

# **PART**

**Plan of Action for Regional Transit**  
Northeastern Illinois

PART Steering Committee  
September 6, 2023



Chicago Metropolitan  
Agency for Planning

# Illinois Lawmakers Seek 'Bold' Plan for Chicago Area Transit

The Chicago Metropolitan Agency for Planning is preparing a series of recommendations to address the transit fiscal cliff and governance challenges. State lawmakers told them to "be bold."

**GOVERNING**  
THE FUTURE OF STATES AND LOCALITIES



# Transit is about people.



## Mobility

**Transit** moves riders and non-riders



## Economy

**Transit** drives the region's economy



## Climate

**Transit** improves air quality and our climate



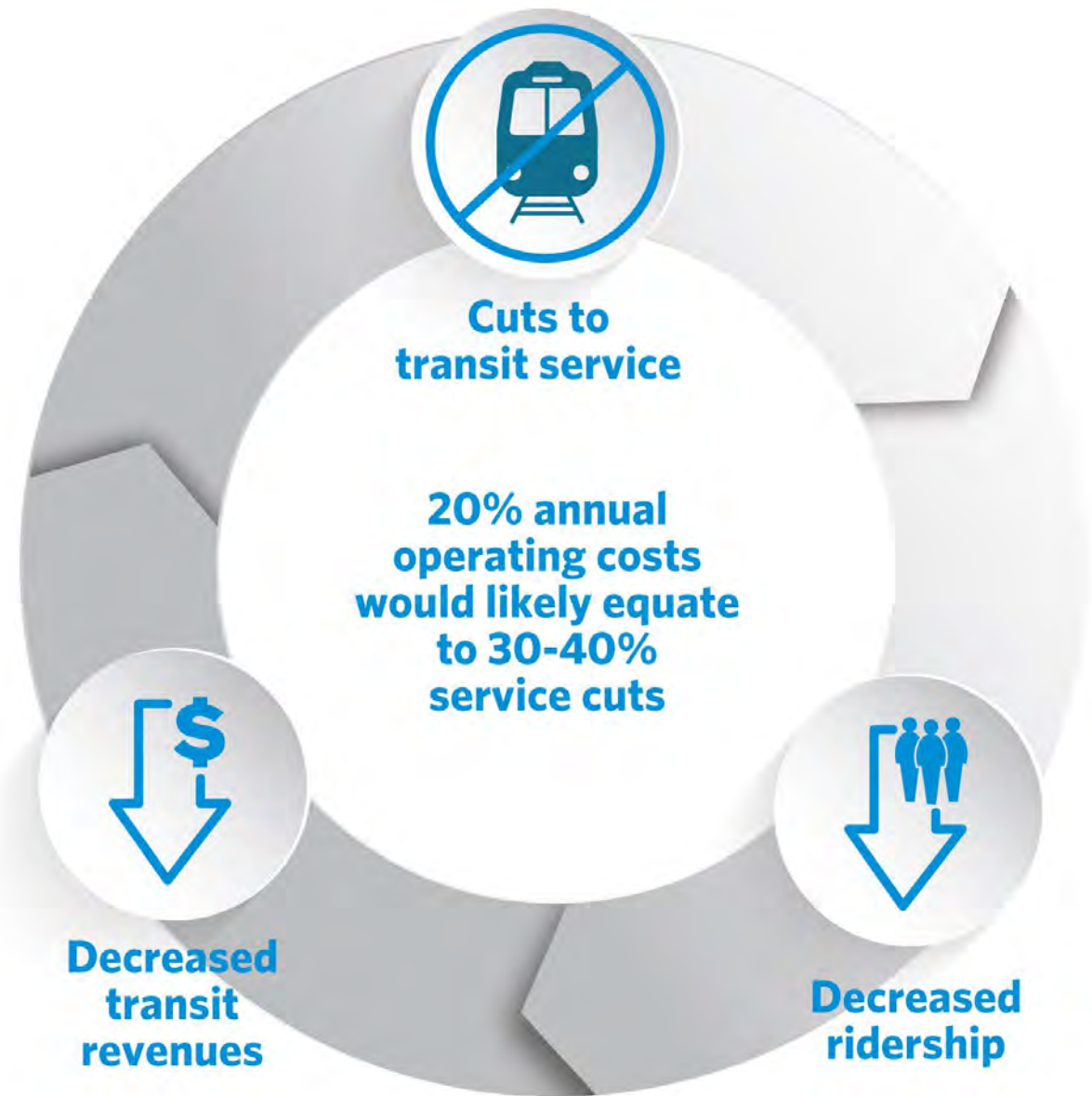
## Equity

**Transit** connects people to opportunities

“Regional success  
relies on transit.”

- ON TO 2050

The creators of this  
report believe the  
**cost of inaction** is far  
**greater** than the  
**cost of action.**



# The system we want



Focus on transit service



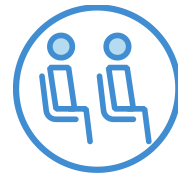
Provide integrated and affordable fares



Enable faster and more reliable bus service



Bolster public confidence in the system



*Rebuild a ridership base:*  
Enable the system's evolution into regional rail



*Rebuild a ridership base:*  
Foster transit-supportive land use and development



Invest in a universally accessible system



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# How to pay for it



# 2008 solutions were not sufficient to meet system needs

## Successes

- Raised new sales tax funds and match
- Centralized paratransit funding in sales tax II
- Identified new dedicated funds for CTA from the Chicago RETT
- Averted CTA pension collapse

## Challenges

- Underlying formulas maintained
- Demand for paratransit continues to grow
- Underperformance of RETT
- CTA pension payments consumed their new revenue

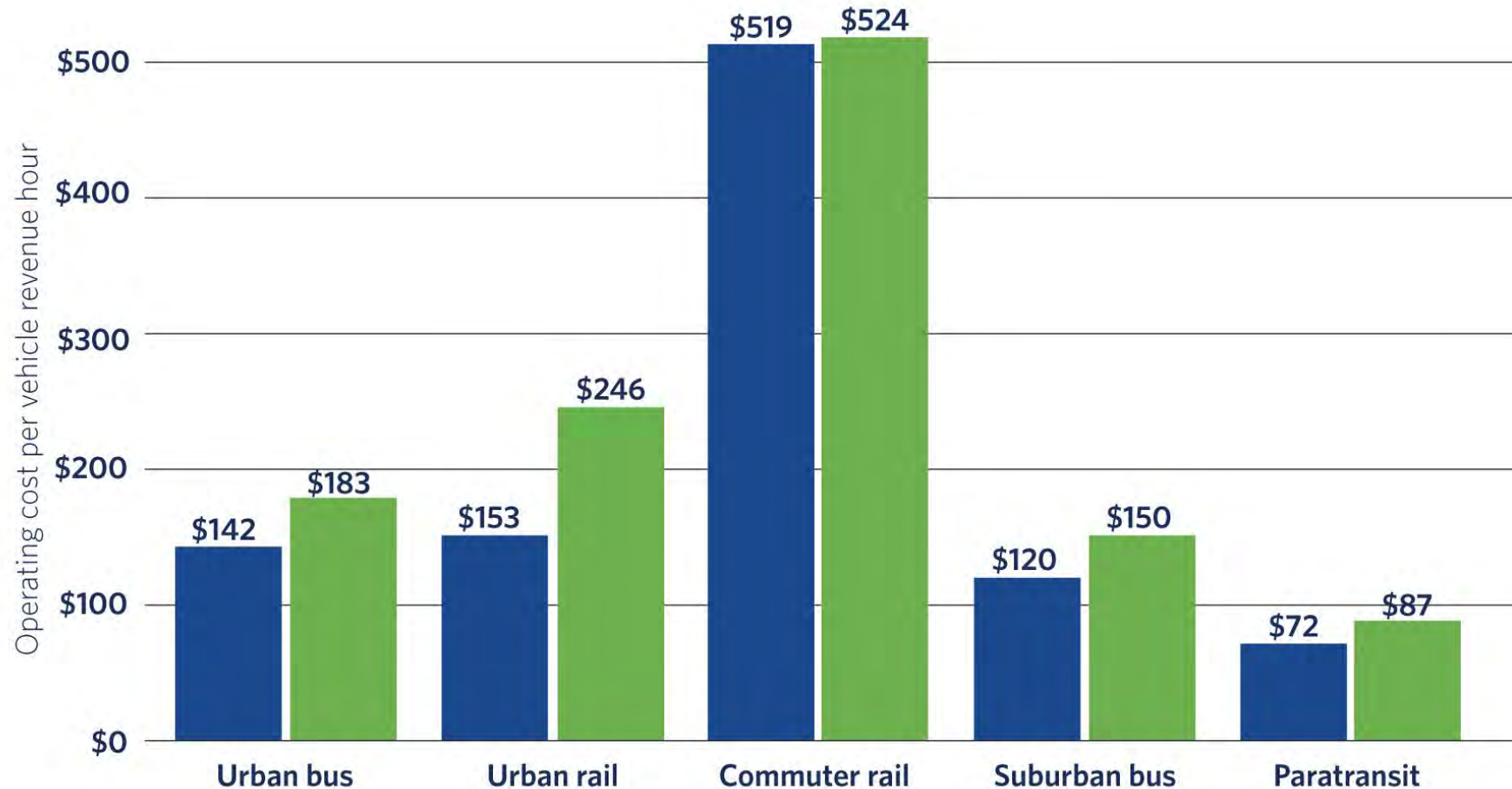
# Service boards are efficient relative to national peers

## RTA Service Boards vs. Peers: Operating cost per vehicle revenue hour, 2019

■ RTA region  
■ Peer benchmark

Source: CMAP analysis of the 2019 RTA sub-regional peer review.

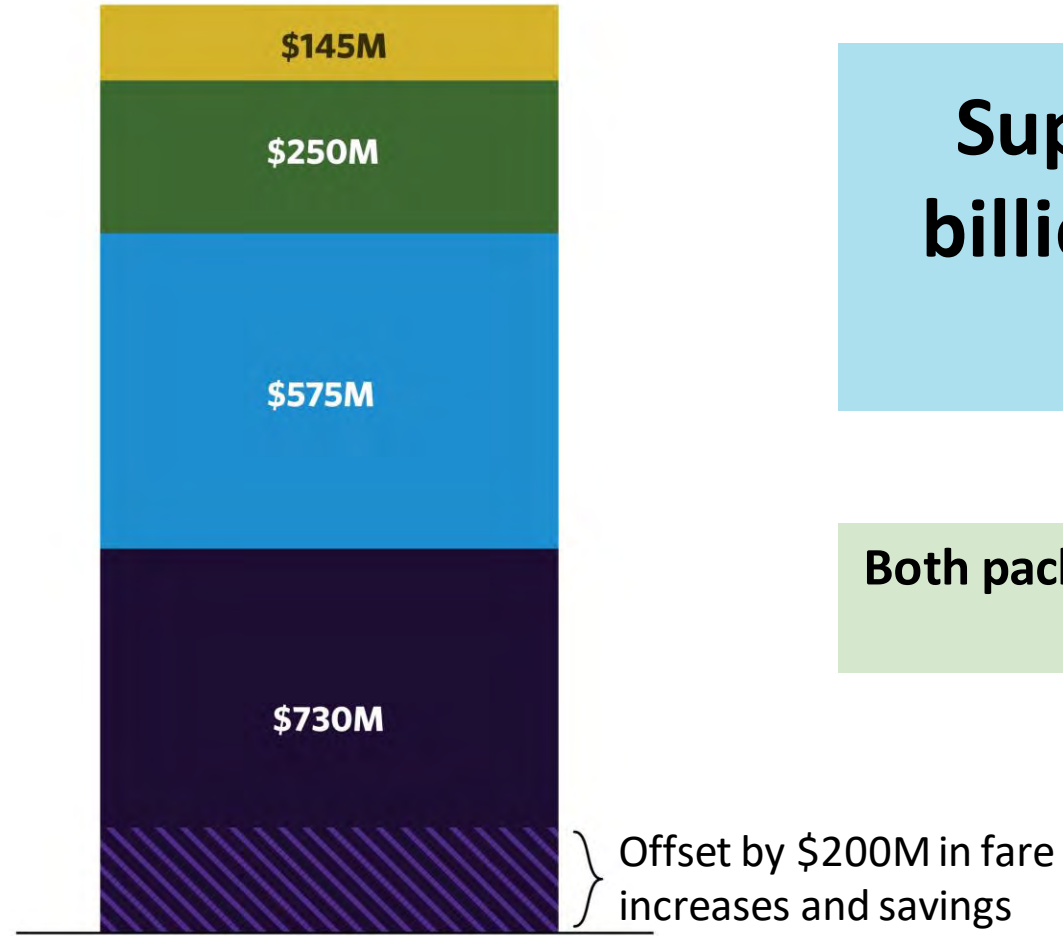
Notes: 1. Operating Cost per Vehicle Revenue Hour: total operating cost divided by the hours that vehicles travel while in revenue service.  
2. Averages are calculated from select peers by mode in the RTA's 2019 benchmarking.  
3. Urban bus and Urban rail = CTA, Commuter rail = Metra, Suburban bus = Pace, Paratransit = Pace ADA





# The system the region wants will require investment

- Everything else
- Fare integration and affordability
- Increased service (includes regional rail)
- Close the gap



**Transformational investment**

**Supported by \$1.5 billion in new public revenue**

**Both packages also require additional capital investment**

# Funding priorities

- The transit system itself must continue to contribute significantly to satisfying operating needs.
- More robust state support for transit is critical.
- Stable, dedicated funding is needed for paratransit.
- Transportation revenues should fund transportation investments.
- Funding solutions should deliver co-benefits for equity and climate goals.
- Revenues should maintain buying power over time.

# Revenue categories across packages

**System-generated revenues**  
Fares, containing cost growth

**Baseline actions**  
State recommendations on paratransit  
and funding current reduced fare programs

**Durable sources**  
New revenues that make sense to  
implement and keep over the long-term

**Diminishing / stop-gap sources**  
Revenues that make sense to implement now  
but retire over the long-term

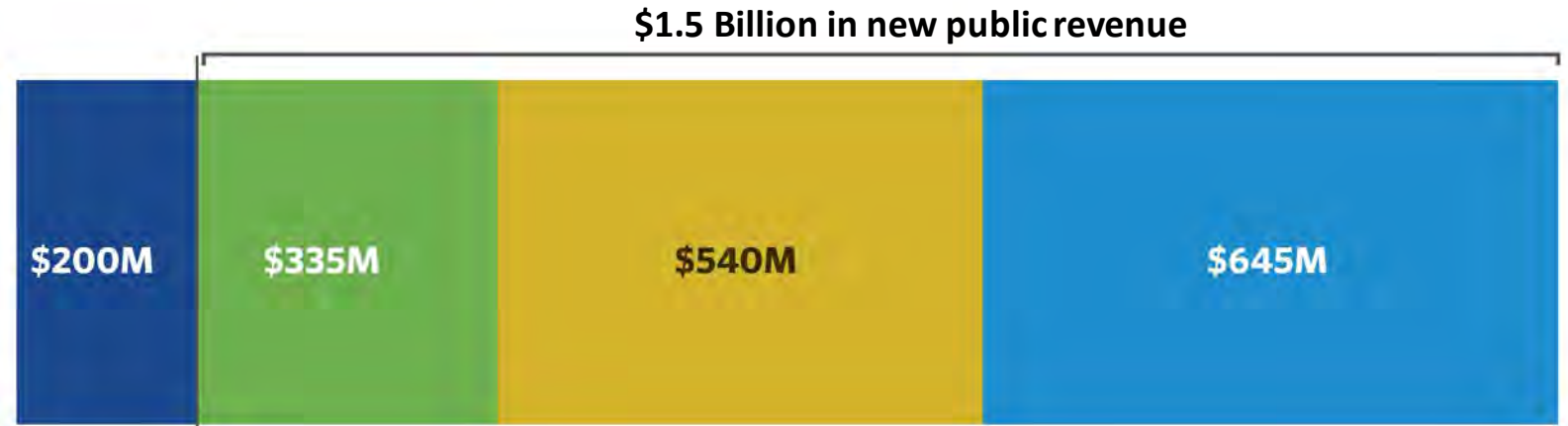
**Capital sources**  
Funds to support package investments over time

# Two funding packages

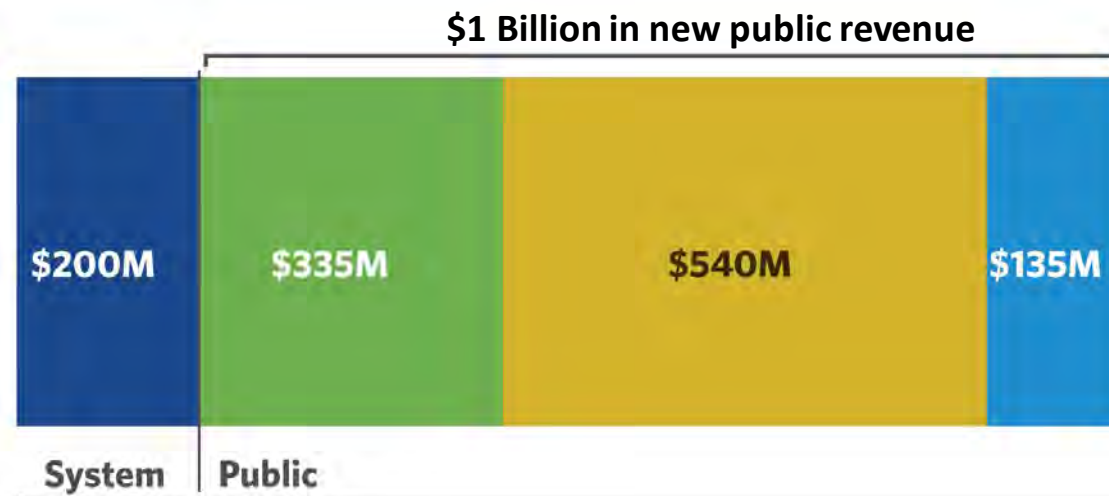
## Operating revenues

- System generated
- Baseline actions
- Durable sources
- Diminishing or stopgap sources

Transformational investment



Meaningful change

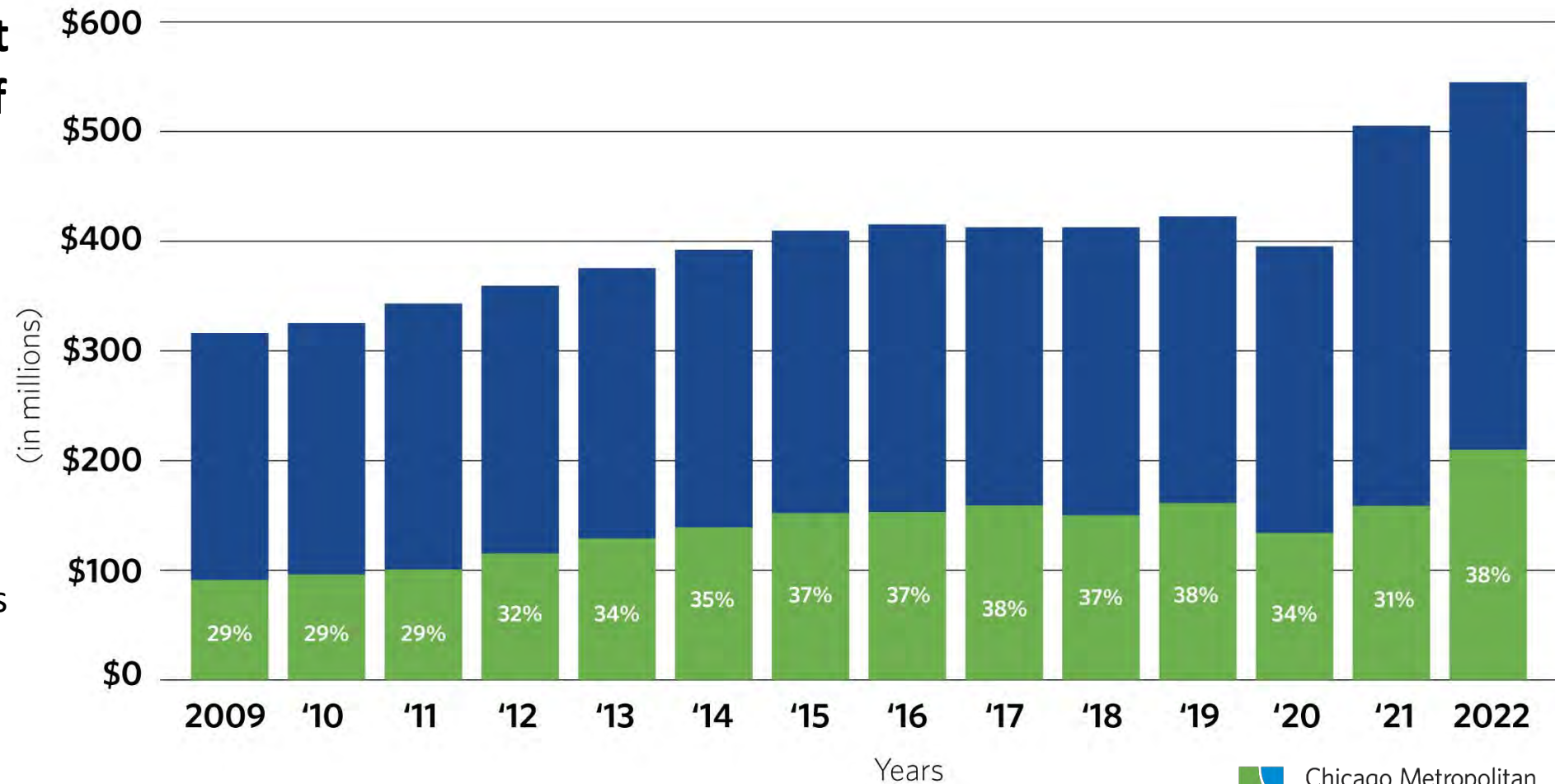


Note: Values are approximate and illustrative of scale.

# Increased state support is warranted

## Statutory paratransit funding as a share of sales tax II revenues and the associated state match, 2009-2022

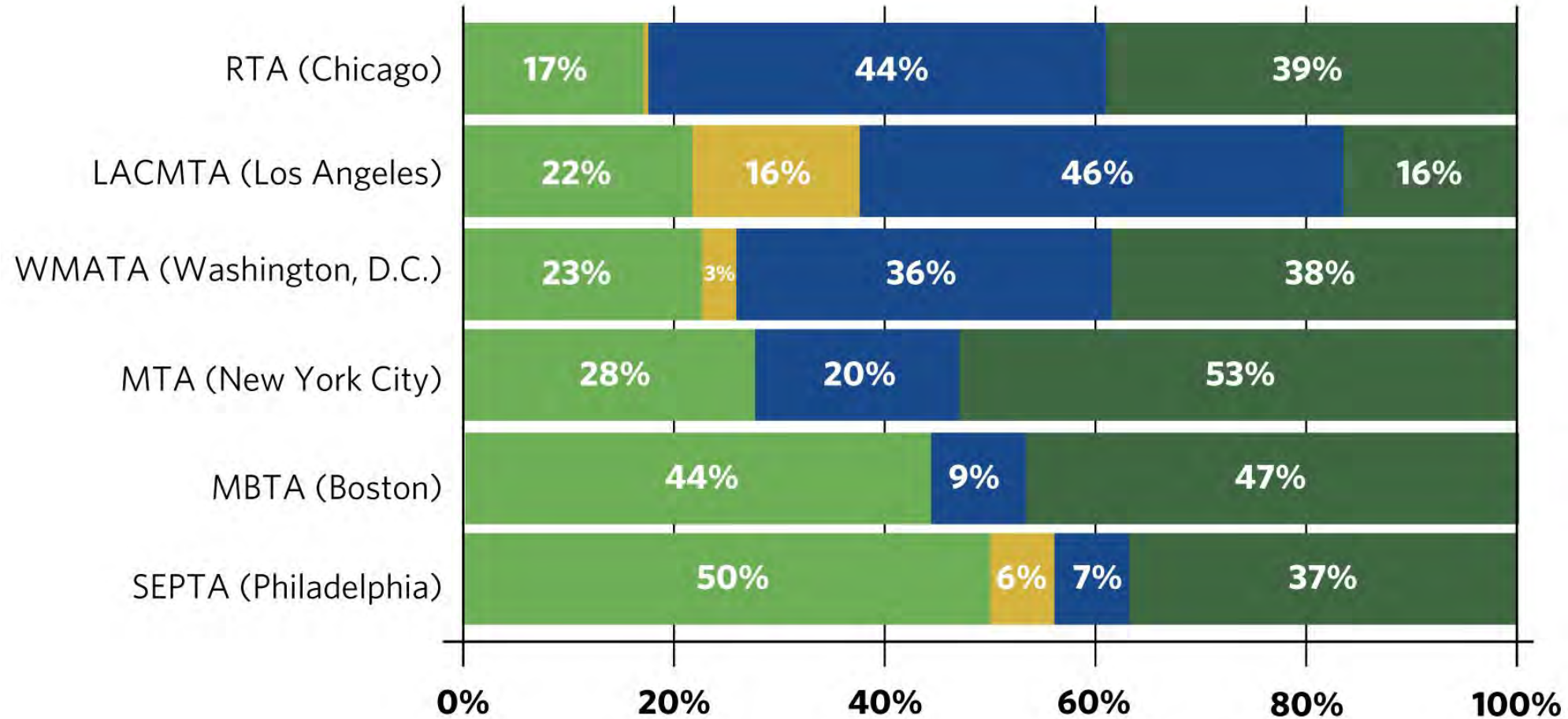
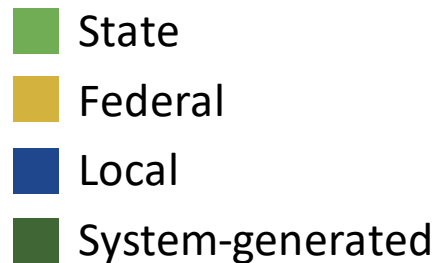
- Total Sales Tax II & PTF II funds
- Pace ADA drawdown of Sales Tax II & PTF II funds



Source: CMAP analysis of RTA budget data.

# Increased state support is warranted

## Sources of operating revenues for peer regional transit systems, 2019



# Both packages rely on a suite of new revenue proposals

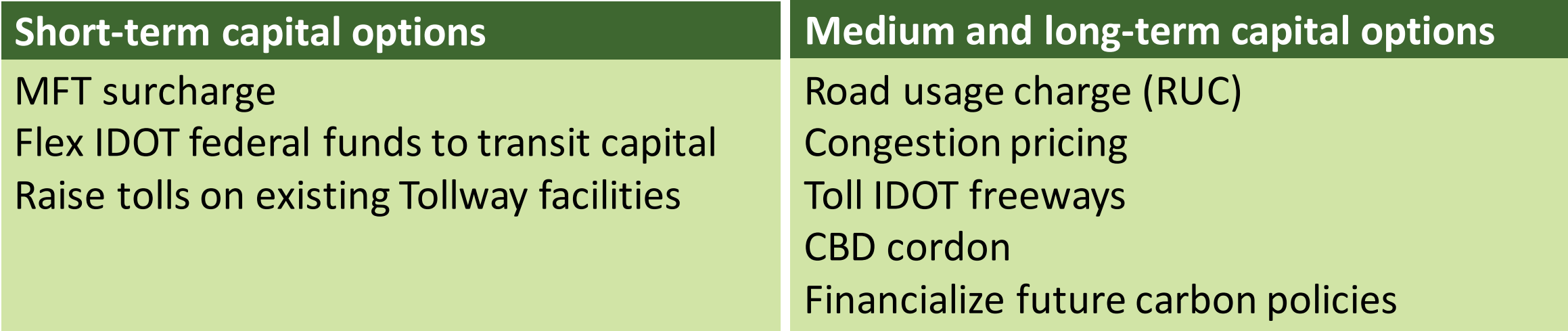
Both packages include a core of shared revenue sources

System-generated revenues \$200 million	Baseline actions \$335 million	Durable sources \$540 million
<ul style="list-style-type: none"><li>• Raise fares</li><li>• Savings/contain cost growth</li></ul>	<ul style="list-style-type: none"><li>• Full state funding for paratransit and reduced fares</li><li>• Remove state surcharge on RTA sales tax</li></ul>	<ul style="list-style-type: none"><li>• Expand sales tax base on services (broad)</li><li>• Extend PTF match to new sales tax</li><li>• Parking tax in the Chicago CBD</li><li>• Raise vehicle registration fees in region \$10/car tax</li></ul>

Diminishing or stop-gap sources vary between packages (specific revenues could be swapped or replaced)

<i>Transformational investment - \$645 million</i>	<i>Meaningful change - \$135 million</i>
<ul style="list-style-type: none"><li>• Raise RTA sales tax in region by 0.25%</li><li>• Raise tolls on Tollway facilities (excludes trucks)</li></ul>	<ul style="list-style-type: none"><li>• Raise the Motor Fuel Tax by 5 cents/gallon</li></ul>

# Capital investment resources are also needed across both packages



	Transformational investment	Meaningful change
Annual costs	\$400M+	\$200M
One-time costs	\$220M	\$220M





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# How to implement it



# Baseline principles for governance reform

# Funding allocation

## Prioritize regional goals and decision-making instead of statutory funding formulas

- Base allocation on performance, rather than fixed formulas
- Eliminate fixed formulas in favor of more regional discretion
- Empower regional entity to set financial goals, standards, and performance metrics

## Grant more regional discretion over how funds should be allocated

- Align transit goals with funding allocation for both operations and capital
- Require the regional entity to define financial expectations for baseline transit services
- Leverage revenues to implement regional goals, pursue innovation, and respond to change

# Regional coordination of transit

## Implement the regional decision-making and oversight necessary to advance system goals

- Centralize fare policy decisions
- Set performance measures for regional priorities and operational efficiencies
- Engage the regional agency in service planning (i.e., markets to serve)
- Provide regional role in planning, prioritizing, and funding capital projects
- Require regional approval of relevant procurement decisions

## Provide sufficient tools to strengthen the regional entity

- Increase resources and authority for any new responsibilities

# Performance metrics

## Reduce the farebox recovery ratio requirement

- Establish a target range (e.g., 20 to 40 percent)
- Empower regional entity to set a "floor"

## Empower the regional agency to look beyond the fare recovery ratio and set updated performance metrics based on regional strategies and goals

- Consider other performance metrics to supplement or replace farebox
- Establish system-wide performance metrics
- Adjust performance metrics to align with strategic plans and service standards

# Regional board appointments (1 of 2)

## Design board appointment and voting structures to advance regional progress while building local consensus

- Continue to require local support for regional initiatives
- Prevent parochial voting blocs

## Integrate more regional perspectives

- Include regional perspectives on board(s)
- Examples: policy advocacy organizations, state officials, community advisory committee, CMAP, etc.

## Provide a greater role for the state, especially as it increases its funding support.

- Require greater state representation on regional transit board(s)

# Regional board appointments (2 of 2)

## Ensure that regional board membership reflects population, ridership, and funding sources

- Determine representation by who rides, funds, and lives near transit
- Adjust membership to reflect relevant changes to these metrics

## Appoint board members with relevant and diverse experiences

- Ensure diversity in expertise, experience, geography, and past involvement with transit
- Require disability representation on regional board

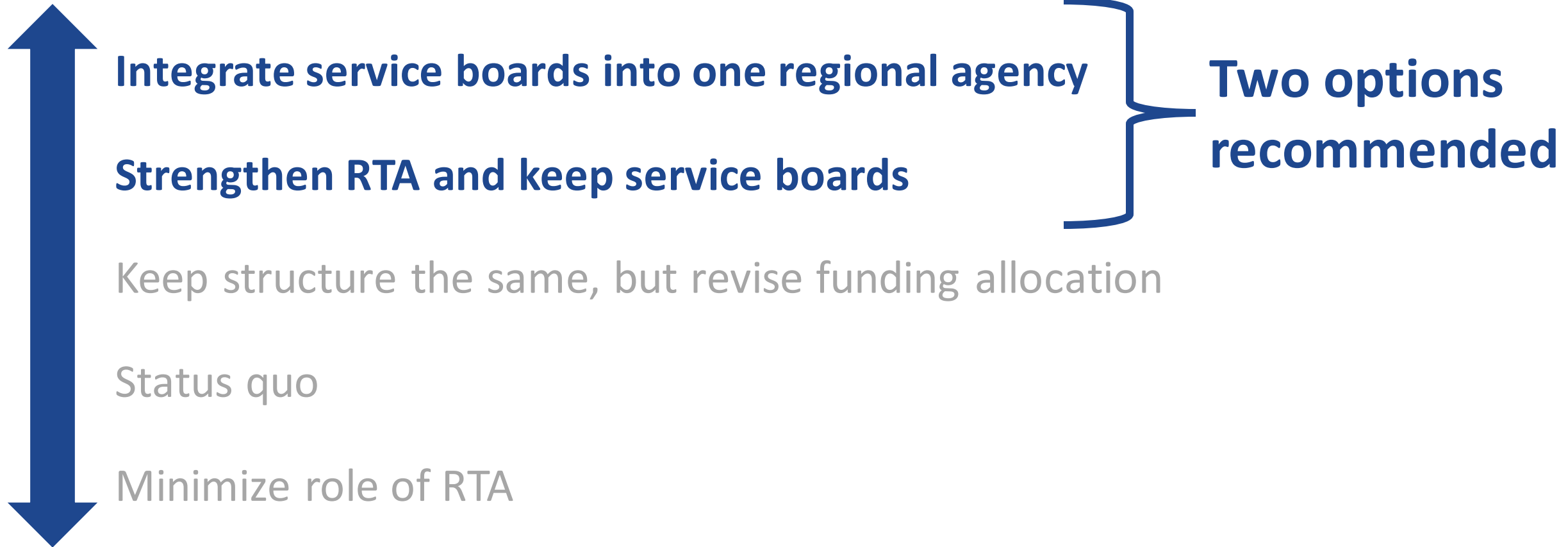
## Provide avenues for local input

- Engage local governments in service planning, capital priorities, and policy changes

# Recommendations for structural reform



# Evaluated multiple options



# Integrated agency

Regional board + agency executive

## Regional entity

### Regional transit functions:

- Fare policy
- Financial stewardship
- Capital planning
- Capital funding
- Service planning
- Strategic planning

### Regional corporate functions

- HR & admin
- Selection of agency executive
  - Pensions
  - Procurement
  - Communications
  - Labor negotiations

#### Service committee

**Metra**

*Transit operations, daily  
service decisions*

#### Service committee

**CTA**

*Transit operations, daily  
service decisions*

#### Service committee

**Pace**

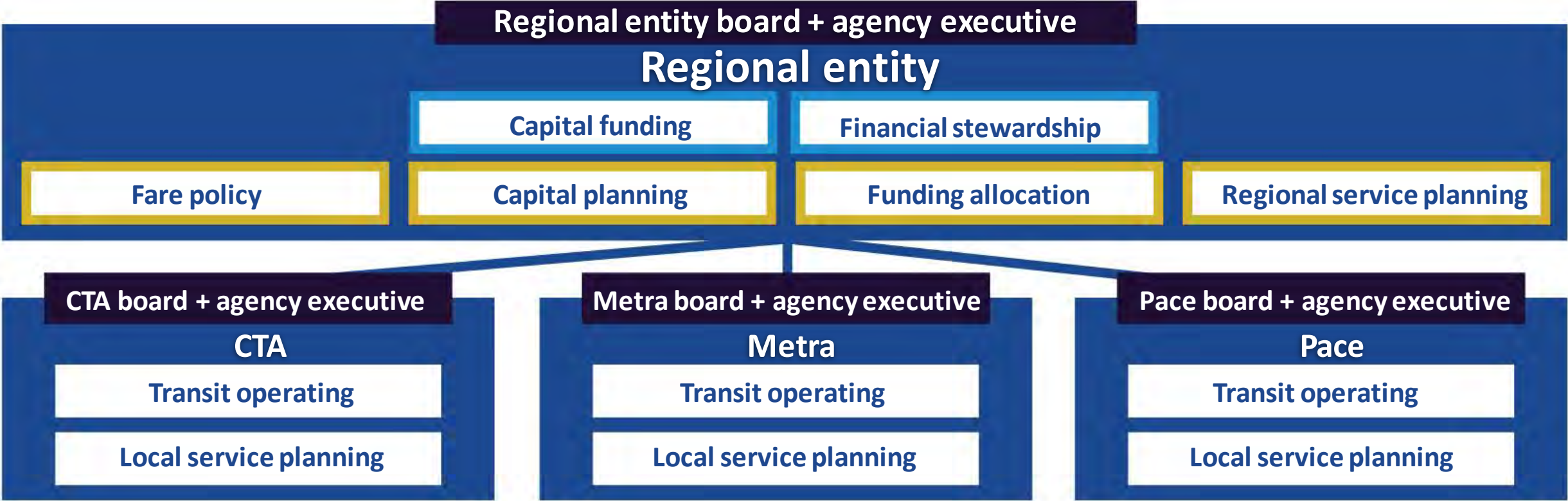
*Transit operations, daily  
service decisions*

#### Service committee

**Paratransit, On Demand**

*Transit operations, daily  
service decisions*

# Strengthened and re-envisioned RTA



**Each agency is responsible for its own:**

- HR & admin
- Selection of agency executive
- Pension

- Procurement
- Communications
- Budgeting

- Labor negotiations (where applicable)

■ New functions for the RTA  
■ Current functions of the RTA to be strengthened

Functions each agency is individually responsible for

# Next Steps

Present draft to Board/MPO on Sept. 13

Resolution approval sought from  
Board/MPO on October 11

Deliver report to General Assembly and  
Governor's office

Provide briefing to General Assembly

Support legislative actions

Provide further analysis & research

# Public comment



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# Thank you!

Visit [cmap.is/PART](https://cmap.is/PART) for information and resources.

If you have any questions, please contact Laura  
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