

Review of Mayor's Proposed 2017 Budget

Council Office
of Financial Analysis

Proposed Resources – General Funds (Corporate and Property Tax Funds)

In the Mayor's proposed Fiscal Year 2017 budget, projected resources available to the City of Chicago are projected to increase by \$226.88 million, or 4.7%, from the updated projections for Fiscal Year 2016, for a total amount available of \$5,077 million. This includes previously adopted increases in the City's property tax levy, but does not account for recently created water and sewer tax.

Sales taxes, the City's largest revenue source for the corporate fund, are projected to grow 3.1% in Fiscal Year 2017, to \$698.84 million. It should be noted that this amount constitutes both the tax authorized under the City's Home Rule authority and the City's portion of the State Sales Tax. Revenue generated by fines is projected to grow by 2.8%, to \$359 million. Much of this growth is anticipated to be general by additional enforcement mechanisms being established by the Department of Finance, including increasing the use of debt checks, and additional efforts towards parking enforcement.

Utility taxes, while in recent history have been a declining source of revenue, are projected to increase 1.7%, to \$437 million. While this amount is higher than the current projection for 2016, revenues for 2016 took a fairly significant reduction because of a Chicago's relatively mild winter. If there is more typical winter in 2017, the corresponding increase in revenues seems reasonable. After a one-year reduction in income tax receipts because of a one time windfall in 2015, 2017 income tax revenues are projected to grow 1.8%, to \$267.35 million.

Transaction taxes are anticipated to decline to \$395 million, or a 4% decline. However, transaction taxes significantly outpaced projections in 2015 and as well as year-to-date in 2016, so while this amount is slightly lower than the updated 2016 projection, it is much greater than initial projections for 2016. Personal property replacement tax revenue, which is transferred to local governments by the State, are projected to decline 5.7%, to \$132 million after a recent high of \$168 million in 2015. The driver of this decrease was an error made by the State of Illinois that began in 2014 and continued through all of 2015 where corporate income tax revenues received by the State were improperly being classified as personal property tax revenue and distributed to local taxing bodies in amounts that were higher than what had been properly collected. As a result, the amount being sent to the City of Chicago is reduced, and Chicago is required to repay the amounts that were improperly transferred.

Transfers in, which are primarily generated by the interest income on the long-term asset reserve funds are projected to decrease 14%, to \$37 million. This is after a significant increase in the amount of revenue that the Treasurer has been able to generate by making changes to its investment policies, so it is possible that the amount transferred in 2017 will be closer to the experience so far in 2016.

Revenues generated from leases are projected to increase 64% over 2016 updated forecasts, to \$36 million. While this projection is in line with typically projections, revenues from leases in 2015 and so far in 2016 have come in at significantly lower amounts than initial budgeted amounts.

Business tax revenue is projected to grow by 8.8%, to \$124 million. This increase is being generated primarily by the proposed creation of a seven cent bag tax. Under the proposal, consumers would be required to pay the seven cents for each bag they receive at check out, and five cents would be remitted to the City for the corporate fund, and two cents would be kept by the retailer. This new revenue is projected to generate slightly over \$9 million, though if bag use declines significantly, this will be a declining source of revenue.

Parking taxes are projected to increase 187% to \$22 million. This increase is the result of the proposed loading zone pilot project in the downtown area where users of the loading zones will be required to pay for each use of the loading zone.

Other sources of revenue are projected to increase 96%, to \$146 million. The two main other sources that are driving the increase are the increase in declared surplus TIF revenues, which will be \$40.5 million of the total surplus of \$175 million. The increase in the total surplus is being generated by a combination of increased values of the properties within the TIF districts after the 2015 re-assessment year, and a relatively stable property tax rate based on the increase of the City's portion of the property tax levy. Additionally, the Mayor's proposed 2017 budget anticipates using \$37 million from the City's unobligated fund balance that has been built up over recent years. This amount represents approximately 1% of all corporate fund appropriations, and is out of a total balance of a little over \$90 million.

Projected Expenditures by Policy Area

Excluding payments for debt service and pensions, appropriations out of the corporate and property tax funds are proposed to increase by \$84.46 million in Fiscal Year 2017. This equates to relatively modest growth of 2.4% over Fiscal Year 2016. In addition to these increased expenditures, funding for debt service is budgeted to grow by over \$60 million as part of the continued phase out of "scoop and toss" whereby the City of Chicago has refinanced existing debt for the purpose of limiting its current year debt service payments by extending the terms of its debt, increasing interest costs overtime. The 2017 budget also includes projected increases to its pension systems as established by State statute, particularly for the contributions to the Police and Fire pension funds.

Outside of debt service and pensions, the most significant increases in corporate fund expenses are in the area of public safety, which are projected to grow by \$67 million, or 3.2%. The increase in public safety expenditures is primarily related to the Mayor's proposal to hire an additional 970 police officers over the next two fiscal years. Under the first year of this proposal, enough officers are anticipated to be hired to fill existing sworn vacancies within the department, backfill vacancies that are being created as a result of future attrition, and increase the ranks as outlined below.

- 250 police officers
- 100 detectives
- 92 Field Training Officers

- 50 Lieutenants
- 37 sergeants

In addition to the \$40 million necessary to cover the salaries and benefits of the new sworn personnel, several million dollars of additional costs will be incurred by the department for hiring and training of these officers.

In addition to the costs that are a part of the Mayor's hiring proposal, additional costs will be borne by the department as part of its continued rollout of body worn cameras in an additional seven police districts.

Outside of public safety, the other significant increase in corporate fund expenses are for community services programming, particularly at the Department of Family and Support Services. The increases in the DFSS corporate fund budget include

- \$6 million for youth mentoring programs, particularly for Becoming a Man (BAM)
- Nearly \$2 million for after school programs
- \$1.8 million for homeless supportive services
- \$1.2 million for summer programs
- \$1 million for workforce services
- \$605 thousand for violence reduction
- \$335 thousand for homeless services

One other significant change in the 2017 proposed budget is a reduction of \$13 million of Finance General expenditures, once pensions and debt service are excluded. This reduction is being driven by the last year of the phase out for subsidized health insurance for retired city employees. The final phase out is anticipated to save approximately \$25 million, for a combined savings of approximately \$100 million from the original subsidy amount.

CITY OF CHICAGO Projections FY16-FY17		
	Updated 2016	Proposed 2017
RESOURCES		
Property Tax	\$1,261.20	\$1,316.42
Sales Tax	\$677.80	\$698.84
Utility Tax	\$429.70	\$437.00
Internal Service Earnings	\$358.50	\$358.89
Transaction Tax	\$412.90	\$394.94
Fines	\$348.90	\$358.80
Income Tax	\$262.60	\$267.35
Recreation	\$218.02	\$221.56
Transportation	\$238.30	\$241.44
Personal Property Replacement Tax	\$140.22	\$132.27
License and Permits Charges	\$124.90	\$128.00
Business Tax	\$116.00	\$114.91
Transfers In	\$113.90	\$123.92
Leases	\$43.00	\$37.00
Parking	\$21.90	\$36.00
Other	\$7.60	\$21.80
	\$74.46	\$146.23
Total Projected Resources	\$4,849.90	\$5,035.37
EXPENDITURES		
Public Safety	\$2,064.33	\$2,131.78
Pensions	\$776.40	\$944.55
Debt Service	\$484.96	\$546.05
Citywide	\$558.25	\$545.10
Fleet, Facilities, and Admin	\$388.48	\$394.34
Infrastructure	\$193.03	\$202.36
Community Services	\$199.95	\$214.50
Regulation	\$51.44	\$51.81
City Development	\$14.14	\$14.19
Unspent appropriations		
Total Projected Expenditures	\$4,730.98	\$5,044.68

Office of the Mayor

By fund type	FY 2016	FY 2017
Corporate Fund	\$6,276,667	\$6,566,913
All other Funds	\$3,243,573	1,222,647

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$5,965,114	\$6,279,625

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Executive	\$476,312	\$471,602
Administration	\$4,920,807	\$4,603,789
Press Office	\$1,188,558	\$1,192,070
LCGA	\$1,529,420	\$1,555,513
International Relations	\$262,807	\$270,967
Innovation Delivery Team	\$1,409,623	\$0

- **Total spending for the Office of the Mayor are down slightly, largely from a reduction in available grant funding.**
- **Corporate fund spending is up slightly as a result of moving spending off of the Motor Fuel Tax Fund.**

Office of Budget and Management

By fund type	FY 2016	FY 2017
Corporate Fund	\$2,352,488	\$2,976,298
All other Funds	\$14,465,234	\$9,781,389

Corporate Fund	FY 2016	FY 2017
Personnel Services	2,296,393	\$2,935,512

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$446,771	\$523,487
Revenue and Expenditure Analysis	\$1,190,883	\$1,315,633
Management Initiatives	\$660,002	\$454,872
Compensation and Technical Control	\$565,120	\$504,072
Capital and Infrastructure	\$376,716	\$461,172
Data Analytics		\$540,343
TIF Program Management	\$149,466	\$96,720
Central Grants Management	\$13,521,000	\$9,086,364

Department of Innovation and Technology

By fund type	FY 2016	FY 2017
Corporate Fund	\$17,882,961	\$19,990,043
All other Funds	\$10,598,060	\$10,032,945

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$8,600,612	\$8,831,897

By Purpose	FY 2016	FY 2017 Recommended
Administration	\$1,075,769	\$1,221,614
Enterprise Network Management	\$5,384,096	\$5,824,019
Public Service Applications	\$4,528,975	\$4,649,099
Geographic Information Systems	\$690,674	\$578,674
Shared Services	\$2,238,513	\$2,299,851
Technical Operations	\$2,218,570	\$2,563,715
Enterprise Applications	\$8,535,466	\$8,709,924
Advanced Analytics and Data Management	\$1,611,414	\$2,085,509
Software Development	\$1,730,665	\$1,914,072
Enterprise Content Management	\$899,639	\$632,729

- **Increased budget is primarily Non-Personnel as DoIT invests in systems modernization and improved service delivery**
- **Certain expenses are also being covered by the user departments.**

City Clerk

By fund type	FY 2016	FY 2017
Corporate Fund	\$3,124,117	\$3,149,155
All other Funds	\$6,923,235	\$6,855,064

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$2,511,730	\$2,586,818

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$638,464	\$648,109
City Council Support	\$2,454,230	\$2,468,891
License Management	\$7,040,150	\$6,973,067

City Treasurer

By fund type	FY 2016	FY 2017
Corporate Fund	\$1,656,851	\$1,550,749
All other Funds	\$2,532,104	\$2,487,992

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$861,396	\$880,261

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$729,264	\$869,744
Portfolio Management	\$1,835,652	\$1,501,610
Financial Reporting	\$1,192,093	\$1,122,754
Economic Development	\$435,957	\$544,633

Department of Finance

By fund type	FY 2016	FY 2017
Corporate Fund	\$67,297,901	\$68,553,711
All other Funds	\$17,158,143	\$17,371,182

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$36,743,129	\$37,296,517

By Purpose	FY 2016 Recommended	FY 2017
Administration	\$4,772,448	\$4,433,365
Accounting and Financial Reporting	\$11,957,164	\$11,117,085
Financial Strategy and Operations	\$8,391,665	\$8,422,321
Payment Processing	\$6,320,080	\$7,100,078
Tax Policy and Administration	\$6,677,742	\$6,740,775
Street Operations	\$17,050,786	\$18,222,482
Accounts Receivable	\$30,691,350	\$31,293,368

- **Move voucher and audit employees from Financial Strategy and Operations to Accounting and Financial Reporting**

Department of Administrative Hearings

By fund type	FY 2016	FY 2017
Corporate Fund	\$8,188,136	\$8,591,069
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$3,084,954	\$3,180,187

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,083,169	\$1,165,951
Customer Services	\$1,514,117	\$1,507,173
Building Hearings	\$580,320	\$606,701
Consumer and Environmental Hearings	\$820,185	\$938,589
Municipal Hearings	\$1,205,479	\$1,320,944
Vehicle Hearings	\$3,032,101	\$3,098,946

- **Increase in Professional and Technical Services (Contractual Services)**
- **Increases in Consumer and Environmental Hearings and Municipal Hearings**

Department of Law

By fund type	FY 2016	FY 2017
Corporate Fund	\$28,132,391	\$28,750,881
All other Funds	\$8,901,014	\$9,549,113

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$25,057,112	\$25,711,055

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$5,498,870	\$5,664,548
Torts	\$3,887,042	\$3,814,790
Legal Information and Investigations	\$651,990	\$517,392
Appeals	\$1,117,399	\$1,209,869
Building and License Enforcement	\$5,602,436	\$5,632,862
Constitutional and Commercial Litigation	\$1,467,999	\$1,421,863
Contracts	\$554,342	\$856,308
Employment Litigation	\$1,209,012	\$1,256,374
Federal Civil Rights Litigation	\$4,707,776	\$5,220,660
Labor	\$2,014,231	\$2,055,583
Legal Counsel	\$694,692	\$702,480
Prosecutions	\$1,760,612	\$1,970,754
Aviation, Environment and Regulatory	\$2,079,549	\$1,988,497
Finance and Economic Development	\$2,364,664	\$2,199,416
Revenue Litigation	\$1,195,663	\$1,239,780
Real Estate	\$1,060,613	\$1,087,968
Collection, Ownership and Admin Litigation	\$2,286,135	\$2,628,237

- **Reductions in law clerk hours for the department are to increase number of Assistant Corporation Counsels.**

Department of Human Resources

By fund type	FY 2016	FY 2017
Corporate Fund	\$5,988,774	\$6,613,275
All other Funds	\$615,045	\$640,533

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$5,296,213	\$5,934,422

By Purpose	FY 2016 Recommended	FY 2017
Administration	\$1,306,463	\$1,320,107
Employment Services	\$2,512,613	\$3,034,492
Information Services	\$776,775	\$805,838
Strategic Services	\$426,809	\$484,700
Workforce Compliance	\$1,578,807	\$1,608,671

- **Proposed personnel increase of 7 FTEs in Employment Services**
- **Two new positions created are Chief Diversity Officer and Training and Development Analyst**

Department of Procurement Services

By fund type	FY 2016	FY 2017
Corporate Fund	\$6,264,728	\$6,708,188
All other Funds	\$1,594,310	\$1,990,031

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$5,542,782	\$5,993,845

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,511,828	\$1,529,896
Contract Management	\$4,802,772	\$5,250,101
Certification and Compliance	\$1,824,399	\$2,161,037

- **Recommendation increases personnel service expenditures to increase FTEs from 91 to 100**
- **DPS will launch the Integrity Monitoring Program to ensure contractor compliance as well as expand services to assist and expand the MBE/WBE certification process**

Department of Fleet and Facility Management

By fund type	FY 2016	FY 2017
Corporate Fund	\$197,104,240	\$198,135,421
All other Funds	\$139,630,439	\$145,774,674

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$69,846,042	\$77,113,320

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$3,733,625	\$3,769,796
Support Services	\$1,036,277	\$961,640
Facility Management	\$51,739,360	\$57,611,731
Environmental Health and Safety	\$4,549,092	\$4,567,228
Capital Improvements	\$18,501,514	\$19,160,213
Lease and Real Estate Portfolio Management	\$16,651,219	\$17,823,213
Energy Services	\$136,434,836	\$128,527,184
Graphics Services	\$2,824,299	\$2,732,655
Fleet Operations	\$100,943,323	\$112,186,899

- **FTEs in Bureau of Fleet Operations increased from 406 in 2016 to 447 in 2017, Corporate Fund Personnel Services increased by \$7.5M**
- **Non-personnel services in Bureau of Fleet Operations from increase and repair and maintenance needs**

Department of Streets and Sanitation

By fund type	FY 2016	FY 2017
Corporate Fund	\$140,466,752	\$146,255,628
All other Funds	\$115,763,657	\$110,772,767

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$83,834,563	\$84,795,397

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$5,900,451	\$6,438,689
Operational Support	\$5,204,495	\$5,374,688
Return to Work Development	\$3,217,865	\$456,765
Solid Waste Collection	\$113,671,498	\$113,154,854
Solid Waste Disposal	\$38,032,192	\$38,401,566
Rodent Control	\$4,964,288	\$10,540,269
Street Sweeping	\$7,963,288	\$7,311,988
Community Enhancements	\$19,316,380	\$16,661,922
Equipment Support Services	\$3,593,120	\$3,550,194
Graffiti Blasters	\$4,875,977	\$4,857,724
Street Operations	\$18,392,437	\$18,161,990
Forestry Operations	\$12,911,794	\$14,080,338
Special Traffic Services	\$2,573,659	\$2,982,021
Contractual Towing	\$1,087,999	\$1,099,429
City Towing	\$14,174,010	\$13,944,391
Auto Pounds	\$5,396,236	\$5,390,955

- **Creation of the Bureau of Rodent Control**
- **Funds shifted away from corporate fund to garbage collection fee fund**

Chicago Department of Transportation

By fund type	FY 2016	FY 2017
Corporate Fund	\$52,565,195	\$56,009,521
All other Funds	\$519,591,703	\$548,625,098

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$35,233,206	\$36,202,749

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$6,536,900	\$6,710,138
Public Information	\$288,045	\$292,884
Performance Management	\$311,393	\$315,672
Intergovernmental Relations	\$2,808,747	\$2,190,652
Design/Construction Management	\$349,054,579	\$340,528,012
Neighborhood Improvement	\$5,000,000	\$7,296,000
Traffic Safety	\$20,546,041	\$15,994,932
Public Way Management	\$5,819,221	\$5,687,231
Sign Management	\$4,283,154	\$4,368,028
Project Development	\$82,706,082	\$111,485,754
Electrical Operations and Management	\$31,554,191	\$33,545,057
Construction Support	\$3,626,920	\$3,536,452
Bridge Management	\$19,169,608	\$19,870,791
Asphalt Maintenance	\$18,931,210	\$24,583,143
Concrete Maintenance	\$27,937,254	\$31,101,914

- **Decrease in Office of the Commissioner in Non-Personnel Services**
- **Decrease in Non-Personnel Services in Construction Design and Management**
- **Increase in Grants for Project Development (Division of Project Development)**
- **Increase in Funds for Asphalt and Concrete Maintenance (Division of In-House Construction) from Vehicle Tax Fund and Motor Fuel Tax Fund**

Department of Aviation

By fund type	FY 2016	FY 2017
Corporate Fund	\$0	\$0
All other Funds	\$725,401,922	\$832,570,828

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$0	\$0

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$27,813,340	\$29,955,419
Financial Management	\$20,172,191	\$19,922,638
Legal and Contract Management	\$1,268,175	\$1,264,492
Commercial Development and Concessions	\$16,962,221	\$18,926,230
Capital Development	\$281,049,614	\$359,518,998
Airfield Operations	\$57,114,950	\$70,309,614
Landside Operations	\$123,688,517	\$122,377,539
Security and Safety Management	\$53,034,716	\$57,672,348
Facility Management	\$148,696,392	\$157,022,775

Department of Water Management

By fund type	FY 2016	FY 2017
Corporate Fund	\$0	\$0
All other Funds	\$307,856,247	\$298,511,620

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$0	\$0

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$12,199,313	\$12,392,404
Safety and Security	\$5,921,459	\$7,315,792
Capital Design and Construction	\$3,300,102	\$3,432,168
Engineering Services	\$5,315,267	\$5,395,354
Inspection Services	\$5,189,768	\$5,200,275
System Installation	\$89,255,644	\$68,092,192
Water Quality	\$5,665,999	\$6,042,828
Water Pumping	\$28,778,500	\$29,615,952
Water Treatment	\$53,746,399	\$52,925,119
System Maintenance	\$95,823,204	\$106,075,233
Communications and Coordination	\$2,044,794	\$2,104,491
Meter Operations Support	\$3,824,708	\$3,848,209
Water Meter Installation and Repairs	\$8,694,011	\$7,975,116

- **Non-personnel services in the Bureau of Engineering Services reduced from \$59.5M to \$28.6M**
- **Budget shifted away from System Installation to System Maintenance**

Police Board

By fund type	FY 2016	FY 2017
Corporate Fund	\$396,841	\$473,644
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$273,577	\$283,272

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Police Discipline	\$399,769	\$473,644

- **Increase in Professional and Technical Services by \$68,000**

Independent Police Review Authority

By fund type	FY 2016	FY 2017
Corporate Fund	\$8,460,483	\$2,896,733
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$8,196,372	\$2,896,733

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,022,109	\$130,824
Investigations	\$7,713,889	\$2,856,323

- **IPRA will cease to exist in FY 2017 the funds appropriated represent the staff necessary to remain in place until COPA can take over all IPRA operations.**

Civilian Office of Police Accountability

By fund type	FY 2016	FY 2017
Corporate Fund	\$0	\$7,194,928
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$0	\$5,798,026

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$0	\$2,044,774
Investigations	\$0	\$8,694,528
Public Outreach	\$0	\$431,950

- **COPA will take over the responsibilities of IPRA during FY 2017**
- **COPA expenses, including benefits and other expenses from Finance General, will be equal to 1% of the budget of the Chicago Police Department on an ongoing basis**

Department of Police

By fund type	FY 2016	FY 2017
Corporate Fund	\$1,384,510,306	\$1,434,581,644
All other Funds	\$67,989,215	\$59,387,677

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$1,329,537,372	\$1,363,616,503

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Office of the Superintendent	\$29,229,603	\$17,460,675
Office of the First Deputy	\$5,625,145	\$15,799,447
Bureau of Organizational Development	\$0	\$19,017,621
Bureau of Patrol	\$1,115,228,474	\$1,151,287,769
Bureau of Detectives	\$128,006,132	\$141,664,924
Bureau of Organized Crime	\$79,679,993	\$66,821,896
Bureau of Support Services	\$124,634,205	\$120,575,997

- **Office of the Superintendent reduced by 134 FTEs**
- **Office of the First Deputy Increased by 117 FTEs**
- **Creation of the Bureau of Organizational Development, 169 FTEs**
- **Bureau of Patrols increased by 433 FTEs**
- **Bureau of Detectives increased by 191 FTEs**
- **Bureau of Organized Crime decreased by 124 FTEs**
- **Bureau of Support Services decreased by 169 FTEs**
- **Overall Department Budget increased by \$50,071,338 from the Corporate Fund**

Office of Emergency Management and Communications

By fund type	FY 2016	FY 2017
Corporate Fund	\$94,447,024	\$102,405,688
All other Funds	\$135,491,502	\$139,637,410

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$77,551,323	\$84,840,005

By Purpose	FY 2016 Recommended	
Administration	\$3,532,986	\$4,396,447
Police and Fire Operations	\$47,121,435	\$52,677,291
Emergency Management	\$128,205,656	\$125,261,913
Technology	\$26,365,554	\$26,722,020
311 City Services	\$4,615,772	\$4,660,645
City Operations	\$22,221,064	\$30,550,761

- **Increase in headcount by shifting crossing guards formerly employed by the Department of Police to OEMC.**
- **Working with the Department of Innovation and Technology, will begin to modernize the 3-1-1 system.**

Fire Department

By fund type	FY 2016	FY 2017
Corporate Fund	\$576,510,424	\$582,228,559
All other Funds	\$44,557,393	\$52,456,551

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$554,582,438	\$562,284,906

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$30,994,992	\$31,959,356
Fire Suppression and Rescue Operations	\$498,240,123	\$508,614,791
Emergency Medical Services	\$87,247,431	\$89,467,759
Support Services	\$11,775,033	\$12,617,163
Fire Prevention	\$9,080,872	\$10,137,254

- **Increase in Corporate funds by \$7,718,135 to cover increase personnel service expenses.**

Department of Public Health

By fund type	FY 2016	FY 2017
Corporate Fund	\$30,426,427	\$31,990,357
All other Funds	\$119,030,560	\$119,985,093

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$15,424,152	\$16,069,402

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$8,002,346	\$8,364,101
HIV/AIDS/STI Services	\$61,107,310	\$65,343,629
Food Protection	\$3,494,993	\$3,918,221
Communicable Disease	\$6,781,415	\$4,978,566
Tuberculosis Control	\$2,828,606	\$2,901,537
Immunization	\$5,297,349	\$6,181,968
Mental Health Services	\$9,402,939	\$10,232,764
Substance Abuse	\$2,581,272	\$3,381,673
Violence Prevention	\$1,498,219	\$2,304,398
Lead Poisoning Prevention	\$7,175,827	\$8,872,031
Women's and Children's Health	\$15,166,123	\$15,686,266
Emergency Preparedness	\$22,170,664	\$14,341,348
Epidemiology	\$2,130,864	\$4,425,700
Environmental Health and Permitting	\$4,880,332	\$3,444,270

- **Increased services in mental health, opioid addiction, HIV/AIDS through community partner agencies**

Commission on Human Relations

By fund type	FY 2016	FY 2017
Corporate Fund	\$1,155,877	\$1,165,519
All other Funds	\$1,157,531	\$1,268,746

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$1,081,149	\$1,094,662

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$350,555	\$349,663
Human Rights Compliance	\$1,477,947	\$1,587,292
Community Relations	\$553,349	\$566,300

- **Increase in Human Rights Compliance**

Mayor's Office for People with Disabilities

By fund type	FY 2016	FY 2017
Corporate Fund	\$1,449,869	\$1,414,445
All other Funds	\$4,075,231	\$3,932,252

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$1,049,578	\$1,184,353

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,291,385	\$1,200,929
Employment Services	\$303,070	\$415,795
Accessibility Compliance	\$368,672	\$367,077
Prevention Programs	\$276,565	\$297,641
Disability Resources	\$1,188,395	\$1,066,840
Independent Living Program	\$1,942,788	\$1,969,637
Access Chicago	\$181,184	\$62,250

- **Decrease in Anticipated Community Development Block Grant**

Department of Family and Support Services

By fund type	FY 2016	FY 2017
Corporate Fund	\$63,939,466	\$76,435,254
All other Funds	\$284,121,464	\$327,323,709

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$4,321,753	\$4,546,247

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$5,498,157	\$6,090,553
Child Services	\$188,225,407	\$259,603,386
Youth Services	\$39,111,889	\$48,276,890
Human Services	\$72,212,015	\$50,106,824
Domestic Violence	\$4,671,095	\$4,051,026
Workforce Services	\$8,169,820	\$9,211,526
Senior Service Programs	\$31,460,929	\$27,657,821

- **New \$6 million line item for youth mentoring programs**
- **Increased investments in After School and Summer programming**
- **\$1.8 million line item for Homeless Supportive Services**

Chicago Public Library

By fund type	FY 2016	FY 2017
Corporate Fund*	\$0	\$0
All other Funds	\$73,026,291	\$74,635,696

Corporate Fund	FY 2015	FY 2016
Personnel Services	\$0	\$0

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$9,308,238	\$9,031,566
Central Library Services	\$0	\$13,052,510
Neighborhood Library Services	\$0	\$34,469,754
Reference and Circulation Services	\$54,250,835	\$0
Technology, Content and Innovation	\$0	\$3,121,989
Collection Services	\$2,265,889	\$0
Library Programs and Partnerships	\$0	\$3,050,293
Special Programs and Services	\$898,092	\$0
Capital Improvement	\$11,908,000	\$10,683,000

- **Changes in departments to accommodate adjustments made in line with the 2015-2019 Strategic Plan for Chicago Public Libraries**

Department of Cultural Affairs and Special Events

By fund type	FY 2016	FY 2017
Corporate Fund	\$0	\$0
All other Funds	\$29,904,902	\$31,292,551

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$0	\$0

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,175,520	\$1,172,054
Arts and Creative Industries	\$4,070,631	\$4,071,525
Events Programming	\$13,417,362	\$14,213,634
Strategic Initiatives and Partnerships	\$1,819,170	\$1,759,192
Marketing and Communication	\$972,559	\$985,866
Cultural Planning and Operations	\$11,428,257	\$11,408,903

Department of Planning and Development

By fund type	FY 2016	FY 2017
Corporate Fund	\$14,135,759	\$14,191,649
All other Funds	\$127,079,527	\$152,860,046

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$9,676,450	\$9,526,223

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$8,208,513	\$7,091,176
Economic Development	\$6,423,535	\$6,173,062
Housing	\$122,449,018	\$148,276,765
Zoning and Land Use	\$4,799,190	\$6,128,671

- **Creation of the Neighborhood Opportunity Fund**
- **Increased Affordable Housing Opportunity Fund**

Office of Inspector General

By fund type	FY 2016	FY 2017
Corporate Fund	\$3,321,878	\$5,630,734
All other Funds	\$3,043,035	\$3,010,694

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$2,415,457	\$4,946,046

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Investigations	\$1,931,050	\$2,037,899
Legal	\$1,604,738	\$1,750,028
Operations	\$1,413,617	\$1,432,894
Audit and Program Review	\$1,413,617	\$1,300,276
Fire Prevention	\$9,080,872	\$0
Public Safety Audit	\$0	\$2,279,122

- **Increases in personnel services offset by reduction of two headcount and reductions in commodities and contingencies.**
- **Increased responsibilities particularly relating to Public Safety Audit**

Department of Buildings

By fund type	FY 2016	
Corporate Fund	\$26,530,561	\$26,103,732
All other Funds	\$11,896,228	\$12,191,290

Corporate Fund	FY 2016	
Personnel Services	\$18,656,689	\$19,723,099

By Purpose	FY 2016 Recommended	
Administration	\$2,672,067	\$2,610,530
Regulatory Review	\$511,060	\$380,608
Case Management	\$1,029,913	\$1,077,964
Code Compliance	\$206,832	\$210,960
Licensing	\$720,639	\$722,363
Building Inspections	\$1,283,653	\$1,268,499
Technical Inspections	\$12,266,431	\$12,933,647
Troubled Building Program	\$7,754,048	\$8,514,453
Code Enforcement	\$3,035,819	\$3,110,595
Small Project Permitting	\$1,930,244	\$1,871,833
Plan Review	\$4,487,674	\$4,528,903
Developer Services	\$3,149,888	\$1,701,760

- **Increase of 7 FTEs from the Corporate Fund**

Department of Business Affairs and Consumer Protection

By fund type	FY 2016	FY 2017
Corporate Fund	\$18,173,793	\$18,361,601
All other Funds	\$1,315,000	\$1,315,000

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$13,441,388	\$13,666,267

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$1,873,508	\$1,823,175
Advocacy and Outreach	\$803,833	\$833,728
Small Business Center	\$4,171,754	\$4,143,606
Business License and Permits	\$2,997,785	\$3,078,670
Local Liquor Control	\$243,900	\$246,384
Public Vehicle License and Permits	\$2,393,868	\$2,304,149
Enforcement	\$1,700,100	\$1,819,213
Prosecutions and Investigations	\$5,223,072	\$5,529,502
Cable and Telecommunications	\$656,297	\$494,879

- **Increases in Enforcement and Prosecutions and Investigations**

Commission on Animal Care and Control

By fund type	FY 2016	FY 2017
Corporate Fund	\$5,703,307	\$6,340,736
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$4,524,411	\$4,635,433

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$520,175	\$514,986
Animal Control	\$1,793,548	\$1,808,293
Animal Care	\$3,207,806	\$3,912,005
Anti-Cruelty	\$341,513	\$353,267

- **Increase in Professional and Technical Services**
- **Addition of 4 FTEs in Animal Care**

License Appeal Commission

By fund type	FY 2016	FY 2017
Corporate Fund	\$176,640	\$179,427
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$74,045	\$76,932

By Purpose	FY 2016 Recommended	FY 2017
Appeals Process	\$176,640	\$179,427

- **Salary adjustment for employee**

Board of Ethics

By fund type	FY 2016	FY 2017
Corporate Fund	\$857,827	\$825,807
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$782,762	\$756,420

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$214,808	\$666,926
Education	\$182,760	\$14,291
Compliance and Enforcement	\$178,170	\$10,234
Casework	\$94,610	\$13,359
Regulation	\$91,829	\$13,503
Disclosure Forms	\$93,184	\$105,522
Law Compliance	\$2,466	\$1,972

- **FTEs from Education, Compliance and Enforcement, Casework, and Regulations all moved into Administration.**
- **Reduction of Department by 1 FTE**
- **Decrease in Contractual Services and Travel**

City Council

By fund type	FY 2016	FY 2017
Corporate Fund	\$20,631,378	\$20,824,508
All other Funds	\$849,241	\$865,624

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$20,484,827	\$20,605,906

Committee	FY 2016 Recommended	FY 2017 Recommended
Finance	\$2,200,364	\$2,213,360
Budget and Government Operations	\$534,312	\$543,968
Aviation	\$107,378	\$109,496
Licensing and Consumer Protection	\$123,143	\$125,246
Public Safety	\$154,180	\$161,855
Health and Environmental Protection	\$91,800	\$93,606
Committees, Rules and Ethics	\$143,508	\$145,568
Economic, Capital and Technology	\$103,064	\$105,075
Education and Child Development	\$265,377	\$168,483
Zoning Landmarks and Buildings	\$394,288	\$400,574
Housing and Real Estate	\$202,278	\$206,164
Human Relations	\$91,741	\$93,556
Transportation and Public Way	\$445,554	\$454,137
Pedestrian and Traffic Safety	\$244,587	\$249,379
Special Events and Cultural Affairs	\$159,100	\$162,108
Workforce Development and Audit	\$528,691	\$538,565

Board of Election Commissioners

By fund type	FY 2016	FY 2017
Corporate Fund	\$14,763,549	\$10,724,299
All other Funds	\$0	\$0

Corporate Fund	FY 2016	FY 2017
Personnel Services	\$8,676,805	\$7,194,282

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Administration	\$4,684,487	\$2,489,723
Election Planning	\$1,093,171	\$908,585
Electronic Voting	\$2,040,769	\$1,775,748
Election Support	\$3,117,454	\$2,683,353
Warehouse and Equipment Preparation	\$1,763,970	\$1,213,737
Registration and Records Processing	\$2,295,122	\$1,878,625

Finance General

By Purpose	FY 2016 Recommended	FY 2017 Recommended
Pensions	\$978,250,000	\$1,029,988,000
Loss in Collection of Taxes	\$20,472,000	\$20,748,000
Benefits	\$449,243,670	\$439,292,802
Workers' Compensation	\$66,060,000	\$71,510,000
Payment of Judgments	\$25,842,800	\$22,111,700
Debt Service	\$1,879,696,164	\$2,067,344,125
Other	\$504,861,883	\$508,662,192

- **Includes state required contributions to the pension systems and funding for the Municipal and Laborers fund that still requires State action**
- **Continued phasing out of practice of “scoop and toss”**
- **Eliminates health insurance subsidies for most retired City employees**

Conclusion

Areas of Support

The proposed budget for 2017 is a balanced approach for providing the services to Chicago residents that residents expect. Much of the heavy lifting in crafting a balanced budget has been done in prior years, including enacting necessary changes to Chicago's pension funding schedule that leads to contributions that are actuarially based that will eventually lead to sustainability of the pension systems. While the brief (relative speaking) ramp period is not ideal, being on a path to actuarial funding is far superior to the prior trajectory for the systems.

Additionally, other changes to city government spending have also relieved pressure on the 2017 budget. Some of these changes include the way that the city has delivered services, including moving garbage pick-up and street sweeping has reduced the number of vehicles that need to be deployed for the Department of Streets and Sanitation, while allowing more resources to go towards other in-demand services such as tree trimming and rodent abatement. Additionally, reducing the amount of office space that is leased by the City has saved taxpayers money without having a significant impact on city residents.

While many of these changes, on both the spending and revenue side of the equation, have been difficult, the fiscal position of the City of Chicago government is better now than it was a few years ago.

Public Safety

Many of the significant increases that have been proposed in the 2017 budget are focused on investments aimed at reducing crime. Of particular note are the increases in the budget for the Department of Family and Support Services. The Council Office of Financial Analysis recognizes that reducing violence will take more than simply increasing policing and believes that programming targeted for at-risk youth is a critical tool in reducing the number of shootings and the amount of violence in our communities. Of particular note is the new \$6 million investment for youth mentoring programs, which will largely be directed to Becoming A Man (BAM). So far BAM has been a successful program, and according to a study conducted by the National Bureau of Economic Research, violent-crime related arrests were reduced by 45-50%. While this new investment will hopefully prove effective, it should be remembered that different intervention strategies will be more effective with different youths, and increasing the amount and broadening the strategies may be necessary in future years.

The deployment of new technologies to aid in policing our communities is also a critical investment in the effort to reduce crime and shootings. With improved technology, the ShotSpotter system has recently been found to be effective in cities that have recently deployed the system, and hopefully the technology will allow the Chicago Police Department to respond more quickly to shootings in the areas where it is being deployed.

Bag Tax

The Mayor's proposed budget includes additional revenue to be collected by the imposition of a seven cent bag tax. The plastic bag ban that has been in place has not lead to a reduction in the use of disposable bags as had been hoped. While recognizing that if successful, this will be a declining source of revenue over time; this seems to be a sound policy that has appeared to be effective in other cities throughout the country.

The two cent commission that is proposed to be collected by retailers may be necessary to encourage enforcement of this new tax in its early stages. However, this commission seems to be quite high when compared to other taxes that are imposed by the City of Chicago, and should be revisited over time to determine whether the two cents should be reduced across the board or if retailers should be capped at how much they can receive from the commission.

Loading Zone Pilot Program

Establishing a pilot program in the central business district to improve enforcement of the use of loading zones and decreasing congestion by turning the use of the zone into a user fee instead of the existing permit is anticipated to generate \$13 million of additional revenue. This change in policy is supported, and if proven successful should be extended to other neighborhoods within Chicago.

TIF Surplus

A significant portion of the budget gap for fiscal year 2017 is being closed with the declared surplus from the City's existing Tax Increment Financing Funds. This action is supported.

Prior to the 1980s, the Federal Government had been a significant source of revenue for cities across the country, but in the early 1980s the Reagan administration began reducing the amount of funds sent to cities, and by 1986, ended the policy of revenue sharing altogether.

While the first Tax Increment Financing District in the United States was created in 1952, programs across the country grew fairly gradually, and were authorized in only 6 states in the 1970s. However, after the Federal Governments reduction in support to cities, TIFs began expanding to more states at a faster rate, whereby they had been authorized in 44 states by 1992. It was during this period of time that Chicago established its first TIF district, which was the North Loop TIF and encompassed Block 37.

Since that time, the number of TIF districts and the revenues collected by them have increased substantially. Today, the TIF districts throughout Chicago are generating over \$400 million this year, and whether those dollars are spent on development projects in the TIFs or are a surplus is declared and revenues are sent back to the taxing bodies is largely a question of priorities.

By declaring a surplus of \$175 million, the Chicago Public Schools will receive \$88 million for its general fund, and the City of Chicago will keep \$40 million for use in its corporate fund. While concerns about such a large declaration of a surplus have been raised about whether it is a sustainable source of

revenue every year, a TIF surplus of a fairly large amount will likely be recurring going forward. While in future years a surplus may not be as large as \$175 million, the recent reassessment of property values in Chicago that led to a significant equalized assessed value within the TIF districts, and a likely increase in the property tax rate, particularly as a result of the recent adoption of a levy increase by CPS, should lead to high enough revenues that should permit significant funds being sent back to the taxing bodies on an annual basis.

Additionally, it has been recommended that Chicago review whether to eliminate certain TIF districts or reduce parcels within those districts so that the amount generated by the TIF is more in line with its anticipated TIF-purpose expenses. The COFA recommends that if such an endeavor were pursued, that it be done with extreme caution. Because the removal of parcels from a TIF returns that EAV to the individual taxing bodies, certain formula driven funding would be impacted. In particular, when EAV is returned to the taxing base for Chicago Public Schools, under the existing state aid formula, Available Local Resources for CPS are increased. This in turn leads to a reduction in General State Aid that can be received by CPS, ultimately providing very little relief to CPS's budgetary pressures.

Areas of concern

While the proposed budget for 2017 continues the down the path of fiscal stability, there are a few areas that are of some concern.

Use of unreserved corporate fund balance

The Mayor has proposed to draw down \$37 million from the unreserved corporate fund balance, or 1% of corporate fund budget. In the larger context, this is reasonable fiscal policy. However, increased budgetary pressures are likely to be seen in future budget years, and access to these resources will be diminished. Of particular note is the plan to hire an additional 970 sworn personnel at the Chicago Police Department. While the costs of the first year of the plan are relatively modest, those costs will increase substantially in the second year of the plan. In addition to implementation of year 2 with additional hires, per the existing collective bargaining agreement, officers will receive significant increases in pay upon their first anniversary on the job, as well as a full year cost of the additional officers versus a partial year cost in the first year.

This is not to say that it is not important for these costs to be borne, but simply that depletion of these resources while costs are likely to grow is of some concern.

Regulation of pharmaceutical sales reps

The Mayor has proposed that the City begin regulating pharmaceutical sales reps, and using the resources collected from that increased regulation to combat opioid and heroin addiction. While the opioid addiction epidemic presents us with an all too devastating public health crisis, it is not clear how regulating pharmaceutical sales reps will effectively combat that epidemic. Many of the individuals

fighting opioid abuse began using these substances after interactions with a doctor and a pharmacist, and that is where education and training would be better served. While the resources that are likely to be generated are being directed towards a commendable purpose, it is not clear that the policies surrounding the regulation will have a significant impact.

Universal City Identification

Under the current proposal, many of the details of this plan for the Clerk to offer Universal City ID cards still need to be established. It has been promoted as a means to offer legal identification to undocumented workers, and is modeled after a successful program that has been established in New York City. However, the State of New York does not permit undocumented individuals to receive a State issued driver's license, whereas the State of Illinois does. While there will likely be other benefits of offering a City ID for those who may not choose or need a State issued driver's license, the Clerk should take care to ensure that efforts are not being duplicated with the Illinois Secretary of State to avoid redundancies, which may include what information is required to obtain the City ID.

Passage of the "Safe Roads Amendment"

On November 8, the voters of the State of Illinois approved the "Safe Roads Amendment" which purports to require that transportation related revenues may only be used for transportation related purposes.

The passage of the amendment could impact some of the \$49 million in the City's vehicle fuel taxes that are collected in the corporate fund, as well as \$220 million in the Vehicle Tax Fund resources and \$60 million of Motor Fuel Tax Fund resources. For the Special Revenue Funds, many of the expenses related to those funds are either directly expended on infrastructure or related to the administration of the laws that relate to the collection of those revenues. However, with the enactment of this new constitutional provision, how this language is interpreted will need to be continued to be monitored to ensure that the City of Chicago is in compliance.

With the revenues currently deposited in the Corporate Fund, it is important to note that over \$49 million of infrastructure related expenditures already occurs in the corporate fund, so while budgetary adjustments may need to be made going forward, the restriction on the use of these revenues as a result of the passage of the amendment should be something that the City of Chicago is able to adjust to.

For your information, the text of the amendment is below.

SECTION 11. TRANSPORTATION FUNDS (a) No moneys, including bond proceeds, derived from taxes, fees, excises, or license taxes relating to registration, title, or operation or use of vehicles, or related to the use of highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, airports, or to fuels used for propelling vehicles, or derived from taxes, fees, excises, or license taxes relating to any

other transportation infrastructure or transportation operation, shall be expended for purposes other than as provided in subsections (b) and (c).

(b) Transportation funds may be expended for the following: the costs of administering laws related to vehicles and transportation, including statutory refunds and adjustments provided in those laws; payment of highway obligations; costs for construction, reconstruction, maintenance, repair, and betterment of highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, airports, or other forms of transportation; and other statutory highway purposes. Transportation funds may also be expended for the State or local share of highway funds to match federal aid highway funds, and expenses of grade separation of highways and railroad crossings, including protection of at-grade highways and railroad crossings, and, with respect to local governments, other transportation purposes as authorized by law.

(c) The costs of administering laws related to vehicles and transportation shall be limited to direct program expenses related to the following: the enforcement of traffic, railroad, and motor carrier laws; the safety of highways, roads, streets, bridges, mass transit, intercity passenger rail, ports, or airports; and the construction, reconstruction, improvement, repair, maintenance, operation, and administration of highways, under any related provisions of law or any purpose related or incident to, including grade separation of highways and railroad crossings. The limitations to the costs of administering laws related to vehicles and transportation under this subsection (c) shall also include direct program expenses related to workers' compensation claims for death or injury of employees of the State's transportation agency; the acquisition of land and the erection of buildings for highway purposes, including the acquisition of highway rights-of-way or for investigations to determine the reasonable anticipated future highway needs; and the making of surveys, plans, specifications, and estimates for the construction and maintenance of flight strips and highways. The expenses related to the construction and maintenance of flight strips and highways under this subsection (c) are for the purpose of providing access to military and naval reservations, defense-industries, defense-industry sites, and sources of raw materials, including the replacement of existing highways and highway connections shut off from general use at military and naval reservations, defense-industries, and defense-industry sites, or the purchase of rights-of-way.

(d) None of the revenues described in subsection (a) of this Section shall, by transfer, offset, or otherwise, be diverted to any purpose other than those described in subsections (b) and (c) of this Section.

(e) If the General Assembly appropriates funds for a mode of transportation not described in this Section, the General Assembly must provide for a dedicated source of funding.

(f) Federal funds may be spent for any purposes authorized by federal law.