



DUPAGE MAYORS AND MANAGERS CONFERENCE

an association of municipalities representing over 1,000,000 people

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DuPage Mayors and Managers Conference Opposes Plan to Freeze Local Government Distributive Fund

Members of the DuPage Mayors and Managers Conference (DMMC) are contacting their legislators in Springfield this week to remind them that freezing the Local Government Distributive Fund (LGDF) would be devastating to municipalities' ability to continue current levels of service to residents and businesses. This action follows a state FY 2013 budget proposal from the Senate Democratic Caucus that includes a freeze on LGDF distributions to local governments, capping the amount at what was distributed last year. The LGDF is the tool by which the state distributes to local governments their portion of the income tax collected by the state, since local governments have been prohibited from collecting income tax directly.

This new proposal ignores the fact that LGDF revenue has been shrinking in recent years. Distributions to municipalities are artificially low already, and gains in revenue are needed to return local budgets to sustainable levels. Municipalities have limited resources and rely on LGDF revenue to provide essential services and programs to residents. DuPage municipalities are already operating on bare bones budgets and have had to make significant cuts in the past few years. Without this revenue, municipalities, and the residents they serve, will not be allowed to benefit from improvements to our struggling economy. Because reserve funds have been used already, there is a strong potential for municipal services to be negatively impacted, including police and fire protection, waste removal, and road maintenance. Communities have been forced to make difficult financial decisions because of the current economic situation, and therefore have balanced budgets by decreasing spending, cutting jobs, laying off staff, and even increasing taxes. This new proposal would exacerbate this situation and push local

governments closer to insolvency. Municipalities need every dollar that LGDF is intended to provide.

Freezing the LGDF is touted as a “savings to the state budget,” but in fact it merely shifts the state’s financial obligations onto local taxpayers. The state must address its own budgetary issues, and not covertly shift its burdens onto others via municipal budgets. DMMC urges residents to contact their legislators and demand that the Local Government Distributive Fund be left alone.

Founded in 1962, the DuPage Mayors and Managers Conference is a council of 33 municipal governments representing over 1,000,000 people. A coalition of cities and villages, the Conference works to voice municipal concerns on local, regional, state and national issues. It also serves its members and region by fostering intergovernmental cooperation. The Conference is a not-for-profit organization supported by membership dues and grants. For more information on the Conference, visit www.dmmc-cog.org.

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