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Mayor Brandon Johnson
2024 Budget Address

Remarks as Prepared
October 11, 2023

Good morning and thank you all for being here today. During my campaign for mayor, I spoke about the challenging fiscal reality of our city and my vision for investing in people and communities.

The budget I am releasing today reflects those challenges and our opportunities to begin the critical investments necessary to build a better, stronger, safer Chicago.

As we begin this work, I am thinking about my family. Especially my father. He was a pastor and a union laborer, raising 10 children and taking in foster children. Working multiple jobs to keep us fed and sheltered.

It is families like mine that I want to uplift with this budget. Families that I served as a teacher in Cabrini Green. Families that I stood alongside as we fought to keep public schools and mental health clinics open.

Families that have been driven out of Chicago over the last decade by budgets that underinvested in their communities, while overtaxing their households with regressive property taxes.

I made a commitment to invest in people without balancing this budget on the backs of working families. That is why I am proud that this budget makes strategic investments in people and communities without



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raising base property taxes. It is a promise I made as a candidate, and one that I am keeping as mayor.

This budget is the people's budget. Investing in people is at the heart of this budget and this administration because I, like so many Chicagoans, know what *disinvestment* looks and feels like.

My wife and I are raising our three children in Austin on the West Side. We love our community, and we are proud to embrace its unique spirit each and every day. But we know that communities on the South and West sides, like Austin, deserve better.

Too many communities in our city are shackled by disinvestment and a lack of opportunity and basic amenities.

But the good news is: This is the City of Chicago. Here, anything is possible.

More than 100 years ago, when the Chicago River flowed into Lake Michigan, contaminating the drinking water and jeopardizing the health and safety of Chicago residents, this city committed to a monumental feat of engineering and ingenuity and re-routed its mighty waters.

If we can do that, then we can re-route the rivers of prosperity to the banks of disinvestment.

In the song *Liquid Spirit*, Gregory Porter sings, “The people are thirsty ‘cause of man’s unnatural hand. Watch what happens when the people catch wind. When the water hits the banks of that hard dry land.” It will take time, but we are going to see, Chicago, what happens when water hits that dry land.



With each investment in our neighborhoods and our people – what I like to call the “Soul of Chicago” – we are going to witness our city’s great potential. We will ensure that every resident of this City can thrive in peace and prosperity, connected to all the resources they need to confidently say what we all know to be true, “This is the greatest freaking city in the world.”

What I present here today is just our first step toward a better, stronger, safer Chicago.

CLOSING THE GAP

While building this budget, we had to confront the fiscal headwinds that we inherited:

- A \$538 million-dollar structural deficit driven by rising labor expenses, dwindling COVID-era federal funding and an unprecedented, escalating wave of migration that our city has never budgeted for before.

We also had to confront decades of decisions and indecision that, quite frankly, left too many communities and working families behind. Leadership means telling people the truth. And that is what has been missing in Chicago.

Administrations have refused to be honest about the true costs of excessive property tax and fee increases, evading pension obligations year after and year, and under-investing in our people, who are our city’s greatest asset. But I campaigned on ending the politics of old and presenting Chicago residents an honest, transparent budget. That is what our city needs, and deserves, and that is what we have done.



Since releasing the budget forecast, my budget team and department heads have been hard at work developing a plan that not only closes the budget gap, but makes strategic investments in people and communities, especially those who have experienced historic disinvestment. We sought to do this through structural solutions, without an over-reliance on one-time revenue, and I am proud to say that today, we present a balanced budget of \$16.6 billion dollars.

How did we do this? We prioritized \$243 million in expenditure savings consisting of:

- Operational savings that do not cut service provisions but focus on efficiencies in service delivery
- Savings derived from better management of healthcare costs
- And savings from strategic bond refinancing.

This balanced budget also includes improved revenue projections of \$321 million consisting of:

- Higher revenue projections based on improved economic forecasts for key taxes
- Increased TIF surplus collection
- And the strategic use of the City's fund balance.

Again, I want to underscore that we balanced this budget without increasing the City's base property tax rate.



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I was elected to end this government's addiction to the regressive taxation that has pushed working families to the brink. And that begins today.

NEW ARRIVAL EFFORTS

One top-of-mind issue that we are responding to in this moment is the wave of new arrivals who come to Chicago seeking a better life in our country.

More than 400 buses of asylum seekers have been sent to Chicago from the border since January 1, 2023. Of those, more than 300 – roughly 75 percent – have been sent since the weekend before I was inaugurated. Currently, more than 11,000 asylum seekers are in shelters under the City's care, with nearly 4,000 at our police districts and airports awaiting placement.

Asylum seekers are fleeing countries destabilized for years by dangerous foreign policy. They see this nation and our city as a beacon of hope, like so many immigrants before them. And Chicago is a place strong enough to welcome and embrace newcomers, while honoring our commitments to those who are already here – especially residents of communities that have long suffered from neglect and disinvestment.

Let me be clear: What current residents need and deserve from our city is not the same as what new arrivals need in this moment. But we must meet all demands if we truly love all people, and I am fully committed to doing that in the coming months, and years. Because I love people.

Let me also be very clear about why these buses are coming to our city at such a rapid rate. This situation was created by right-wing extremists threatened by our values and bent on sowing chaos and division in our



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city. But I do not flinch in the face of challenges, and neither does the City of Chicago.

Since the first bus arrived over a year ago, we have upheld those values to welcome individuals and families seeking asylum.

I want to express my deep, personal gratitude to City staff, our mutual aid partners, volunteers and Chicago residents and communities that have been dedicated to this effort for the past year.

This budget supports increased staffing within the Department of Family and Support Services and the Office of Emergency Management and Communications to manage the network of migrant shelters and support transitions to self-sufficiency.

After inheriting expensive emergency contracts, my administration is also finding ways to both expand space and lower costs by renegotiating staffing and food contracts and contracting and hiring Chicagoans and Chicago businesses to provide critical services.

With the Temporary Protected Status extended for Venezuelans, we are also ramping up work authorization to enable new arrivals to work and seek pathways out of shelters.

And as our city meets the moment, we continue to call upon the State of Illinois and the federal government to provide greater coordination, collaboration, and resources dedicated to this issue.

How we support those who seek refuge in our country and in our city speaks to our values. But make no mistake, this is not just our issue; it is a state issue, a national issue and a global issue. But because we are the



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City of Chicago, we will continue doing our part. And we call upon our partners to do theirs.

CO-GOVERNANCE AND COMMUNITY ENGAGEMENT

Supporting this humanitarian endeavor and investing in our residents is not an either-or situation. We can do both. And we will.

To ensure we based the development of this budget on the principles of co-governance, my administration lengthened our community engagement process to source ideas and hear from a broad group of stakeholders.

Throughout this process:

- My administration held four budget engagement meetings in communities across the city – including the first-ever youth budget summit with more than 350 young people.
- We collected thousands of comments, responses and surveys from residents.
- We met with hundreds of community- and issue-based advocates.
- And we listened to Chicago City Council caucus leaders, chairpersons and alderpersons to better understand the critical priorities of their communities.

This process has been informed **by** people because we know that to truly make transformative investments **in** people, we must do so **with** people.

INVESTMENTS



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***Empower the People:
Economic Vitality, Workers Rights and Labor***

The 2024 Budget is a down payment on this administration’s priorities to empower people – and especially young people – through economic and employment opportunities. Because our youth are our city’s present and our future.

Scripture says, “Where your treasure is, so will your heart be also.” And our heart remains with our treasure, our children.

My administration will invest in young people because they are the ones who will lead us to a better, stronger, safer Chicago. As a former teacher and father of three, for me, there is no other way.

We know that 59% of the workforce population under the age of 25 in this city is made up of workers of color. And we also know that unemployment among young Chicagoans, in particular young Black women, rose during the pandemic and is lagging behind in the pandemic rebound.

To address this, on my first day in office, I signed an Executive Order charging the Budget Director to evaluate all available resources within this year’s budget to re-allocate to existing City-funded youth employment and enrichment programs, and to support additional summer and year-round employment opportunities.

Within weeks of taking office, and in collaboration with our sister agencies, community organizations and the business community, we were able to increase the number of youth summer employment



opportunities by 4,000 jobs, filling nearly 25,000 positions – an increase of 20% from the previous summer.

But we know that is not enough. More than 46,000 young people applied for our summer programs this year. So, we are dedicating more than \$76 million dollars towards youth jobs and programming in the budget, which will fund nearly 4,000 additional youth employment opportunities with a target of providing more than 28,000 opportunities next summer.

This is how we begin to make transformative change in the lives of our young people – change that we will build upon with future budgets.

Our investments, however, are not only in youth employment opportunities, but employment opportunities for all Chicagoans. Last week, City Council passed historic One Fair Wage legislation to end the subminimum wage for tipped workers, in an industry where Black women are more likely to not earn tips to bring them to the minimum wage.

As we work to implement One Fair Wage and other legislation that upholds the rights and protections of Chicago workers, we are investing in additional staff and resources within the Department of Business Affairs and Consumer Protection's Office of Labor Standards to ensure they have the resources needed to defend and serve all workers.

In addition, to bolster my commitment to Chicago workers, this budget establishes the Office of Labor Relations within the Mayor's Office, led by Deputy Mayor Bridget Early. This office will ensure that this administration's efforts and policies align with the needs of both employee and employer, while working to create better, stronger and safer working conditions for all our workers.



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Nourish the People: Health and Human Services

Another pillar of my administration will be to ensure Chicagoans have access to the tools and services they need to lead healthy lives. This begins with addressing the mental health needs of our communities by continuing to invest more than \$15 million per year in the mental health safety net system, while expanding by almost 75% the number of Chicago Department of Public Health mental health staff working in our public clinics and with 911 response teams.

This budget also makes critical investments towards aligning our mental health network with the principles of Treatment Not Trauma, more than doubling the number of staff on the CARE 911 alternate response team.

Black Chicagoans are the largest group served by both CARE 911 and outpatient mental health providers, making up 43% of the total number of people in both programs. So this larger and well-resourced 911 alternate response program will allow us to continue helping the people most affected by disinvestment, expanding the number of neighborhoods these teams serve and allowing for extended service hours into the evenings and weekends.

Through this investment, my administration is moving alternate response out of a pilot phase and making it a permanent part of how we approach crisis response in the City of Chicago. With care and compassion – not mass incarceration and traumatization of our communities.

This budget also builds capacity for another tenet of Treatment Not Trauma – the re-opening of additional mental health clinics – by continuing funding for our existing clinics and supporting two additional clinics within existing CDPH spaces.



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City Council last week also voted in support of the creation of a Treatment Not Trauma Working Group, which, over the course of the next year, will develop and identify the best methods for expanding city-provided mental health clinical services throughout communities and bringing back our capacity for City-run mental health clinics.

We are making our city a safer, more compassionate, and healthier place for all.

In that same spirit, this budget furthers my administration's commitment to environmental justice.

This summer, we saw some of the disastrous effects of climate change in the torrential rainfall that flooded homes on the West and Southwest sides, and the wildfire smoke that covered our city.

We know that not every Chicagoan and not every neighborhood feels the effects of climate change the same way. The impact of climate change is steeped in inequity.

More than a third of our city's communities have at least one census tract considered an environmental justice neighborhood, which means these neighborhoods, mostly in South and West Side communities, have a high concentration of industry, are bisected by major highways, and are where pollution and toxic chemicals are a greater threat to health and safety.

Today, I am happy to announce that the 2024 Budget re-establishes the Chicago Department of the Environment, which will coordinate our city's environmental and resiliency efforts.



In addition to that investment, the FY24 budget also commits \$25 million to climate initiatives including:

- More than \$4 million in Chicago’s Climate Infrastructure Grant Program
- \$15 million to de-carbonize 1-to-4-unit homes for eligible low-income Chicagoans
- And \$6 million in our city’s composting system

Lastly, we must not forget one of the simplest – but very effective – climate investments we can make: our tree canopy. By the end of next year, we will have planted 55,000 new trees, well on our way to our goal of 75,000.

House the People: Housing and Development

In seeking environmental justice, let us not forget about housing justice. Because making investments in affordable housing is another critical, and essential, focus of my administration.

Housing is a human right, and this budget helps secure that right with more than \$250 million invested in homelessness supports, including an increase in the City’s Flexible Housing Pool and operational supports for our shelter network for the unhoused.

Homelessness is up 12% since 2019, and Black Chicagoans account for 69% of the unhoused population. It is an outrage that one quarter of renters pay more than half of their paychecks just to make rent, with little left over for other necessities. And it is an injustice that one-in-four Black students in Chicago Public Schools experience homelessness at



least once during their lives. Advocates say more than 68,000 Chicagoans experience homelessness at some point each year, including 17,000 CPS students.

That is why my administration is committed to passing the Bring Chicago Home ordinance next month and bringing that issue to Chicago voters next year.

Bring Chicago Home will create a sustainable and permanent funding source to facilitate permanent supportive housing and address the problem of homelessness in our city.

With this budget, we are also expanding the Department of Housing's Home Repair Program to \$10 million and pairing that with more than \$12 million in funding to offer critical support to low-income homeowners in need of repairs.

Additionally, we are making the largest annual investment to date in the Home Modification Program administered by the Mayor's Office for People with Disabilities, ensuring that residents with disabilities can make their homes accessible.

These investments will sustain the dream of homeownership for multiple generations of homeowners, stabilizing communities at risk of gentrification.

Protect the People: Community Safety

One of the greatest priorities for this administration is making our city a safe place to work and live, to build a business, buy a house, and raise a family.



So this budget makes investments to increase community safety, including the establishment of the first-ever Office of Community Safety within the Mayor’s Office, led by Deputy Mayor Garien Gatewood. This new Office of Community Safety will work with vested stakeholders and communities to lead our city’s full force of government, comprehensive and collaborative community safety strategy.

As part of that strategy, we are investing more than \$100 million in:

- Anti-violence programming
- Restorative justice, re-entry services
- Domestic violence and gender-based violence prevention and intervention
- And the City’s Community Safety Coordination Center.

These investments will allow us to:

- Expand our partnerships with community-based violence interrupters
- Support residents who return home from incarceration
- And improve support systems for victims, survivors, and offenders to prevent recidivism

See, we are taking a smart, data-driven, community-centered approach to safety while also addressing the root causes of violence.



I am grateful for the City Council confirmation of Superintendent Larry Snelling last month, which marks another important step forward in our journey to create a safer Chicago. Superintendent Snelling is a proven leader with decades of experience and the respect of his peers. He will reinvigorate our commitment to constitutional policing and full consent decree compliance, which is critical to healing our communities' relationship with the police department. Together, Superintendent Snelling and I are committed to increasing the number of detectives in the Chicago Police Department to solve major crimes.

70 detectives have been promoted since I took office, and this budget creates 100 additional detective positions, moving us more than halfway toward the goal of 200 that I committed to during my campaign. This increased investigative capacity will allow us to hold violent offenders accountable while bringing justice and restoring confidence to impacted residents.

We also understand that effective policing requires a community-based lens. One major step in that direction is the increased civilianization of our police force. We are adding just under 400 new civilian positions to CPD to provide aid and support, freeing up officers to perform the law enforcement duties for which they were trained.

This budget also invests in data and technology resources as we look to evaluate and improve call response times.

We will be intentional in our community safety strategy, deploying not just police officers, but community, business, sister agencies and the full force of government, because we know true safety requires this approach. And every investment – in youth, education, housing, mental health, and environmental justice – layered together for the long term, will fulfill the promise of a better, stronger, safer Chicago.



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SERVING THE PEOPLE: GOOD GOVERNANCE

One of the most important obligations we uphold is our responsibility to deliver efficient and effective services with the greatest impact.

Lead Service Line Replacement Program

Through strategic investments, this budget furthers our progress in the Lead Service Line Replacement Program.

Nine of the top 10 Chicago zip codes with the largest percentages of high lead levels were neighborhoods with majority Black and Latinx residents. The City has set an ambitious goal to replace all 409,000 lead service lines, the most of any U.S. city, to ensure clean drinking water for every neighborhood and resident, with a priority placed on replacing lead service lines in day care centers and Black and Latinx communities.

In 2024, we will invest more than \$53 million to aid this effort, re-committing ourselves to safety for our most vulnerable residents and communities.

Department of Technology and Innovation

One of the best ways we can build operational capacity in government and provide the most efficient services possible is to invest in our technology infrastructure. Today, I am excited to announce that this budget creates a new Department of Technology and Innovation.

This is long overdue. To residents and businesses who think the City's gears churn too slowly or its processes are too cumbersome, this is a critical step in making sure our government works for you.



Better technology means we can process contracts and hire vendors quicker, giving rise to the developments that help communities thrive. We can enable City departments to innovate and modernize, spurring economic growth and vitality throughout our city. Ultimately, this is an investment in our future – a future that will lead to more accessible, enhanced and equitable City services.

Fiscal Responsibility

I am grateful for the financial leadership of this city, led by Budget Director Annette Guzman, Chief Financial Officer Jill Jaworski, Comptroller Chasse Rehwinkel and their respective teams for their work on this budget. With this team at the helm, we will continue to make decisions based on sound fiscal policies, including our commitment to:

- Reducing our structural budget deficit over time
- And meeting our pensions and managing our debt obligations

Revenue

This administration is also committed to fiscal responsibility and ensuring we have the resources to pay for new investments. We will not repeat the failures of the past by spending money we do not have and bankrupting our future.

We also have relied too long on a tax structure that heavily burdens our lowest income residents, and is too reliant on property taxes, fees, fines and rates. We know that a 5% annual rise in property taxes is rarely associated with a 5% increase in income to pay those property taxes for families already struggling to keep up with their mortgage. We also



recognize that a \$95 City Sticker or a \$100 parking ticket weighs more heavily on the family that earns \$30,000 a year than a family earning \$100,000.

That is why this budget proposes expanding the City’s Utility Billing Relief Program to include three-flat buildings, and making the Administrative Debt Relief and Clear Path Relief Programs permanent. These are programs that will help working families get out of debt and save for the future, while maintaining the City’s revenue streams.

In a recent study comparing tax burdens in large cities, Chicago families earning \$25,000 had a total tax burden of 15.4%. For our families earning \$150,000, the tax burden is 11.6%. That family earning \$25,000 is paying a tax rate that is 33% higher than the family earning \$150,000. We must do better.

That is why this budget holds the line on property taxes, and why we will be working with all stakeholders to create revenue that weens us from our addiction to the regressive taxation pushing so many of our working families out of the city.

Bring Chicago Home is our first major step in that direction, but we will continue to move with competency, compassion and collaboration to find other solutions.

Pensions

Next, I want to talk about how important pensions are to this city in terms of our economic and fiscal health.



Our employees seek retirement security through our four pension funds. They do not participate in Social Security; rather they participate in the collective trust that is a pension.

Unfortunately, our pensions are currently only 20% funded because of the City's regretful history of neglecting obligations to the retirement security of its workers. But I am committed to workers, and our pensioners.

Earlier in this administration, I established a Pension Working Group that brought together my administration, labor leaders, State partners, City Council leadership and other advocates and experts to tackle the pressing issue ahead of us – meeting obligations with sustainable funding sources.

Since 2020, required increases in our pension contributions have risen by approximately \$1 billion. In this budget, we are making an additional supplemental payment of \$307 million on top of our required pension payments in 2024 to ensure we keep the unfunded liabilities within our pension funds from growing.

This supplemental payment will more quickly improve the financial health of our funds and lower our costs over the long term.

In the end, we are demonstrating our commitment to ensuring our pension funds reach a point of financial stability, and our retirees receive the benefits they have earned and deserve.

Debt

In addition to investing in retirement security, in Chicago, we use municipal bonds to fund capital improvements and investments in



critical infrastructure. Using bonds allows us to spread the costs of these investments over time, and over the generations that will benefit.

This year's budget includes payment of approximately \$1 billion in the principal amount of debt, freeing up our capacity for investments in priorities such as our lead service line replacement program, airport modernization programs, and more.

Furthermore, we are distributing grants and moving the Chicago Recovery Plan forward – utilizing bond proceeds and American Recovery Plan funding – to support community and neighborhood investments, grow small businesses, beautify streetscapes, and invest in mental health and anti-violence programs.

We are analyzing and reviewing the projects in the Chicago Recovery Plan to ensure that the investments are targeted to achieve measurable outcomes for our city. Responsibility and accountability are critical to ensuring the success of the Plan.

Economic Vitality

This budget and subsequent budgets inevitably hinge on the strength and resiliency of the Chicago economy. Despite macroeconomic headwinds, the outlook for our economy is strong, and in the next year, our economy will continue to be supported by both large-scale and neighborhood events.

This administration is committed to igniting tourism, economic vibrancy and engaging neighborhoods all throughout this great city. So this budget recommits up to \$2 million in funding to support neighborhood festivals, bringing funding for such events back to pre-pandemic levels



to celebrate the unique spirit of every community.

In addition to large-scale and neighborhood events, major developments and businesses are coming to Chicago in the years ahead. Google is investing a billion dollars in the Thompson Center because its workers want to be in Chicago. That investment will not only invigorate our technology sector, but also anchor the revitalization of LaSalle Street for the next generation. Other businesses like Invenergy and the Campari Group continue to make investments in our downtown commercial corridors and facilitate high-growth industries like clean energy in Chicago.

Developments like the expansion of logistics firm Total Quality Logistics; New Horizon Steel, the largest Black-owned steel company in Chicago; and the continued growth of the Fulton Market District will continue to demonstrate the resiliency of our economy.

To ensure our continued growth and strength, this administration and this City will always promote, market, and praise such vital and precious assets such as:

- Our reputation as a central rail, air, and maritime transportation hub
- Our world-class colleges, universities and cultural amenities
- Our majestic lakefront and parks
- The best workers in the world
- The best food in the world



- And the diversity of our economy

All these assets and more are why we can look forward to many more years of growth and vitality.

As I close, I am truly humbled and honored to be standing before you, presenting this budget as our first step to fulfilling promises to invest in people, and aligning our work with my vision for a better, stronger, safer Chicago.

As we look ahead to the next steps of this budget process and the future of our city, my administration will continue to be grounded in the principles of co-governance and collaboration.

Over the next month, my office will work closely with members of the Chicago City Council to pass a budget that reflects our values.

We will continue our community engagement efforts as part of that process, ensuring that the voices and ideas of Chicagoans are heard and adopted in our work.

I want to thank the Office of Budget Management, City departments, City staff, residents and the community partners who helped shape this effort.

Let us go forth on this journey together, united by the fact that Chicago is the greatest city in the freaking world, and that we, collectively, have the power to make it even greater.

Thank you. God bless you all, and God bless the City of Chicago.