

**STATEMENT FROM COMPTROLLER CHASSE
REHWINKEL ON THE 2024 BUDGET PROPOSAL TO THE CITY COUNCIL
COMMITTEE ON BUDGET AND GOVERNMENT OPERATIONS**

Monday, October 16, 2023

Good morning, Chairman Ervin, Vice-Chairman Lee, distinguished members of the Committee on Budget and Government Operations—Thank you for the opportunity to appear before you today to discuss the Department of Finance’s goals and budget for the upcoming year.

I am honored to serve you and the residents of the City of Chicago, and to lead a very dedicated team at the Department of Finance. I would like to highlight some of the programs and initiatives from the past year and discuss planned initiatives for 2024.

Utility Billing Relief

The Utility Billing Relief Program, or UBR, provides low-income City of Chicago residents with a 50% reduced rate on water, sewer, and water-sewer tax charges as well as debt relief for those who demonstrate they can manage the reduced rate bills for one year. During the 2022 budget cycle, you voted to make UBR a permanent program. To date, the program has approved over 40,000 enrollments with 92% of enrollees successfully completing the program. Approximately 48% of our enrollees are African American and 32% are Hispanic. The UBR program has allowed low-income homeowners to save over \$22.5 million in rate reductions and to have over \$22.9 million forgiven after successfully completing a year in the program. Simultaneously this year, the Department has been working closely with CEDA to distribute Low-Income Household Water Assistance, or LIHWAP, relief to landlords or tenants who pay water and/or sewer bills. In total, the City has received and applied to customer accounts over \$7.2 million through the LIHWAP program.

In 2024 we hope to expand UBR to not only include single family homes and two-flats, but also three-flats—which should provide roughly \$1.7 million in relief to Chicago families. Furthermore, the Department of Finance is committed this year to exploring additional avenues for utility billing relief, which would address concerns raised by constituents and member of the body around major spikes in water bills.

Clear Path Relief Pilot Program

Launched in 2022, the Clear Path Relief Pilot Program (CPR) provides low-income motorists the opportunity to reduce or eliminate vehicle-related debt, such as parking, compliance, red light, and speed camera violations. To date, more than \$32.5 million of ticket debt has been waived. In addition, introduced with CPR, the fix-it defense allows all motorists the opportunity to contest a ticket for failure to display a current city sticker or license plate registration with proof of compliance. To date, close to 28,000 tickets have been dismissed and more than \$3.3 million in fines have been waived for motorists who came into compliance. Because of the program’s success, we are seeking to codify the program that would otherwise expire at the end of 2023.

Administrative Hearings Relief Pilot Program

In January 2023, the Department launched the Administrative Debt Relief program (ADR), the third in a series of programs intended to relieve the burden of debt on those who are

struggling financially. Since its launch, over \$11.6 million has been waived, more than 30,000 dockets have been closed, and \$6.9 million has been collected. This program has enabled businesses and individuals seeking to obtain licenses, permits, and engage in business with the City to do just that. We are hopeful that this program will also be codified for low-income individuals and extend beyond the 2023 scheduled sunset.

Enforcement

The Street Operations division currently tracks enforcement requests from all wards and uses this data toward predictive and prioritized enforcement. By the end of 2023, the division will have implemented 7 new 311 categories to allow constituents to report parking issues citywide, which will also be used to improve our predictive enforcement efforts. The Department is also actively working with CDOT to fully implement the Smart Streets pilot program, which will improve bike lane violation enforcement and improve bike safety.

Consistent with the Department's focus on optimizing technology to increase efficiency and drive improvements, in the spring the Department launched a new app for the MPEA Airport Departure Tax and a new online platform for the Ground Transportation Tax. Both offer enhanced features and a better user experience than the prior versions. The Department has also extended its kiosk services, with the goal of every library and police district to have a kiosk. These kiosks are important hubs for city payment options, especially for under and unbanked Chicagoans.

Cash Management and Prompt Payments

The Department of Finance is actively working to pinpoint the root causes of payment delays and implement measures to alleviate cash flow challenges. The expectation is to increase the viability and inclusion of smaller, disadvantaged, and diverse contractors related to City contracting opportunities. These measures include streamlining the workflow processes to a 30-day cycle per the Internal Compliance Controls issued on May 23, 2023, along with the timely issuance of standard purchase orders and releases.

Also implemented this year was the 50/50 Pilot Program to accelerate payments on certain contracts. The program is open to eligible infrastructure construction contracts and professional service contracts to help reduce the burden on cash flow. We are still exploring advance payments to vendors using a third-party funds control administrator to expedite payments to construction companies.

Program Improvements for Delegate Agencies

In connection with the City's Equitable Social Services Contracting Initiative, the Department is now in its second year since implementing procedures to address the cash flow issues that impact many providers and discourage new providers from participating in the City's delegate agency contracting process. The Advance Mobilization Payment program allows low risk agencies demonstrating financial hardship the opportunity to receive an advance up to 25% of the annual contract amount. The expedited reimbursement payment process enables agencies to receive approved advance payments that meet the delegate's actual and immediate cash requirements for authorized costs essential to carrying-out the program. Finally, the expedited disbursement of approved cash assistance allows the user department and DOF to jointly request the City Treasurer's Office to set up an escrow account to fund a third-party payor for a delegate agency contract, on behalf of eligible beneficiaries. These processes were developed with the goal of lifting barriers to

create a more equitable and inclusive delegate agency contracting process. Overall, over \$48.7 million has been either advanced or expedited since these programs were implemented in June 2022.

I again want to thank you for this opportunity to discuss the Department of Finance and the cash management of the City of Chicago. I also want to thank my committed team, who strives to improve our services to the residents and taxpayers of the City of Chicago every day. I appreciate your time and am happy to answer any questions.