



CITY OF CHICAGO • OFFICE OF THE MAYOR



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MAYOR LIGHTFOOT'S 2023 BUDGET APPROVED BY CITY COUNCIL

The \$16.4B Stability Budget passes during a time of economic recovery, strong revenue growth, and recent significant ratings upgrade

CHICAGO — Today, Mayor Lori E. Lightfoot's FY2023 Budget was approved by City Council, establishing Chicago's place among cities that have gained a solid financial foothold. The \$16.4 billion 2023 'Stability Budget' builds on the Mayor's commitment to make Chicago a safer, stronger, and more economically resilient city by reducing debt, addressing environmental threats, and increasing investments for public safety, essential services, and access to reproductive health.

"Over the past three years, we have steered our city through some challenging fiscal storms," said Mayor Lightfoot. "However, each and every time, we came together to collaborate on how to enhance the quality of life for all of our residents, and emerged to become the stronger, more vibrant city that we are today. This budget is a reflection of our hard work and values, and I thank all of those who helped make it possible."

Chicago is undergoing the greatest economic growth in three decades. With revenues surpassing pre-pandemic levels, the City of Chicago was able to forego a CPI increase in the 2023 budget while also advancing \$242 million of pension payments. In addition, the 2023 budget was guided by feedback from Chicago residents and includes no new taxes. These outcomes are not simply due to soaring revenues but also the \$1.1 billion in structural budget solutions identified since 2019.

"For the second year in a row, the budget includes no new taxes and continues to strategically invest in building a safer, more equitable Chicago," said Budget Director Susie Park. "The hard work that began three years ago with the 2020 Budget has enabled the City to set a course for financial stability, and we must keep this momentum going for a strong financial future for years to come."

Last month, Chicago received its first upgrade from Fitch Ratings Inc. in 12 years, raising the City's rating from BBB- to BBB. Fitch highlighted Chicago's improving



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pension funding practices, its commitment to maintaining a sound reserve position, and ability to institute structural budget measures that improve its capacity to respond to future cyclical challenges.

“The Fitch upgrade is an incredible acknowledgment of the work that’s happened to turn the City’s finances around,” said Chief Financial Officer Jennie Huang Bennett. “The other important aspect to the upgrade is, not only did they upgrade the City’s credit, but they also put us on a positive outlook which indicates that there’s a high likelihood that we’ll be upgraded again in the next one- to two-year timeframe, assuming that we persist on the financial path that we’ve laid for ourselves.”

In addition to the City’s smart fiscal decision making, the FY2023 Budget also reflects the values of Chicago residents by focusing on community revitalization and systemic transformation. Every decision in this budget, from reforms and efficiencies to revenues and investments, better equips the City to provide critical services while promoting economic vitality. Despite a global pandemic, the City of Chicago prioritized transparency, accountability, and equity in its budget-making process. As a result, the 2023 Budget stays the course toward a stable and sustainable financial future and strengthens communities where families can grow and thrive throughout Chicago.

Public Safety

The 2023-2024 Chicago Works Infrastructure Plan includes the purchase of more than 530 police vehicles, 80 fire department vehicles, facility renovations at more than 50 public safety facilities, construction of a police driver training facility, \$10 million in police district upgrades, \$14 million for strategically deployed public safety cameras, and the purchase of bunker gear for new fire department recruits. Separately, the Chicago Police Department (CPD) plans to invest \$13 million to the purchase two helicopters.

Homelessness

Mayor Lightfoot has increased funding for homelessness support services for a total 2023 Budget of more than \$200 million. These investments include the development of permanent supportive housing, non-congregate housing programs, rapid rehousing programs, shelter infrastructure investments and high utilizer diversion housing.



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Climate and Sustainability

The new Office of Climate and Environmental Equity, budgeted for \$677,000, is tasked to reach 60% reduction in greenhouse gas emissions for Chicago by 2040. The Office will serve as a coordinating body to work across all departments to lower greenhouse gas emissions and drive co-benefits that communities need now.

Mental Health

For the 2023 budget, Mayor Lightfoot is continuing to invest in the mental health of Chicagoans through the ongoing allocation of \$89 million for mental health. The investments are guided by the strategies outlined in the City's Framework for Mental Health Equity, which incorporates input from advocates, experts, community providers, patients, and public officials to determine the City's mental health priorities. The Mayor has increased investments in mental health sevenfold — resulting in 16 times as many residents receiving high-quality, no-barrier, City-funded mental health services. In 2019, 3,651 residents received mental health services. By the end of 2022, the City anticipates that nearly 70,000 Chicagoans will have received mental health services in clinics and beyond clinic walls.

Economic Recovery

The 2023 Budget builds upon the unparalleled investments made as part of the Chicago Recovery Plan to further drive equitable growth and job creation. Leveraging American Rescue Plan Local Fiscal Recovery funds and general obligation bonds, the City has made over \$490 million in strategic economic development investments.

Additionally, as part of the 2023 Budget, Mayor Lightfoot has continued to implement a series of new debt relief initiatives and improvements to give low-income business owners, homeowners, renters, and others the opportunity to reduce or eliminate utility or administrative hearings-related debt and apply for payment plans. Also, the City will provide vendors and contractors with a more streamlined method to get paid by the City for goods and services rendered. These enhanced efforts are in addition to relief initiatives currently in place for vehicle-related and utility debt.

“We have several programs which benefit those who need some financial relief in paying their bills or catching up with payments,” said Comptroller Reshma Soni. “Just seven months into our Clear Path Relief Program, more than 31,000 applications have been approved and more than \$24 million of ticket debt has been



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waived. These programs ensure that Chicagoans are able to use City services to their fullest extent without the weight of debt.”

The 2023 Budget that was approved today will continue to strengthen the City of Chicago’s finances and help ensure that every resident has the resources and services to thrive.

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