Total	85.8%	4.2%	10.0%	100.0%
NINE FUNDS' AVERAGE	\$80,290.0	\$5,957.8	\$6,400.1	\$92,647.9
% of Total	86.9%	6.2%	6.9%	100.0%

TABLE E.3: FISCAL YEAR 1992 PENSION FUND DATA WITH COMPARABLE 1991 YEAR END TOTALS (\$000's)

PENSION	EMPLYR MULTPLR	(1)	EST. OF UNCOLLECT. TAXES	PERSONAL	(2)	INVTMT INCOME	(3)	(7)	TOTAL INCOME	TOTAL OUTLAYS	(4)	ACCRUED LIABILITY	(5)	1992 FUNDED RATIO	(6)
		PROPERTY TAX EXTNSN		PROPERTY REPLCMNT TAX	EMPLOYEE CONTRBTN		ANNUAL YIELD	OTHER INCOME			YEAREND ASSETS		1991 FUNDED RATIO		1992 MARKET FUNDED RATIO
FOREST PRES.	1.30	\$1,935	(\$39)	\$215	\$2,229	\$5,744	8.8%	\$38	\$10,122	\$3,262	\$71,580	\$68,720	115.9%	104.2%	111.6%
LABORERS'	1.37	\$13,311	(\$666)	\$3,535	\$13,025	\$66,509	9.0%	\$148	\$95,863	\$44,802	\$797,641	\$777,385	98.1%	102.6%	117.1%
COOK COUNTY	1.54	\$82,461	(\$1,649)	\$9,173	\$73,653	\$168,703	8.9%	\$1,498	\$333,838	\$86,483	\$2,112,358	\$2,350,677	94.0%	89.9%	89.9%
MWRD	2.19	\$15,901	(\$398)	\$1,988	\$11,225	\$50,598	10.4%	\$0	\$79,315	\$28,916	\$536,683	\$656,033	88.4%	81.8%	88.1%
PARK	1.10	\$8,427	(\$457)	0	\$10,624	\$30,944	9.3%	\$131	\$49,668	\$27,533	\$360,549	\$430,154	81.8%	83.8%	89.6%
TEACHERS'	1.00	\$5,761	0	0	\$89,704	\$317,382	7.9%	\$69,691	\$482,539	\$209,855	\$4,299,936	\$5,215,602	82.1%	82.4%	89.4%
MUNICIPAL	1.69	\$106,079	(\$5,304)	\$17,121	\$83,374	\$188,039	8.0%	\$1,956	\$391,264	\$190,852	\$2,546,997	\$3,645,744	69.4%	69.9%	75.6%
POLICE	2.00	\$72,568	(\$3,628)	\$12,807	\$47,321	\$172,890	10.6%	\$3,210	\$305,168	\$159,638	\$1,795,962	\$3,248,083	50.8%	55.3%	59.9%
FIREMENS'	2.26	\$33,473	(\$1,674)	\$5,907	\$20,811	\$51,748	9.3%	\$53	\$110,319	\$86,145	\$597,317	\$1,268,150	46.5%	47.1%	52.1%
1992		\$339,916	(\$13,814)	\$50,746	\$351,967	\$1,052,556	8.7%	\$76,725	\$1,858,095	\$837,486	\$13,119,022	\$17,660,548	73.2%	74.3%	
1991		\$300,587	(\$23,716)	\$47,349	\$331,335	\$1,043,482	9.4%	\$84,203	\$1,794,051	\$761,357	\$12,095,050	\$16,528,069			

NOTES:

- (1) Small portion of some pension funds' final levies extended to DuPage County not included.
- (2) Includes contributions made by the employer on employee's behalf.
- (3) Average Yield = (Investment Income)/((1/2)(Beginning Assets + Ending Assets - Investment Income))
- (4) Assets determined at book value.
- (5) The funded ratio represents the extent to which fund assets cover total accrued liability.
- *NOTE: The total funded ratios shown at the bottom of the column are computed separately, dividing total assets by total liabilities.
- (6) Market value of assets used to show market level of funding.
- (7) The Public School Teachers' Fund received about \$59.8 million from the State of Illinois in 1992.

SOURCE:

Property Tax Contributions from Tax Year 1992 Levy Summary, Cook County Extensions Office.
All other information derived from pension funds' 1992 Actuarial Statements and Annual Reports.

CHICAGO INFLATION INDEX
1982-1984= 100*

YEAR	INFLATION INDEX #	ANNUAL % CHANGE
1983	100.0	4.0%
1984	103.8	3.8%
1985	107.7	3.8%
1986	110.0	2.1%
1987	114.5	4.1%
1988	119.0	3.9%
1989	125.0	5.0%
1990	131.7	5.4%
1991	137.0	4.0%
1992	141.1	3.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics
This index is based on the Consumer Price Index for the Chicago area.

*In 1988, the Department of Labor recalibrated the index based on a new base year, 1983.

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