

**STATEMENT FROM BACP COMMISSIONER ROSA ESCARENO**

**2020 BUDGET PROPOSAL TO THE CITY COUNCIL COMMITTEE ON BUDGET AND  
GOVERNMENT OPERATIONS**

**November 5, 2019**

Good morning Chairman Dowell, Vice Chairman Silverstein and members of the City Council.

My name is Rosa Escareno, Commissioner of the Department of Business Affairs and Consumer Protection, also known as BACP. I am joined by members of my team:

I would like to thank Mayor Lightfoot for her leadership throughout this budget process. I would also like to thank all of you for your support, guidance and your strong collaboration to strengthen every neighborhood.

It is an honor to come before you today to present our department's 2020 budget, which places priority on four key areas:

- Enhancing business resources in the neighborhoods.
- Strengthening government efficiency and service delivery.
- Prioritizing public safety through robust regulatory controls.
- Heeding expenditures as we take on new City programs and initiatives.

I will begin by announcing three new BACP initiatives -- designed to Enhance Business Resources in the Neighborhoods and promote a fair and vibrant marketplace in Chicago's many communities.

The first new initiative is the creation of five Regional Neighborhood Small Business Centers that will bring licensing services to the neighborhoods.

It's imperative to have BACP's One-Stop-Shop Small Business Center which serves 300 entrepreneurs every day... but we recognize the challenge our residents looking to start a new business might have in coming downtown to City Hall.

The five Regional Neighborhood Small Business Centers will address that challenge by providing critical business licensing support in the communities, aligning with other important economic development initiatives to make neighborhoods more vibrant.

This program, which is part of the 2020 budget, will provide local organizations with the necessary funding and training to help businesses get licensed. This way, all entrepreneurs, no matter where they might be in Chicago, will have the resources they need to succeed.

Another way we are supporting businesses is through the Fast Track Sign program. This is Mayor Lightfoot's initiative to reduce wait times for sign applications by tying the on-premises sign permit to BACP license applications. This will reduce wait time for hundreds of entrepreneurs, allowing them to receive the fast track sign permit they are entitled to in just one day.

And, our third initiative eliminates barriers for Chicago's taxicab industry, which plays a critical role in Chicago's small business economy. BACP is charged with ensuring that Chicago's public vehicles are safe and accessible for all residents and visitors, and this budget includes financial relief to support this important industry.

Starting in 2020, a two-year taxicab medallion license fee will be reduced from \$1,000 to \$500. Additionally, by simplifying the lease structure, taxicab operators have more nimble schedules to engage drivers.

These three initiatives are part of BACP's commitment to support businesses and make Chicago a vibrant, fair, equitable, and safe place to do business.

Under the Mayor's leadership, we are committed to reducing the regulatory burden on small business owners and building commercial corridors in communities that are safe and vibrant, especially in the South and West sides.

Strengthen government efficiency and service delivery:

With a budget of over \$20 million, a staff of 196 employees, and an annual revenue of over \$90 million, BACP's efficient team is committed to strengthening service delivery and to maximizing tax payer dollars. Efficiencies translate directly into our operations to serve Chicago entrepreneurs and consumers:

- In 2019, overt absenteeism fell to nearly zero, far below the city average. Early-out and late-in swipes have plummeted in recent months.
- At our Small Business Center, customer time-in-line decreased by over 25%, to an average of less than 16 minutes.
- Cross-training has resulted in more efficient field work and an increase in enforcement actions, with total citations increasing by 12%.
- Our prosecutions continue to focus on stronger outcomes for consumers, increasing restitution for consumer fraud by nearly 50%.

BACP works to promote business growth. Two-thirds of BACP's 60,000 licenses are issued in just one day.

Shared Kitchen User licenses, which allow emerging restaurateurs to start a business without investing in a full restaurant, have increased by 36%. Licenses for special event, outdoor patio, and restaurant liquor are also up.

Prioritize public safety through robust regulatory controls:

Public safety is a top priority for Mayor Lightfoot and for all of you here. My team and I at BACP share that urgency. Safe communities are places where entrepreneurs can thrive, where consumers are protected, where workers enjoy safe and fair conditions, and where all Chicagoans feel valued.

With that in mind, BACP has undertaken a wrap-around safety and enforcement initiative designed to protect consumers and workers and to crack down on violations – 24 hours per day, 365 days per year. This initiative involves BACP inspectors and the Chicago Police Department and has led to nearly 3,000 more citations written so far this year.

Under Mayor Lightfoot’s leadership, we have been working closely with the Chicago Police Department’s Business Liaison Officers in each District and are training hundreds of Officers to exact more comprehensive enforcement against problem businesses.

As we announced last year, BACP created a permanent nights and weekends team to address problems that arise outside of regular business hours. I am proud to announce that in 2019 the nights and weekends team has completed over 1,000 investigations and written over 1,600 citations. Many of our missions are conducted alongside the Chicago Police Department.

We have strengthened tobacco enforcement in 2019 as part of our overall public safety strategy. With Police and 3-1-1 data as well as BACP research, we know that full enforcement of tobacco regulations corresponds to improved public safety and health outcomes. BACP's focus on tobacco sales to minors has doubled the citations for tobacco violations in 2019: fines are up over 1,000%.

The most common type of 3-1-1 complaints are for consumer fraud including home repair, motor vehicle repair and rogue towing, which is why consumer and employee protection are vital parts of our enforcement efforts. Our prosecutors focus first and foremost on earning restitution for victims, which has risen by nearly 50% in 2019.

We must be responsible stewards of taxpayer dollars. At the heart of Chicago are the city's diverse communities, and it is of the utmost importance to me that BACP reflect that.

BACP's Office of Labor Standards enforces Chicago's landmark labor laws, including Minimum Wage and Paid Sick Leave. Under the leadership of our new Director of Labor Standards, Andrew Fox, this Office will also oversee the implementation of the Fair Workweek Ordinance.

BACP is working to fairly meet businesses where they are by regulating emerging business trends and changing consumer behavior.

In 2019, BACP led the city's regulation of scooters. Now that the pilot program has ended, we look forward to engaging with you once BACP and the Department of Transportation have conducted our data analysis.

As the regulator of ride hailing companies in Chicago, BACP will establish Mayor Lightfoot's reforms aimed at mitigating congestion "gridlock," maximizing use of public transportation, and increasing shared rides.

Supporting business growth through outreach, education, and advocacy efforts remains a key priority. BACP's Chief Small Business Officer and her team partner with over 70 chambers and have conducted over 350 community engagement events this year. This team has developed targeted business community campaigns for diverse groups including African American, Latino, women and LGBTQ entrepreneurs and residents.

Annually, our outreach efforts reach 5,000 participants: over 3,000 attend our hundred workshops and nearly 2,000 come to our five expos in the community. All our support services are offered for free, through our corporate sponsors, as a way to spur economic growth, and at no cost to the taxpayers.

As I conclude, aldermen, I also want to thank you for your collaboration:

- For coming out to BACP's quarterly Ward Wrap-ups here at City Hall
- For attending Coffee in the Ward with the chambers and businesses,
- For joining me on the "Ward Tours" walking your corridors, and
- For inviting us to speak at your community meetings.

I look forward to working with you to:

- Promote public safety
- Roll out exciting, new initiatives
- Target resources toward Chicago's neighborhoods
- Provide effective and efficient government services

I am incredibly proud of my team, and want to thank Mayor Lightfoot for her ongoing leadership throughout this budget process and her commitment to equity and growth.

Thank you for your time. My staff and I would be happy to answer your questions.

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