The State of Illinois is key to the success of GO TO 2040. The state allocates nearly $50 billion per year across various program areas and plays a significant role in operating and maintaining the transportation system, promoting economic development, and maintaining and preserving our natural resources. GO TO 2040 includes a number of key concepts and Implementation Actions that we should be prioritized by the state.

For the 97th Session of the Illinois General Assembly, staff is recommending that the agency pursue the following state priorities as appropriate with our regional delegation, relevant state agencies, the Governor and his staff, and CMAP partners. The agenda was based on the adopted GO TO 2040 plan, current priorities of the Governor and the General Assembly, and discussions with key leadership and CMAP partners. Our intention with these priorities is to help shape our response to legislation or other state policies, as well as help guide us on what we should actively pursue. Based on your feedback and direction at the Board meeting, we will outline a strategy to accomplish these priorities.

**Support Efficient Governance and Pursue Coordinated Investments**

GO TO 2040 stresses the importance of efficient and effective government, particularly by focusing and coordinating our investments and increasing access to information. Metropolitan regions drive the U.S. economy, and this should be reflected in state policy and programs. Comprehensive regional plans like GO TO 2040 should guide investment decisions by identifying regional priorities and defining outcome-based performance measures. Overall, GO TO 2040 recommends efforts by state agencies to modify apportionment formulas, project selection criteria, and grant requirements that may be helping to cause unintended outcomes.

More effort at the state level is needed to provide transparency and to coordinate and share data, not only across the levels of government, but also across state agencies. Almost all state agencies control large amount of data and information, and sharing these data and resources will improve transparency and accountability. Accessing information is critical to better decision making and measuring program successes.
State funding for comprehensive regional planning must also be a top priority. Traditionally, federal transportation funds are the major source of funding for planning agencies throughout the country, and recently through the Sustainable Partnership, other agencies including HUD and U.S. EPA, have provided additional funds for comprehensive planning and implementation. Federal investment also needs to be matched and supplemented by state and local funding.

CMAP relies on the state to provide funding for MPOs, but it also relies on other agencies to advance regional priorities through state appropriations. GO TO 2040 recognizes that many programs needed to support our recommendations are underfunded or have yet to be funded at all. In solving its current funding crisis, the state must take care to ensure effective operation of state, regional, and local governments.

Objectives:
- Work to encourage the Governor, the General Assembly and state agencies to base investment decisions on comprehensive regional plans.
- Harmonize state grant program requirements to support more comprehensive approaches to policy decisions and capital investments.
- Modify certain apportionment formulas, project selection criteria, and grant requirements that may be helping to cause unintended consequences.
- Mandate that state agencies post their data and research online.

Eliminate the 55/45 Split and Create Fairer Funding Allocations
The future prosperity of Illinois depends on strategic transportation investments. As the economic catalyst of the state, northeastern Illinois produces the greatest return per public dollar. However, while the State has flexibility in allocating gas tax and vehicle fees that accrue to the Road Fund and State Construction Account, in practice IDOT and the General Assembly have followed a rather arbitrary way of distributing these funds. This is sometimes referred to as the “55/45 split,” where District 1 typically receives around 45 percent of the allocation, and very often less. Illinois, like many other U.S. states, lacks a “performance driven approach” to programming transportation dollars.

In tough economic and fiscal times, the IDOT and the General Assembly should lead a new approach to transportation investments based on economic and system performance rather than an arbitrary formula. This is a key recommendation of GO TO 2040. A focus on reinforcing the economic vitality of northeastern Illinois and other metros will not only increase spending efficiencies, it will also improve the business climate and help restore the economic and fiscal vitality of Illinois.

Objectives:
- Establish more robust statewide measures for allocating road fund and state construction account revenues to IDOT Districts. The measures should reinforce metropolitan regions as the economic catalyst of the state.
• Establish a transparent and accountable programming process at IDOT that gives regions more decision making authority and flexibility in funding regional priorities.
• Mandate that IDOT, and all transportation-related agencies, disclose their project selection criteria, which should be made easily accessible on each agency’s website.

Innovative Financing for Investments
In addition to emphasizing efficient and fair decision-making about transportation expenditures, GO TO 2040 also recommends increasing transportation funding through several new or expanded sources. The federal and state gas tax, state motor vehicle registration fees, and toll revenues are the primary revenue sources for funding the operations and maintenance of the state highway system. Roughly every 10 years, the State of Illinois has provided a capital funding package, financed largely through bonds and serviced by fee increases, to supplement highway, transit, and other infrastructure projects. The state also provides some additional funding for the region’s transit system — this makes up only a small component of total transit funding.

The generation of new revenues must be done through more-efficient user fees, which should be better structured to reflect actual maintenance and operations needs as well as the costs of congestion. Action is needed to create more sustainable funding sources for transportation.

Objectives:
• Increase the existing 19 cents per gallon tax by eight cents and index the tax to inflation. A portion of these proceeds should be devoted to transit.
• Revise the process of state capital program funding in Illinois. Funding for transportation capital improvements should be included as part of the annual budgetary process, rather than in the form of “state capital program” bills, which typically occur only every 10 years. Furthermore, project selection should be based upon performance based criteria rather than on earmarks.
• Complete an operational study and implement congestion pricing pilot projects.
• Authorize broad authority for IDOT and the Tollway to exercise use of public-private partnerships (PPPs).
• Support a broader application of existing financing tools and intergovernmental partnerships to help implementers and local governments finance transportation improvements.

Create Livable Communities that Foster Sustainability
Northeastern Illinois faces significant obstacles to achieving livable communities now and for future generations. Outside of our region, other metropolitan clusters value the benefits of
livability with multi-modal options, access to parks and healthy food, and the preservation and conservation of land and natural resources. Together our state can achieve livable communities by supporting certain policies that support new technologies, coordinate investments across state agencies, and preserve our assets. Recent budgetary cuts and diversions have restricted our environmental and natural resource agencies from carrying out important programs that collect vital data about streams and water quality, and these reductions inhibit the adequate regulatory oversight needed to protect our environment and public health.

Objectives:

- Acknowledge the necessity of regional water planning by authorizing IDNR to develop a comprehensive state water plan based on the work of the regional water planning groups and establish dedicated and sustainable funding for this effort.
- Remove barriers to water reuse -- such as rainwater harvesting, graywater and wastewater reuse -- for commercial and residential properties.
- Allow counties to establish a dedicated revenue stream to maintain stormwater infrastructure projects and programs. Through a credit system that gives preference to green infrastructure practices, encourage a reduction that will mitigate the effects of increased stormwater runoff resulting from existing and new development.
- Eliminate fund diversions from INDR programs that preserve open space and promote green development.

ACTION REQUESTED: Discussion and direction to staff

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