



OFFICE OF THE MAYOR
CITY OF CHICAGO

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Mayor Emanuel Announces Grant Funding Reforms to Prevent City From Leaving Millions on the Table, Saving \$20 Million in 2012

Mayor Rahm Emanuel today announced that he has directed the Office of Budget and Management (OBM) to implement aggressive and comprehensive reforms to ensure the City is maximizing and spending its federal and state grant dollars to save \$20 million in corporate revenue funds in 2012.

"The City will not leave one grant dollar on the table," said Mayor Rahm Emanuel. "The City is unnecessarily spending millions of taxpayer dollars from our own revenue funds because we are not staying on top of federal and state grant funding we have been awarded. It is essential that we get a handle on our finances at every level of city government, improve efficiencies and implement aggressive reforms to get after the money we have available to us."

Through these reforms, grant funds will be maximized, which will allow the City to save an estimated \$20 million in corporate fund dollars in 2012. Those savings will be generated in the following ways:

- Properly charging grants for the personnel that support grant programs, \$4.4 million
- Restructuring the grants reimbursement process, \$5.2 million
- Properly charging grants for administrative support, \$10.4 million

To address this ineffective fund management and under-spending of grant funds, OBM will create a new Grant Management Unit (GMU) in 2012, which will oversee management, coordination and expenditures of all federal and state grant funding, which is currently spread throughout the multiple departments.

Additional systematic reforms implemented and managed by the GMU will include the following:

- Comprehensive analyses to gain a better understanding of grant requirements.
- Restructuring of process for reimbursements for grant expenses to ensure all eligible expenses are reimbursed to the City in a timely manner.
- Centralizing grant revenue collections to ensure all revenue is accounted for and collected in a timely fashion.
- Implementation of a single contracting process for all delegate agencies to follow.
- Creation of reporting system for delegate agencies and vendors.



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- More aggressive pursuit and identification of new grant state and federal funding sources.

On his first day in office, Mayor Emanuel announced \$75 million in savings in the 2011 budget, to be achieved in part through \$31.2 million in savings by properly charging grants for the personnel that support grant programs, restructuring the grants reimbursement process, and properly charging grants for administrative support. To date, the City has achieved \$23.8 million of the savings goal.

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