

CITY OF CHICAGO: FACT SHEET

CITY OF CHICAGO BUDGET CRISIS

"If the economy continues to tank, the city budget could fall \$200 million short by year's end, the mayor's top aide said today... A quarter of the way through the budget year, City Hall is short about \$33 million, even after \$31 million in cost-cutting, Chief of Staff Paul Volpe said... 'It could be upwards of \$200 million (by the end of the year) just based on these first two months and how we closed out the final quarter of last year,' he said, noting that income, sales and real estate transfer taxes all were well below projections."

Source: "Bad budget news, no Mayor Daley---must be Friday." *Chicago Tribune*. March 6, 2009.
http://newsblogs.chicagotribune.com/clout_st/2009/03/chicago-daley-budget-33-million-short-city-hall.html

CHICAGO TRANSIT AUTHORITY BUDGET CRISIS

"The Chicago Transit Authority is warning once again of service cuts and rate hikes, but the agency says they will only happen as a last resort... The transit agency is now facing a \$155 million budget deficit, which they will plug in part with internal cuts... But if there is still a shortfall after that, the CTA may be forced to reduce service and increase fares."

Source: "CTA: Service Cuts, Fare Hikes A Last Resort." *CBS2chicago.com*. March 12, 2009.
<http://cbs2chicago.com/local/cta.possible.cuts.2.957157.html>

CHICAGO PUBLIC SCHOOLS BUDGET CRISIS

"District leaders say between now and June they will lay out a series of steps to close the budget. They have some ideas, but nothing is firm just yet. They did say they would like more money from the state, and they did say there would be trimming... 'The projected \$475 million budget deficit that Mr. Huberman has outlined today is very real, and very serious,' said Board of Education President Michael Scott."

Source: "Schools Budget Crisis: \$475 Million Deficit." *CBS2chicago.com*. March 11, 2009.
<http://cbs2chicago.com/local/Schools.Budget.Crisis.2.956651.html>

STATE OF ILLINOIS BUDGET CRISIS

"Gov. Pat Quinn is asking lawmakers to significantly hike the state's income tax as Illinois grapples with what he calls the 'greatest crisis of modern times'... The tax increase is necessary to close a \$11.5 billion deficit and part of a broader plan to reform state government, Quinn told the General Assembly on Wednesday... He said Illinois also needs to limit government spending, overhaul state pension systems, repair crumbling roads and bridges and fight public corruption. 'To be direct and honest: Our state is facing its greatest crisis of modern times,' Quinn told lawmakers in formally presenting his budget. 'Pass this budget and let's begin a new era of reform, responsibility and recovery.'"

Source: "Ill. Gov faces 'greatest crisis of modern times.'" *Associated Press*. March 19, 2009.
<http://www.google.com/hostednews/ap/article/ALeqM5hSriMqeKlfn0i0igHJ17UPL4vjyAD9718J882>

CORRUPTION

"Mayor Daley is apologizing for corruption in his administration. He is reacting to the conviction of former Streets and Sanitation commissioner Al Sanchez, who was found guilty of trading city jobs for political favors Monday... Sanchez is the highest-ranking former city official to be convicted in the federal investigation into city hiring... It wasn't the first time Daley had faced such a situation. Donald Tomczak, his former deputy water commissioner -- convicted in the Hired Truck scandal -- was also accused of running a pro-Daley political army. And Robert Sorch, the mayor's former intergovernmental affairs director, is still in prison for a patronage scandal... In the Sanchez conviction, as in the others, the mayor would not say he knew anything. Former city clerk Jim Laski, a one-time Daley ally who did prison time in his own corruption case, told ABC7's Karen Jordan not to believe the mayor for a minute."

Source: "Daley 'sorry' about hiring abuses." *ABC7 Chicago*.
<http://abclocal.go.com/wls/story?section=news/politics&id=6725671>

"If it isn't the most corrupt state in the United States, it's certainly one hell of a competitor," [Robert] Grant said. "Even the most cynical agents in our office were shocked."

FBI Special Agent Robert Grant commenting on Illinois politics after the arrest of then Gov. Rod Blagojevich.
Source: "Fitzgerald: 'New low' in Illinois politics." *Chicago Tribune*, December 9, 2008

CONSTRUCTION BOONDOGGLES

In Chicago, civic construction delays and cost overruns are legendary. Millennium Park, the city's newest jewel downtown, came in four years behind schedule and three times over budget. In July of 2009, city officials finally admitted that a massive plan to revamp the Chicago Housing Authority originally slated to be finished by 2010 won't be completed until 2015.

In June of 2008, construction was halted on a "super-station" for planned express trains between Chicago-area airports and the Loop business district, with the *Chicago Tribune* reporting, "A combined \$213 million has been spent on the project, yet there is not much more than a massive hole in the ground to show for it." Completing the station would cost an additional \$100 million. There are no plans to do so, other than the mayor's assurance that the train lines will be open in time for the Olympics.