

ANALYSIS OF THE ANNUAL PROPOSED BUDGET

City of Chicago
Fiscal Year 2023

October 7, 2022



City of Chicago
Council Office of Financial Analysis
Kenneth P. Williams, Sr., Chief Administrative Officer

2 N. LaSalle St, Ste M550
Chicago, IL 60602
cofa@cityofchicago.org



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ANALYSIS OF THE CITY OF CHICAGO'S ANNUAL BUDGET RECOMMENDATION

INTRODUCTION

Each year, the City of Chicago submits a Budget Recommendation to the City Council. This recommendation report presents line-item budget details for all local funds as well as an outline of the City's anticipated grant funding for the coming year. After the Committee on the Budget and Government Operations conducts its hearings on the proposed budget, the City Council has until December 31 of that year to approve a balanced budget. This balanced budget that is voted on by the Council is what becomes the *Annual Appropriation Ordinance*, which goes into effect on January 1 of the next fiscal year. The Council Office of Financial Analysis (COFA) herein presents its review of the City's annual budget recommendation, as outlined in the Chicago Municipal Code.

The City released the *2023 Budget Recommendation* on October 3, 2022.¹ The proposed budget presents a spending plan of **\$16.38 billion** for the fiscal year 2023. In August, the City's *2023 Budget Forecast* indicated that the City had a structural budget deficit—or a gap—for the upcoming fiscal year, meaning that there are imbalances between the existing and anticipated revenues and expenditures. The City estimated a Corporate Fund budget gap of \$127.9 million for the fiscal year 2023.² The *2023 Budget Recommendation* presents a budget which closes that \$127.9 million gap, which this analysis of the proposed 2023 budget will examine later on in this report.

Summary of Budget Appropriations	Proposed
Appropriations	2023
Corporate Fund	\$5,434.5
Enterprise Funds	\$3,426.5
Special Revenue Funds	\$1,129.2
Pension Funds	\$2,666.7
Debt	\$680.5
Grants	\$4,603.9
Appropriations Before Deductions	\$17,941.3
Proceeds of Debt	(\$114.6)
Fund Transfers	(\$1,449.3)
Total Deductions	(\$1,563.9)
Total Appropriations	\$16,377.4

Amounts in Millions

¹ City of Chicago, Mayor's Press Office. (2022, October 3). *MAYOR LIGHTFOOT UNVEILS 2023 BUDGET PROPOSAL* [Press release]. www.chicago.gov

² Page 7. City of Chicago. (2022). *2023 Budget Forecast*. www.chicago.gov

ECONOMIC SUMMARY

The financial forecast for the United States and Chicago is uncertain at best. The Federal Reserve’s monetary policy is a balancing act that can tilt a fragile recovering economy either way. The Federal Reserve is hoping that tight monetary policy will curb inflation, however, supply and demand imbalances remain, and inflationary woes continue. Consumers are seeing higher food and energy prices with fewer dollars to spend on other goods and services. The uncertainty of coronavirus variants and threats of other viruses makes it difficult to project the economic forecast. Russia’s invasion of Ukraine continued supply chain delays continue, and consumer confidence may have a negative impact on Chicago’s revenue streams and may cause Chicago consumers to need more services increasing the City’s expenditures. At this point we no longer need to ask if we are in a recession but how long will it last.

According to the National Bureau of Economic Research (NBER), the average U.S. recession last approximately 17 months (1854-2020).³ In post-World War II (1945-2020), the average recession lasted about 10 months.⁴ The fears of recession began in the summer of 2022, and we predict it will continue through the end of 2023. The City has additional factors which could impact the City’s financials, such as the recovery from the global pandemic, the possibility of other variants coupled with the Fall flu season, the war in Ukraine, Federal Reserve monetary policy, and continued supply chain issues. The impact on Chicago’s economy may be a stalled recovery, an increase in housing foreclosures, and additional dependency on governmental services. If these conditions occur, it will negatively impact our budgetary projections for 2023 if budget assumptions do not reflect the implications of the recession.

Chicago has hope but needs to proceed with caution. Chicago continues to have a strong labor market and one of the most diverse economies. In addition, the tourism sector of Chicago’s economy is in recovery, if this trend continues it will strengthen Chicago’s economy.⁵ To keep visitors coming, Chicago must curtail crime; carjackings, shootings, and citywide business-scale shoplifting.⁶ The City has a lot to offer, but Chicago still has hurdles, and not only economic hurdles (i.e., recession fears, inflation). The City must pay attention to and continue to address pension funding, crime, sustainability beyond federal funding, inequality, affordable housing, and quality education.⁷

³ Smith, K. A. (2022, July 29). How Long Do Recessions Last? www.forbes.com

⁴ Smith, K. A. (2022, July 29). How Long Do Recessions Last? www.forbes.com

⁵ World Business Chicago (2022, August 12). Economic Recovery Dashboard. worldbusinesschicago.com

⁶ Council Office of Financial Analysis. (2022, September). State of the Economy – Chicago, IL. *City of Chicago*. www.chicago.gov

⁷ Council Office of Financial Analysis. (2022, September). State of the Economy – Chicago, IL. *City of Chicago*. www.chicago.gov

2023 PROPOSED BUDGET HIGHLIGHTS

COFA has compiled the following list of highlights from the *2023 Budget Recommendation*:

- **\$16.38 Billion** | The *2023 Budget Recommendation* proposes a total budget of \$16,377.4 million for the fiscal year 2023, which is a decrease of \$220.0 million, or **-1.3%**, from the revised 2022 budget.
- **Property Tax Levy** | The *2023 Budget Recommendation* does not include a property tax levy increase for 2023. The City proposed a 2.5% increase in the *2023 Budget Forecast* released on August 10, 2022, which would have increased the gross tax levy by \$42.7 million in 2023.⁸ The *2023 Budget Overview* report notes that “the City is capturing new property growth from TIF expirations and new development as part of the 2023 levy” and that the increase of \$25.0 million from the 2022 tax levy amount of \$1,709.4 million does not impact the taxes paid on existing properties.⁹
- **Pensions** | The *2023 Budget Recommendation* appropriates \$2,666.7 million for pension funds, which is an increase of \$334.3 million, or 14.3%, from 2022. The largest pension appropriation in 2023 is \$1,084.7 million for the Municipal Annuity and Benefit Fund (MABF). The Policemen's Annuity and Benefit Fund (PABF) is appropriated \$973.2 million. The Firemen's Annuity and Benefit Fund (FABF) is appropriated \$482.5 million. The Laborers' Annuity and Benefit Fund (LABF) is appropriated \$126.3 million. Of the proposed \$2,666.7 million appropriation for 2023, \$1,411.9 million, or 52.9%, is sourced from the 2023 gross tax levy. The remaining 47.1% is sourced from the Corporate Fund, Water-Sewer Tax, the City's Enterprise and Special Revenue Funds, and from the new Casino Public Safety Pension Fund.
- **Advance Pension Payment** | The City is proposing to make an advance payment of \$242 million to go towards the City's four pension funds. The budget notes that this advance payment is to keep the net pension liability of the four pension funds from growing.
- **Casino Revenues** | The *2023 Budget Recommendation* appears to have a new line item “Casino Public Safety Pension Fund” which breaks out the revenues associated with proceeds from the Chicago casino. The casino revenues are listed under the PABF and FABF in the report's “Detail of Revenue Estimates for 2023” section.
- **Chicago Police Department** | The *2023 Budget Recommendation* appropriates \$1,943.4 million for the Chicago Police Department (CPD), which is an increase of \$64.3 million, or 3.4%, from the revised 2022 budget.
- **NEW Non-Property Tax Supported Funds** | The *2023 Budget Recommendation* lists three (3) new Non-Property Tax Supported Funds for the fiscal year 2023: Neighborhoods Opportunity Fund (D43), Citywide Adopt-A-Landmark Fund (D44), and Local Impact Fund (D45). All three of these funds are classified as Special Revenue Funds.

⁸ Page 7. City of Chicago. (2022, August). *2023 Budget Forecast*. www.chicago.gov

⁹ Page 58. City of Chicago. (2022, October). *2023 Budget Overview*. www.chicago.gov

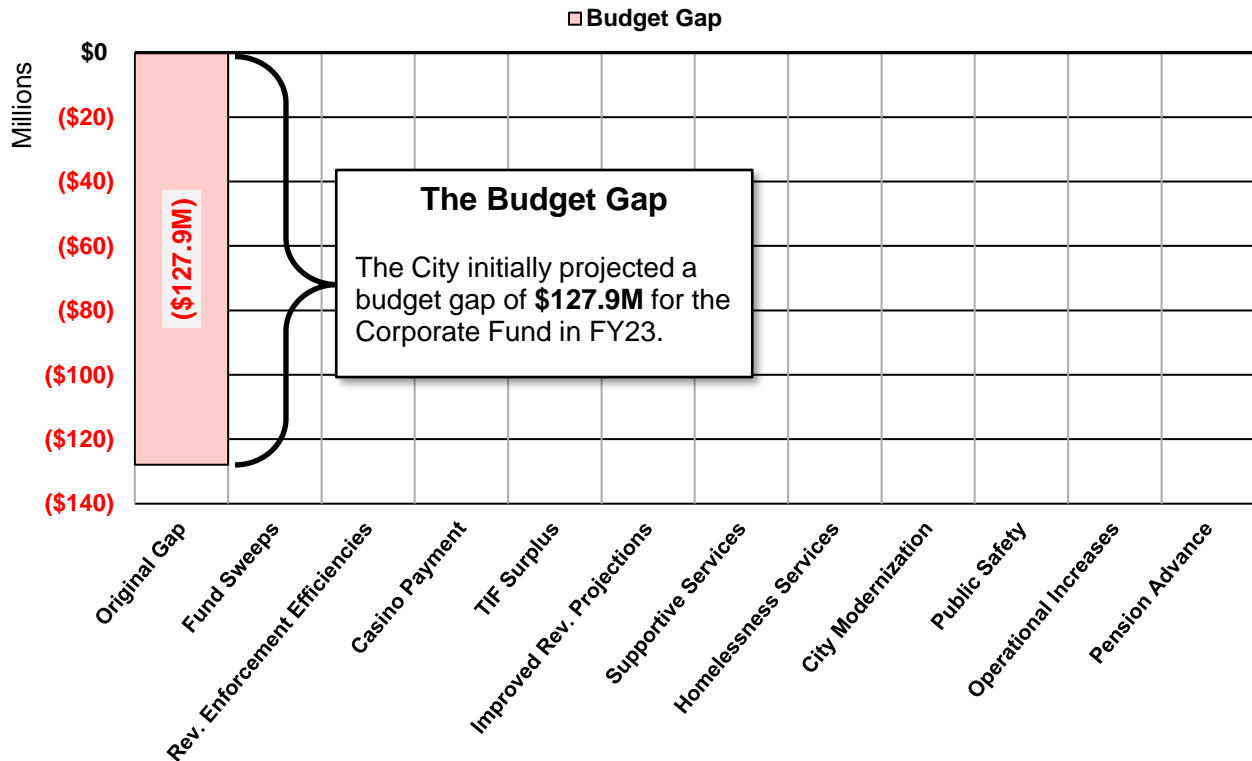
CLOSING THE 2023 BUDGET GAP

The *2023 Budget Recommendation* presents a balanced Corporate Fund budget for the fiscal year 2023. This section provides an explanation of how the City went about closing that original projected Corporate Fund budget gap of \$127.9 million.

The Original Gap – \$127.9M

When the City released the *2023 Budget Forecast*, the Corporate Fund was projected to have a budget gap of **\$127.9 million**. While the City initially expected to see an overall increase in Corporate Fund revenues for 2023 during its original projection back in August, Corporate Fund expenditures were forecasted to outpace those revenues. The City attributed increasing personnel expenditures, pension contributions, and contractual costs as the primary factors driving that \$127.9 million gap for the fiscal year 2023.¹⁰

How The 2023 Corporate Budget Gap Was Closed



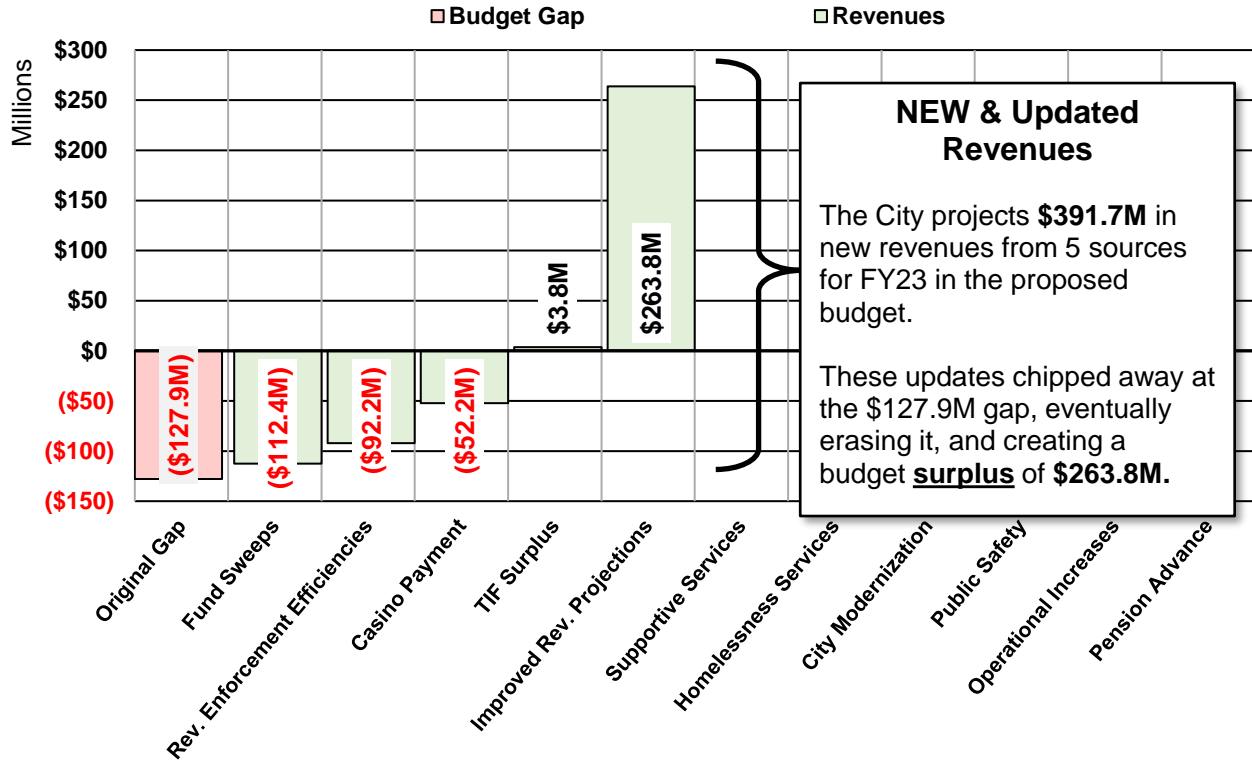
SOURCE: City of Chicago, *2023 Budget Overview*

¹⁰ Page 18. City of Chicago. (2022). *2023 Budget Forecast*. www.chicago.gov

New & Updated Revenues

The biggest factor in closing the \$127.9 million gap are new and updated revenue projections for the Corporate Fund. The City outlines five (5) main sources of additional revenue funds for the next fiscal year totaling **\$391.7 million**. The five sources injecting this additional \$391.7 million in revenue to the Corporate Fund are fund sweeps, revenue enforcement efficiencies, the upfront casino payment, a TIF surplus, and improved revenue projections. This not only erases the budget gap but creates a budget surplus of **\$263.8 million** for the Corporate Fund.

How The 2023 Corporate Budget Gap Was Closed



SOURCE: City of Chicago, 2023 Budget Overview

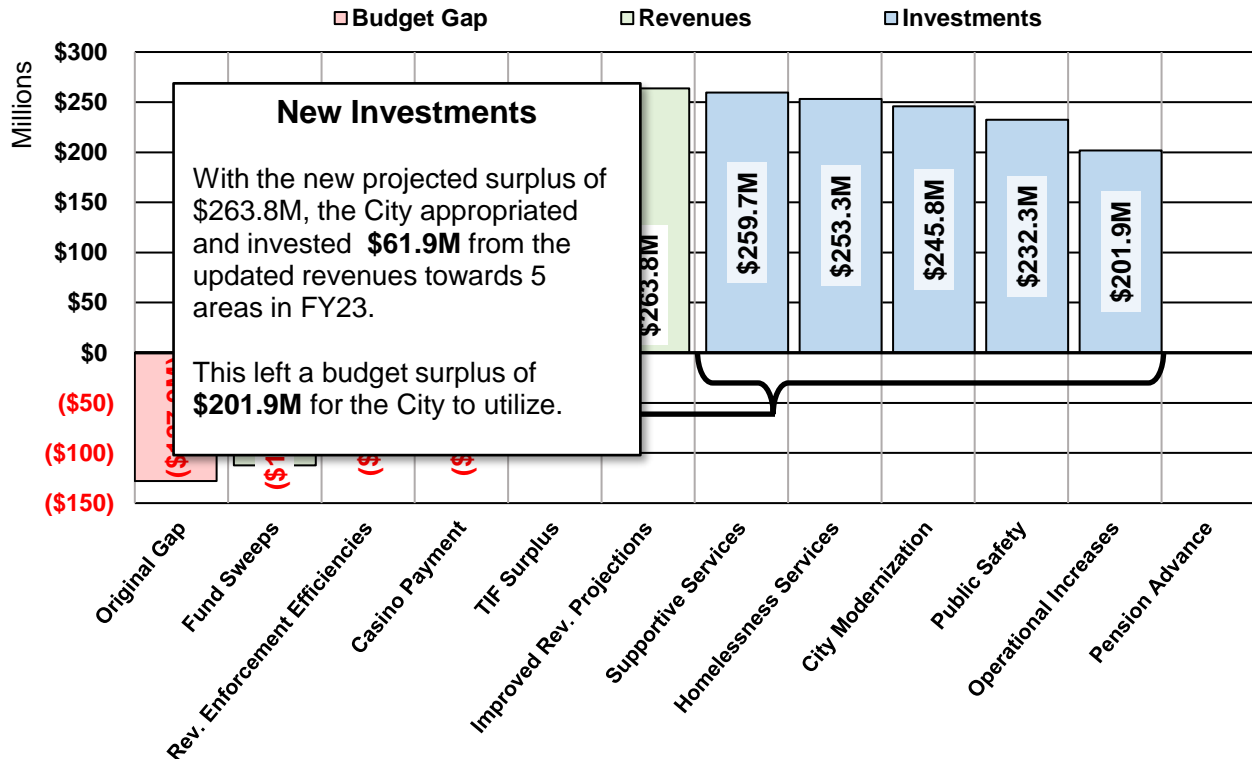
2023 Corporate Fund	Orig. Budget Gap	Revised Revenues	Updated (Gap) / Surplus
Original Budget Gap	(\$127.9)		(\$127.9)
Fund Sweeps		\$15.5	(\$112.4)
Rev. Enforcement Efficiencies		\$20.2	(\$92.2)
Casino Payment		\$40.0	(\$52.2)
TIF Surplus		\$56.0	\$3.8
Improved Rev. Projections		\$260.0	\$263.8
TOTALS	(\$127.9)	\$391.7	\$263.8

Amounts in Millions

New Investments

With a projected budget surplus of \$263.8 million on hand for the Corporate Fund, the City outlined five (5) initiatives and areas to receive additional investments in 2023. The City outlines an investment plan totaling **\$61.9 million** for the following five areas and initiatives: supportive services, homelessness services, city modernization, public safety, and operational increases. These investments would bring down the Corporate Fund’s projected surplus to about **\$201.9 million**.

How The 2023 Corporate Budget Gap Was Closed



SOURCE: City of Chicago, 2023 Budget Overview

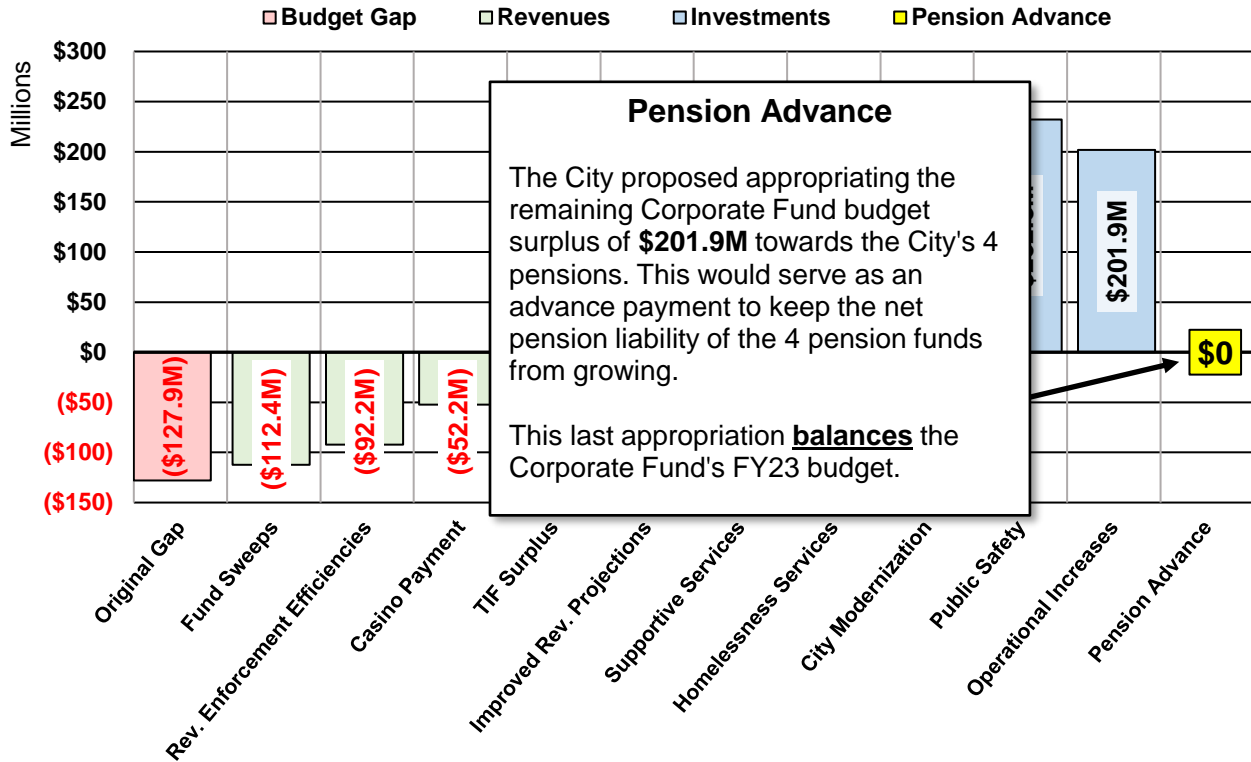
2023 Corporate Fund	Orig. Budget Gap	Revised Revenues	New Investments	Updated (Gap) / Surplus
Original Budget Gap	(\$127.9)			(\$127.9)
Revised Revenues		\$391.7		\$263.8
Supportive Services			(\$4.1)	\$259.7
Homelessness Services			(\$6.4)	\$253.3
City Modernization			(\$7.5)	\$245.8
Public Safety			(\$13.5)	\$232.3
Operational Increases			(\$30.4)	\$201.9
TOTALS	(\$127.9)	\$391.7	(\$61.9)	\$201.9

Amounts in Millions

Pension Advance Payment

For the remaining **\$201.9 million** surplus projected in the 2023 Corporate Fund budget, the City proposes making an advance payment towards future pension contributions. This is a novel approach by the City in tackling the City’s pension funds’ lingering liabilities. To **clarify**, the City is proposing a total pension advance payment of **\$242.0 million**. Of the \$242.0 million, \$201.9 million comes from the remaining Corporate Fund surplus.

How The 2023 Corporate Budget Gap Was Closed



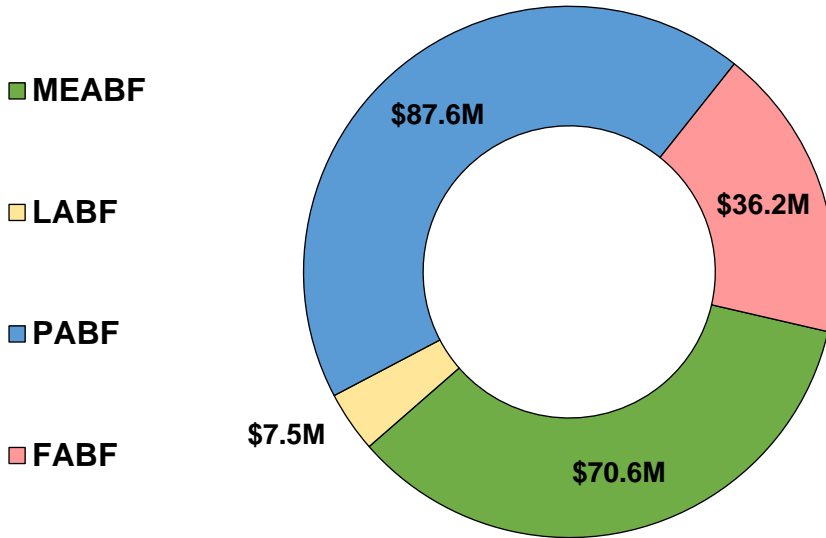
SOURCE: City of Chicago, 2023 Budget Overview

2023 Corporate Fund	Orig. Budget Gap	Revised Revenues	New Investments	Pension Advance	Updated (Gap) / Surplus
Original Budget Gap	(\$127.9)				(\$127.9)
Revised Revenues		\$391.7			\$263.8
New Investments			(\$61.9)		\$201.9
Advance Pension Payment				(\$201.9)	\$0.0
TOTALS	(\$127.9)	\$391.7	(\$61.9)	(\$201.9)	\$0.0

Amounts in Millions

The advance pension payment of **\$201.9 million** from the Corporate Fund is broken down as follows:

Corporate Fund's Proposed FY23 Advance Pension Payment (\$201.9M)



Below is a breakdown of the **Total** advance pension payment of **\$242.0 million** for the fiscal year 2023 proposed by the City across all the City funds contributing to this advance pension payment:

FUND	Corporate Fund	Water Fund	Sewer Fund	Emergency Comm Fund	Midway Fund	O'Hare Fund	Total Advance Payments (\$)	Advance Pension Allocation (%)
681 - Municipal Annuity and Benefit Fund	\$70.6	\$10.9	\$2.8	\$4.6	\$1.9	\$11.1	\$101.6	42.0%
682 - Laborers' Annuity and Benefit Fund	\$7.5	\$2.1	\$1.4	\$0.0	\$0.2	\$0.8	\$12.1	5.0%
683 - Policemen's Annuity and Benefit Fund	\$87.6	\$0.0	\$0.0	\$0.0	\$0.5	\$1.4	\$89.5	37.0%
684 - Firemen's Annuity and Benefit Fund	\$36.2	\$0.0	\$0.0	\$0.0	\$0.5	\$1.9	\$38.7	16.0%
Total Advance Pension Payments	\$201.9	\$13.0	\$4.2	\$4.6	\$3.1	\$15.3	\$242.0	0.0%
% of Total Advance Payment	83.4%	5.4%	1.7%	1.9%	1.3%	6.3%		

Amounts in Millions

NOTES: Amounts may not total due to rounding.

COFA RECOMMENDATIONS

This section summarizes budget options previously provided by COFA in our 2023 *Budget Options Report* published on September 6, 2022.¹¹ for the City to consider herein presents a budget options report, as outlined in the Chicago Municipal Code, to offer some revenue and cost-saving recommendations for the City to consider.

Revenue

This section provides some revenue recommendations for the City to consider, including the implementation of an ordinance to provide regulation and taxation of short-term rentals and advertising.

Advertising

- **COFA** recommends that the City consider opening up to advertising opportunities. Advertising revenue could potentially provide a steady revenue stream for the City. This additional revenue stream can help mitigate budgetary gaps and lessen the need for additional taxation. That said, **COFA** believes that advertising needs further analysis from consultants on content and placement of ads. The advertising revenue stream should be considered, but the City must analyze past failures prior to implementation.

Airbnb Short-term Rental Ordinance

- **COFA** recommends that the City consider an Airbnb Ordinance. Such an ordinance has already been adopted in Atlanta and the benefit from the streams of income associated with the ordinance is significant (application fees, taxes, and penalty fees). It would also allow the City to regulate Airbnbs.

Cost-Savings & Efficiencies

This section provides some cost-saving recommendations and areas for efficiencies that the City may want to consider. These areas include reviewing the budgets of City Council Committees, reviewing mental health services, and exploring the use of social impact bonds.

City Council Committees

- One area where the City may be able to realize some savings is through a reorganization or consolidation of City Council committees. **COFA** recommends that the City consider making the Committee on Immigrant and Refugee Rights a subcommittee of the Committee on Health and Human Relations. **COFA** also recommends that the City consider reviewing the budgets of the Committees on Education and Child Development, Contracting, Oversight, and Equity, and Environmental Protection and Energy for the upcoming fiscal year. The City could also explore including stipulations requiring committees to regularly meet—or at least quarterly—to open a forum for regular public comment, take up resolutions, and provide updates on matters the committees are working on.

Mental Health Services

- **COFA** recommends that the City consider working with Cook County Health to transfer over the responsibility of mental health services to the County. The County currently has more robust infrastructure and resources to address mental health issues for Chicagoans compared to the City. The

¹¹ COFA. (2022, September 6). *Budget Options Report: Recommendations for Revenue, Cost-Savings, and Efficiencies*. www.chicago.gov

City should not be in the business of healthcare when there is a more viable option that could be better suited to serve those seeking mental health services.

Social Impact Bonds

- **COFA** recommends that the City consider using social impact bonds to curtail chronic homelessness. In order to decide if a social impact bond is achievable, **COFA** recommends that Chicago conduct a feasibility study. Conducting a thorough feasibility study will further investigate the issue of chronic homelessness in Chicago, the target population, the possible programs that could reduce the problem, and outline potential outcomes. Once the feasibility study is conducted, the City will be able to determine if a positive return from investing in the issue is conceivable.

Other Considerations

This section offers some additional considerations for the City. These areas include reviewing the City's user fees and revisiting the merger which formed the Department of Assets, Information and Services.

Reviewing User Fees

- **COFA** agrees with a recommendation by the Office of Inspector General (OIG) to staff the Office of Budget and Management (OBM) to analyze and manage the fees in Chicago, develop a fee policy, schedule reviews, and maintain a comprehensive list of the City's fees.¹² **COFA** supports that an analysis should be done to ensure the fees are in line with other major U.S. cities to determine if the City of Chicago has potential revenue opportunities, or if fees are too high in some areas. As a first step, however, a comprehensive list should be provided that would indicate the last time the fee was adjusted.

Department of Assets, Information and Services

- It is **COFA's** determination that the department merger between DoIT and 2FM has been unfavorable for the City. **COFA** recommends that the City decentralize AIS's services so that information technology-related work is not consolidated into a department structure which also oversees the City's management of properties, fleet, and buildings.

The Budgeting Process

Publishing Prior Year's 'Actual' Data

- As part of the budgeting process and publication of the annual *Budget Recommendation* report, the City releases two datasets on the Chicago Data Portal detailing the recommended budget appropriations and the positions and salaries for the upcoming fiscal year. While this is very helpful and timesaving in the analysis process of the proposed budget, **COFA** believes that this portion of the budgeting process can be greatly improved.
- Currently, the *Budget Recommendation* datasets detailing the budget appropriations only provide financial data for three areas: the upcoming/proposed fiscal year budget, the original published current fiscal year budget, and the revised current fiscal year budget. The datasets **exclude** what appears to be the final/actual figures from the prior fiscal year (which is included in the *Budget Recommendation* report).

¹² Office of Inspector General. (2018, June). *Audit of the City's Process for Evaluating and Setting User Fees*. City of Chicago. igchicago.org

- For example, the latest dataset for the *2023 Budget Recommendation* includes financial data for 2023 Recommendations, 2022 Appropriations, and 2022 Revised Appropriations.¹³ The dataset does not include financial data for 2021 Expenditures, for example, as the *2023 Budget Recommendation* report outlines.
- **COFA** believes that the prior year’s final/actual data are very relevant information to include in the *Budget Recommendation* dataset. A person, or office, analyzing annual changes and trends in the budget can currently access prior year’s data published on the Chicago Data Portal, but that information is either the original published fiscal year data for that year (the original budget Appropriation) or the revised fiscal year budget for that year. It would be better to have easy access to the most accurate and up-to-date data.
- Including the prior year’s data promotes fiscal transparency, allows for improved budget analysis for future years, and makes the process of budget analysis much more efficient, especially given the very short window of time to review the proposed budget before the budget hearings begin.¹⁴
- Similar to the budget appropriations, the City does **not** publish any revised position or salary data for the current fiscal year when a *Budget Recommendation* dataset is released on the Chicago Data Portal. Like the budget appropriation dataset, the position and salary dataset only provide financial and headcount data for the upcoming fiscal year. The budget recommendation datasets fail to provide any revised headcount and financial information related to the current fiscal year. The information is available in the PDF of the budget recommendation report, but **COFA** believes that it would be more efficient and transparent to make this information available in the *Budget Recommendation* datasets.

¹³ City of Chicago. (2022, September 30). *Budget – 2023 Budget Recommendations – Appropriations*. [Chicago Data Portal](#).

¹⁴ *The 2023 Budget Recommendation* was released October 3, 2022. Budget Hearings began October 6, 2022.

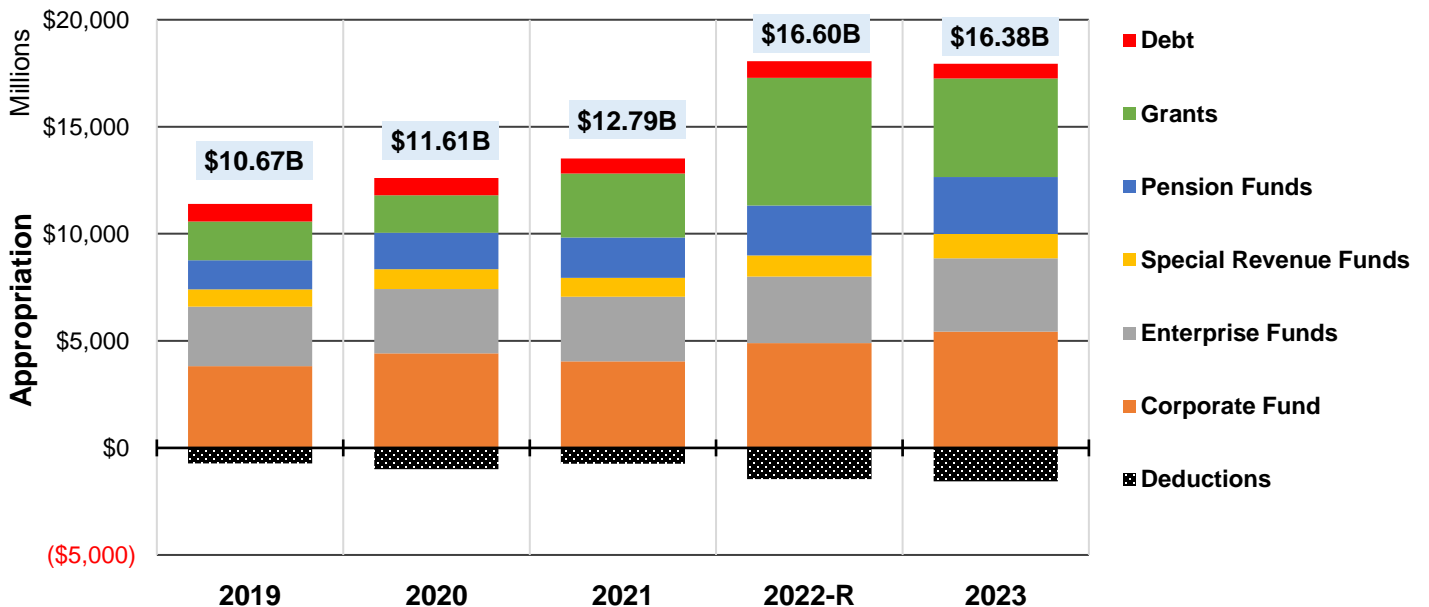
SUMMARY OF BUDGET APPROPRIATIONS

Below is a high-level summary of the budget appropriations from fiscal years 2019 through 2023 for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the original amounts appropriated in the City’s budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

Summary of Budget Appropriations	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
Appropriations							
Corporate Fund	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%
Enterprise Funds	\$2,783.3	\$3,002.7	\$3,017.8	\$3,111.6	\$3,426.5	\$314.9	10.1%
Special Revenue Funds	\$810.5	\$919.2	\$895.9	\$974.5	\$1,129.2	\$154.6	15.9%
Pension Funds	\$1,358.5	\$1,705.3	\$1,870.8	\$2,332.3	\$2,666.7	\$334.3	14.3%
Debt	\$821.0	\$802.0	\$710.2	\$777.1	\$680.5	(\$96.5)	-12.4%
Grants	\$1,810.9	\$1,758.7	\$2,990.3	\$5,961.9	\$4,603.9	(\$1,358.0)	-22.8%
Appropriations Before Deductions	\$11,400.1	\$12,607.1	\$13,522.5	\$18,057.4	\$17,941.3	(\$116.0)	-0.6%
Proceeds of Debt	(\$98.1)	(\$115.0)	(\$114.6)	(\$114.6)	(\$114.6)	\$0.0	0.0%
Fund Transfers	(\$634.1)	(\$885.7)	(\$619.5)	(\$1,345.5)	(\$1,449.3)	(\$103.8)	7.7%
Total Deductions	(\$732.2)	(\$1,000.7)	(\$734.1)	(\$1,460.1)	(\$1,563.9)	(\$335.9)	7.1%
Total Appropriations	\$10,667.9	\$11,606.4	\$12,788.4	\$16,597.3	\$16,377.4	(\$671.9)	-1.3%

Amounts in Millions

Summary of Budget Appropriations



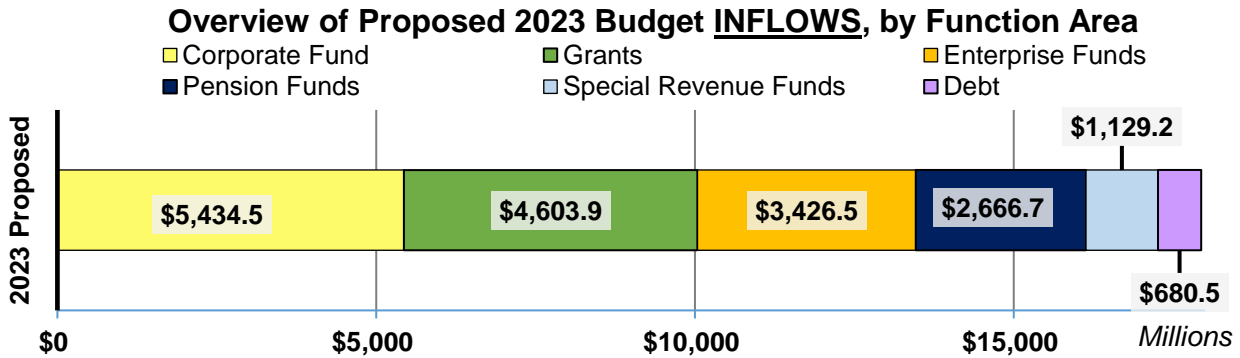
SOURCE: 2019-2021 Budget Ordinances, 2023 Budget Recommendation

NOTES: The amounts displayed for 2022 are revised budget appropriations outlined in the 2023 Budget Recommendation.

Overview of the Inflows & Outflows of City Funds

The City has six (6) primary funding sources which are used to support eight (8) functional categories. Below is an overview of these sources and categories in the *2023 Budget Recommendation*. The City provides a helpful flowchart in the 2023 Budget Overview to help visual the flow of all the City's funds.¹⁵

INFLOWS – Source of funds



SOURCE: City of Chicago, *2023 Budget Recommendation*

NOTES: The Inflows above totals **\$17,941 million**. It does **NOT** include deductions of \$1,564 million, which would bring down the budget to the proposed **\$16,377 million**.

- 1. Corporate Fund – \$5,434.5 million** | The City is projecting a \$534.6 million increase, or 10.9%, in Corporate Fund revenues from the revised 2022 budgeted revenue. The Corporate Fund revenues are derived from five (5) areas: Local Tax Revenue, Proceeds and Transfers In, Intergovernmental Revenue, Local Non-Tax Revenue, and Prior Year Assigned and Unassigned Available Resources.
- 2. Enterprise Funds – \$3,426.5 million** | The City has four (4) Enterprise Funds that are outlined in the *2023 Budget Recommendation*: the Midway Airport Fund, O'Hare Airport Fund, Sewer Fund, and Water Fund. These are self-supporting funds which derive their revenues from user-charges, and they account for the acquisition, operation, and maintenance of government services such as water, sewer, and the airports.¹⁶
- 3. Special Revenue Funds – \$1,129.2 million** | Special Revenue Funds are funds used to account for revenue from specific sources that must be used to finance specific operations, such as road repairs, libraries, 911 services, special events and tourism promotion.¹⁷ In total, the *2023 Budget Recommendation* has nineteen (19) Special Revenue Funds contributing to 2023 funding.
- 4. Pension Funds – \$2,666.7 million** | The City sets aside a portion of the property tax levy and payments from various City funds—i.e., Corporate, Water, Sewer, Airports, Library, etc.—to fund pension obligations. The City has four (4) benefit funds: Municipal Employees' Annuity and Benefit Fund (MEABF), the Laborers' Annuity and Benefit Fund (LABF), the Policemen's Annuity and Benefit Fund (PABF), and the Firemen's Annuity and Benefit Fund (FABF).
- 5. Debt Service Funds – \$680.5 million** | There are three (3) debt service funds contributing to the City's proposed 2023 budget: the Bond Redemption and Interest Series Fund, the Library Note Redemption and Interest Tender Notes Series "B" Fund, and the City Colleges Bond Redemption and Interest Fund.

¹⁵ Page 33. City of Chicago. *2023 Budget Overview*. www.chicago.gov

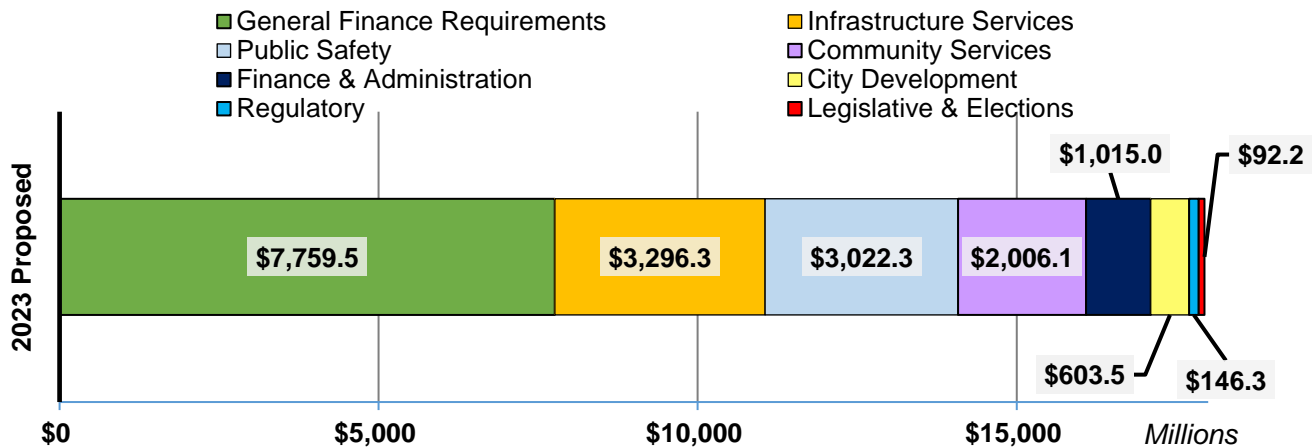
¹⁶ Page 42. City of Chicago. *2023 Budget Forecast*. www.chicago.gov

¹⁷ Page 38. City of Chicago. *2023 Budget Forecast*. www.chicago.gov

- Grants – \$4,603.9 million** | This is comprised federal, state, and local grants and donations for the purpose of supporting various City services, programs, and capital improvements.

OUTFLOWS – How the funds are used

Overview of Proposed 2023 Budget OUTFLOWS, by Function Area



SOURCE: City of Chicago, 2023 Budget Recommendation

NOTES: The Outflows above totals **\$17,941 million**. It does **NOT** include deductions of \$1,564 million, which would bring down the budget to the proposed **\$16,377 million**.

- City Development – \$603.5 million** | There are three (3) City departments in this area which receive funds: the Departments of Housing, Cultural Affairs & Special Events, and Planning & Development.
- Community Services – \$2,006.1 million** | There are five (5) City departments in this area which receive funds: the Departments of Public Health, Family & Support Services, the Office for People With Disabilities, the Commission on Human Relations, and Chicago Public Library.
- Finance & Administration – \$1,015.0 million** | There are ten (10) City departments in this area which receive funds: the Departments of Administrative Hearings, AIS, Finance, Human Relations, Law, Procurement Services, OBM, the Office of the Mayor, the City Clerk, and the City Treasurer.
- General Finance Requirements – \$7,759.5 million** | These funds represent cross-departmental expenses, such as IT costs, employee benefits, contributions to employee pension funds, and long-term debt service payments, as well as unanticipated departmental expenses during the year.
- Infrastructure Services – \$3,296.3 million** | There are four (4) City departments in this area which receive funds: the Departments of Aviation, Streets & Sanitation, Transportation, Water Management.
- Legislative & Elections – \$92.2 million** | The City Council and the Board of Election Commissioner receive funds in this area.
- Public Safety – \$3,022.3 million** | There are seven (7) City departments in this area which receive funds: the Community Commission for Public Safety & Accountability, Chicago Fire Department, Chicago Police Board, Chicago Police Department, COPA, Office of Emergency Communication, and the Office of Public Safety Administration.
- Regulatory – \$146.3 million** | There are six (6) City departments in this area which receive funds: the Departments of Buildings, Business Affairs & Consumer Protection, the Office of Inspector General, License Appeal Commission, Animal Care & Control, and the Board of Ethics.

APPROPRIATIONS BY FUND

Below is a table summarizing the budget appropriations from fiscal years 2019 through 2023 by fund level for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the amounts appropriated in the City's budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

Budget Appropriations by Fund	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
FUND	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
Corporate Fund							
100 - Corporate Fund	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%
Total Corporate Fund	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%
Enterprise Funds							
200 - Water Fund	\$762.9	\$805.3	\$783.7	\$795.3	\$933.9	\$138.6	17.4%
314 - Sewer Fund	\$373.4	\$394.2	\$375.7	\$377.8	\$457.7	\$79.9	21.2%
610 - Midway Airport Fund	\$318.6	\$335.1	\$336.6	\$349.7	\$370.5	\$20.8	5.9%
740 - O'Hare Airport Fund	\$1,328.5	\$1,468.1	\$1,521.9	\$1,588.8	\$1,664.5	\$75.7	4.8%
Total Enterprise Funds	\$2,783.3	\$3,002.7	\$3,017.8	\$3,111.6	\$3,426.5	\$314.9	10.1%
Special Revenue Funds							
300 - Vehicle Fund	\$241.1	\$198.0	\$194.5	\$230.8	\$254.4	\$23.6	10.2%
310 - Motor Fuel Tax Fund	\$65.7	\$125.9	\$114.7	\$122.7	\$126.5	\$3.8	3.1%
346 - Library Fund	\$116.9	\$124.5	\$125.8	\$129.3	\$139.3	\$10.0	7.7%
353 - Emergency Communication Fund	\$134.2	\$143.7	\$160.5	\$175.9	\$183.1	\$7.2	4.1%
355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$53.3	\$49.7	\$26.6	\$44.6	\$46.1	\$1.5	3.3%
994 - Controlled Substances Fund	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0	0.0%
996 - Affordable Housing Opportunity Fund	\$28.6	\$46.5	\$30.0	\$23.6	\$34.2	\$10.6	44.8%
B09 - CTA Real Property Transfer Tax Fund	\$64.0	\$60.8	\$49.9	\$63.0	\$93.0	\$30.0	47.6%
B21 - TIF Administration Fund	\$10.2	\$13.4	\$13.5	\$17.1	\$16.8	(\$0.3)	-1.8%
B25 - Chicago CPD CTA Detail Fund	\$10.8	\$10.8	\$10.8	\$10.8	\$30.0	\$19.2	179.0%
B26 - Chicago Parking Meters Fund	\$0.0	\$14.0	\$10.5	\$6.5	\$6.5	\$0.0	0.0%
B32 - Garbage Collection Fund	\$61.2	\$65.9	\$62.2	\$62.3	\$61.7	(\$0.6)	-1.0%
B39 - Human Capital Innovation Fund	\$6.0	\$2.6	\$2.3	\$0.0	\$0.0	\$0.0	n/a
B40 - Houseshare Surcharge - Homeless Services Fund	\$0.0	\$5.5	\$6.6	\$6.5	\$12.9	\$6.4	97.4%
B41 - Neighborhood Opportunity Fund	\$13.0	\$43.4	\$63.8	\$51.3	\$0.0	(\$51.3)	Cut
B42 - Foreign Fire Insurance Tax Fund	\$5.5	\$11.0	\$16.5	\$20.4	\$27.1	\$6.7	32.6%
B43 - Houseshare Surcharge - Domestic Violence Fund	\$0.0	\$3.4	\$2.6	\$2.6	\$10.5	\$7.9	303.3%

Budget Appropriations by Fund	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
FUND	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
B70 - Cannabis Regulation Tax Fund	\$0.0	\$0.0	\$5.1	\$7.0	\$9.8	\$2.7	38.9%
D43 - Neighborhoods Opportunity Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$54.1	\$54.1	New
D44 - Citywide Adopt-A-Landmark Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$11.6	\$11.6	New
D45 - Local Impact Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$11.5	\$11.5	New
Total Special Revenue Funds	\$810.5	\$919.2	\$895.9	\$974.5	\$1,129.2	\$154.6	15.9%
Pension Funds							
681 - Municipal Annuity and Benefit Fund	\$471.0	\$524.5	\$582.9	\$967.0	\$1,084.7	\$117.7	12.2%
682 - Laborers' Annuity and Benefit Fund	\$60.0	\$72.0	\$86.2	\$118.8	\$126.3	\$7.5	6.3%
683 - Policemen's Annuity and Benefit Fund	\$579.0	\$737.5	\$818.9	\$832.0	\$973.2	\$141.2	17.0%
684 - Firemen's Annuity and Benefit Fund	\$248.5	\$371.3	\$382.8	\$414.5	\$482.5	\$68.0	16.4%
Total Pension Funds	\$1,358.5	\$1,705.3	\$1,870.8	\$2,332.3	\$2,666.7	\$334.3	14.3%
Debt							
383 - Motor Fuel Tax Debt Service Fund	\$18.4	\$12.4	\$12.5	\$18.7	\$0.0	(\$18.7)	Cut
510 - Bond Redemption and Interest Series Fund	\$637.2	\$612.9	\$527.8	\$588.5	\$527.4	(\$61.2)	-10.4%
516 - Library Bond Redemption Fund	\$4.3	\$4.2	\$0.0	\$0.0	\$0.0	\$0.0	n/a
521 - Library Note Redemption and Interest Tender Notes Series "B" Fund	\$102.1	\$119.8	\$119.4	\$119.4	\$119.4	\$0.0	0.0%
525 - Emergency Communication Bond Redemption and Interest Fund	\$22.3	\$16.4	\$16.4	\$16.4	\$0.0	(\$16.4)	Cut
549 - City Colleges Bond Redemption and Interest Fund	\$36.6	\$36.3	\$34.0	\$34.0	\$33.8	(\$0.2)	-0.6%
Total Debt	\$821.0	\$802.0	\$710.2	\$777.1	\$680.5	(\$96.5)	-12.4%
Grants							
Grants	\$1,810.9	\$1,758.7	\$2,990.3	\$5,961.9	\$4,603.9	(\$1,358.5)	-22.8%
Total Grants	\$1,810.9	\$1,758.7	\$2,990.3	\$5,961.9	\$4,603.9	(\$1,358.5)	-22.8%
Total Appropriations Before Deductions	\$11,400.1	\$12,607.1	\$13,522.5	\$18,057.4	\$17,941.3	(\$116.1)	-0.6%
Deductions							
Deduct Proceeds of Debt	(\$98.1)	(\$115.0)	(\$114.6)	(\$114.6)	(\$114.6)	\$0.0	n/a
Deduct Transfers Between Funds	(\$634.1)	(\$885.7)	(\$619.5)	(\$1,345.5)	(\$1,449.3)	(\$103.8)	7.7%
Total Deductions	(\$732.2)	(\$1,000.7)	(\$734.1)	(\$1,460.0)	(\$1,563.9)	(\$103.8)	7.1%
Grand Total Appropriations	\$10,667.7	\$11,606.4	\$12,788.5	\$16,597.4	\$16,377.4	(\$220.0)	-1.3%

Amounts in Millions

NOTES: Some amounts may not total due to rounding.

BUDGET APPROPRIATIONS BY FUNCTION AREA

Below is a table summarizing the total budget appropriations from fiscal years 2019 through 2023 by function area level for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the amounts appropriated in the City's budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

Budget Appropriations by Function Area	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
FUNCTION AREA	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
City Development							
21 - Dept of Housing	\$148.4	\$198.9	\$190.8	\$428.5	\$323.8	(\$104.8)	-24.4%
23 - Dept of Cultural Affairs & Special Events	\$36.3	\$43.7	\$25.5	\$67.9	\$71.4	\$3.5	5.2%
54 - Dept of Planning & Development	\$35.1	\$65.0	\$97.5	\$160.8	\$208.4	\$47.6	29.6%
Total City Development	\$219.8	\$307.6	\$313.8	\$657.2	\$603.5	(\$53.7)	-8.2%
Community Services							
41 - Dept of Health	\$177.3	\$221.7	\$518.6	\$1,042.3	\$963.7	(\$78.6)	-7.5%
45 - Commission on Human Relations	\$2.5	\$3.0	\$2.8	\$2.9	\$3.2	\$0.2	7.5%
48 - Office for People With Disabilities	\$5.8	\$7.6	\$7.8	\$8.3	\$9.8	\$1.5	17.7%
50 - Dept of Family & Support Services	\$633.6	\$686.4	\$780.5	\$883.5	\$916.1	\$32.6	3.7%
91 - Chicago Public Library	\$71.4	\$84.5	\$111.0	\$109.8	\$113.4	\$3.6	3.2%
Total Community Services	\$890.6	\$1,003.2	\$1,420.6	\$2,046.9	\$2,006.1	(\$40.8)	-2.0%
Finance & Administration							
01 - Office of The Mayor	\$9.0	\$11.8	\$11.3	\$14.9	\$15.6	\$0.7	4.5%
05 - Office of Budget & Management	\$8.8	\$7.4	\$127.0	\$1,664.7 ¹⁸	\$235.6	(\$1,429.1)	-85.8%
06 - Dept of Innovation & Technology	\$32.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
25 - City Clerk	\$10.8	\$11.3	\$10.5	\$11.9	\$12.1	\$0.3	2.2%
27 - Dept of Finance	\$85.3	\$97.5	\$84.6	\$97.7	\$99.2	\$1.5	1.5%
28 - City Treasurer	\$4.1	\$4.1	\$4.0	\$4.8	\$5.6	\$0.8	17.5%
30 - Dept of Administrative Hearings	\$8.4	\$8.3	\$7.8	\$8.2	\$8.4	\$0.2	2.6%
31 - Dept of Law	\$40.3	\$41.4	\$40.6	\$43.2	\$45.6	\$2.4	5.6%
33 - Dept of Human Resources	\$7.5	\$7.4	\$6.8	\$8.6	\$12.0	\$3.4	40.0%
35 - Dept of Procurement Services	\$9.4	\$9.1	\$8.5	\$10.3	\$12.5	\$2.2	21.8%
38 - Dept of Assets Information & Services	\$396.8	\$435.8	\$441.5	\$513.8	\$568.2	\$54.4	10.6%
Total Finance & Administration	\$612.7	\$634.1	\$742.6	\$2,378.2	\$1,015.0	(\$1,363.1)	-57.3%
General Finance Requirements							

¹⁸ OBM's FY22 budget is drastically inflated because the Department was allocated \$1,352.0 million in ARP funds and \$61.5 million in CARES Act funds. Backing out these two sources, OBM's 2022 revised budget comes in around \$251.2 million.

Budget Appropriations by Function Area	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
FUNCTION AREA							
99 - Finance General	\$4,947.7	\$5,914.6	\$5,681.3	\$6,839.3	\$7,759.5	\$920.2	13.5%
Total General Finance Requirements	\$4,947.7	\$5,914.6	\$5,681.3	\$6,839.3	\$7,759.5	\$920.2	13.5%
Infrastructure Services							
81 - Dept of Streets & Sanitation	\$268.0	\$273.6	\$283.1	\$308.0	\$310.7	\$2.6	0.9%
84 - Chicago Dept of Transportation	\$543.1	\$468.0	\$770.4	\$622.4	\$1,399.3	\$776.9	124.8%
85 - Dept of Aviation	\$911.3	\$871.2	\$1,141.2	\$1,069.2	\$1,202.1	\$132.8	12.4%
88 - Dept of Water Management	\$310.5	\$315.1	\$321.5	\$347.1	\$384.4	\$37.2	10.7%
Total Infrastructure Services	\$2,032.8	\$1,927.9	\$2,516.1	\$2,346.8	\$3,296.3	\$949.6	40.5%
Legislative & Elections							
15 - City Council	\$28.0	\$28.5	\$28.5	\$34.7	\$35.6	\$0.9	2.5%
39 - Board of Election Commissioner	\$34.2	\$18.4	\$19.2	\$25.8	\$56.6	\$30.8	119.1%
Total Legislative & Elections	\$62.2	\$46.9	\$47.7	\$60.5	\$92.2	\$31.6	52.3%
Public Safety							
51 - Office of Public Safety Administration	\$0.0	\$33.4	\$135.6	\$166.5	\$180.0	\$13.5	8.1%
55 - Police Board	\$0.5	\$1.1	\$0.6	\$0.6	\$0.6	\$0.0	1.5%
57 - Dept of Police	\$1,656.0	\$1,762.1	\$1,698.7	\$1,879.1	\$1,943.4	\$64.3	3.4%
58 - Office of Emergency Communication	\$233.9	\$204.7	\$133.9	\$118.5	\$109.1	(\$9.4)	-7.9%
59 - Fire Dept	\$652.3	\$674.2	\$738.4	\$775.5	\$771.0	(\$4.4)	-0.6%
60 - Civilian Office of Police Accountability	\$13.9	\$13.8	\$13.3	\$14.7	\$15.0	\$0.3	2.1%
62 - Community Commission for Public Safety & Accountability	\$0.0	\$0.0	\$0.0	\$3.4	\$3.1	(\$0.3)	-9.4%
Total Public Safety	\$2,556.5	\$2,689.4	\$2,720.5	\$2,958.4	\$3,022.3	\$63.9	2.2%
Regulatory							
03 - Office of Inspector General	\$9.6	\$9.8	\$11.0	\$15.0	\$13.0	(\$2.0)	-13.1%
67 - Dept of Buildings	\$38.1	\$37.1	\$33.4	\$35.1	\$38.6	\$3.5	10.0%
70 - Dept of Business Affairs & Consumer Protection	\$22.2	\$28.5	\$27.4	\$85.3	\$86.5	\$1.3	1.5%
73 - Comm on Animal Care & Control	\$6.8	\$7.0	\$7.0	\$7.2	\$7.0	(\$0.1)	-2.1%
77 - License Appeal Commission	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.0	0.1%
78 - Board of Ethics	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	(\$0.0)	-0.4%
Total Regulatory	\$77.8	\$83.5	\$79.8	\$143.7	\$146.3	\$2.6	1.8%
Total Appropriation (Before Deductions)	\$11,400.1	\$12,607.1	\$13,522.5	\$17,430.9	\$17,941.3	\$510.4	2.9%

Amounts in Millions

NOTES: This table does not factor in Deductions related to Proceeds of Debt and Transfers Between Funds, totaling **(\$1,563.9)** in FY23.

RESOURCE APPROPRIATIONS OF LOCAL FUNDS

Below is a table summarizing the revenue budget appropriations from fiscal years 2019 through 2023 by property tax versus non-property support fund for the City of Chicago. The figures displayed for the fiscal years 2019 through 2022 were the amounts appropriated in the City's budget ordinances for those corresponding years. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report.

Summary of Local Resources					Proposed	2023 vs. 2022	
FUND	2019	2020	2021	2022	2023	Var (\$)	Var (%)
Property Tax Supported Funds							
510 - Bond Redemption and Interest Series Fund	\$637.2	\$612.9	\$527.8	\$588.5	\$527.4	(\$61.2)	-10.4%
521 - Library Note Redemption and Interest Tender Notes Series "B" Fund	\$102.1	\$119.8	\$119.4	\$119.4	\$119.4	\$0.0	0.0%
549 - City Colleges Bond Redemption and Interest Fund	\$36.6	\$36.3	\$34.0	\$34.0	\$33.8	(\$0.2)	-0.6%
681 - Municipal Annuity and Benefit Fund	\$471.0	\$524.5	\$582.9	\$967.0	\$1,084.7	\$117.7	12.2%
682 - Laborers' Annuity and Benefit Fund	\$60.0	\$72.0	\$86.2	\$118.8	\$126.3	\$7.5	6.3%
683 - Policemen's Annuity and Benefit Fund	\$579.0	\$737.5	\$818.9	\$832.0	\$973.2	\$141.2	17.0%
684 - Firemen's Annuity and Benefit Fund	\$248.5	\$371.3	\$382.8	\$414.5	\$482.5	\$68.0	16.4%
Total Property Tax Supported Fund Appropriations	\$2,134.5	\$2,474.3	\$2,551.9	\$3,074.3	\$3,347.2	\$273.0	8.9%
Non-Property Tax Supported Funds							
100 - Corporate Fund	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%
200 - Water Fund	\$762.9	\$805.3	\$783.7	\$795.3	\$933.9	\$138.6	17.4%
300 - Vehicle Fund	\$241.1	\$198.0	\$194.5	\$230.8	\$254.4	\$23.6	10.2%
310 - Motor Fuel Tax Fund	\$65.7	\$125.9	\$114.7	\$122.7	\$126.5	\$3.8	3.1%
314 - Sewer Fund	\$373.4	\$394.2	\$375.7	\$377.8	\$457.7	\$79.9	21.2%
346 - Library Fund	\$116.9	\$124.5	\$125.8	\$129.3	\$139.3	\$10.0	7.7%
353 - Emergency Communication Fund	\$134.2	\$143.7	\$160.5	\$175.9	\$183.1	\$7.2	4.1%
355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund	\$53.3	\$49.7	\$26.6	\$44.6	\$46.1	\$1.5	3.3%
383 - Motor Fuel Tax Debt Service Fund	\$18.4	\$12.4	\$12.5	\$18.7	\$0.0	(\$18.7)	Cut
516 - Library Bond Redemption Fund	\$4.3	\$4.2	\$0.0	\$0.0	\$0.0	\$0.0	n/a
525 - Emergency Communication Bond Redemption and Interest Fund	\$22.3	\$16.4	\$16.4	\$16.4	\$0.0	(\$16.4)	Cut
610 - Midway Airport Fund	\$318.6	\$335.1	\$336.6	\$349.7	\$370.5	\$20.8	5.9%
740 - O'Hare Airport Fund	\$1,328.5	\$1,468.1	\$1,521.9	\$1,588.8	\$1,664.5	\$75.7	4.8%
994 - Controlled Substances Fund	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0	0.0%
996 - Affordable Housing Opportunity Fund	\$28.6	\$46.5	\$30.0	\$23.6	\$34.2	\$10.6	44.8%
B09 - CTA Real Property Transfer Tax Fund	\$64.0	\$60.8	\$49.9	\$63.0	\$93.0	\$30.0	47.6%
B21 - TIF Administration Fund	\$10.2	\$13.4	\$13.5	\$17.1	\$16.8	(\$0.3)	-1.8%
B25 - Chicago CPD CTA Detail Fund	\$10.8	\$10.8	\$10.8	\$10.8	\$30.0	\$19.2	179.0%

Summary of Local Resources

FUND	2019	2020	2021	2022	Proposed	2023 vs. 2022	
					2023	Var (\$)	Var (%)
B26 - Chicago Parking Meters Fund	\$0.0	\$14.0	\$10.5	\$6.5	\$6.5	\$0.0	0.0%
B32 - Garbage Collection Fund	\$61.2	\$65.9	\$62.2	\$62.3	\$61.7	(\$0.6)	-1.0%
B39 - Human Capital Innovation Fund	\$6.0	\$2.6	\$2.3	\$0.0	\$0.0	\$0.0	n/a
B40 - Houseshare Surcharge - Homeless Services Fund	\$0.0	\$5.5	\$6.6	\$6.5	\$12.9	\$6.4	97.4%
B41 - Neighborhood Opportunity Fund	\$13.0	\$43.4	\$63.8	\$51.3	\$0.0	(\$51.3)	Cut
B42 - Foreign Fire Insurance Tax Fund	\$5.5	\$11.0	\$16.5	\$20.4	\$27.1	\$6.7	32.6%
B43 - Houseshare Surcharge - Domestic Violence Fund	\$0.0	\$3.4	\$2.6	\$2.6	\$10.5	\$7.9	303.3%
B70 - Cannabis Regulation Tax Fund	\$0.0	\$0.0	\$5.1	\$7.0	\$9.8	\$2.7	38.9%
D43 - Neighborhoods Opportunity Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$54.1	\$54.1	New
D44 - Citywide Adopt-A-Landmark Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$11.6	\$11.6	New
D45 - Local Impact Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$11.5	\$11.5	New
Total Non-Property Tax Supported Fund Appropriations	\$7,454.7	\$8,374.1	\$7,980.3	\$9,021.2	\$9,990.2	\$969.0	10.7%
Total Appropriations	\$9,589.1	\$10,848.4	\$10,532.3	\$12,095.5	\$13,337.4	\$1,241.9	10.3%

Amounts in Millions

CORPORATE FUND – 2023

Corporate Budget by Function Area

Below is a table summarizing the budget appropriations by Function Area for the Corporate Fund from fiscal years 2019 through 2023 for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the amounts appropriated in the City’s budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

Corporate Budget Appropriations by Function Area	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
FUNCTION AREA							
City Development	\$15.1	\$26.3	\$21.9	\$23.5	\$27.7	\$4.2	18.0%
Community Services	\$128.8	\$150.8	\$155.7	\$167.2	\$185.4	\$18.1	10.8%
Finance & Administration	\$371.3	\$378.9	\$363.0	\$401.7	\$443.4	\$41.6	10.4%
General Finance Requirements	\$792.2	\$1,251.7	\$926.9	\$1,509.4	\$1,922.6	\$413.2	27.4%
Infrastructure Services	\$212.7	\$208.5	\$215.3	\$225.6	\$236.5	\$10.9	4.8%
Legislative & Elections	\$61.3	\$46.1	\$41.7	\$59.6	\$91.3	\$31.7	53.1%
Public Safety	\$2,174.6	\$2,296.7	\$2,256.4	\$2,449.4	\$2,463.7	\$14.2	0.6%
Regulatory	\$59.7	\$60.2	\$56.8	\$63.3	\$64.0	\$0.6	1.0%
Total Function Areas	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%

Amounts in Millions

NOTES: Some amounts may not total due to rounding.

Corporate Fund Revenues

Below is a table summarizing the revenue budget appropriations for the Corporate Fund from fiscal years 2019 through 2023 by source for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the amounts appropriated in the City's budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

The City is budgeting an overall increase in Corporate Fund revenues for 2023 compared to the budgeted revenue for 2022. The total Corporate Fund revenue for 2023 is proposed to be \$5,434.5 million, which is an increase of \$547.1 million, or 11.2%, from the revised 2022 budget. The City's proposed Corporate Fund revenue for 2023 is \$343.3 million, or 8.7%, higher than the previous estimate of \$5,000.2 million that the City projected just two months ago in the 2023 Budget Forecast.¹⁹ This is a considerable jump in revenues from the forecast.

Corporate Fund Revenues	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
SOURCE							
Local Tax							
Municipal Public Utility Tax	\$430.0	\$416.1	\$390.8	\$388.9	\$406.5	\$17.6	4.5%
Chicago Sales Tax / HROT	\$48.1	\$74.0	\$63.6	\$73.1	\$90.1	\$17.0	23.3%
Transaction Taxes	\$440.4	\$508.9	\$478.1	\$582.3	\$811.8	\$229.5	39.4%
Transportation Taxes	\$341.9	\$383.6	\$308.7	\$336.1	\$367.9	\$31.9	9.5%
Recreation Taxes	\$270.1	\$273.3	\$223.9	\$274.4	\$318.4	\$44.1	16.1%
Business Taxes	\$132.2	\$134.4	\$66.1	\$112.7	\$126.4	\$13.7	12.1%
Total Local Tax	\$1,662.7	\$1,790.3	\$1,531.3	\$1,767.4	\$2,121.1	\$353.7	20.0%
Proceeds and Transfers In							
Proceeds and Transfers In	\$604.6	\$642.5	\$612.2	\$1,048.9	\$865.8	(\$183.2)	-17.5%
Total Proceeds and Transfers In	\$604.6	\$642.5	\$612.2	\$1,048.9	\$865.8	(\$183.2)	-17.5%
Intergovernmental Revenue							
State Income Tax	\$260.2	\$269.8	\$262.3	\$366.6	\$377.4	\$10.8	2.9%
Personal Property Replacement Tax	\$132.0	\$157.2	\$147.0	\$163.7	\$266.0	\$102.3	62.5%
Municipal Auto Rental Tax	\$4.0	\$4.2	\$3.3	\$4.0	\$4.2	\$0.3	7.0%
Reimbursements for City Services	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$0.0	0.0%
Total Intergovernmental Revenue	\$398.2	\$433.2	\$414.6	\$536.3	\$649.6	\$113.4	21.1%
Local Non-Tax Revenue							
Licenses, Permits, and Certificates	\$134.1	\$128.3	\$119.2	\$119.6	\$123.6	\$4.0	3.3%
Fines, Forfeitures and Penalties	\$345.0	\$342.7	\$381.5	\$369.7	\$302.2	(\$67.5)	-18.3%
Charges for Services	\$139.6	\$460.2	\$277.9	\$340.4	\$363.6	\$23.2	6.8%
Municipal Parking	\$7.6	\$7.6	\$7.6	\$7.6	\$7.7	\$0.1	1.0%
Leases, Rentals and Sales	\$34.3	\$33.7	\$39.3	\$29.3	\$32.0	\$2.7	9.1%
Interest Income	\$6.5	\$3.5	\$6.5	\$6.5	\$10.3	\$3.8	58.5%

¹⁹ Page 17. City of Chicago. (2022). 2023 Budget Forecast. www.chicago.gov

Corporate Fund Revenues	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var (\$)	Var (%)
SOURCE							
Internal Service Earnings	\$297.6	\$361.5	\$410.7	\$485.8	\$586.5	\$100.8	20.7%
Other Revenue	\$109.6	\$134.7	\$125.8	\$137.0	\$150.0	\$25.4	20.4%
Total Local Non-Tax Revenue	\$1,074.3	\$1,472.2	\$1,368.6	\$1,495.9	\$1,575.8	\$92.4	6.2%
Prior Year Available							
Prior Year Assigned and Unassigned Available Resources	\$76.0	\$81.0	\$111.0	\$51.4	\$222.1	\$170.7	332.1%
Total Prior Year Available	\$76.0	\$81.0	\$111.0	\$51.4	\$222.1	\$170.7	332.1%
Total Corporate Fund Revenue	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$547.1	11.2%

Amounts in Millions

NOTES: Some amounts may not total due to rounding.

Corporate Fund Expenditures

Below is a table summarizing the expenditure budget appropriations for the Corporate Fund from fiscal years 2019 through 2023 by source for the City of Chicago. The figures displayed for the fiscal years 2019 through 2021 were the amounts appropriated in the City’s budget ordinances for those corresponding years. The amounts displayed for 2022 are revised budget figures that the City has proposed in the latest budget recommendation report. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation report for the upcoming fiscal year.

Across the board, all of the proposed expenditures in the Corporate Fund are set to rise in the 2023 budget, except for two Transfers and Reimbursements line-items.

Budget Appropriations by Category	Ordinance			Revised	Proposed	2023 vs. 2022-R	
	2019	2020	2021	2022-R	2023	Var. (\$)	Var. (%)
00 - Personnel Services	\$2,874.9	\$3,020.1	\$2,966.0	\$3,083.1	\$3,188.2	\$105.2	3.4%
01 - Contractual Services	\$421.4	\$431.4	\$432.2	\$486.9	\$569.6	\$82.6	17.0%
02 - Travel	\$0.9	\$1.0	\$0.8	\$1.2	\$1.5	\$0.3	25.1%
03 - Commodities and Materials	\$81.5	\$71.3	\$71.0	\$82.9	\$96.4	\$13.5	16.3%
04 - Equipment	\$0.8	\$0.9	\$1.4	\$1.6	\$2.3	\$0.7	46.4%
05 - Permanent Improvements	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
07 - Contingencies	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.0	7.1%
09 - Financial Purposes as Specified	\$102.5	\$220.7	\$221.1	\$613.5	\$623.7	\$10.2	1.7%
90 - Purposes as Specified	\$47.1	\$48.9	\$46.9	\$45.6	\$49.2	\$3.6	8.0%
91 - Specific Items and Contingencies	\$5.3	\$4.4	\$26.7	\$5.3	\$5.4	\$0.1	1.9%
92 - Purposes as Specified	\$98.2	\$264.6	\$191.3	\$205.9	\$245.2	\$39.3	19.1%
93 - Financial Purposes as Specified	\$16.0	\$0.0	(\$25.0)	\$0.0	\$0.0	\$0.0	n/a
94 - Transfers and Reimbursements	\$0.7	\$0.8	\$0.6	\$2.0	\$2.0	\$0.0	0.4%
95 - Financial Purposes as Specified	\$15.7	\$15.2	\$14.8	\$1.4	\$1.4	\$0.0	0.0%
96 - Transfers and Reimbursements	\$13.8	\$4.3	\$4.4	\$28.7	\$4.4	(\$24.2)	-84.6%
97 - Transfers and Reimbursements	\$0.0	\$0.0	\$0.0	\$12.5	\$0.0	(\$12.5)	Cut
99 - Pension Purposes as Specified	\$136.8	\$335.5	\$85.5	\$329.2	\$644.9	\$315.7	95.9%
Total Appropriation	\$3,815.7	\$4,419.2	\$4,037.6	\$4,899.9	\$5,434.5	\$534.6	10.9%

Amounts in Millions

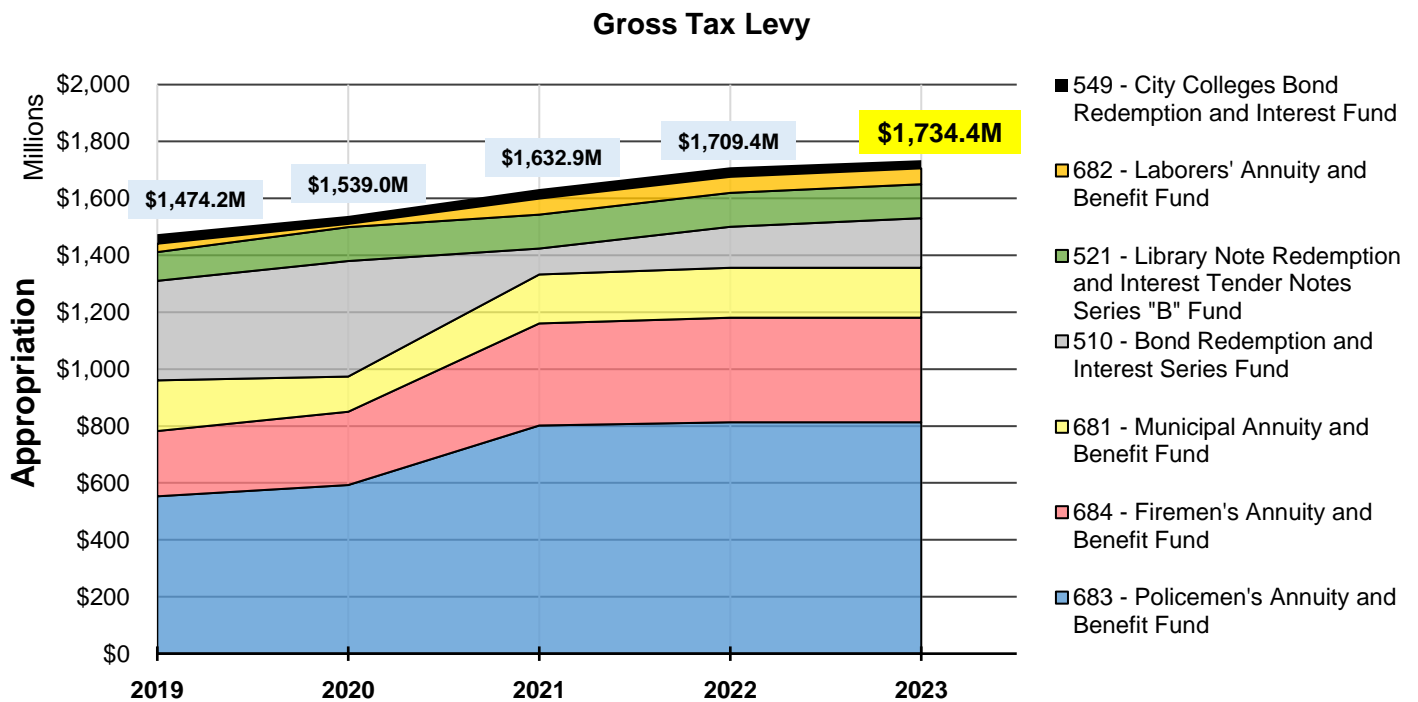
GROSS TAX LEVY

Below is a table summarizing the budget appropriations as a result of the annual Gross Tax Levy from fiscal years 2019 through 2023 for the City of Chicago. The figures displayed for the fiscal years 2019 through 2022 were the amounts appropriated in the City's budget ordinances for those corresponding years. The amounts displayed for 2023 are what the City has proposed in the latest budget recommendation.

Gross Tax Levy (Revenue)					Proposed	2023 vs. 2022	
Property Tax Supported Funds	2019	2020	2021	2022	2023	Var. (\$)	Var. (%)
683 - Policemen's Annuity and Benefit Fund	\$552.9	\$592.7	\$801.4	\$813.5	\$813.5	\$0.0	0.0%
684 - Firemen's Annuity and Benefit Fund	\$229.4	\$257.1	\$359.5	\$367.0	\$367.0	\$0.0	0.0%
681 - Municipal Annuity and Benefit Fund	\$178.2	\$124.7	\$172.2	\$175.4	\$175.4	\$0.0	0.0%
510 - Bond Redemption and Interest Series Fund	\$349.8	\$405.2	\$90.5	\$144.1	\$174.4	\$30.2	21.0%
521 - Library Note Redemption and Interest Tender Notes Series "B" Fund	\$100.9	\$119.4	\$119.4	\$119.4	\$119.4	\$0.0	0.0%
682 - Laborers' Annuity and Benefit Fund	\$28.9	\$11.1	\$56.0	\$56.0	\$56.0	\$0.0	0.0%
549 - City Colleges Bond Redemption and Interest Fund	\$34.0	\$29.0	\$34.0	\$34.0	\$28.8	(\$5.2)	-15.4%
Total Gross Tax Levy	\$1,474.2	\$1,539.0	\$1,632.9	\$1,709.4	\$1,734.4	\$25.0	1.5%

Amounts in Millions

NOTES: Table is sorted from largest to smallest amount for FY23.



SOURCE: 2019-2022 Budget Ordinances, 2023 Budget Recommendation

A significant portion of the annual gross tax levy—about 81.4% in the fiscal year 2023—goes towards contributions for the City’s annuity and benefit funds. In total, \$1,411.9 million of the City’s proposed 2023 gross tax levy will go towards annuity and benefit funds. The *2023 Budget Recommendation* appropriates \$813.5 million for the Policemen’s Annuity and Benefit Fund (PABF), which is the same amount as 2022. The Firemen’s Annuity and Benefit Fund (FABF) is appropriated \$367.0 million in 2023, which is also the same as 2022. The Municipal (MABF) and Laborers’ (LABF) funds are appropriated \$175.4 million and \$56.0 million in 2023, which like the other funds are the same as 2022.

SPECIAL REVENUE FUNDS

This section provides an overview of four (4) of the City's nineteen (19) Special Revenue Funds outlined in the *2023 Budget Overview* and *2023 Budget Recommendation* which have budgeted amounts for the upcoming fiscal year. Overall, the Special Revenue Funds are proposed to be appropriated **\$1,129.2 million** in 2023, which is \$154.6 million, or 15.9%, higher than the revised 2022 budgeted amount of \$974.5 million.

Despite having nineteen funds, **COFA** has chosen to focus on four Special Revenue Funds which have the highest appropriations for the fiscal year 2023—**\$703.3 million** in total. The four funds are the Emergency Communications Fund, Motor Fuel Tax Fund, Library Fund, and Vehicle Tax Fund. They account for 62.2% of the total proposed Special Revenue Fund appropriation for 2023.

Special Revenue Funds are used to account for revenue from specific sources that must be used to finance specific operations, such as road repairs, libraries, 911 services, special events and tourism promotion.²⁰

Emergency Communications Fund

The City is projecting Emergency Communications Fund revenues to be **\$183.1 million** in 2023, which is \$7.2 million higher, or 4.1%, than the revised 2022 budgeted amount of \$175.9 million.

This 2023 projection of \$183.1 million is \$39.3 million higher, or 27.3%, than what was originally estimated for 2023 two months ago in the *2023 Budget Forecast*.

The City is projecting that the Emergency Communications Fund will end 2022 with a revenue amount of \$175.9 million, which is \$32.9 million higher, or 23.0%, than the original 2022 revenue estimate of \$143.0 million projected in the *2023 Budget Forecast*.

Motor Fuel Tax Fund

The City is projecting Motor Fuel Tax Fund revenues to be **\$126.5 million** in 2023, which is \$3.8 million higher, or 3.1%, than the revised 2022 budgeted amount of \$122.7 million.

This 2023 projection of \$126.5 million is \$22.0 million higher, or 21.1%, than what was originally estimated for 2023 two months ago in the *2023 Budget Forecast*.

The City is projecting that the Motor Fuel Tax Fund will end 2022 with a revenue amount of \$122.7 million, which is \$21.3 million higher, or 21.0%, than the original 2022 revenue estimate of \$101.4 million projected in the *2023 Budget Forecast*.

Library Fund

The City is projecting Library Fund revenues to be **\$139.3 million** in 2023, which is \$10.0 million higher, or 7.7%, than the revised 2022 budgeted amount of \$129.3 million.

Despite being budgeted the third highest appropriation of all Special Revenue Funds, the Library Fund does not seem to receive a lot of attention in outside of 'budget season.' The fund does not receive much commentary in *Budget Forecast* reports.

²⁰ Page 38. City of Chicago. (2022). *2023 Budget Forecast*. www.chicago.gov

Vehicle Tax Fund

The City is projecting Vehicle Tax Fund revenues to be **\$254.4 million** in 2023, which is \$23.6 million higher, or 10.2%, than the revised 2022 budgeted amount of \$230.8 million.

This 2023 projection of \$254.4 million is \$47.4 million higher, or 22.9%, than what was originally estimated for 2023 in the *2023 Budget Forecast*.

The City is projecting that the Vehicle Tax Fund will end 2022 with a revenue amount of \$230.8 million, which is \$29.5 million higher, or 14.6%, than the original 2022 revenue estimate of \$201.3 million projected in the *2023 Budget Forecast*.

ENTERPRISE FUNDS

This section summarizes the City's four Enterprise Funds discussed in the *2023 Budget Forecast*.

The City has four (4) Enterprise Funds that are each outlined in the *2023 Budget Recommendation* and *2023 Budget Overview*: the Midway Airport Fund, O'Hare Airport Fund, Sewer Fund, and Water Fund.²¹ According to the budget report, these self-supporting funds deriving from user chargers account for acquisition, operation, and maintenance of government services such as water, sewer, and the airports. The four Enterprise Funds totaled \$3,111.6 million in the *2022 Budget Ordinance*,²² then totaled \$3,233.2 million for the revised 2022 budget amount, and then is projected to have a total revenue of \$3,426.5 million in 2023.²³

Midway Airport Fund

The City is projecting Midway Airport Fund revenues to be **\$370.5 million** in 2023, which is \$20.8 million higher, or 5.9%, than the revised 2022 budgeted amount of \$349.7 million.

This 2023 projection of \$370.5 million is \$17.3 million higher, or 4.9%, than what was originally estimated for 2023 just two months ago in the *2023 Budget Forecast*.

The City is projecting that the Midway Airport Fund will end 2022 with a revenue amount of \$349.7 million, which is unchanged from the *2023 Budget Forecast* issued in August.

O'Hare Airport Fund

The City is projecting O'Hare Airport Fund revenues to be **\$1,664.5 million** in 2023, which is \$75.7 million higher, or 5.9%, than the revised 2022 budgeted amount of \$1,588.8 million.

This 2023 projection of \$1,664.5 million is \$59.6 million higher, or 3.7%, than what was originally estimated for 2023 just two months ago in the *2023 Budget Forecast*.

The City is projecting that the O'Hare Airport Fund will end 2022 with a revenue amount of \$1,588.8 million, which is actually \$12.2 million less, or **(0.8%)**, than the original 2022 revenue estimate projected in the *2023 Budget Forecast*.

Sewer Fund

The City is projecting Sewer Fund revenues to be **\$457.7 million** in 2023, which is \$79.9 million higher, or 21.2%, than the revised 2022 budgeted amount of \$377.8 million.

This 2023 projection of \$457.7 million is \$52.1 million higher, or 12.8%, than what was originally estimated for 2023 in the *2023 Budget Forecast*.

The City is projecting that the Sewer Fund will end 2022 with a revenue amount of \$377.8 million, which is \$18.3 million less, or **(4.6%)**, than the original 2022 revenue estimate projected in the *2023 Budget Forecast*.

²¹ Page 197. City of Chicago. (2022, October). *2023 Budget Overview*. www.chicago.gov

²² City of Chicago. (2022). *2022 Budget Ordinance*. www.chicago.gov

²³ Page 197. City of Chicago. (2022, October). *2023 Budget Overview*. www.chicago.gov

Water Fund

The City is projecting Water Fund revenues to be **\$933.9 million** in 2023, which is \$138.6 million higher, or 17.4%, than the revised 2022 budgeted amount of \$795.3 million.

This 2023 projection of \$933.9 million is \$121.3 million higher, or 14.9%, than what was originally estimated for 2023 in the *2023 Budget Forecast*.

The City is projecting that the Water Fund will end 2022 with a revenue amount of \$795.3 million, which is \$11.2 less, or (1.4%), than the original 2022 revenue estimate projected in the *2023 Budget Forecast*.