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FOR IMMEDIATE RELEASE

October 3, 2022

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MAYOR LIGHTFOOT UNVEILS 2023 BUDGET PROPOSAL

Balanced 2023 Budget signals strong turnaround of City finances and proposes continued investment in key areas amidst ongoing recovery from the pandemic

CHICAGO — Today, Mayor Lori E. Lightfoot presented the City Council with her 2023 Budget Recommendations. The recommendations reflect her continued commitment to strengthening the City of Chicago's finances through continued fiscal responsibility, while maintaining investments in violence prevention, poverty reduction, and wellness.

"Chicago's 2023 'Stability Budget' allows us to fulfill an important obligation we have to our residents and future generations: to seize this once-in-a-lifetime opportunity to transform our city for the better," said Mayor Lightfoot. "We will develop Chicago into a safer, stronger and more economically resilient city while continuing to deliver best-in-class public services to our residents."

The Mayor's 'Stability Budget' combines a bold vision for Chicago's future with fiscal responsibility. The hard work that began three years ago with the FY2019 budget has enabled the City to set a course for financial stability, despite the economic fallout of the pandemic. As a result, this year the City, announced the smallest budget gap since Mayor Lightfoot took office. Other financial accomplishments include:

- **Funded Pensions** - Over the last three years, the City increased annual pension contributions by \$1 billion in order to shore up the retirements of the essential service workers, and for the first time in 15-years, the City has seen increased funded ratios in its FY2021 financials.
- **Reduced Debt** - The City climbed a debt ramp created by the end of scoop and toss in FY2022 and over the last three years has reduced the total debt outstanding by \$377 million through more active cash flow management.
- **Invested in Chicago Works** - The City cleared large deferred maintenance by funding a \$1.2 billion Chicago Works program which invests in the City's streets, bridges, lighting, shoreline, and much more.
- **Generated New Financial Value** - The Mayor also created nearly \$3 billion in new financial value for the City with nearly \$2 billion from a new casino, after



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three decades of pursuit and almost \$1 billion from a preliminary water supply contract with the City of Joliet, the first new water supply customer in three decades.

The 2023 Budget proposal was guided by engagement with residents, businesses, community-based organizations, and community leaders, which kicked off in July. Over the past three years, more than 100,000 Chicagoans have participated in the budget community engagement process through dozens of town halls, roundtables, live social media events, and forums. The feedback received is integral to the budget planning process.

“Each and every year, community engagement has helped to guide us as we continue to provide the services our residents need, while keeping the city on a course towards a stable and sustainable financial future,” said Budget Director Susie Park. “The City has invested more than \$2 billion in improving essential city services and new and ongoing key investments as a result of ongoing community feedback.”

As a further manifestation of the City’s strong economic recovery from the pandemic, the 2023 Budget estimates a \$260 million increase in revenues since the budget forecast was released. As a result, the City is able to eliminate the proposed CPI increase in the 2023 budget while also advancing \$202 million of the City’s future pension payments. This strategic move reduces the City’s future pension contributions by nearly \$2 billion and keeps money in taxpayer wallets when they need it most.

“The proposed FY2023 Budget is another testament that the City of Chicago is in the midst of a financial turnaround,” said Chief Financial Officer Jennie Huang Bennett. “For the first time in the City’s history, the City made an actuarially determined contribution in FY2022 for all four pension funds. Now, the City’s financials are strong enough now that it can begin to pay down its pension credit card. Paying down our pension credit card will save nearly \$2 billion in future pension costs and prevent significant investment losses in the pension funds.”

The 2023 Budget also sustains funding for historic programs and investments made in the FY2022 Budget, including the \$1.2 billion dedicated through the Chicago Recovery Plan (CRP). As the most progressive investment plan in the City’s history, the CRP includes critical investments that are expected to generate 7,000 jobs over time. Investments in homelessness prevention, affordable housing, violence prevention, youth opportunities, and mental health have been the pillars of Mayor Lightfoot’s budget since 2019. New investments in the 2023 Budget include a \$3.1 million investment for reproductive healthcare, an additional investment of over \$10 million for homelessness and other supportive services, \$7.5 million for



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improvements to City processes around hiring, procurement, and IT, \$13.5 million for public safety.

“After three years of hardship, the 2023 budget reflects how prioritizing fiscal responsibility and equity lead to a healthy economic recovery,” said 3rd Ward Alderman Pat Dowell, Chairman of Budget and Government Relations. “Focusing investments in historically disinvested neighborhoods, performing meaningful community engagement, and increasing transparency have long been my cornerstones for the budget process. This budget reflects all of these values and presents a strong outlook for Chicago’s future.”

The 2023 budget also continues to implement additional fines and fees reforms. Over the past three years, the Mayor’s fines and fees reforms efforts addressed debt related to traffic and vehicular infractions and compliance, including the Clear Path Relief and Fix-It Defense programs implemented in April 2022, a first-of-its-kind initiative to help alleviate financial hardships for Chicago motorists.

“The 2023 budget includes reforms related to Administrative Hearings debt, which impacts individuals obtaining licenses, permits, and engaging in business with the City. These reforms will help individuals and small businesses with additional pathways to come into compliance and provide relief from regressive fines and fees,” said Comptroller Reshma Soni. “The policies further pave a viable road to economic stability for residents with outstanding fines and reduce the reliance of fees that disproportionately impact low-income communities on the City’s budget. Chicago is among the first cities in the nation to consider the financial capabilities of its residents when assessing fines and fees.”

The proposed 2023 Budget builds on the success of the transformative 2022 Budget and reaffirms the City’s commitment to fiscal responsibility, equity, and economic recovery. The City of Chicago remains committed to supporting critical investments that improve the quality of life for all Chicagoans.

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