MOVIE – "FOR THE PEOPLE: LOCAL GOVERNMENT AND BUDGET MAKING" (27 minutes/color)

SYNOPSIS

The 1992 budget battles of Chicago, Cook County, and the Chicago Transit Authority (CTA) coupled tax increases with service reductions, the exact opposite of what most taxpayers wish from their elected officials. The process of continually increasing taxes while reducing services leaves many resident feeling that they are not getting what they deserve for their tax dollars. The budget making process would benefit from increased taxpayer participation in spending decisions through greater transparency and accountability for government processes.

Mayor Richard M. Daley proposed a "bad news budget" that laid off 1200 city workers, privatized various government services, and actually cut spending for the first time since 1984. Despite these changes, Chicago still faced a $74 million budget deficit. Chicagoans were handed across the board tax and fee increases, while some services were reduced or eliminated. Despite protests by city workers, taxpayers, and some council members, the mayor's budget passed without amendment.

Cook County faced mandates to build more prisons, but received few funds from the state to do so. High property taxes had already tested the limits of homeowners, and the county began its budget process facing a $184 million budget deficit. Several commissioners voiced concern over the job cuts, particularly because they were coupled with the creation of a new ethics department that required new hires. County spending cuts reduced the deficit to $74 million, so increased fees and a new county sales tax were eventually proposed.

The CTA, already considered to run a transportation system that was inefficient, unreliable, unsafe, noisy, and dirty, faced an increase in operation costs and users. Residents already upset with CTA service provision were now asked to pay higher fees to use that service. CTA officials decided to increase fares by margins up to 20% while simultaneously reducing bus and trains services. CTA riders were also not pleased to find out that in the midst of fee increased and service cuts, CTA administrators had given themselves large pay increases.

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OBJECTIVES

1. Identify services commonly provided by local governments.

2. Discuss the factors that can put pressure on local government budgets. Include both reasons for decreased revenues to the local governments and also demands for increased spending by either higher levels of government or by taxpayers themselves.

3. Evaluate the 1992 Chicago budget making process in terms of efficacy and efficiency.

4. Compare and contrast the advantages and disadvantages between privatization of city services versus keeping city services "on budget."

5. Explain how budget making processes could be reformed to give taxpayers more control of how their money is spent.

6. Describe the factors of the budget making process that result in elected legislators reacting to executive demands rather than representing the desires of their constituents.

7. Discuss the proposals for reform presented in this film.

8. Evaluate the progress made in the budget making process since 1992.

QUESTIONS

1. The film briefly mentions government services that taxpayers come to expect, but does not name them. What services are provided by local governments that taxpayers and residents take for granted?

2. What options do local officials have other than raising or creating new taxes and fees?

3. What options do taxpayers have for housing, health care, education, and transportation other than relying on government services?

4. What causes state and federal politicians to mandate more expenses by local governments, and then provide inadequate funding for those mandates?

5. What are the city services that deserve first priority in making budgets?

6. Why does the Chicago Transit Authority operate on a budget separate from the City of Chicago?

7. Why do residents avoid public hearings and other opportunities to voice their opinions?

8. What factors might impede the implementation of reform toward government accountability and responsiveness?