



Budget Recommendation

FY2025



Introductions

Today's
Presenters



Jill Jaworski
Chief Financial Officer



Agenda

- 1 Budget Overview
- 2 FY2025 Investments
- 3 Revenue Discussion
- 4 Pension Contribution & Debt Service Payments
- 5 Road to Recovery Plan: ARPA Investments
- 6 Questions

Budget Overview



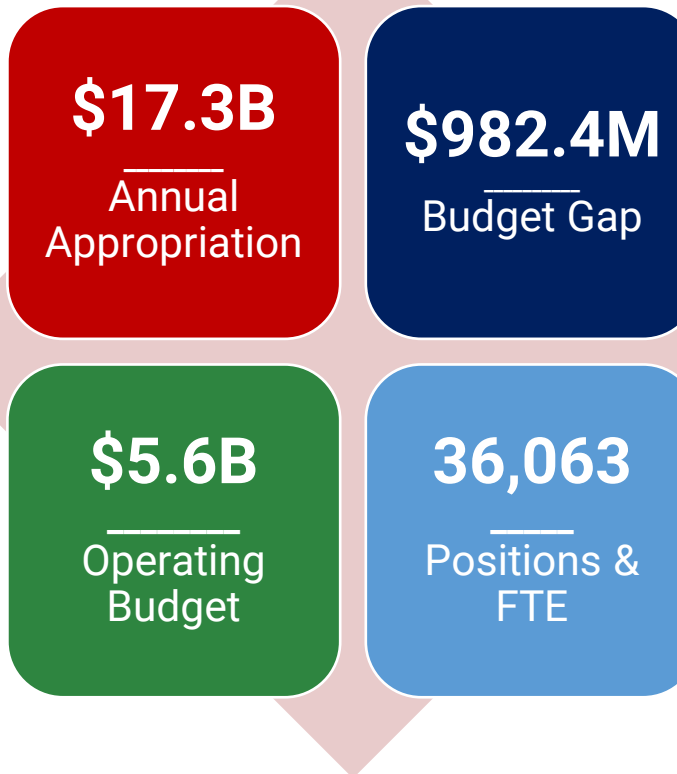
Budget Overview

3.2% YOY Annual Appropriation Increase

The year-over-year appropriation increase is led by increases in grants and enterprise fund revenues, mitigating a year-over-year decline in the City's corporate fund.

1.5% YOY Corporate Fund Reduction

Despite modest investments made in critical operations, the corporate fund, the City's main operating fund, will see a year-over-year decline, led primarily by reductions in its general financing requirements account (finance general).



2025 Budget Forecast

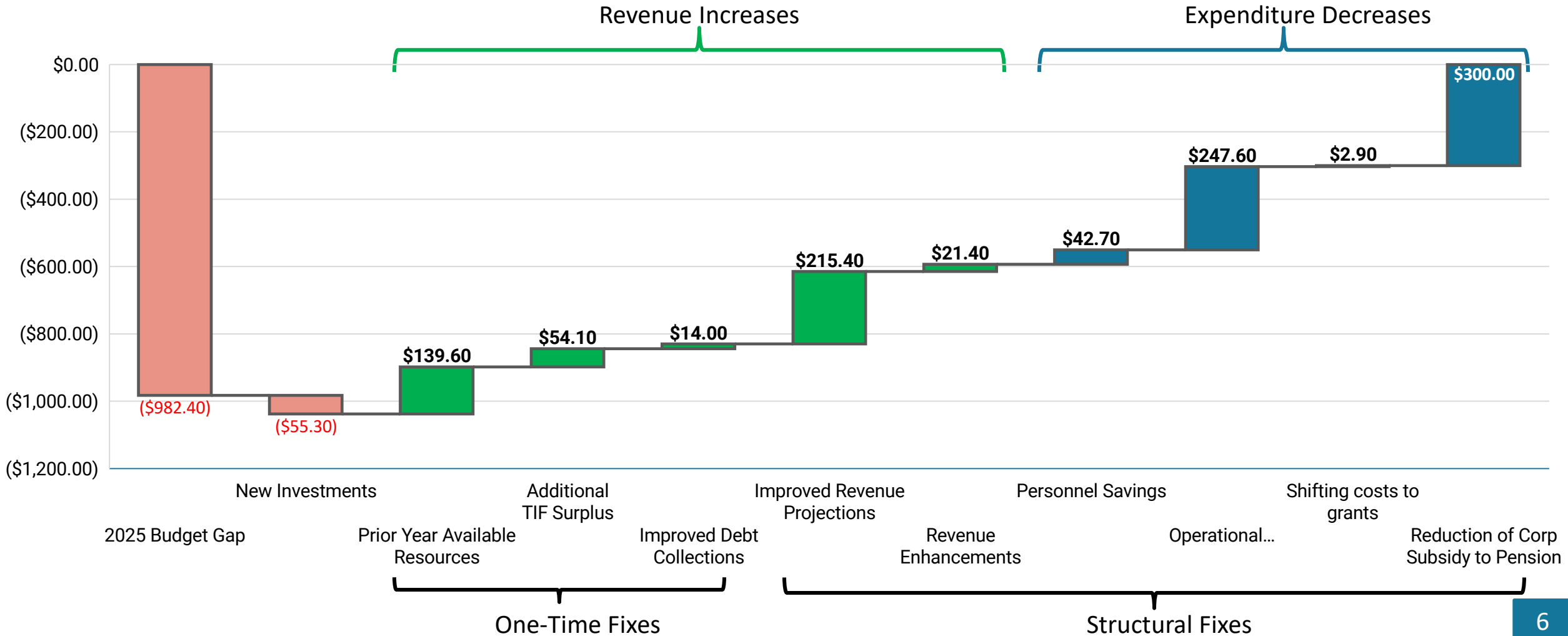
The 2025 budget gap was driven by rising personnel and pension costs and the uncertainty of costs related to the migrant mission. On the revenue side, the uncertainty of CPS's MEABF pension payment to the City and the decline in PPRT revenue contributed to the gap.

Vacancy Reduction

With a focus on staffing efficiencies, departments will see an aggregate reduction of 743 FTEs and positions across all funds in 2025.

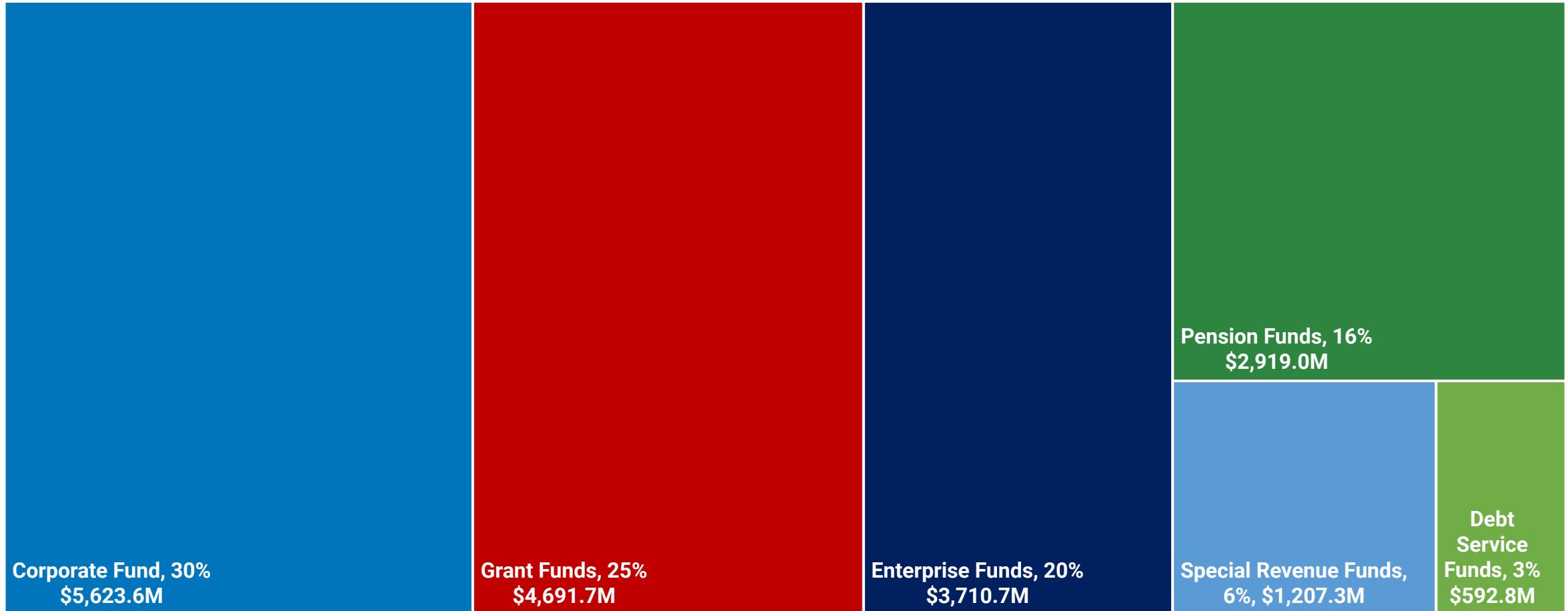
Closing the Gap

80% of the budget gap is resolved through structural fixes.



FY2025 Budget Recommendation

The \$17.3B Budget Recommendation represents a **\$532.9M, or 3.2%, increase** over 2024 driven primarily by large increases in the grant and enterprise funds.



FY2025 Corporate Fund Revenue

The FY2025 Budget includes over **\$400M in revenue increases** from the Budget Forecast



\$207.8M

One-Time Revenues

Prior year available resources	\$139.6M
Additional TIF Surplus	\$54.1M
Improved Debt Collection	\$14.0M



\$21.4M

Revenue Enhancements

Alcohol Tax Inflation Adjustment	\$10.6M
Checkout Bag Tax Retailer Commission Sunset	\$4.6M
Revenue Ordinances	\$3.1M
Parking Tax Rate Consistency	\$3.1M



\$215.4M

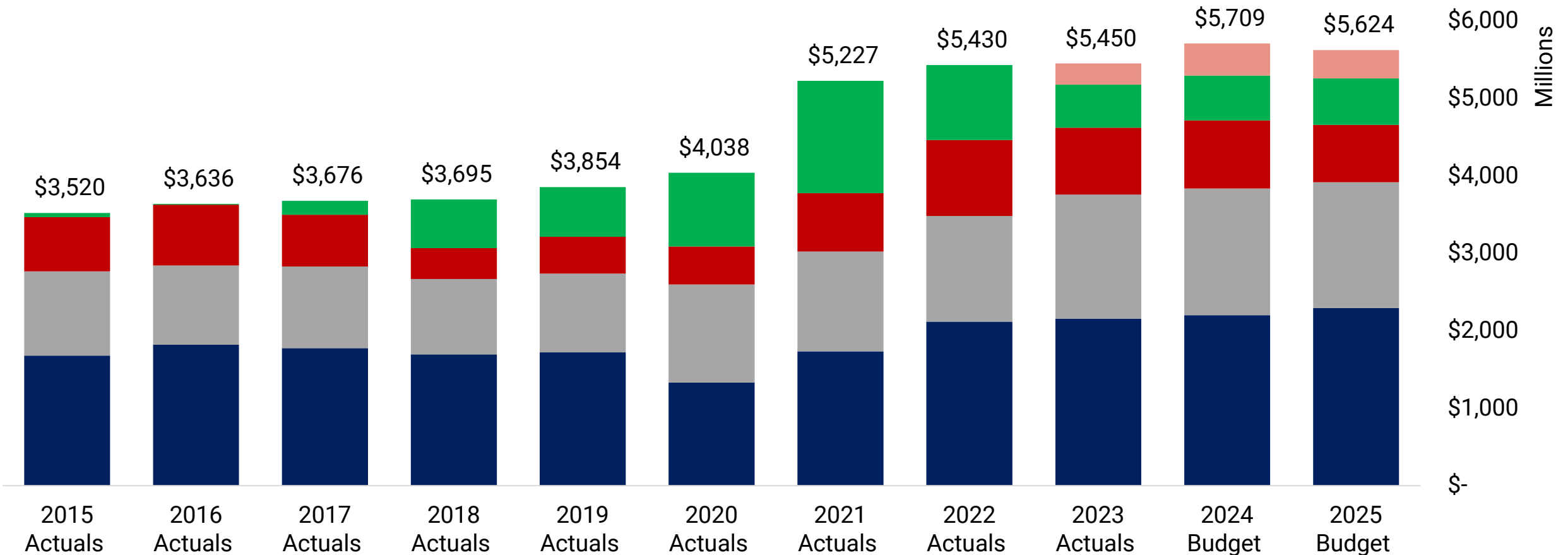
Improved Revenue Projections

CPS MEABF Payment	\$175.0M
Settlements & Fine/Fee Recovery	\$30.7M
Real Estate Transfer Tax	\$11.0M
Other Revisions & Adjustments	-\$1.3M

Corporate Fund Revenues Over Time

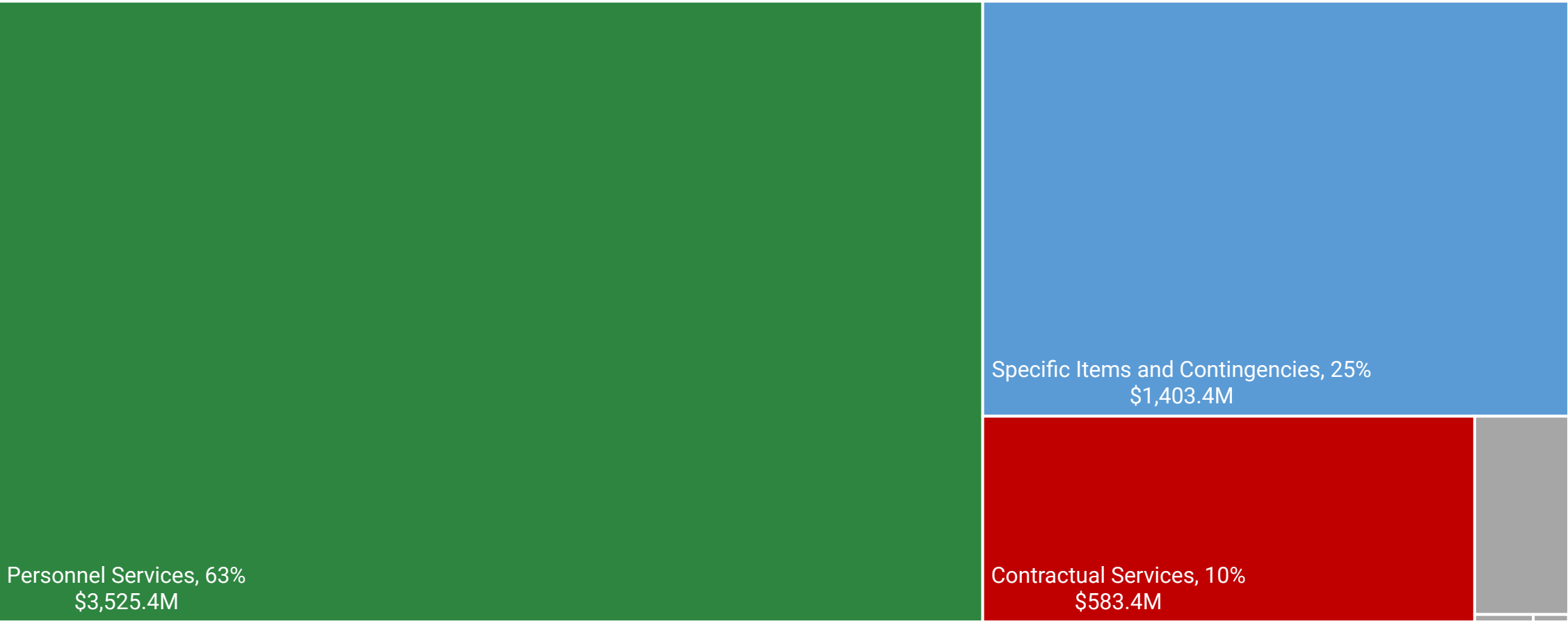
One-time federal relief funding during the pandemic boosted revenues that have since remained flat.

■ Local Tax Revenue
 ■ Local Non-Tax Revenue
 ■ Intergovernmental
 ■ Proceeds and Transfers
 ■ Prior Year Assigned and Unassigned Fund Balance



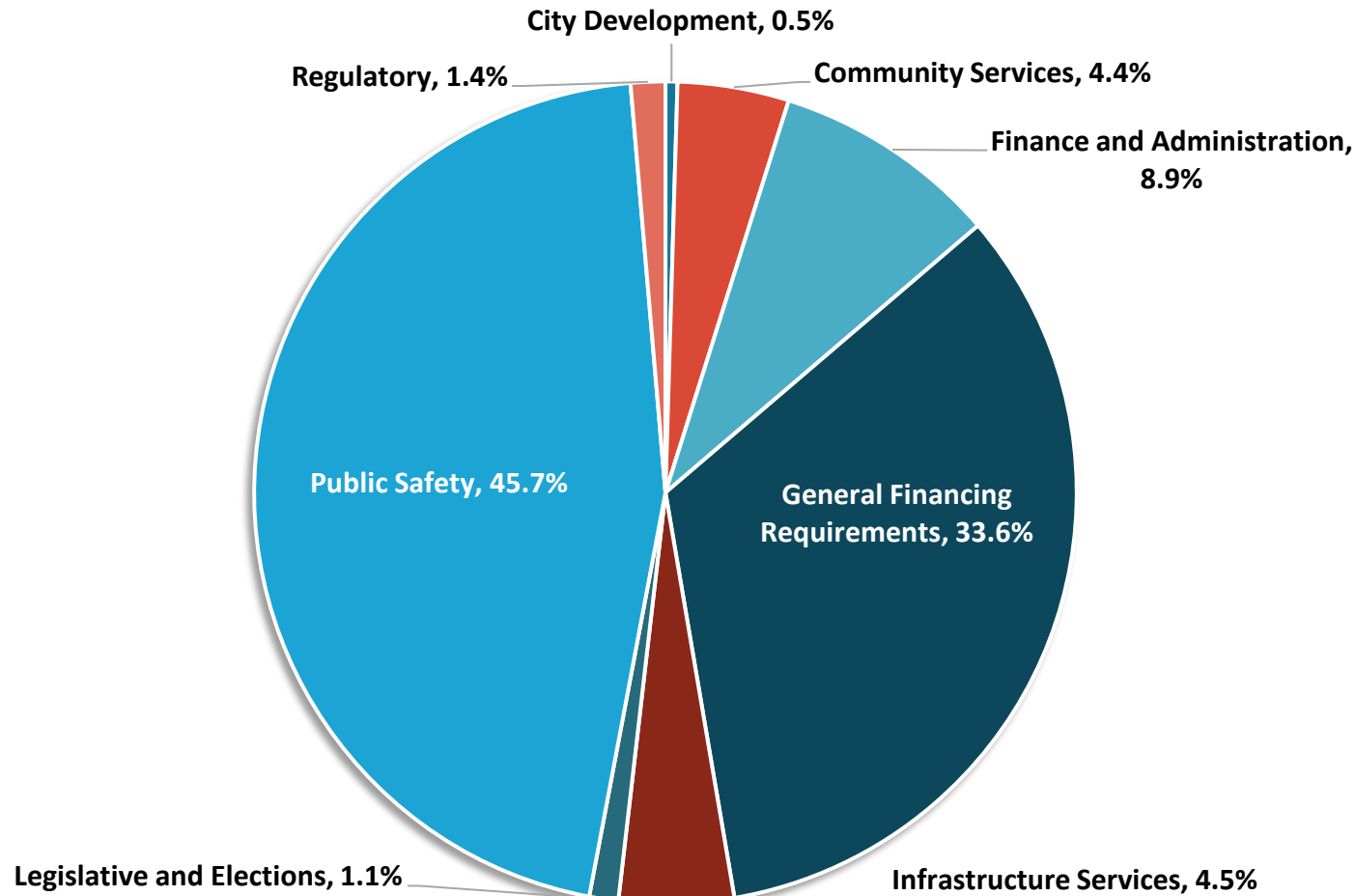
FY2025 Corporate Fund Expenditures

The \$5.6B Corporate Fund proposal represents a **\$85.6M, or 1.5%**, decrease from 2024 led primarily by declined in specific items and contingencies.



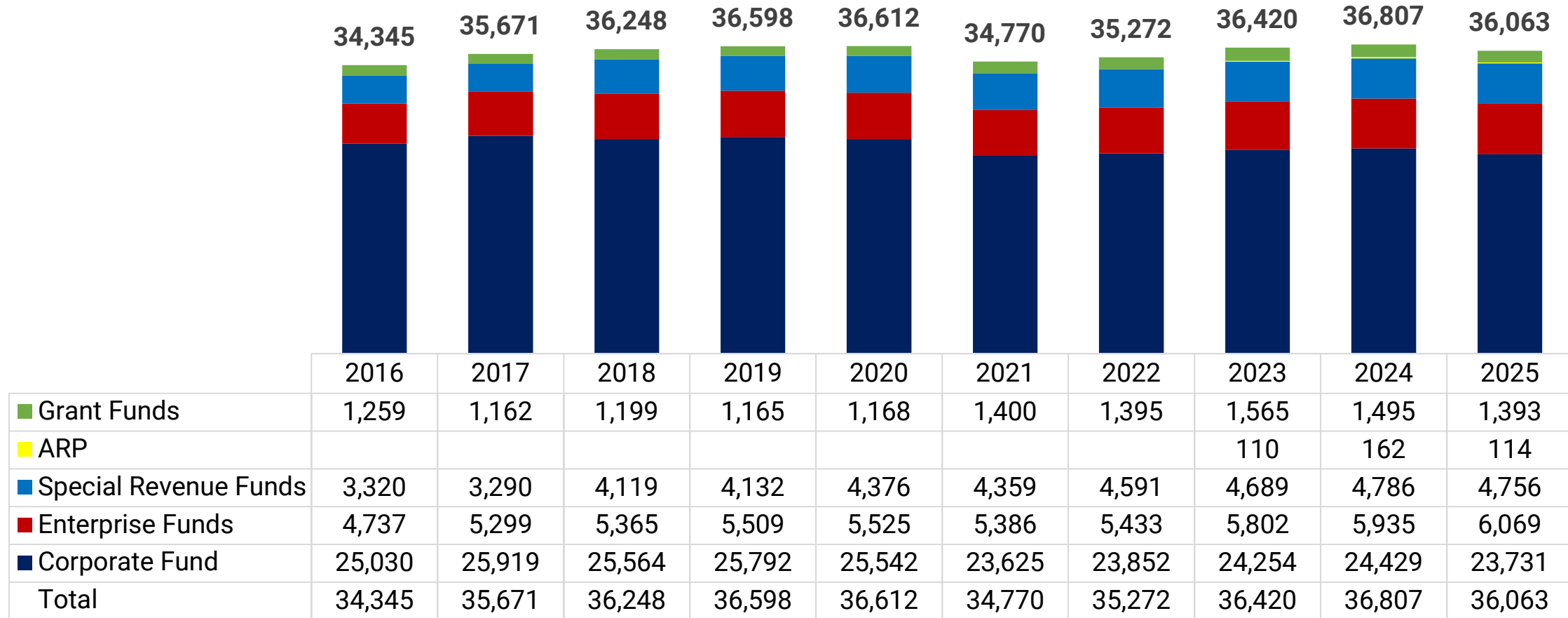
FY2025 Corporate Fund – by Department Function

The **Community Services portfolio** increased by 22%, while **General Financing Requirement (Finance General)** decreased by 9.6%



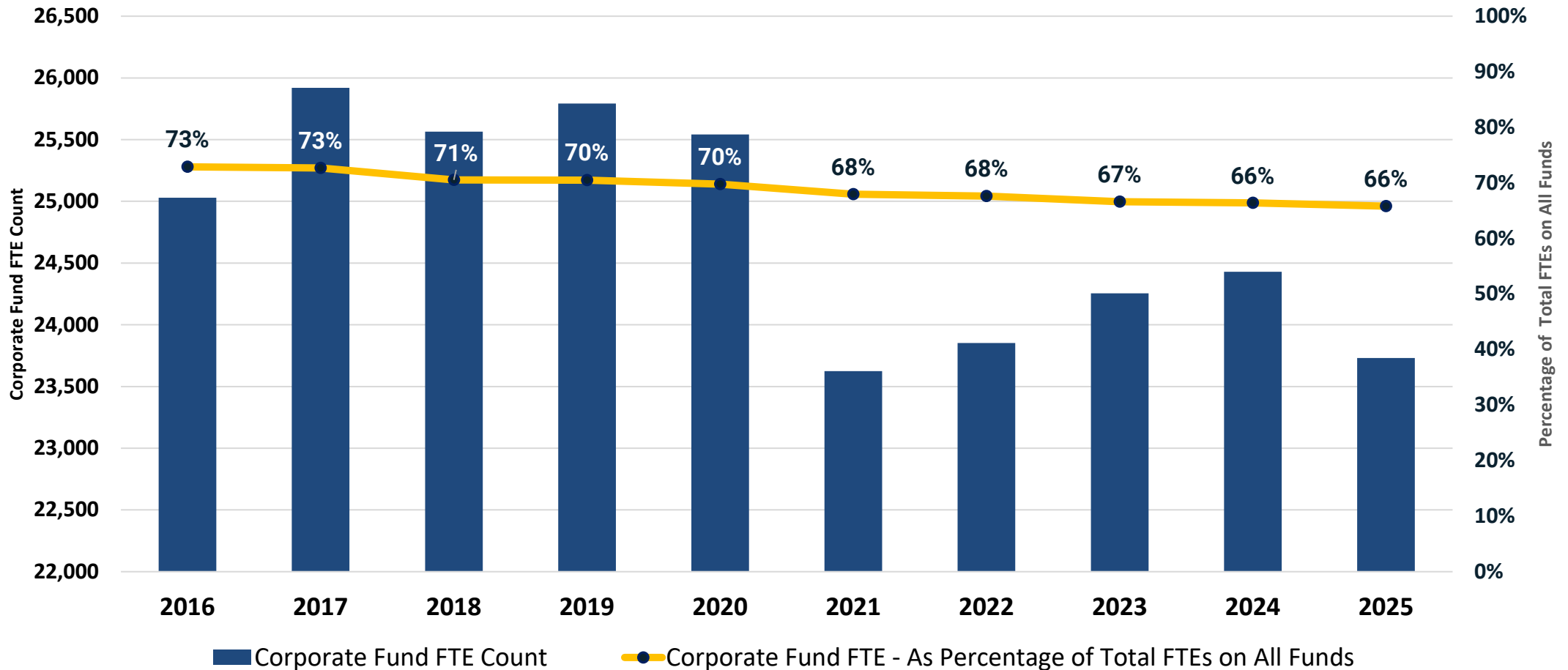
FY2025 Budgeted Personnel

While federal aid assisted in supporting positions in the midst of the pandemic, the **Corporate Fund** has seen a **5.2% decrease** in personnel since 2016 while the positions funded by the **City's Enterprise Funds** has risen by **28%**.



FY2025 Corporate Fund Personnel

Due to the volatility of economically sensitive revenues and the increase in pension contributions, the percentage City's corporate-funded positions within the City's total position count **has declined over the last 10 years.**



FY2025 Investments





FY2025 Housing & Homeless Supports Investments

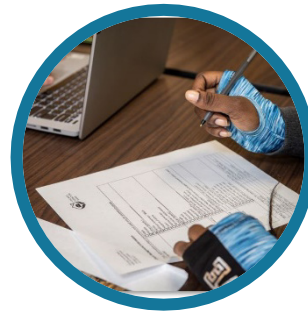
Over \$350M in investments will be made in homelessness support services



One System Initiative

\$40M

Expansion of existing City Shelter Network to 6,800 beds



Rapid Rehousing Program

\$29M

Assists households in moving from temporary homeless shelters or unsheltered locations to stable housing



Broadband Access

\$23M

Increase broadband affordability and accessibility in Chicago communities with lowest rates of home internet connection



FY2025 Community Safety Investments

Over \$200M in investments will be made to ensure residents feel safe in their homes, schools and neighborhoods, including in the programs below.



Community Violence Interventions

\$15M

Offering case management, outreach and diversion services to individuals at highest risk of violence.



Victim Support Funding

\$9.4M

Provides various components of care to support individuals who are injured by community violence.



Re-Entry Workforce Development

\$5.4M

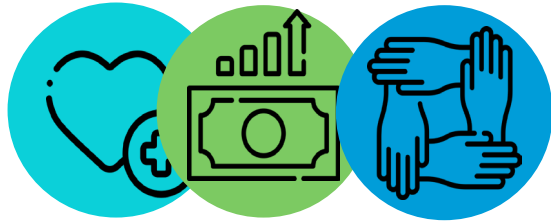
Supports residents returning to Chicago from Cook County Jail and IDOC by offering employment and re-entry services.



Emergency Fund for GBV Survivors

\$5M

Provides one-time emergency financial assistance to survivors of GBV to support economic security, safety and well-being.



Additional Investments

The 2025 Budget allocates funding across local and grant funds to enhance critical programming that helps the City's communities, businesses and residents thrive.



Mental Health Network Expansion

\$2M

Standing up a dedicated dispatch unit for mental health calls at OEMC, while continuing to build capacity at the three new mental health clinics.



Youth Opportunities Program

\$52M

Connecting Chicago Youth to diverse employment opportunities.



Family Connects

\$13.2M

Promotes maternal healthcare through home visits to families and newborns 3-5 weeks post-partum.



Small Business Support Program

\$30M

Expands economic opportunity for small businesses and non-profits negatively impacted by the pandemic.



Cultural Grants & Festivals

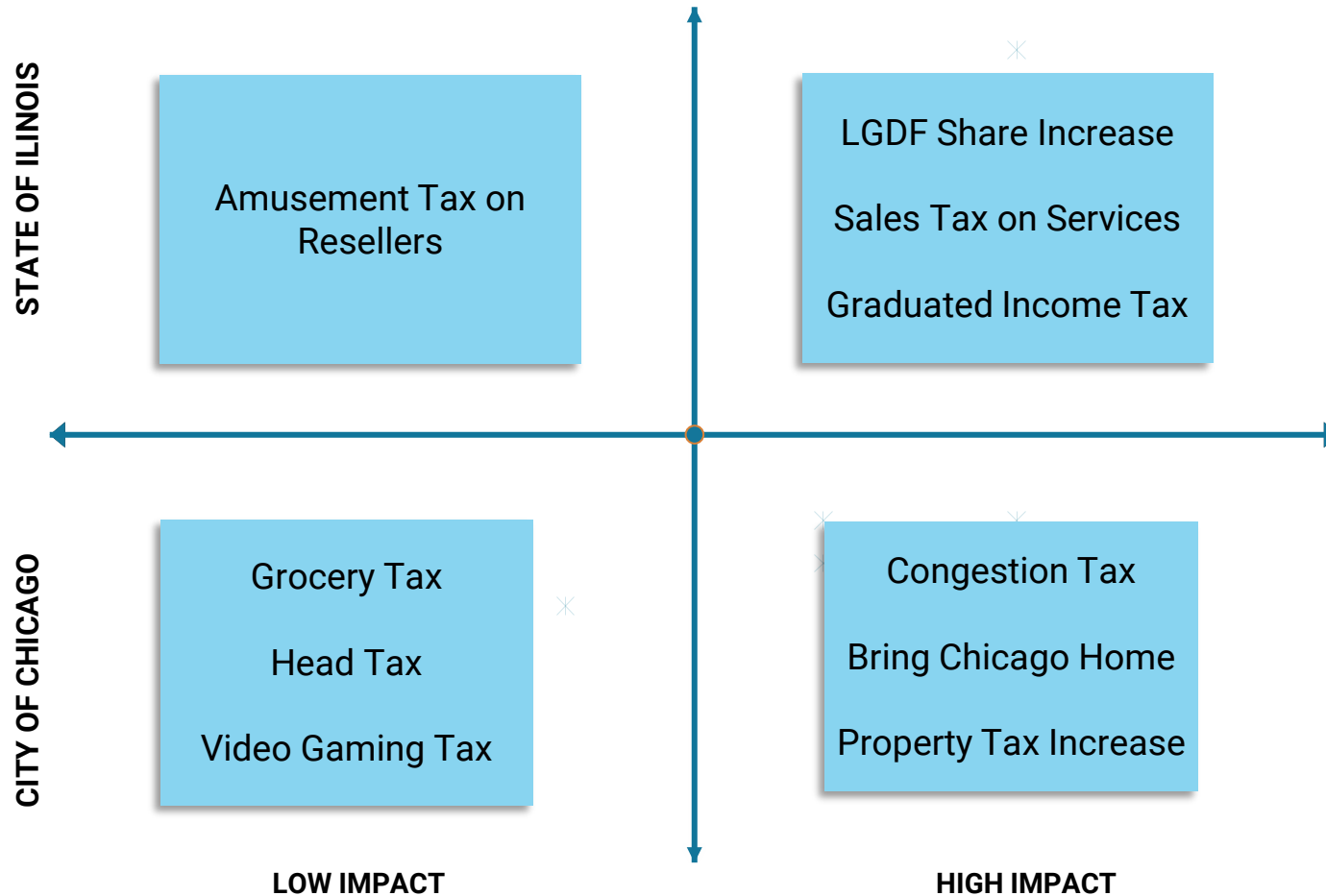
\$3.8M

Targets relief for individual artists and cultural organizations as well as promote enhancements to the City's cultural and special events.

Revenue Discussion



Revenue Analysis



High impact structural solutions will require voter or state action (or both).

The City will continue to pursue revenue options that incorporate progressive values and are equitable.

Taxing Authority

Roughly 50% of the City's corporate fund revenue is generated through home rule tax authority.



State & Federal

Taxing authority limited by the state. Taxes imposed by the state are distributed in part to local jurisdictions. Includes one-time pandemic relief funds from the Federal Government



Local (Chicago)

City of Chicago is given authority to implement taxes locally. Includes non-tax revenue like fees, fines, and reimbursements

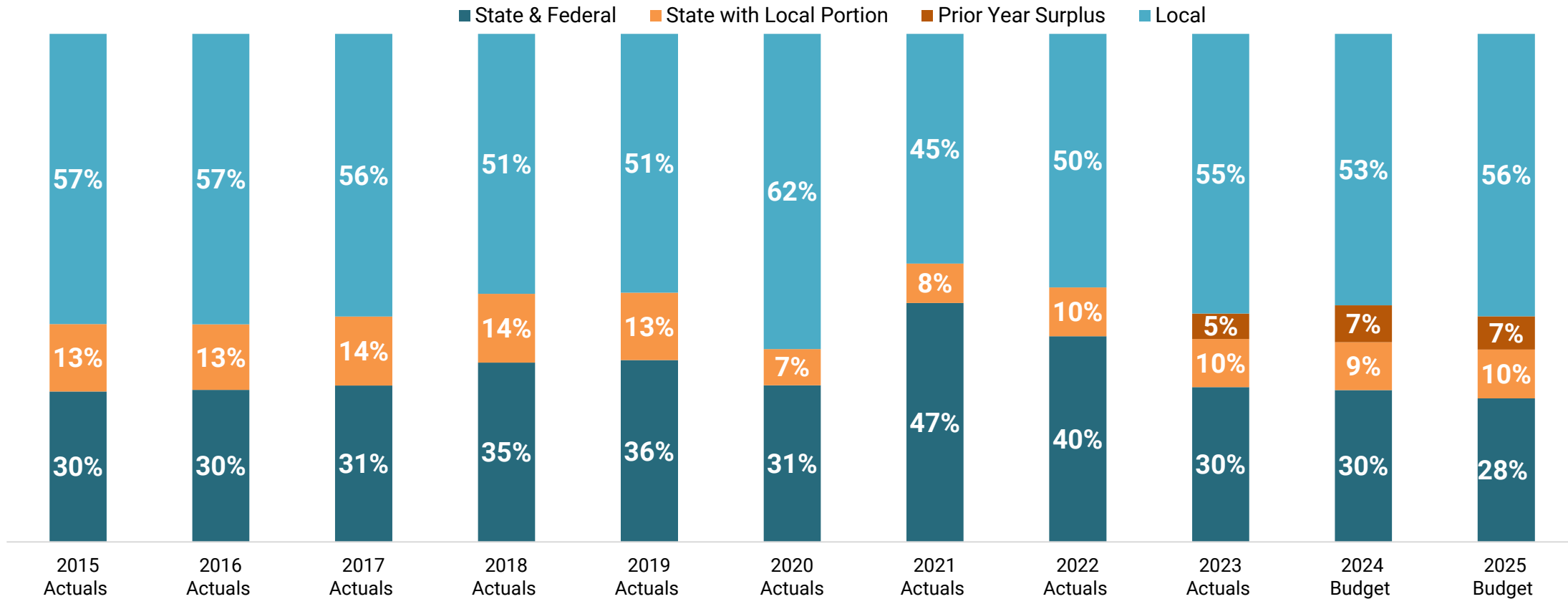


State with Local Portion

State taxes where there is a portion distributed to cities/towns or where Chicago has added a local or home rule portion in addition to the state tax

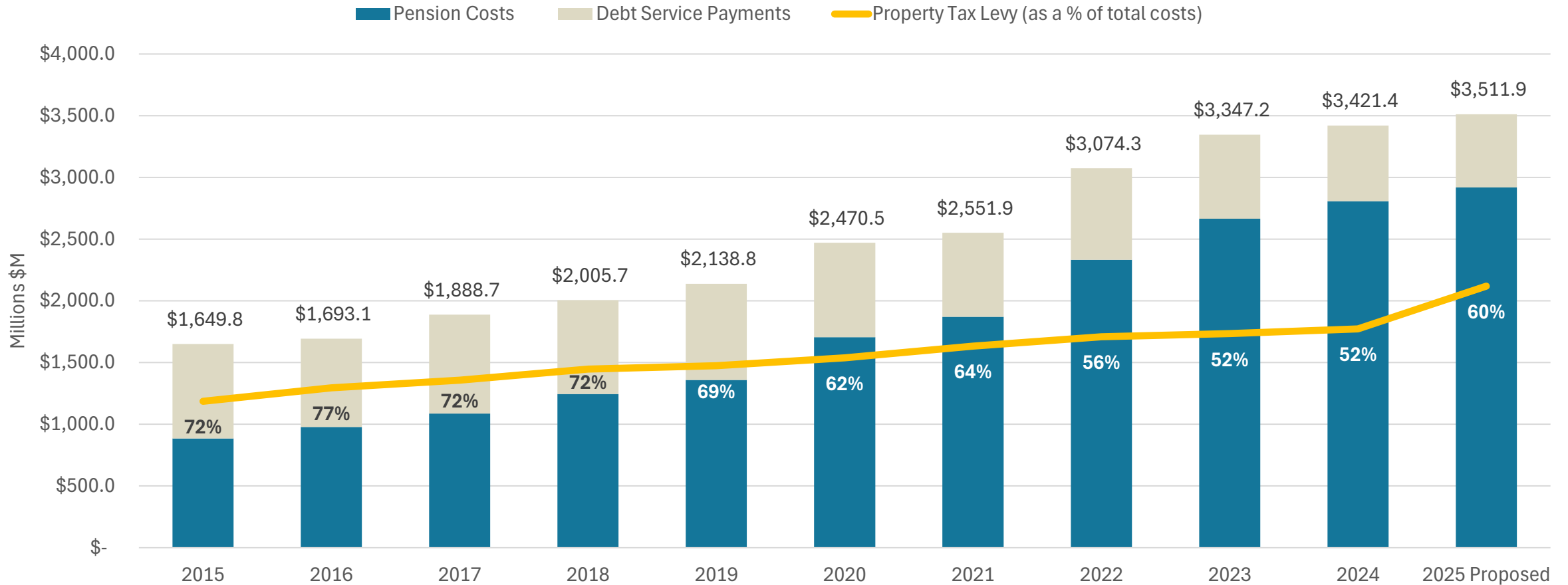
Dwindling State Resources

Since the pandemic, revenues controlled at the state and federal level have gone from nearly half of the Corporate Fund to only about a quarter, putting more pressure on local municipalities to raise revenues through home rule authority and tap into reserves to support service provision.



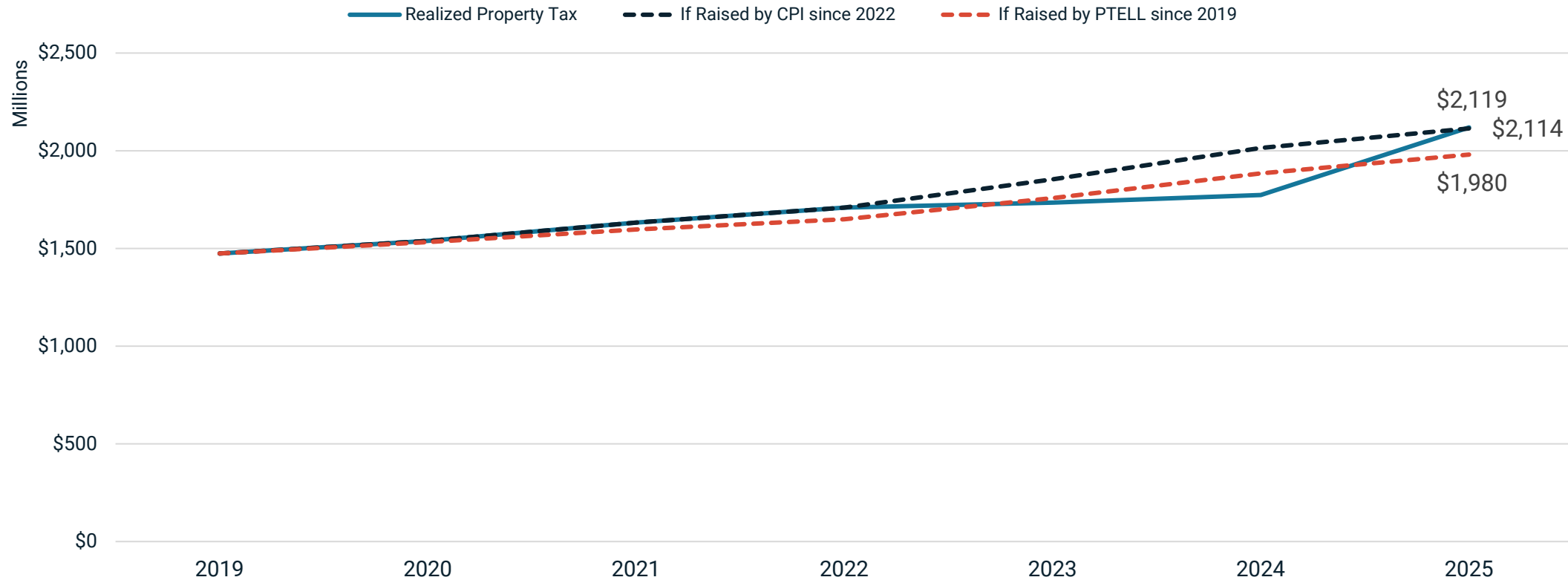
Property Tax Analysis

Debt Service and Pension Costs continue to require Corporate Fund contributions in addition to Property Taxes



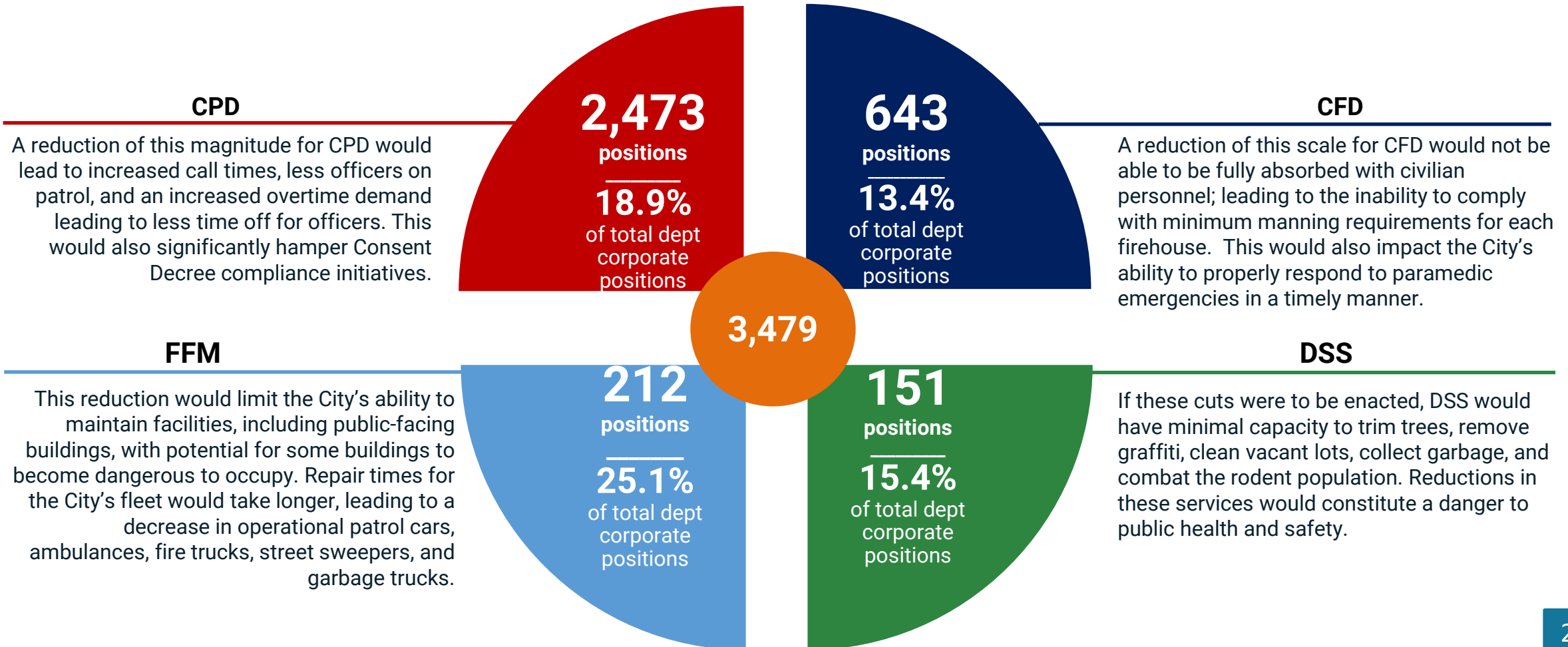
Property Tax Analysis

The Property Tax Increase in the Budget brings the total Levy to the amount it would have been if the Levy had increased with CPI since 2019.

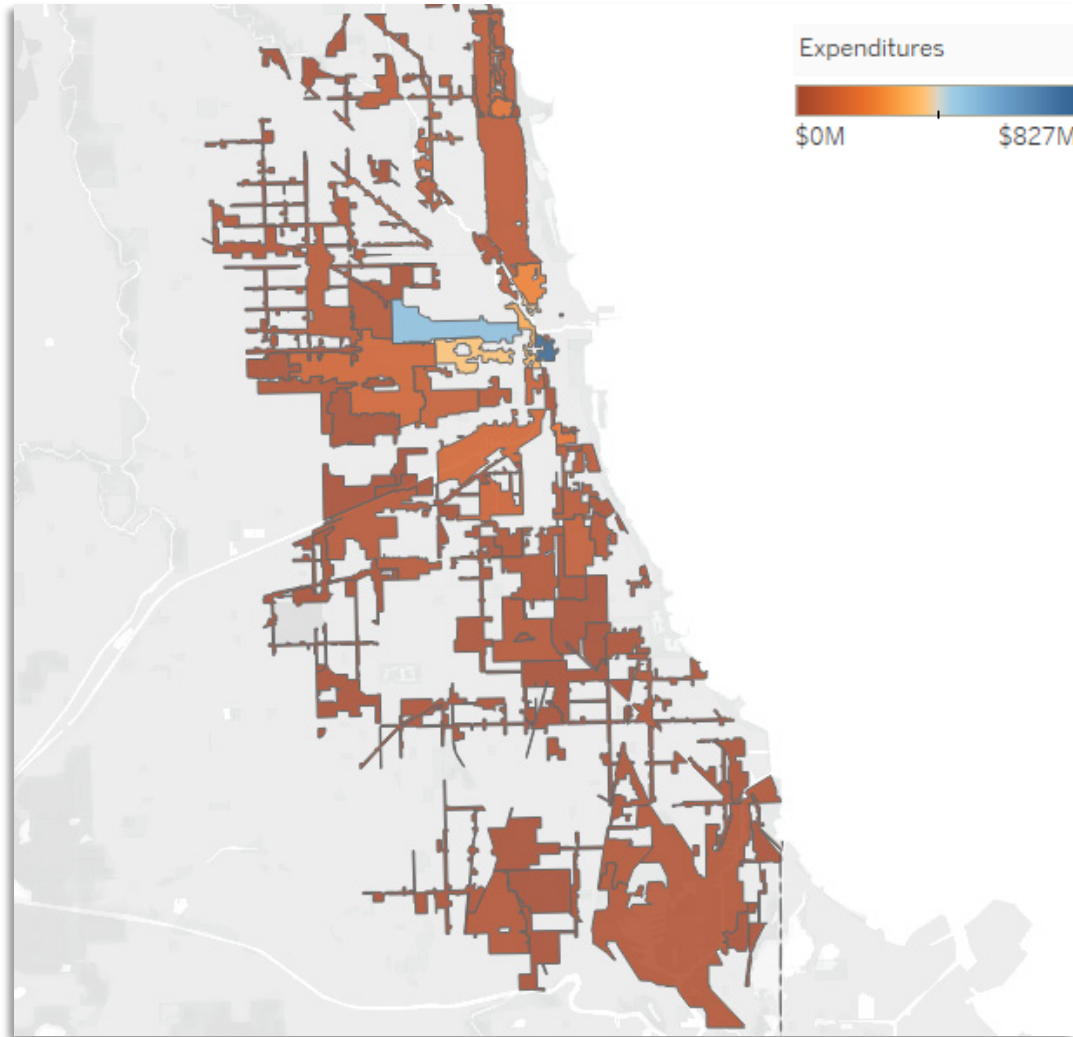


Expenditure Cuts without PTAX Increase

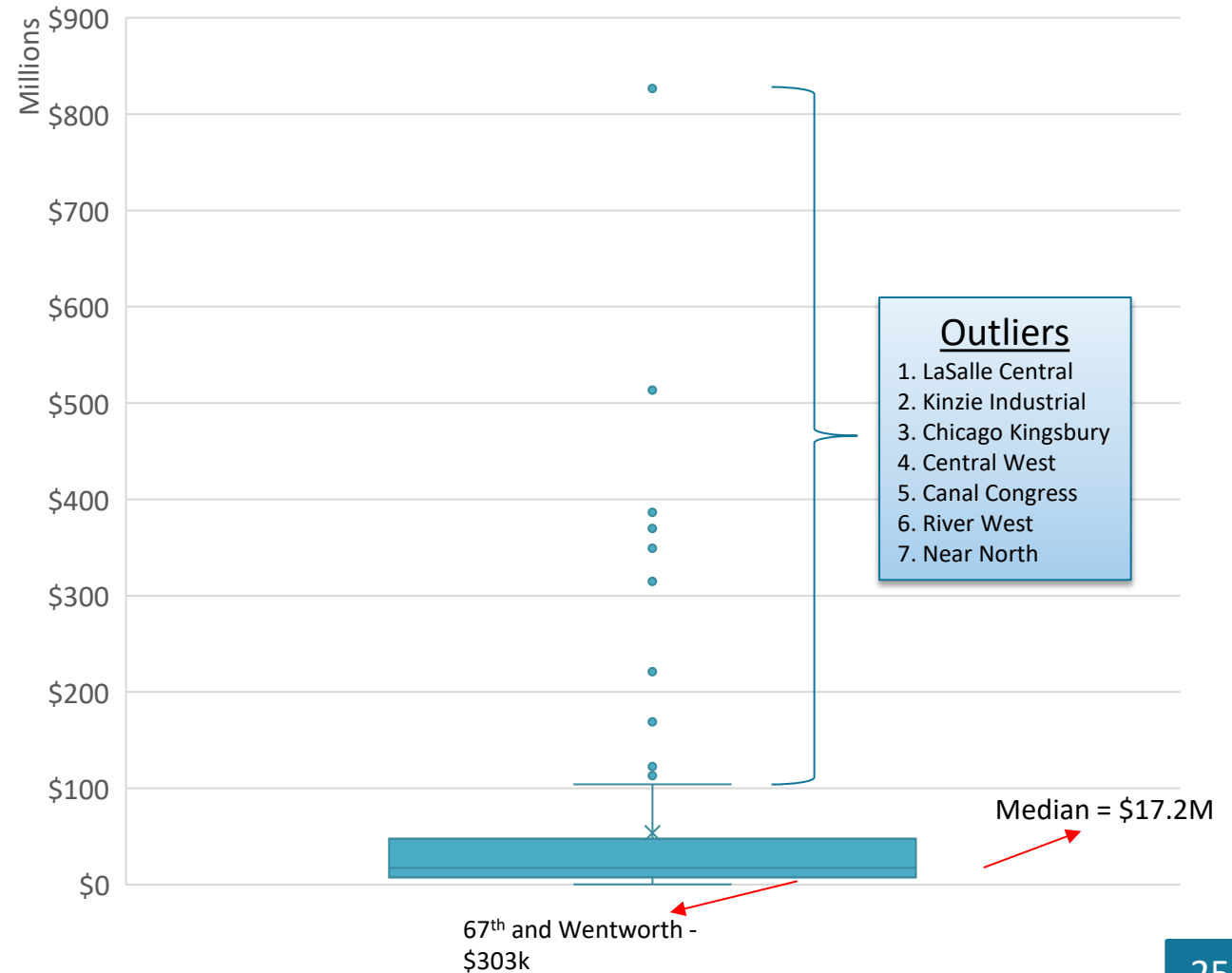
Without a property tax increase of \$300M to bring us in line with historical tax increase, the City would be required to **reduce its workforce by 17%** and would see critical services impacted. The departments most impacted by such a reduction are below.



TIF District Analysis



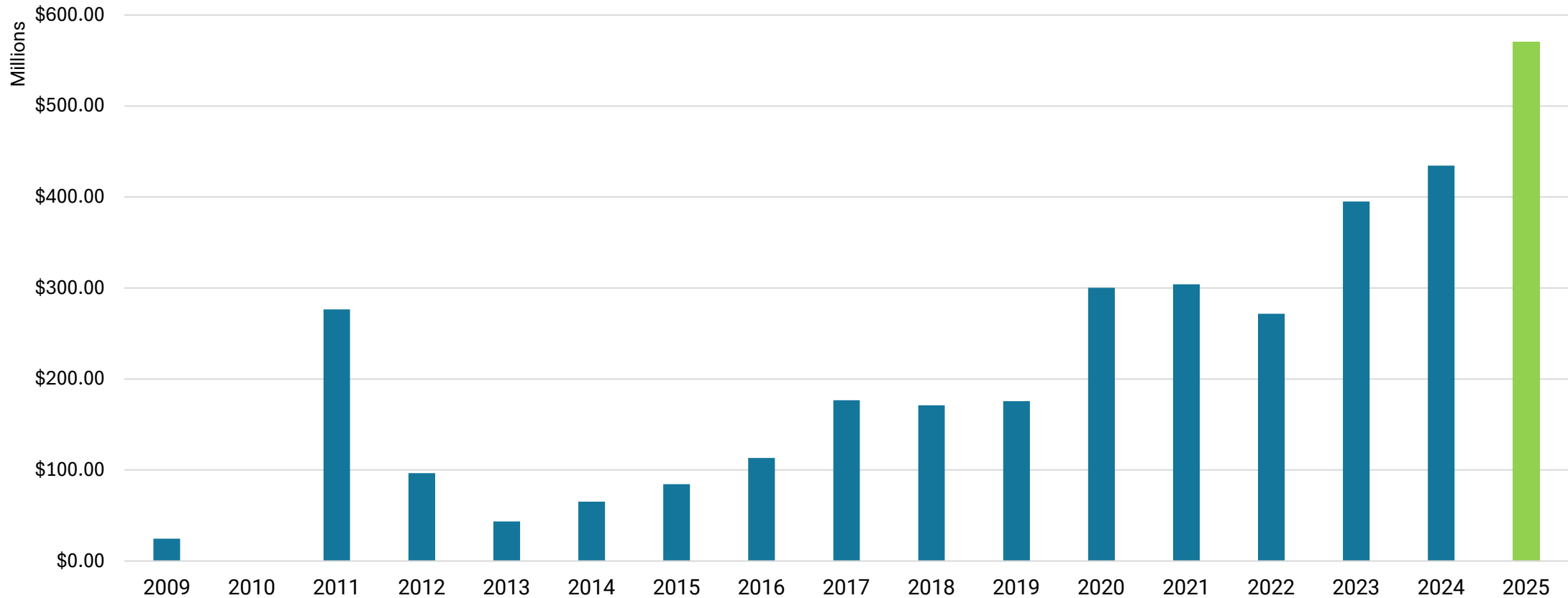
TIF District Expenditure Distribution



2025 TIF Surplus

As TIF Districts expire, the taxing districts will see additional EAV returned to their property tax base. In 2025, the City will declare its largest TIF surplus to date **at \$570 million**.

Historical Surplus by Year

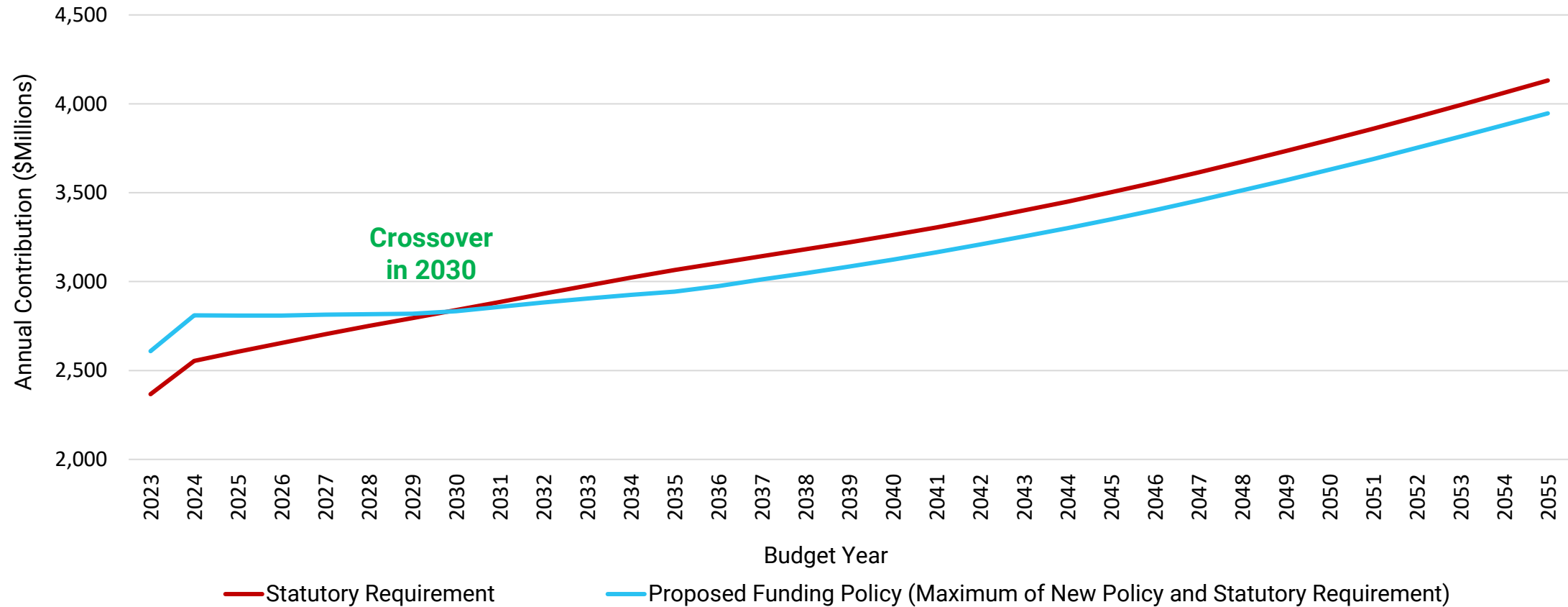


Pension Contribution & Debt Service Payments



Impact of Increased Pension Contributions

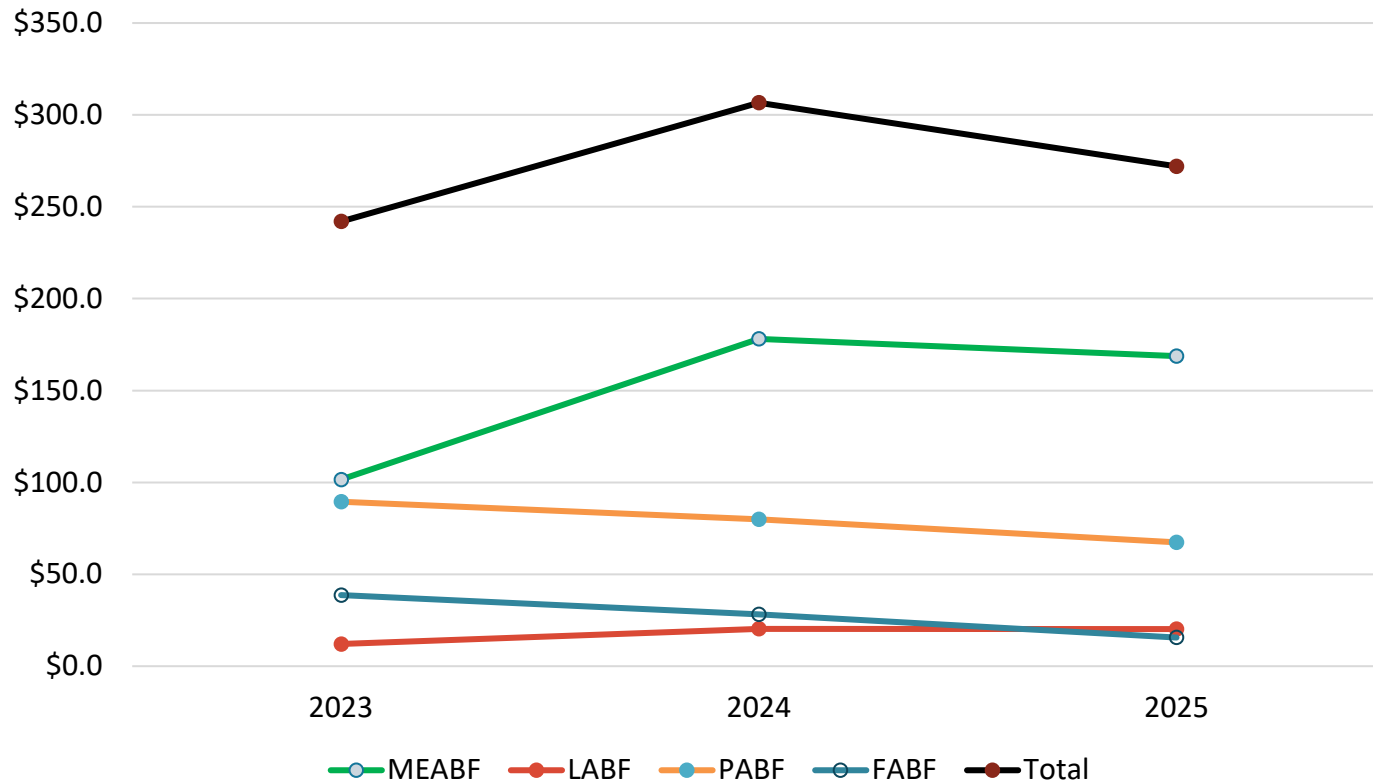
Making advance contributions through 2030 will result in a reduction of City pension contributions of \$3.9B through 2055.



Impact of the Advance Pension Payments

The 2025 Advance Payment includes the impact of the PABF birthdate bill. The total Advance Payment would have been approximately \$30 million less, absent the legislation.

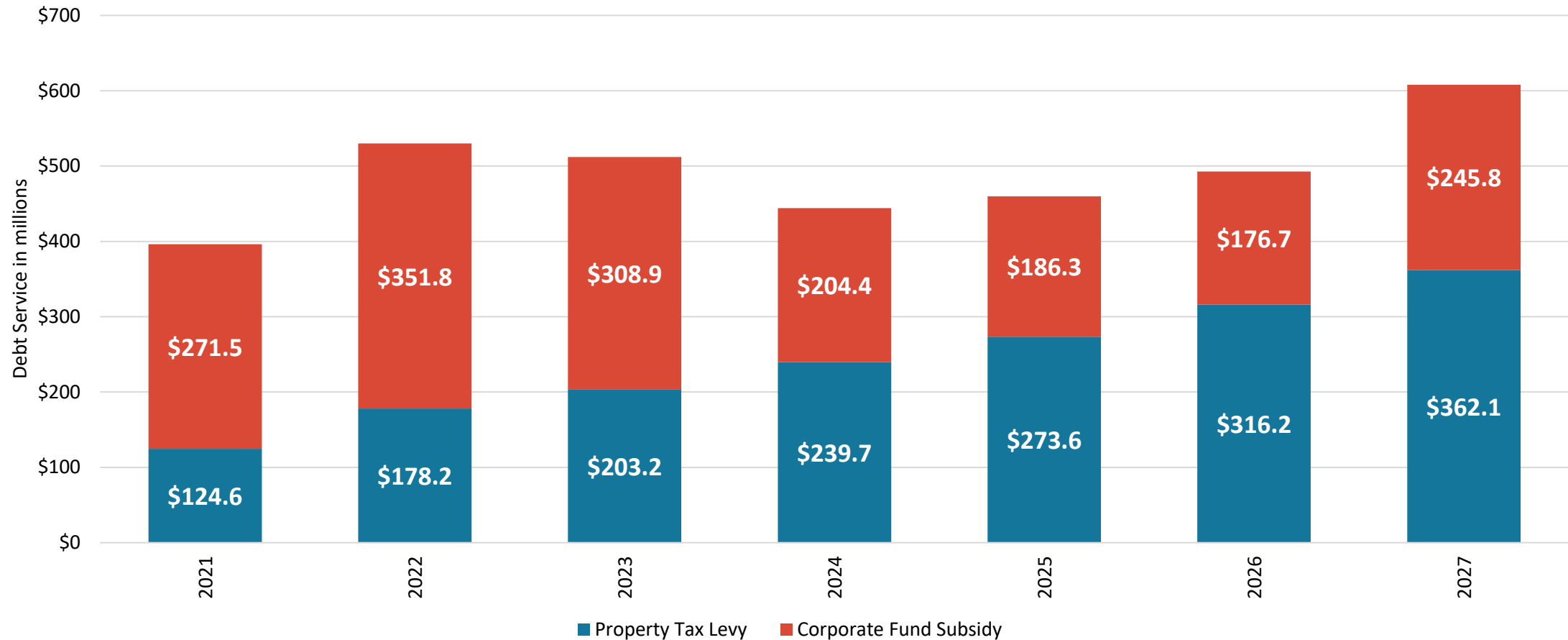
3-Year Pension Advance Payment



YEAR	ADVANCE PAYMENT
2023	\$242.0 M
2024	\$306.6 M
2025	\$272.0 M
2026	\$236.2 M
2027	\$221.3 M
2028	\$224.5 M
2029	\$129.2M

Debt Service by Source of Repayment

The outlook below includes planned transactions



Road to Recovery: ARPA Investments



ARPA FY25 Community Investment

Total Allocation

Revenue Replacement for Essential City Services

\$1,310,632,264.56

Community Initiatives

\$575,959,123.44

Total SLFRF Funding

\$1,886,591,388.00



Youth & Economy

\$44,956,000.00

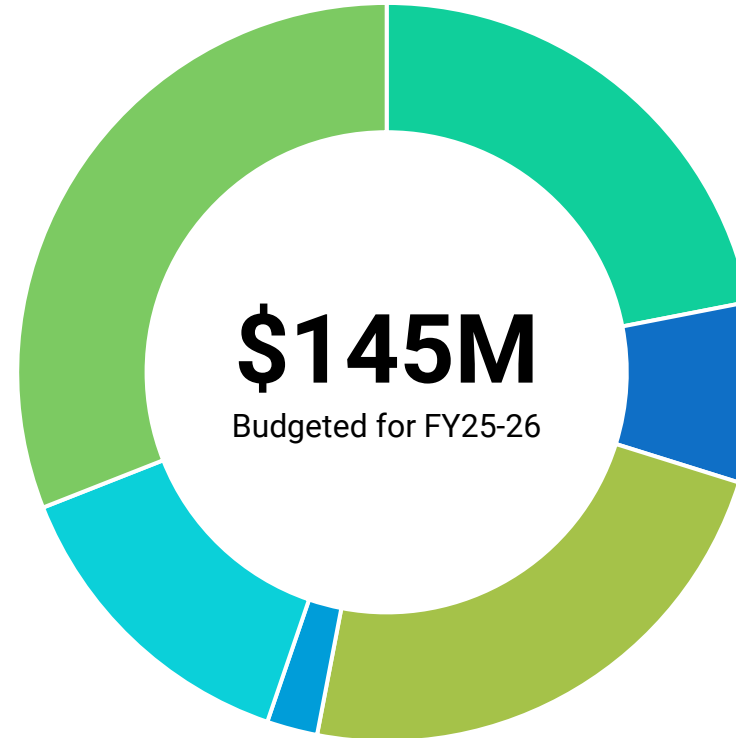
- Gender-Based Violence Prevention, Education and Training
- My CHI. My Future
- Re-entry Workforce Development Program
- Small Business Support Program
- Tourism and Hospitality Support
- Workforce Development Program
- Youth Opportunity Programs



Mental Health & Wellness

\$20,024,000.00

- 211 System
- 911 Alternative Response Program (CARE)
- Community Resource Navigators
- Family Connects Program
- Mental Health Equity



Community Safety

\$31,853,000.00

- Community Safety Coordination Center (CSCC)
- Community Violence Intervention
- Emergency Fund for GBV Survivors
- Gender-Based Violence Victim Services to Young People
- Place-Based Violence Reduction
- Victim Support Funding Program
- Youth Intervention Programs
- Youth Intervention Programs - Service Coordination and Navigation (SCaN)
- Youth Justice Diversion Program



Effective Governance

\$11,445,000.00



Housing & Homelessness Supports

\$33,670,000.00

- One System
- Neighborhood Broadband Connectivity
- Rapid Rehousing Program
- Rapid Rehousing Services for GBV Survivors
- Re-entry Housing Navigation Pilot
- Stabilization Housing
- Vacant Lot Reduction Strategy



Human Rights, Arts & Culture

\$3,220,000.00

- Community Justice Initiative
- Legal Protection Fund
- Legal Services for Gender-Based Violence Survivors



Promoting Financial Transparency

Launching: October 31, 2024



WEBSITE LAUNCH

Chicago.gov/ARPA

City of Chicago ARPA Information Hub

A Letter From the Mayor

Download

**MAYOR BRANDON JOHNSON
ROAD TO RECOVERY PLAN
CITY OF CHICAGO**

SITE FEATURES



Financial Dashboards

Easy to use dashboards to track spend progress



Program Descriptions

Details programming across departments and policy pillars



Accessible Data and Program Reports

Review program reports developed for City Council and the U.S. Department of the Treasury



Impact Stories

Hear directly from residents, business owners, and community members who have been impacted by the City's ARPA-funded programming



News

Get the latest updates on ARPA programs



Outcome Metrics

Analyze the impact of programs against project goals.

Budget Calendar



Budget Calendar

Public Hearing

Dec.
2

Finance &
Budget
Committees

Nov.
21

Truth &
Taxation
Hearing

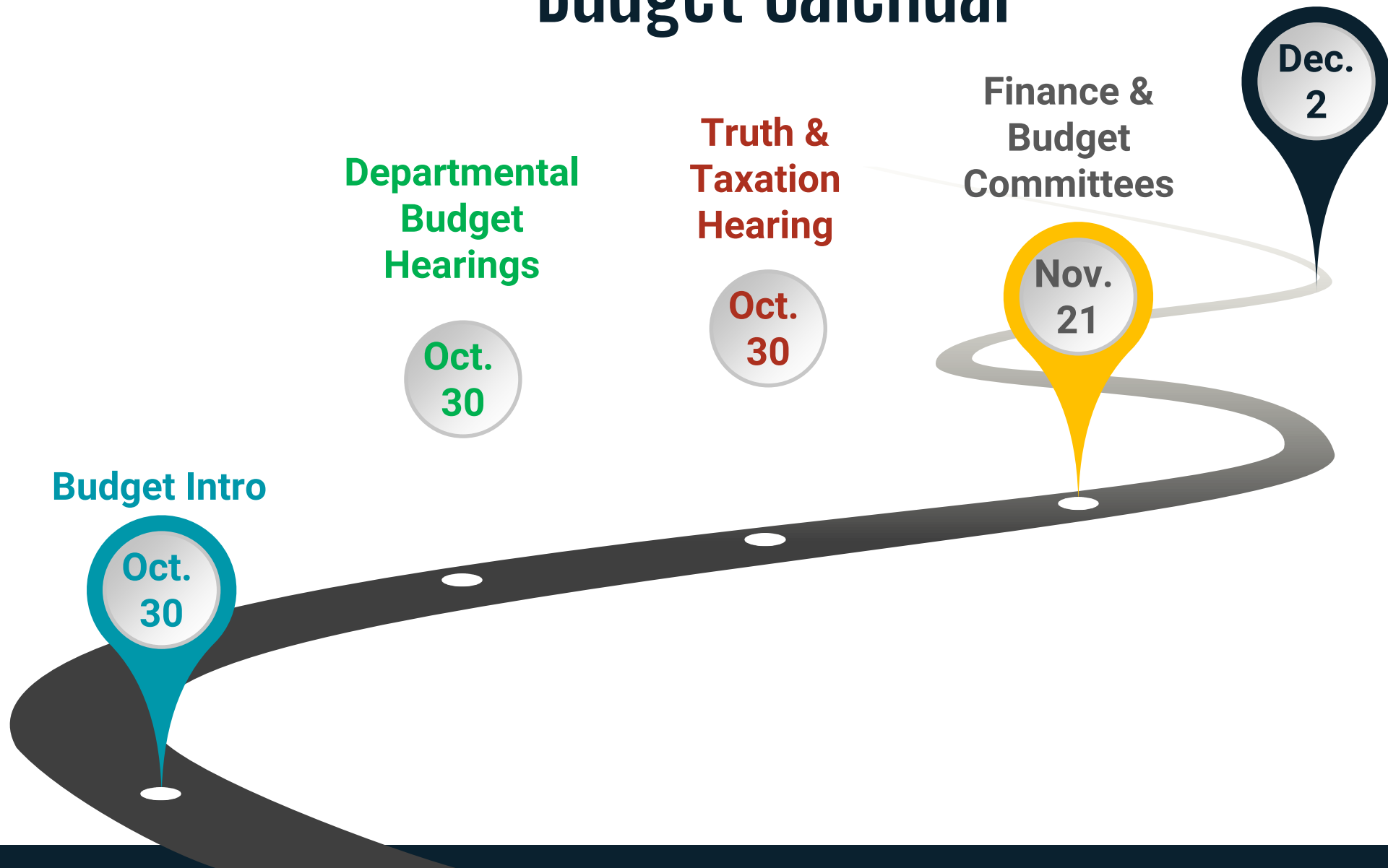
Oct.
30

Departmental
Budget
Hearings

Oct.
30

Budget Intro

Oct.
30



Questions?



FY2025 Budget Recommendation

THANK YOU



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[Chicago.gov/ARPA](https://www.chicago.gov/arpa)

[Chicago.gov/DOF](https://www.chicago.gov/dof)

www.cityofchicagoinvestors.com

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