



CITY OF CHICAGO



OFFICE OF BUDGET AND MANAGEMENT

## **OFFICIAL STATEMENT FROM BUDGET DIRECTOR ANNETTE GUZMAN**

In response to the ongoing fiscal challenges outlined in the 2025 Budget Forecast, the City of Chicago is taking immediate steps to mitigate the projected FY2024 budget deficit and to address the anticipated budget gap for FY2025. Effective today, we are enacting a series of budgetary restrictions, including a citywide hiring freeze, and stringent limitations on non-essential travel and overtime expenditures outside of public safety operations.

The \$222.9 million year-end projected budget deficit is driven by a decline in specific revenue streams, including the State Personal Property Replacement Tax (PPRT) and the City not receiving the budgeted \$175 million reimbursement for pension contributions for Chicago Public Schools (CPS) non-teacher staff. The \$982.4 million FY2025 budget forecast gap is largely driven by rising personnel, pension, and contractual costs, alongside ongoing revenue challenges.

These measures, while necessary, reflect our commitment to responsible fiscal management during a time of financial uncertainty. The City's leadership team, including the Office of Budget and Management (OBM) and the Department of Finance, are working diligently to navigate these financial challenges and ensure the continued delivery of essential services to our residents. We appreciate the cooperation of all City departments as we implement these cost-saving measures.

Further details on the [2025 Budget Forecast](#) can be found on the City of Chicago's official OBM website. We will continue to monitor the City's financial situation closely and provide updates as necessary.

Thank you for your understanding and partnership as we work through this challenging period.