



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

CITY COUNCIL APPROVES MAYOR EMANUEL'S 2013 BUDGET THAT PROVIDES KEY INVESTMENTS FOR CHILDREN, PUBLIC SAFETY AND NEIGHBORHOODS

Tough, Smart Choices for Second Year in a Row Made Additional Investments Possible without New Taxes, Fines or Fees

The City Council today overwhelmingly approved Mayor Rahm Emanuel's 2013 City of Chicago budget by a vote of 46 to 3. The \$8.3 billion budget balances the City's finances without introducing new taxes, fines or fees, and completely eliminates the employee head tax by the end of 2013.

"With this budget, we build on the break from the past we began last year. By speaking honestly, thinking differently, and leading forcefully, we are giving families and companies the confidence to choose Chicago," said Mayor Emanuel. "While other cities and states are cutting back and providing less for children and families, we are able to invest in our strengths and deliver better services without raising taxes, fines, or fees."

The 2013 budget makes important investments in programs that enhance the quality of life for the people of Chicago, promotes small business development and increases public safety. Further, it makes a significant investment in programs that enhance the health, safety and education of the children of Chicago. It also improves the City's long-term financial stability by making a \$15 million investment in the city's Rainy Day Fund, following a \$20 million investment made in last year's budget.

The City began the 2013 budget process with a projected deficit of \$369 million, half of what had originally been projected, but still a substantial gap. This deficit was cut to \$298 million in September when the City identified \$71 million in additional savings and revenue

for the remainder of 2012 and 2013, including \$26 million in additional cost savings and \$45 million in additional revenue. The \$298 million gap is the smallest since the 2008 recession.

“The past two budgets combine into one tremendous win for the children and families of Chicago. We are being smart about how we run our government so we can invest in opportunities for our future,” said Alderman Carrie Austin, Chair of the Committee on Budget and Government Operations. “Last year we doubled the number of summer jobs for our kids, and this year we will continue with more investments, so that young people gain experience rather than lose ground in the summer months. While keeping our children off the streets with jobs and activities, we are also making our streets safer by guaranteeing that the Chicago Police Department remains at full strength.”

The City closed the remaining 2013 gap through \$67 million of spending reforms and cuts, including \$10 million in savings from strategic sourcing on city contracts and \$5.8 million in information technology reforms; \$45 million in personnel savings including \$20 million in layoffs, attrition and vacancy sweeps, and \$5 million from partnerships with labor; \$70 million in healthcare savings; \$10 million from TIF reforms; \$24 million in improved debt collection; \$42 million in additional revenue growth; and \$40 million from refinancing long-term debt.

The spending reforms and cuts spearheaded by Mayor Emanuel have enabled the City to make investments in several key areas that will ensure that Chicago’s children have more afterschool opportunities and summer jobs, while improving public safety, promoting business growth and jobs and improving the quality of life in our communities.

Investing in our Children

- 5,000 additional early childhood education slots;
- 3,000 additional slots for afterschool programs;
- 1,000 additional summer jobs slots;
- Eye exams and glasses for 23,000 more kids, bringing the total to 30,000 kids.

Supporting Chicago Businesses

- Creation of a Small Business Center that will serve as a one-stop-shop for small business owners.
- Elimination of the Employee Head Tax by the end of 2013.

Investing to Enhance Public Safety

- Funding for the Chicago Police Department to hire officers to remain at full strength at all times, including and quarterly classes of recruits throughout 2013.
- Returning community policing resources, which are concentrated at CPD headquarters, to the police districts and communities where they belong.

Investing to Improve Neighborhood Quality of Life

- Citywide expansion of recycling by the end of 2013;
- 18 additional forestry crews and funding for tree trimming and treatment of Emerald Ash Borer;
- A new program to enable Streets & Sanitation employees on limited duty due to injuries to bait for rodents, enabling the City to bait up to 1,800 more alleys in 2013;
- Additional elevator and construction inspectors;
- An additional \$300,000 for vacant lot cleaning and maintenance.
- An additional \$350,000 investment for weed cutting in vacant lots.

Expanding Services to Support Residents Most in Need

- Through partnerships with non-profit food pantries, the Department of Family and Support Services (DFSS) will provide more than 150,000 additional healthy meals at nearly 400 locations throughout Chicago.
- Through partnerships with delegate agencies, DFSS will provide more comprehensive, holistic services at its service centers at a lower cost. The savings will be used to provide domestic violence services to an additional 3,000 victims of domestic violence.

Today's passage of the budget follows several weeks of hearings held by the City Council's Committee on Budget and Government Operations during which City department heads and officials testified at length regarding the 2013 budget proposal.

The budget goes into effect January 1, 2013.

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