



MEMORANDUM

To: CMAP Land Use Committee
From: CMAP Staff
Date: January 17, 2018
Re: ON TO 2050 Governance Indicator Refinement

Following an approach established in GO TO 2040, ON TO 2050 will include various topic-specific indicators, which are a set of performance measures to benchmark the region's progress on plan implementation.

In identifying the set of indicators for ON TO 2050, staff first began by reviewing the existing GO TO 2040 indicators, as revised via the Plan Update process in 2014.

Current GO TO 2040 Governance Indicators

The GO TO 2040 Plan Update (2014) included four governance indicators. Because they are no longer consistent with the focus of ON TO 2050 governance work, staff propose to replace them with more relevant indicators.

Table with 3 columns: Indicator, Description, Targets. Row 1: Sales tax efficiency indicator, Examined how Illinois' sales tax base compared to other states in terms of the number of services included. ON TO 2050 will cover the target of expanding the sales tax base under a new indicator., Illinois' services in its sales tax base should be consistent with the national average by 2020.

Indicator	Description	Targets
Percentage of municipalities with a per capita sales and property tax base more than 25 percent below the median	Looked at how dissimilar municipal sales and property tax bases were from other municipalities in the region. ON TO 2050 will cover municipal differences resulting from tax policies under a new indicator.	<ul style="list-style-type: none"> <li>Lower the percentage of the region’s municipalities that have a per capita sales and property tax base of more than 25 percent below the regional median to 28% by 2020 and 16% by 2040.</li> </ul>
Tax system transparency score	Tracked the availability of ten categories of tax and finance-related documents on the websites of the seven counties. ON TO 2050 will cover issues of transparency in the context of local capacity.	<ul style="list-style-type: none"> <li>All counties should have all of the categories of documents available on their website by 2020.</li> </ul>
Regional government transparency index	Measured the extent that information from counties was available online, as well as the ease with which it could be accessed. ON TO 2050 will cover issues of transparency in the context of local capacity.	<ul style="list-style-type: none"> <li>All counties should have a perfect score as defined in the methodology by 2020.</li> </ul>

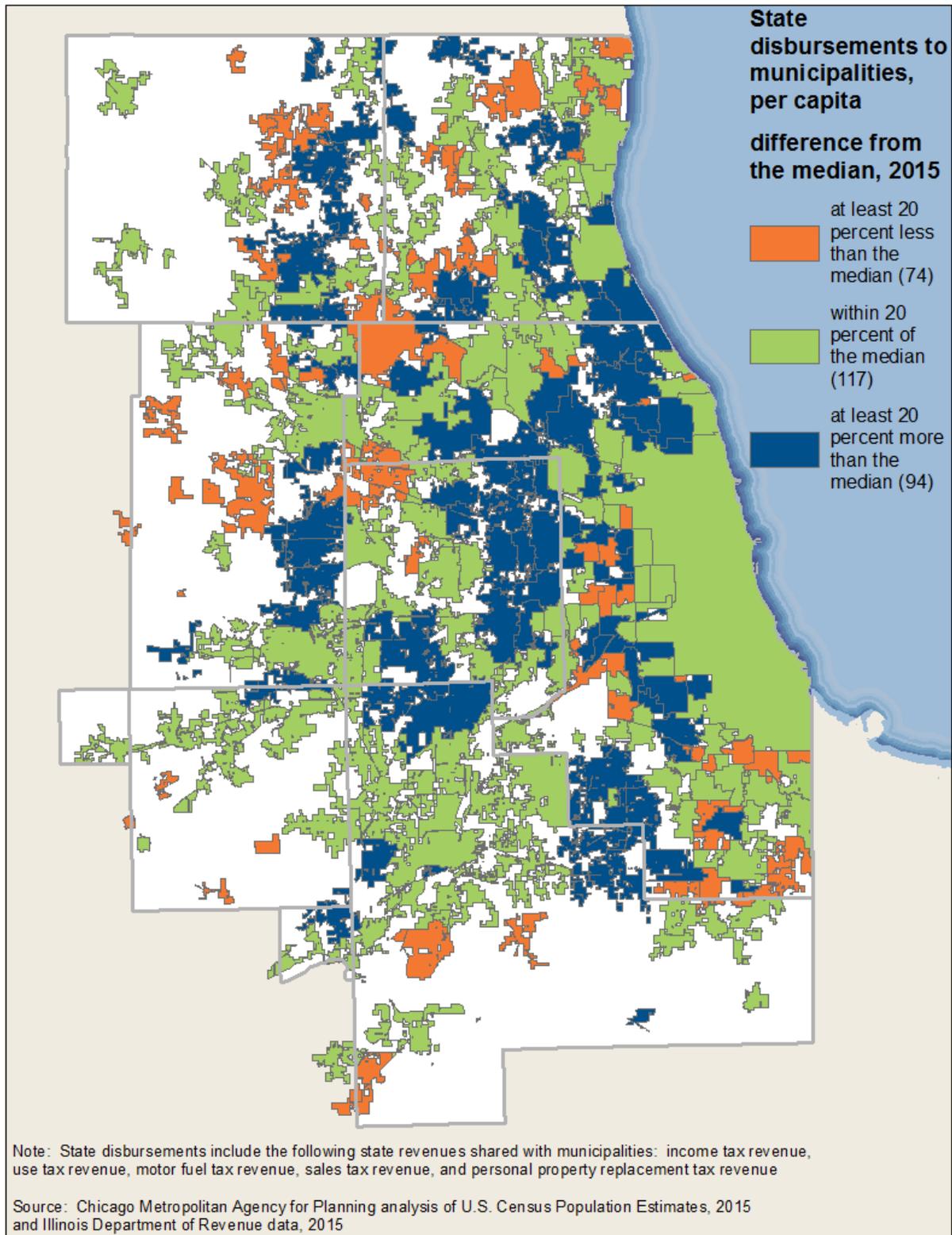
**Proposed ON TO 2050 Governance Indicators**

As part of the ON TO 2050 plan development process, CMAP explored key policy areas through the research and analysis on tax policy and other governance issues over the past several years, as well as the development of a strategy paper on municipal capacity. Key findings and policy recommendations from this work, as well as other ON TO 2050 strategy papers have identified four new indicators to track ON TO 2050 governance-related recommendations.

***Divergences in state revenue disbursements to municipalities***

This indicator will track state revenue disbursements to municipalities in northeastern Illinois, with the goal of reducing the number of municipalities with per-capita disbursement levels below 80 percent of the median.

Illinois municipalities receive revenue through [state disbursements of several revenue sources](#), including income, use, sales, motor fuel, and personal property replacement tax revenue. These revenues may be based on current land use, population, or similar factors, but some disbursements are based on long established criteria that may no longer relate to service and infrastructure needs or current conditions in a given community. In addition to state disbursements, municipalities can also raise revenues through local taxes, fees, fines, and licenses. Communities depend on local revenues to fund the public service and infrastructure investments that attract and retain residents and businesses. Municipalities with strong revenue levels relative to public service needs may be better able to maintain their fiscal condition, which may lead to greater capacity to achieve local and regional goals. However, there are wide divergences in municipal revenue levels across the region. The following map illustrates state disbursements to municipalities per capita, displayed as difference from the median per capita level.



The amount of revenue municipalities collect varies throughout the region and depends on local land use mix, the composition of their tax structures, and the level of service the community desires from the municipality. State statutory criteria for revenue disbursements to municipalities also drive divergences, as the criteria do not always relate to the level of public

services required or to a municipality's capacity to raise its own revenue from its own tax base. For example, the state disburses sales tax revenue based on where sales are generated. These revenues, particularly when combined with other tax revenues generated from retail development, often significantly exceed a municipality's costs for providing services to that development.<sup>1</sup> In addition, this criterion provides more revenue to municipalities with stronger sales tax bases that may not have the capacity to raise sufficient revenue from their own tax bases without severely high property, utility, or sales tax rates. Similarly, state motor fuel tax revenue is disbursed in proportion to population; however, communities with significant transportation infrastructure needs from truck traffic do not receive sufficient MFT revenue under this arrangement.

### ***Municipalities responding to biennial survey***

This indicator will track the number of municipalities that respond to CMAP's biennial Municipal Plans, Programs, and Operations Survey, issued to all of the region's 284 municipalities every two years. This survey was initiated following adoption of GO TO 2040, with the inaugural survey issued in 2010 and subsequent surveys completed in 2012, 2014, and 2016. CMAP has obtained valuable data through this initiative, including identifying opportunities for technical assistance, informing policy analysis, and tracking the implementation of GO TO 2040. It is an important agency tool for understanding municipal capacity and targeting resources. The highest response rate achieved for this initiative was 81.3 percent, or 231 of the region's 284 municipalities, in 2016. CMAP will continue to strive for high response rates in future years.

### ***Municipalities that train appointed board members***

This indicator will track the number of municipalities whose appointed board members with development review authority, specifically plan commission and/or zoning board members, have recently completed relevant professional development training. Strategy development for ON TO 2050 has indicated that appointed board members, as well as municipal staff and elected officials, who regularly engage in trainings are more familiar with best practices and better prepared to fulfill their roles in service of their communities. A question will be included on the biennial Municipal Plans, Programs, and Operations Survey, beginning with the 2018 survey, to track whether municipalities have provided trainings for their appointed board members on a regular basis.

### ***Municipalities that have implemented key plan recommendations***

This indicator will track the number of municipalities that have implemented one or more significant regional plan recommendations, such as establishing stormwater utility fees based on system use, active use of a capital improvement plan, implementing a complete streets policy, reducing and managing parking, and coordinating with other jurisdictions.

Strategy development for ON TO 2050 has pointed to a need to increase municipal capacity to implement planning recommendations. This indicator will track the extent that municipalities are adopting key infrastructure and land use planning recommendations. The Municipal Survey will be leveraged moving forward to generate the data needed to track this indicator.

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<sup>1</sup> Chicago Metropolitan Agency for Planning, *Fiscal and Economic Impact Analysis of Local Development Decisions*, January 2014, <http://cmap.is/2mfrlPw>.

## **Next Steps**

Following committee review and discussion of the above list of proposed indicators, staff will adjust the list as needed to incorporate feedback – by modifying or eliminating indicators, or by adding new ones if necessary. Once the list of ON TO 2050 indicators has been finalized, staff will begin setting near-term (2025) and long-term (2050) targets for each one. These targets will go through a subsequent round of committee review before being compiled into a final list of indicators and targets covering the full range of topics in ON TO 2050. These targets will be in addition to any federal performance measure targets already required by federal regulation.