

# Chicago Mayor Lightfoot's budget: Increased policing and austerity on behalf of the financial aristocracy

Alexander Fangmann  
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On October 23, Chicago Democratic Party Mayor Lori Lightfoot released her budget for the upcoming fiscal year. Despite repeated claims by Lightfoot and the media that the \$11.65 billion budget embodies “equity,” it continues the class war austerity agenda of the Democratic Party and her immediate predecessor, former Mayor Rahm Emanuel.

Lightfoot has put her foot down in regard to increased spending on social programs, saying “We’ve made a lot of tough choices and hard sacrifices” with “more to come.” Repeatedly claiming that there is “no money” to meet the demands of striking teachers, Lightfoot received a standing ovation from the aldermen of the City Council for her announcement that closing the city’s budget deficit would not result in increased property taxes.

Showing the class priorities involved, Lightfoot was able to find an additional \$100 million to add to the budget line of the Chicago Police Department (CPD), a 7 percent increase over the previous year. Her budget relies on squeezing the school system and other units of government to pay for the police department’s “services.”

While there has been a great deal of silence and mystery over what increases and cuts are being proposed to individual programs and departments, official discussion has largely revolved around how to close an \$838 million deficit. Of this, \$346 million comes from required increased payments to the city’s criminally underfunded pension systems. The sharp increase in the city’s contribution is largely the result of the city failing to pay pension costs in previous years, abetted by the unions, which did nothing to oppose it.

In order to close the deficit, Lightfoot has proposed a raft of fee increases, many of which will have a much larger impact on workers than on the wealthy. Indeed, the largest single source of new revenue to cover the deficit comes from a category called “charges for services,” which has increased from \$139.6 million to \$460.2 million.

Chief among the new fees in the current budget is a sharp

increase in the rate charged for ambulance services, which will rise from \$900 to \$2,500 and garner an expected \$163 million.

Though it has been portrayed as simply a way to receive more money from the federal government’s Centers for Medicare and Medicaid Services (CMS), which pays for a large portion of ambulance rides, the fee will also be applied to those with private health insurance or without any insurance at all. According to the *Chicago Tribune*, Illinois governor J.B. Pritzker has pushed for Illinois municipalities to update their costs in order to receive higher reimbursements.

One of the most provocative of the new charges is for policing, with “sister agencies,” such as Chicago Public Schools (CPS), forced to pay for officers assigned to them. According to recent news reports, CPS is expected to pay the city \$33 million for this.

The school system is also being charged \$60 million to cover pension costs the administration claims are owed to the city for municipal workers assigned to CPS. Referring to these measures, Chicago CFO Jennie Huang Bennett said, “It’s about making sure that all of the various sister agencies live within their means and that we are all paying our fair share.”

Lightfoot is also proposing to raise the parking meter rate by 50 cents per hour this year, with future years being indexed to inflation. New parking meters will also be installed in areas of the West Loop that do not currently have any.

The Lightfoot administration has also announced that all “user fees,” such as those charged for water and trash removal, will be reviewed regularly to ensure they are covering costs, meaning that more increases are sure to follow.

Aside from these fees, the budget proposal also includes several increased taxes, including two percent on cloud computing services and a 0.5 percent increase in the sales

tax on restaurant meals. Ride sharing services such as Uber and Lyft would see increased surcharges, particularly for rides going downtown, which would have a city fee totaling \$3 at many times of the day.

Another injection of revenue will come from Lightfoot's plan to refinance \$1.3 billion in municipal bonds set to expire in 2040. However, instead of approaching it as a yearly savings, the mayor plans to immediately use the entirety of the \$200 million that would have been saved over the whole time period in the upcoming fiscal year. According to Greg Hinz, writing in *Crain's Chicago Business*, this means debt service payments over the next two payments will actually rise, putting increased pressure on future budgets.

Though no layoffs have been announced, 252 vacant positions are being eliminated, evidently identified through the Lightfoot administration's employment of "zero-based budgeting."

Several departments are being merged, including the Department of Innovation and Technology with the Department of Fleet and Facility Management. Administration of the Chicago Fire Department (CFD), CPD and Office of Emergency Management and Communications (OEMC) will also be merged into an Office of Public Safety Administration. The latter merger is being affected in order to free up money for additional police officers, for which the city is spending around \$1.5 billion on personnel costs.

The Lightfoot administration has thrown a few sops toward burnishing her "equity" credentials. One of these is an increase to the real estate transfer tax affecting properties worth over \$1 million. If approved by the state legislature, it would bring in a relatively paltry \$50 million.

Lightfoot has also proposed to tie budget approval to an increase in the city's minimum wage, which would see it rise to \$15 an hour by 2021. This has largely been seen as a way to get political support for the budget from the faction of aldermen associated with the Democratic Socialists of America (DSA) and United Working Families (UWF), a union-affiliated Democratic Party political organization. Needless to say, \$15 an hour is wholly inadequate to cover living expenses in the third largest city in the country today, let alone in several years' time.

Moreover, in a city with over 80,000 estimated homeless people, Lightfoot has proposed additional affordable housing help for just 700 households.

Lightfoot will also not reopen 12 mental health clinics shut down by Emanuel. Instead, she has proposed doubling mental health funding to a pathetic \$19 million. According to the city's own public health department, 178,000 adults who needed mental health treatment at some point in the previous year were not able to receive it.

Combined with the elimination of 638 vacant positions in the county health system, it is clear that the Democratic Party will preside over a continuing social crisis. The county health system, which largely treats those without health care coverage of any kind, has been decimated by budget cuts implemented by Cook County Board President Toni Preckwinkle, who also serves as chair of the Cook County Democratic Party, and who lost the mayoral race to Lightfoot.

DSA and UWF-affiliated aldermen were able to delay confirmation of Lightfoot's nominee for health commissioner, Allison Arwady, due to her lack of support for reopening the clinics. However, Lightfoot claimed she made changes to the plan, saying, "So now we've fine-tuned it, made sure that we checked it with various community partners, and I have 100 percent confidence that Dr. Arwady will be the next full-time commissioner."

Speaking at a rally of striking teachers in front of City Hall earlier this week, DSA and UWF-affiliated alderman Carlos Ramirez-Rosa claimed that the bloc would be fighting on their behalf during the budget approval process. He said, "Before we go to Mayor Lightfoot and say, 'You have our vote on this budget,' we are going to work with you to make sure that we finally have a budget for the many and not the few."

Despite the rhetoric, Ramirez-Rosa is a loyal Democrat, and even serves as Democratic Party Committeeman for his city ward. His aim, as with the rest of the DSA and UWF aldermanic bloc, is to prevent independent opposition from emerging to the right-wing policies of Lightfoot, Preckwinkle and the Democratic Party of which they are all a part.



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