



CHICAGO METROPOLITAN AGENCY FOR PLANNING


233 South Wacker Drive
Suite 800, Sears Tower
Chicago, IL 60606

312-454-0400 (voice)
312-454-0411 (fax)

MEMORANDUM

To: CMAP Board Members

Date: July 5, 2006

From: Randy Blankenhorn, Executive Director 

Re: Funding

As we work to define the vision, mission and services of CMAP, we must also identify funding strategies to create the financial plan. Last month, the consultants presented an overview of CATS and NIPC funding sources, including a comparative analysis and recommendations to obtain funding. Their presentation showed that CMAP has a significantly smaller operating budget compared to other planning organizations throughout the nation. Currently, CATS and NIPC are funded by transportation funding, voluntary contributions by local governments, competitive grants and fees for services. I think everyone can agree that -- to create a world-class agency that integrates land use and transportation planning for the region, with emphasis on economic and community development, the environment and housing -- we need to create a stable source of funding.

The following criteria for potential revenue sources should be kept in mind as we explore current and potential funding options:

- Ease of Implementation
- Revenue Yield and Adequacy
- Stability and Sustainability
- Fairness and Equity
- Accountability and Tangible Results
- Political Acceptability

In working to create the financial plan, I believe CMAP should pursue funding options from a combination of transportation planning funds, other state and federal funds, local funds and grant sources.

Transportation Planning Funds

Approximately half of the funding for the combined agencies is from federal Unified Work Program (UWP) funds, designated by the U.S. Government to enhance transportation planning in northeastern Illinois and to fulfill federal requirements. The FY07 UWP totals \$17 million in federal matched funds, with approximately \$7.1 million approved for CMAP. Specifically, CATS will receive \$6.9 million, of which \$3 million will remain with IDOT for CATS personnel and contractual obligations while they are still administered by IDOT; the remaining \$3.9 million will go to CMAP. NIPC will also receive \$3.9 million from UWP funds for CMAP in FY07, minus 10 percent that is provided by IDOT through soft match and another 10 percent from NIPC contributions. Combined, these UWP funds will yield approximately \$7.1 million in available cash for CMAP.

In the past, the state has covered the 20 percent local match required to utilize these federal planning funds. In the future, to continue leveraging the federal transportation planning funds, we must develop a new method of covering the 20 percent local match that has previously been funded by IDOT. One option is to increase the motor fuel tax and/or reallocate its current distribution throughout the state. Another option is to have local agencies and IDOT provide match for transportation funds directly to the agency.

Other State & Federal Funds

Although UWP funding is vital, we cannot rely solely on transportation funds to operate the agency. The expanded mission of CMAP should incorporate funding from existing sources as well as an expanded commitment from other state agencies, such as DCEO, IEPA, IDNR, IDOT and others. Options to receive these funds could include a direct appropriation from the General Assembly or from the individual state agencies.

Local Funds

To ensure the agency's success, CMAP must commit to securing a dedicated stable source of local funding. Should we move away from NIPC's voluntary contribution structure, a number of existing and potential local revenue sources could meet the evaluation criteria mentioned above. Examples include, but are not limited to: Sales tax, personal income tax, property tax, motor vehicle registration fees, a parking tax or a congestion fee. One or more of these revenue sources can assist us in achieving our mission work and potentially provide local incentives to engage in the regional planning process.

Memo to CMAP Board
July 5, 2006
Page 3

Grants

Grants are another important source of revenue that contribute to the overall mission of the agency. We need to continue to actively pursue grant opportunities. By increasing our non-governmental funding sources, we will be able to lower our overhead costs to allow more flexibility in pursuing grants for targeted projects. One example of this is the Full Circle Mapping & Planning Project that utilizes web based data collection systems to assist communities in planning a vision for the future. This project is funded by grants from the U.S. Department of Commerce and the MacArthur Foundation. It meets an identified need in the region by providing valuable assistance at the community level.

Following the Board's Visioning Workshop in July, I think we will have a clearer understanding of our mission and the funding implications and from there, we can work to identify and evaluate funding sources. If this is the direction of the Board in terms of funding mechanisms, staff will work to present a thorough analysis of funding options for review at the Board's August meeting and for inclusion in the September report to the General Assembly.

###