



November 1, 2017

Mayor Rahm Emanuel Proposed Fiscal Year 2018 Budget

Chicago Mayor Rahm Emanuel recently presented his Fiscal Year (FY) 2018 (January 1, 2018 – December 31, 2018) proposed budget to the Chicago City Council. The proposed \$8.58 billion budget, \$3.77 billion of which makes up the corporate fund budget, does not include any new general citywide taxes or fees, due, in large part, to the Mayor's legislative victories in Springfield. This includes the authorization to create a new corporation to borrow on behalf of the city and raise 9-1-1 fees on both wireless and landline connections, and an increase in state funding for Chicago Public Schools (CPS).

The proposed budget also includes the final year of the four-year property tax increase passed by the City Council in 2015; the 2018 property tax levy increase for police and fire pension contributions is \$63 million. This increase comes on top of the approximately \$225 million increase to CPS' property tax levy that was included in CPS' FY2018 budget approved in October by the Chicago Board of Education.

Additional items of note include:

- Raising the monthly 9-1-1 tax, on landline and cellphone connections, 28.2 percent, from \$3.90 to \$5. The increase is expected to generate \$30 million annually, which will be used to upgrade the city's aging 9-1-1 system to improve coordination among first responders and allow for text and photo capabilities;
- A phased-in increase on the current 52-cent fee for rides by Uber, Lyft and other ride-hailing platforms. The fee will increase to 67 cents in 2018 and 72 cents in 2019, which is expected to provide \$16 million and \$5 million, respectively, for the Chicago Transit Authority;
- Increasing the city's amusement tax from 5 to 9 percent for entertainment venues with more than 1,500 seats, while exempting venues with under 1,500 seats from the tax entirely. The increase is expected to generate \$15.8 million annually.
- As last year's budget did, the Mayor's budget focuses heavily on public safety, supporting \$103.5 million in new investments in police and first responders. The proposed budget also funds the second round of hiring for the approximately 1,000 new police officers the Mayor committed to in his FY2017 budget.
- An estimated 2018 Tax Increment Financing (TIF) surplus of \$166.9 million, of which \$88 million will go to the Chicago Public Schools (CPS) and \$40 million to the City of Chicago;
- Nearly \$159 million for the Chicago Department of Public Health which, among other initiatives, plans to help implement, with the Department of Innovation and Technology, a project that aims to predict when Chicago children are more likely to be impacted by lead poisoning as a result of lead paint in the home. At the end of 2017 and through 2018, this plan includes efforts to have local hospitals and clinics integrate their electronic medical records with City of Chicago preventative predictions to identify at-risk children under the age of four; and
- \$1.08 million allocated to support the launch of the Municipal ID program for Chicago residents. According to budget briefing documents, the Chicago Municipal ID pilot program will start at the end of 2017. Additionally, the Office of the City Clerk announced that the Municipal ID card will function as a transit card and library card.

IHA will continue to monitor the City budget hearings and all proposals for additional fees or taxes that may impact hospitals.

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