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## **MEMORANDUM**

To: CMAP Board

**Date:** May 9, 2007

From: Randall S. Blankenhorn, Executive Director

Re: 2008 Budget Alternatives

This memorandum accompanies the May 2, 2007 memorandum from Dolores Dowdle regarding the FY 2008 Preliminary Budget. The Regional Planning Act did not identify any funding to create CMAP. However, it gave an overall mission to combine the staffs of CATS and NIPC and to integrate transportation and land use planning. There also was a mandate to identify a funding mechanism in the strategic report prepared by CMAP and submitted to the General Assembly last September. These activities were effectively accomplished in FY 2007. In preparing for the fully integrated CMAP, the agency had a primary legislative priority for this year to secure a dedicated, stable funding source for the agency's activities.

The Board of Directors supported funding for statewide comprehensive planning as outlined in House Amendment #1 by the sponsors of the legislation which would provide ½ of 1% of the capital element of any highway appropriation passed by the State of Illinois. CMAP would have received approximately \$5.6 million from this source. This mechanism is similar to how planning is funded on the federal level as well as in many other states. We anticipate receiving \$9.6 million in federal planning funds next fiscal year to cover transportation-related activities. These funds would require a \$2.4 million match that this source could provide. The additional \$3.2 million would be allocated for planning projects and programs not directly related to transportation activities funded by UWP.

As the legislation stands right now, IDOT objected to a number of the provisions that had been in Amendment #1, including the funding that had been specified in that version. This language was stricken in House Amendment #2 which was moved out of Rules Committee on Monday. Without a specified funding mechanism in the legislation, CMAP needs to secure funds to match the federal transportation planning funds and identify a funding source for our non-transportation programs to ensure comprehensive planning. IDOT has verbally agreed to provide the match to our federal transportation planning funds, but does not want to specify it

in legislation. If they are unwilling to specify it in the legislation, we need a formal written commitment from them. Otherwise, without the match secured, the region may be in jeopardy to lose not only federal planning funding, but also the resources necessary to ensure federal transportation requirements are met.

The proposed FY08 budget offers two alternatives based on known funding constraints following the introduction of Amendment #2. Alternative A proposes full funding for the activities of the core projects, which assumes that IDOT will provide the match required for the federal transportation funds and that we will find an additional \$1 million in revenue for other comprehensive planning activities. Alternative B assumes that IDOT will provide the match required for the federal transportation funds and not receive the \$1 million in revenue while reflecting cuts that must occur if the additional \$1 million is not identified.

## **Proposed Cuts**

The following describes cuts that would occur within the core projects in Alternative B without the additional \$1 million in funding. Overall, without the additional funding, the agency would be focused predominantly on transportation planning. The agency would continue to perform the projects encompassed under the Environmental Initiatives, Watershed and Environmental Plans, and the Water Supply Study, but many of the environmental activities -- as well as housing and human services -- would have to be diminished in the areas of policy development and in the Regional Comprehensive Plan development. It is projected that the total staff will increase from 81 to 93 in Alternative A and to 90 in Alternative B.

Policy Development: Reduce staff time by 10 months. Focus policy efforts strictly on transportation related activities. The quality and quantity of the State of the Region report would be affected. Total project reduction = 23%.

Plan and Scenario Development: Reduce staff time by 14 months. Reduce the resources available for non-transportation related activities, planning tools and the engagement process to create the Regional Comprehensive Plan. Total project reduction = 20%.

Transportation Improvement Program: Reduces staff time by 3 months. Total project reduction = 3%.

Data Analysis and Evaluation: Reduces the resources and planning tools available to review developments of regional impact. Total project reduction = 28%.

Information Technology Management: Slightly reduces staff time and technical support. Total project reduction = 2%.

Coordinated Outreach: Reduce staff time by 8 months. Eliminates the youth development component and reduces outreach activities. Total project reduction = 8%.

Technical Assistance: Eliminates the next phase of the tool development contract to assist local governments in implementing the regional plan. Total project reduction = 2%.

CMAP & MPO Committee Support: Reduces staff time by 2 months. Reduces staff training and development. Total project reduction = 8%.

Overhead: Slight reductions due to lower staff numbers of the agency. Total project reduction = 4%.

## **Additional Funding Sources**

Since the funding in House Amendment #1 of HB1134 has been removed, we need to explore other funding sources to ensure that CMAP will both have the match for the federal transportation planning funds and have the funds for non-transportation programs. We are willing to discuss the amount and source of funding with IDOT and others so that non-transportation programs would not be funded solely from transportation, but we need a dedicated, stable source of funding to match the federal transportation funds and to provide the region with the resources to undertake our comprehensive planning mandate.

Additional sources of revenue for the annual budget could include contracts and grants with other state entities, such as the Illinois Conservation Foundation, Illinois Environmental Protection Agency, Chicago Wilderness Trust, Illinois Department of Natural Resources, Illinois Department of Commerce and Economic Opportunity, a different source of dedicated funds such as surcharges on building permits, sales tax or other fees, or mandatory contributions from local governments. Many of these grants and contracts from these agencies will probably require a match, which also needs to be secured. Currently, the contributions from local governments are voluntary and legislative action would be required to change the contributions to mandatory. If funds are not provided, CMAP would not be able to fully fund its comprehensive planning activities.