



Finance General â?? BGA Policy 2025 Budget Snapshot

Description

The finance general category is a budgetary catch-all for non-departmental spending. There is no dedicated budget hearing devoted specifically to finance general appropriations, although in recent years it has made up close to half of the city budget.

This snapshot has been provided for the first day of budget hearings, when the Budget Director and OBM staff will be present for a budget overview, offering the best opportunity for alderpersons to ask questions relating to finance general appropriations.

Departmental Highlights

Snapshot: Finance General Appropriation Changes from 2024 Budget

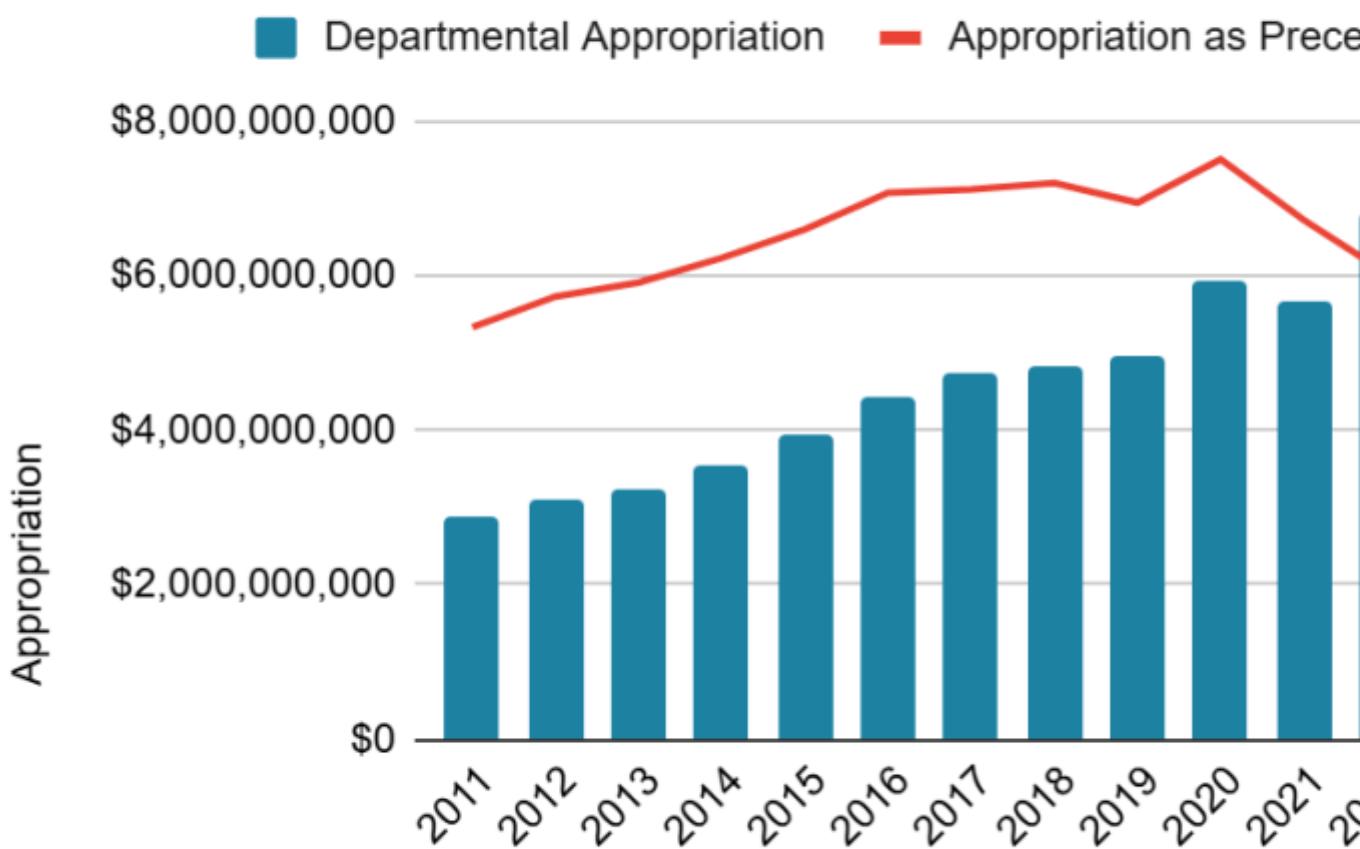
	2024 Budgeted	2025 Proposed	Net Change	Percent Change
Appropriations	\$7,958,234,354	\$7,902,034,422	-\$56,199,932	-0.71%

- A new \$20 million appropriation for employee contractual expenses has been added to finance general. Better Government Association has reached out to the Office of Budget and Management for clarification of this appropriationâ??s purpose and has not yet received a reply.
- The scheduled wage increases appropriation continues to be one of the fastest-growing finance general categories, as well as one of the largest, having jumped 51.5% from 2024â??s appropriation to \$178.5 million
- The city continues the practice of lumping pension and benefits costs together under the finance general umbrella, rather than broken out by individual departments, significantly reducing the on-paper cost of each departmentâ??s staffing. (Other governments, including Cook County, have moved to representing benefits costs as part of departmental appropriations, giving a more accurate total operating cost for each department.)
- The \$150 million new arrivals services appropriation from last yearâ??s budget has been eliminated in this yearâ??s budget.

- A \$10 million home repair appropriation that was added to finance general in the previous yearâ??s budget (prior to 2024 it had been under the Department of Housing) has been eliminated in this yearâ??s budget and does not appear in any departmental budgets.

Historical Context

Finance General Appropriation, Chicago City 2011-2025 (proposed)



A previously published [BGA Policy analysis of the finance general category](#) from 2011-2023 found significant growth both in terms of total dollars budgeted and categories of spending considered finance general, rather than departmental.

The overall share of the budget categorized as finance general fell during the COVID-19 pandemic, as massive sums of federal funding were added to several departmental budgets. This yearâ??s budget ends the recent trend of resumed growth, with an overall finance general appropriation down -0.71%

from the year previous.

In the newly proposed budget, as in recent budgets, a number of finance general appropriations have been specific to only one or two city departments, rather than being true citywide or enterprise expenses. This obscures the full operational costs of some of the city's largest departments, including the Chicago Fire Department, Chicago Police Department, and Department of Water Management.

Since 2015 the finance general budget has also included appropriations for scheduled wage adjustments, a \$120.9m appropriation in the proposed budget. There are no finance general employees all positions included in the budget are assigned to a specific parent department making it unclear which wages or employees this appropriation is intended for. At the time of publication, the Office of Budget and Management has not responded to a request for clarification.

Appropriations

Finance general appropriations are funded primarily by the four annuity and benefit funds and the corporate fund. The airport, water and sewer, and bond redemption and interest series funds also contribute significant amounts.

Largest Appropriations

Employee annuity and benefit payments remain the largest cost category by far in finance general (and in the budget overall), followed by interest and payments on bonds.

The new arrivals services appropriation, which was one of the largest in the 2024 budget, has been removed from this year's budget.

Scheduled wage adjustments continue to be one of the fastest-growing cost drivers in the finance general section, and this year the appropriation is one of the category's 10 largest. The 2024 budget proposed a 151% increase to \$120.8 million (\$117.9 million was ultimately approved), while this year's budget proposes a further 51.5% increase to \$178.5 million.

The professional and technical services appropriation (used to pay for outside contracting) remains one of the largest appropriations within the finance general category, and grew another 8.5% relative to the 2024 budget. Department of Procurement contracting data does not include a finance general value in its department field, so there is no direct record of contracts being funded with the finance general professional and technical services appropriation. At the time of publication, the Office of Budget and Management has not responded to a request for clarification.

Of the largest appropriation accounts, the municipal fund pension allocation, medical claims and administration, scheduled wage adjustments, and municipal fund advance pension payment all rely primarily on the corporate fund. Other major finance general appropriations rely on the bond redemption and interest series fund, the various annuity and benefit funds, and smaller combinations of other local funds.

Change from Previous Year

In addition to increases in existing categories, the 2025 finance general budget includes a new \$20 million appropriation for employee contractual expenses. Better Government Association has reached out to the Office of Budget and Management for clarification of this appropriation's purpose and has not yet received a reply.

The \$10 million home repair appropriation that was moved into finance general in the previous year's budget (prior to 2024 it had been a Department of Housing appropriation) has been removed from finance general and does not appear anywhere else in the budget this year.

Apart from new or eliminated appropriations, employee annuity and benefit payments and scheduled wage adjustments saw the largest net appropriation increases, while the policemen's and firemen's fund pension allocations saw the largest decreases.

- As in previous years, several appropriations under finance general are single-department expenses, including but not limited to:
 - Approx. \$78.5m for sewer and water capital construction (DWM)
 - Approx. \$15m for fire facilities maintenance (CFD)
 - Approx. \$10.4m for central library property maintenance (CPL)
 - Approx. \$6.4m for emergency vehicles maintenance (2FM)
 - Approx. \$5.5m for consent decree (CPD)
 - Approx. \$4m for survivor death benefits (CFD/CPD)