

## Chicago's Budget Process Needs a Complete Transformation



Legislative deliberations over Chicago's FY2026 budget highlighted longstanding structural weaknesses in the City's budget process, including limited formal procedures, insufficient analytical capacity within City Council, an imbalance of authority, and a lack of information sharing between the executive and legislative branches. While the current framework supports the timely adoption of a technically balanced budget, over time, it has contributed to recurring structural deficits, mounting debt, and constrained oversight. When City Council sought to exercise a stronger fiduciary role during the most recent cycle, these underlying limitations became more visible, underscoring the need for clearer processes, improved transparency, and enhanced legislative capacity to support sound and sustainable financial decision-making.

The City Council could enact a few key reforms to strengthen its hand in the following aspects of the budget process:

### 1. Control of Information and Leadership

The FY2026 budget cycle exposed longstanding structural issues in how budget information is controlled. The Mayor's Office maintains near-total authority over all financial data, analysis, and expert resources. The City Council lacks both the authority and tools to independently obtain or verify this information. This restriction of information makes meaningful legislative oversight of the Mayor's proposal extremely difficult and constrains the Council's ability to craft a fully informed alternative budget. Alders attempting to propose alternatives must rely on external experts with limited access to the Administration's data.

The Council also faces a deeper structural problem: it has [no formal leadership](#) framework beyond the Mayor. The Mayor serves as the presiding officer and appoints all committee chairs. The Council lacks a first-among-equals leader who can establish a set of rules and represent the Council in budget negotiations.

The Council can gain control of information and assert leadership by:

- **Guaranteeing City Council access to financial information:** Legislate by ordinance the Council's entitlement to all information and analysis from the executive branch, including the Budget Office, Office of the Chief Financial Officer, and Comptroller. Include a corresponding mandatory duty to cooperate in all matters and hearings occurring before the Council and its committees.
- **Establishing independent Council leadership:** Select a leader from among alders to represent City Council outside of full Council meetings, over which, by state law, the Mayor presides.
  - This leader would identify a chief budgeteer and a budget negotiating team.
  - The leader would also nominate committee chairs, replacing the prevailing norm of Mayoral appointment of the chairs of legislative committees whose core responsibility is legislative oversight of the Mayor.

## 2. Strengthen Legislative Resources:

Beyond the challenges of information access, Council members lack sufficient internal resources to analyze and respond to the Mayor's budget. The [Council Office of Financial Analysis](#)' (COFA) four-person staff is far below what is needed to analyze all aspects of a \$17 billion city budget. Individual alderpersons' ward staff are largely dedicated to constituent services, leaving little capacity to support budget work. Committee staff, such as those in the Finance or Budget Committees, are controlled by committee chairs—who are appointed by the Mayor—and are often assigned non-committee-related tasks. Better staffing and access to independent analysis through an independent budget office, akin to that in New York City, would allow the Council to craft and pass a budget that more effectively addresses the city's fiscal challenges.

The Council can strengthen its legislative resources by:

- Expanding and professionalizing the City Council Office of Financial Analysis: Empower an independent legislative budget office by increasing its budget, staffing, and analysis capacities, while ensuring the staff is fully professionalized and has subject matter expertise aligned with the needs of the City Council.
- Creating permanent, professional committee staff: Professionalize and make permanent committee staff through hiring standards and guidelines that focus on the skills and expertise needed to support each subject matter area and serve the Council as a whole. Institute requirements that committee staff do only committee work.

## 3. Improve the Budget Timeline:

With the Mayor's proposed budget released in mid-October and the statutory deadline for passing a balanced budget by the end of December, the City Council has only two and a half months to analyze, deliberate, and pass a final budget. Even if City Council had ample staff, strong budgeting expertise, and full access to City information, that window would still be too short for serious review.

The Council can improve the budget timeline by:

- Moving the timeline up: Move the budget release to earlier in the year to allow for meaningful review. Also, move mid-year reports and mid-year budget hearings earlier in the year, so they can better assess current fiscal year challenges to inform the next budget cycle.
- Requiring a formal Council response: Create a mandatory formal response from Council to the Mayor's budget proposal, outlining amendments and possible alternatives, to which the Mayor must respond.

The major reforms to the budget process outlined above can and should be implemented immediately by the Council through ordinances and rules. However, these process changes would be best established in the long-term as part of the City's broader governance structure through the establishment of a [city charter](#).

# THE CIVIC FEDERATION

Chicago is the only major U.S. city without a charter—a city constitution that formally defines the roles, powers, and responsibilities of government. A city charter could formalize and strengthen City Council by providing it with the power to negotiate on even footing with the Mayor and clarifying Council’s powers and responsibilities.

In short, Chicago’s current precarious fiscal reality has been shaped by decades of Council acquiescence to the Mayor. Yet the latest budget cycle shows that the process breaks down when the Mayor and Council oppose one another. As a result, the most recent City budget does not meaningfully address the City’s billion-dollar structural deficit and avoids many of its most difficult financial challenges. Instead, it increases an already heavy debt burden, makes only marginal progress on streamlining City government, and places the costs of adjustment largely on taxpayers rather than sharing them across stakeholders.

Chicago will have to face its fiscal problems head-on. If the City continues to collect debt and pension obligations, it will eventually hit a point where it has no choice but to cut essential services or default on its legal obligations. To avert that crisis, we must have a Council that is responsible and empowered.

Council members must act as true co-stewards of the City’s finances, equip themselves with the tools necessary to govern effectively, and reform the budget process as soon as possible. 2027 is just around the corner.

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