

COMMUNITIES IN CRISIS

More than half of Illinois cities get “F” grades for local pensions

Champaign

2019 Grade: D

In 2003, Champaign’s police, fire and municipal pension funds already faced a shortfall of **\$36.7 million**. That meant every Champaign household, on average, was on the hook for **\$1,349** in future taxes just to eliminate that shortfall.

Champaign began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Over the next 16 years, city contributions increasingly crowded out spending for public safety, roads and other core services.

	2003	2019	Change
City (taxpayer) contributions to pensions	\$4.10 million	\$12.56 million	Up 3.1X
Share of city general budget for pensions	8.7%	16.0%	Up 1.8X

Despite the ramp-up in city payments over those 16 years, Champaign’s pension debts didn’t decrease. Instead, they jumped by 2.1 times!

By 2019, the shortfall in Champaign’s police, fire and municipal pension funds totaled **\$78.7 million**. That means each Champaign household, on average, is now on the hook for **\$2,271** in debt.

Everyone loses under Champaign’s pension crisis:



Taxpayers are tapped out

Champaign residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.1 times more to pensions than in 2003, yet city debts are 2.1 times larger.



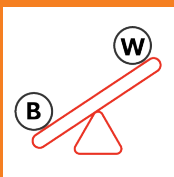
Pension costs are devouring the city’s budget

Champaign pension contributions have grown to consume 16.0% of the city’s budget, up from 8.7% in 2003. That’s crowded out spending on public safety, roads and other core services.



Champaign worker retirement security is still at risk

The health of Champaign’s local pension plans have stagnated despite increased taxpayer contributions. In 2003, the plans had 76.0% of the money they needed. By 2019, that had increased slightly to just 77.4%.



Champaign’s crisis will only get worse

Champaign has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.25 active workers for every pensioner. By 2019, there were 0.95 active workers per pensioner.

2019 GRADE



2003 GRADE



Champaign receives a "D" grade for its local pension crisis

Local officials handcuffed by state pension mandates.

Wirepoints quantified the negative impact of local pensions by examining the finances of Illinois' 175 largest cities from 2003 to 2019. The analysis was based on ten equally-weighted metrics. Cities were given an A through F grade based on a 100-point scale (10 points per metric).*

Champaign received a "D" grade in 2019. The city's total score dropped from 76 in 2003 to 67 in 2019, a decline of 9 points.

Champaign was one of 64 cities to receive a "D" grade in 2019.

175 Cities – Summary Scores			
Grade	Score	Number of cities	
		2003	2019
A	≥90	4	0
B	80-89	35	1
C	70-79	81	8
D	60-69	48	64
F	≤59	7	102

Champaign Key Facts		
City demographics	2000	2019
Population	67,518	87,636
Households	27,187	34,636
Median household income	\$32,795	\$48,415
City budget	2003	2019
General revenues	\$47,233,846	\$78,406,984
Total revenues	\$83,155,892	\$143,882,473
Total property taxes	\$13,047,455	\$27,175,128
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$153,102,594	\$347,303,475
Total pension assets	\$116,429,496	\$268,643,257
Funded ratio	76.0%	77.4%
Total pension shortfall	\$36,673,098	\$78,660,218
Per household	\$1,349	\$2,271
Active public safety workers	208	230
Public safety pension beneficiaries	167	243
City pension contributions	2003	2019
City contributions	\$4,096,831	\$12,558,826
Per household	\$151	\$363
Percentage of city's general budget	8.7%	16.0%
Employees' contributions	\$1,683,162	\$3,190,076

Champaign Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	61.9%	77.7%	6	7
2. Firefighter pension funded ratio	73.4%	73.0%	7	7
3. Municipal (IMRF) pension funded ratio	102.1%	83.9%	10	8
4. City pension debts per household as a percentage of median household income	4.1%	4.7%	8	8
5. City contributions per household as a percentage of median household income	0.46%	0.75%	8	7
6. City contributions as a percentage of total budget	4.9%	8.7%	7	3
7. Ratio of city contributions to employee contributions	2.43	3.94	7	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	4.9%	58.0%	10	10
9. Asset-to-payout ratio (Police & Fire only)	14.8	16.0	7	8
10. Worker-to-beneficiary ratio (Police & Fire only)	1.25	0.95	6	4
Total score			76	67
Grade			C	D

*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.

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