



CITY OF CHICAGO • OFFICE OF THE MAYOR



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MAYOR BRANDON JOHNSON UNVEILS FISCAL YEAR 2025 BUDGET FOCUSED ON INVESTMENT, EQUITY AND FISCAL RESPONSIBILITY

CHICAGO – Today, Mayor Brandon Johnson presented the City of Chicago's Fiscal Year 2025 budget, outlining a comprehensive plan that prioritizes strategic and equitable investments in affordable housing, mental health services, public safety and youth employment while maintaining fiscal responsibility and honoring pension obligations.

Despite facing a projected \$986 million budget deficit, Mayor Johnson's administration put forth a balanced budget that invests in the city's residents and communities without resorting to damaging mass layoffs or severe austerity measures.

"Our budget reflects the commitment to invest in our people and neighborhoods, ensuring that every Chicagoan has the opportunity to thrive," said **Mayor Brandon Johnson**. "We are addressing our challenges head-on with strategic investments and prudent financial management."

The budget includes significant investments across key areas. It allocates \$52 million for youth jobs across the city, empowering 30,000 young people with professional experience and career opportunities. This budget expands internship and trainee programs across City departments to create pathways to public service careers.

In 2025, Chicago and the State of Illinois will launch the One System Initiative (OSI), a \$40 million investment that will more than double the number of beds in the city's shelter network from 3,000 to 6,800. A \$30 million commitment to the rapid rehousing program aims to move households living in unsheltered locations into stable housing.

The budget continues our investment in community violence prevention programs with over \$100 million allocated for 2025. An additional \$2 million investment will strengthen the city's mental health network, including supporting the continued capacity building within newly reopened clinics and the creation of a new mental health dispatch unit within the City's emergency management department.

The budget includes measures to address legacy pension and debt costs responsibly. This involves making an additional advanced pension payment, ensuring the City's obligations to its current and former employees are met without deferring all costs to future generations.

"By addressing our obligations head-on and implementing prudent financial policies, we are safeguarding Chicago's financial future," Chief Financial Officer Jill Jaworski. "Fulfilling our pension contribution policy and funding targeted revenue enhancements demonstrate our commitment to fiscal stability."

Implementing strategic cuts and efficiencies across City departments resulted in nearly \$300 million in savings without resorting to mass layoffs or furloughs, including a reduction of under 700 vacant positions through staffing efficiencies. The budget includes over \$400 million in additional revenue based on revised revenue estimates, efficient tax and licensing adjustments, strategic use of one-time fund reserves, and improved debt collection.

"This budget is the result of meticulous planning and tough decision-making," said **Budget Director Annette Guzman**. "We worked closely with all departments to find efficiencies without compromising essential services. Our focus has been on strategic investments that yield long-term benefits for our residents."

Working with state and county partners to address revenue challenges and invest in communities historically left behind, the city is surplussing a record \$570 million in Tax Increment Financing (TIF) funds to support not only City initiatives but also the operational and capital needs of other taxing bodies like Chicago Public Schools (CPS).

The Johnson administration examined every TIF district and worked with City departments to remove projects that are no longer viable while still reserving funding for projects that will benefit our city in an equitable way.

This historic TIF surplus of \$570 million, with \$131 million in surplus to the City, over \$300 million to CPS, and record amounts to other taxing bodies including the Chicago Park District, Chicago City Colleges, Chicago Public Libraries, Cook County and the Metropolitan Water Reclamation District.

To balance the budget, calculations currently include a property tax increase totaling \$300 million. This number uses estimates based on the 2023 property assessment, so the number may go up or down when the 2024 assessment is finalized. Property owners will see an estimated 4% increase on average on their property tax bill using 2023 assessed values.

If solely workforce reductions were employed to address the full budget gap, it would necessitate an additional reduction of 4,000 positions, equating to a 17% decrease in the City's workforce. This would entail reducing the police force by 2,500 personnel, or just under 20% of the force, and cutting over 600 personnel from the fire department,

significantly diminishing the ability to respond to fires and provide lifesaving medical care. Garbage collection, recycling, rat abatement services, and tree trimming would occur far less frequently, as the sanitation department would face a reduction of an additional 150 positions. Furthermore, the maintenance and repair of physical assets would be compromised, with the facilities team experiencing over 200 personnel cuts. Such reductions threaten to make neighborhoods, residents, and workers less safe.

The budget makes revenue streams more equitable. Debt relief programs have been expanded to support residents least able to shoulder financial burdens, including the Clear Path Relief Program and Administrative Debt Relief Program. The City is implementing the Water Leak Relief Pilot Program and planning a new parking ticket amnesty program in 2025.

"We have taken significant steps to make our revenue streams more equitable," **City Comptroller Chasse Rehwinkel** said. "By expanding debt relief programs and ensuring that bad actors meet their obligations to the city, we're easing the burden on our residents while enhancing revenue."

Mayor Brandon Johnson called on all stakeholders to continue collaborating to make Chicago an even greater city. "This budget isn't just balanced; it's focused on delivering for the people of Chicago," he concluded. "We are upholding our promise to move forward toward a brighter future, investing in our people and ensuring that Chicago remains a city where everyone has the opportunity to succeed."

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