2014 Budget Recommendation

October 23, 2013
Current Projected 2014 Gap

Projected 2014 Gap at time of 2012 Annual Financial Analysis

Projected 2014 Gap at time of 2011 Annual Financial Analysis
## 2014 Proposed Budget Summary

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<tr>
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<tbody>
<tr>
<td>Corporate Fund</td>
<td>$3,161.8</td>
<td>$3,289.2</td>
<td>4%</td>
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<tr>
<td>All Local Funds</td>
<td>$6,545.1</td>
<td>$6,977.0</td>
<td>7%</td>
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<tr>
<td>Grants</td>
<td>$1,628.6</td>
<td>$1,695.1</td>
<td>4%</td>
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<tr>
<td>Category</td>
<td>Amount</td>
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<td>-------------------------------------------------------------------------</td>
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<tr>
<td>Cutting spending and reforming government</td>
<td>$66M</td>
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<tr>
<td>Non-personnel savings and reforms</td>
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<tr>
<td>Personnel savings and reforms</td>
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<tr>
<td>Improved fiscal management</td>
<td>$137.4M</td>
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<td>Sweeping aging revenue accounts and grant funds</td>
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<tr>
<td>Proper allocation of personnel and non-personnel costs to non-corporate funds</td>
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<td>Utilizing surplus generated by fiscal discipline in 2012 and 2013</td>
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<td>TIF reform – surplus and value capture</td>
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<td>Economic growth &amp; revenue enhancements to invest in children and improve city Services</td>
<td>$101.1M</td>
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<td>Other revenue enhancements</td>
<td>$34.2M</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$338.7</strong></td>
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Expense Reductions and Reforms

- **Non-personnel savings**
  - Lease savings
  - Reduced telecom and IT costs
  - Contract re-negotiations
  - Waste disposal savings from city-wide recycling
- **Personnel savings**
  - Targeted elimination of vacancies
  - Rolling hiring freeze for non-essential positions
- **Healthcare savings**
  - Restructuring of City’s HMO program
  - Changes to retiree healthcare
Economic Growth and Revenues

- Economically sensitive revenue growth and Children’s Safety Zones
  - Real property transfer tax
  - Hotel tax
  - Sales tax, PPRT, and income tax
  - Safety zone cameras

- Targeted revenue enhancements
  - Zoning fee reform
  - Update of tow storage and select street violation fines
  - Reduction of cable amusement tax exemption
  - Increase in cigarette tax
Improved Fiscal Management

• Sweep of aging revenue accounts and grant funds: $35M
• Proper allocation of costs to Enterprise and Grant funds: $18.7M
• Prior year available resources due to spending controls and revenue growth: $53.4M
• TIF:
  – $8.7M surplus from expiring TIFs and TIFs with unallocated balances of greater than $1M
  – $20M from the capture of EAV including in expiring or terminating TIF districts
Investments

• Medicaid enrollment and vision care for CPS students
• Investment in neighborhood cultural events
• Increase in students served through CPL YOUMedia
• Pilot EITC assistance program
• Increased funding for neighborhood services such as graffiti removal, lot cleaning, tree trimming/planting
• Expansion of microlending initiative
• Paperless licensing and permitting by 2016
• Increased summer job and after school opportunities
• Additional investment in Family Net Centers