

**Budget Memo #1: Personnel and Contractual Expenses in Chicago**

On an annual basis, the City of Chicago is required by law to produce an audit, which results in an extensive document called the Comprehensive Annual Financial Report (CAFR). One section of the CAFR that was added in recent years is an audit that compares budgeted revenue and expenses to actual revenue collection and expenditures. This is an important feature because it allows residents to understand how the City is adhering to its own budgeting ordinances.

In both 2020 and 2021, the City of Chicago did not spend their fully allocated budget on “Personnel” and “Contractual Services” line items. These are the line items most likely to be associated with paying for employees or contractors that deliver services to Chicago residents. In 2021, the City came within approximately 3% of its budgeted allocations for personnel, which still resulted in more than \$80,000,000 unspent on these line items. In both 2020 and 2021, the City actually spent less than 90% of its budgeted Contractual Services line items, which resulted in more than \$60,000,000 of shortages both years.

2020 Fund	2020 Personnel		2020 Contractual Services		Personnel	Contracts	Personnel	Contracts
	Budget	Actual	Budget	Actual				
General	\$3,080,458,821.0	\$2,912,441,867.0	\$430,552,589.0	\$370,804,212.0	(\$168,016,954.0)	(\$59,748,377.0)	94.5%	86.1%
Vehicle Tax	\$110,755,003.0	\$101,292,771.0	\$32,091,159.0	\$27,293,931.0	(\$9,462,232.0)	(\$4,797,228.0)	91.5%	85.1%
Motor Fuel Tax	\$37,507,805.0	\$35,119,691.0	\$3,851,029.0	\$3,762,187.0	(\$2,388,114.0)	(\$88,842.0)	93.6%	97.7%
Misc.	\$175,555,920.0	\$149,954,925.0	\$75,656,846.0	\$67,225,912.0	(\$25,600,995.0)	(\$8,430,934.0)	85.4%	88.9%
All	\$3,427,131,390.0	\$3,218,865,751.0	\$545,932,085.0	\$472,708,696.0	(\$208,265,639.0)	(\$73,223,389.0)	93.9%	86.6%

2021 Fund	2021 Personnel		2021 Contractual Services		Personnel	Contracts	Personnel	Contracts
	Budget	Actual	Budget	Actual				
General	\$3,295,959,916.0	\$3,238,942,813.0	\$436,212,673.0	\$381,848,691.0	(\$57,017,103.0)	(\$54,363,982.0)	98.3%	87.5%
Vehicle Tax	\$102,032,000.0	\$102,521,770.0	\$33,827,494.0	\$29,891,307.0	\$489,770.0	(\$3,936,187.0)	100.5%	88.4%
Motor Fuel Tax	\$35,971,855.0	\$32,167,598.0	\$3,851,029.0	\$3,550,165.0	(\$3,804,257.0)	(\$300,864.0)	89.4%	92.2%
Misc.	\$168,553,132.0	\$148,812,312.0	\$83,855,066.0	\$82,216,028.0	(\$19,740,820.0)	(\$1,639,038.0)	88.3%	98.0%
All	\$3,631,374,131.0	\$3,547,479,156.0	\$562,129,462.0	\$501,723,188.0	(\$83,894,975.0)	(\$60,406,274.0)	97.7%	89.3%

Assessing line items with at least \$4 million budgeted: In 2020, the following line items were the least funded for both personnel and contractual services: Dept. of Finance “General” (67%); Dept. of Public Health (68%); Public Safety Administration (70%); Cultural Affairs and Special Events (72%); Office of Emergency Management and Communications (73%); Administrative Hearings (78%); City Clerk (79%); Civilian Office of Police Accountability (80%); Dept. of Transportation “Project Development” (82%); and Business Affairs and Consumer Protection (85%).

Assessing line items with at least \$4 million budgeted: In 2021, the following line items were the least funded for both personnel and contractual services: Department of Public Health (67%); Family and Support Services (81%); Library (84%); Dept. of Transportation “Engineering” (84%); Assets, Information, and Technology “IT” (86%); Dept. of Finance “Accounting and Financial Reporting” (86%); City Clerk (86%); Board of Election Commissioners (88%); Planning and Development (88%); and Dept. of Finance “Financial Strategy and Operations” (88%).