



Chicago Metropolitan Agency for Planning

Agenda Item No. 7.0

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MEMORANDUM

To: CMAP Board
From: CMAP Staff
Date: November 10, 2015
Re: Long-Term Funding Outlook for CMAP

As the Board is aware, CMAP has been successful in working with the Federal Highway Administration (FHWA) and Illinois Department of Transportation (IDOT) to find an administrative fix to the agency's cash flow crisis. This temporary fix provides us the federal portion (80%) of our FHWA planning funds and will allow the agency's operations to continue.

However, the state match of 20% continues to be withheld due to the state budget impasse. It is not certain when the state's budget situation will be resolved, and even when it is, there is no guarantee that the state will continue to provide the full local match. Beyond its direct implications for CMAP's budget, lack of local match would also jeopardize the agency's ability to use its federal funds.

The CMAP Board has long been aware that the agency's extensive reliance on the state for its local match exposes the agency to significant risk. The recent cash flow crisis was a very clear reminder of this fact. Staff believes that, with the recently averted agency shutdown, it is time to confront the reality that we must reduce our funding reliance on the state. While some financial contribution from the state is necessary and appropriate, it may simply not be realistic to expect past contribution levels to continue.

Staff intends to investigate some alternatives over the next several months, with the intention of conducting a more detailed discussion with the Board at its January 2016 meeting. Between now and then, staff will investigate how other MPOs are funded, both within Illinois and nationwide; identify potential other sources for local match; and lay out a number of alternative directions. No action will be requested in January, but staff hopes to inspire an active discussion.

ACTION REQUESTED: Discussion

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