

DRAFT Agenda for the Illinois General Assembly – 2017

Implementation of Constitutional Amendment on Transportation Revenues

In November 2016, voters overwhelmingly supported including a new amendment to the Illinois Constitution regarding transportation revenues ([HJRCA36](#)). The amendment restricts the use of transportation revenues at all levels of government and is intended to prevent sweeps or diversions of transportation funds away from transportation purposes. The amendment allows the General Assembly and Governor to further refine and clarify the eligible uses of transportation revenues. It is critical that any such rules, guidance, clarification or legislation support CMAP's comprehensive planning mission and ensure a strong, equitable, multimodal transportation system for the region and state.

CMAP supports state legislation clarifying the eligible uses of transportation revenues listed in the Constitutional amendment, including specific eligibility for CMAP's comprehensive planning activities, and eligibility for all administrative, operational, and capital expenses necessary to support a strong, equitable, multimodal transportation system.

Reliable access to planning funds

State legislation to create CMAP included language pledging to fund the agency's operations and to match federal formula funds with State funding. The language in the enabling legislation included a directive to the State that "additional funding shall be provided to CMAP to support those functions and programs authorized by [the enabling legislation]" (70 ILCS 1707/62).

CMAP was charged with the responsibility to comprehensively plan for the Chicago region, incorporating land use and transportation planning with work on housing, regional economic growth, water resource management, community development, and environmental issues. Funding from the state needs to support all of CMAP's planning activities as mandated in the state enabling legislation.

Federal law requires states to allocate the portion of Highway Trust Fund dollars set aside for regional planning to Metropolitan Planning Organizations (MPOs) including CMAP and the state's 15 other MPOs; states not fulfilling this requirement put all of their federal transportation funding in jeopardy. The 2015-16 state budget crisis resulted in those payments being interrupted, requiring unprecedented efforts by the Illinois Department of Transportation (IDOT) and the Federal Highway Administration to avoid suspension of CMAP's essential

planning activities. Reliable access to planning funds would ensure that MPOs can meet their state and federal planning requirements and avoid placing billions of federal transportation funds in jeopardy.

CMAP supports ensuring dedicated planning revenues with continuous appropriation to support all of CMAP's comprehensive planning activities.

Sustainable and adequate transportation funding

Current transportation funding mechanisms in Illinois are inadequate to support improvements that are crucial to our economic competitiveness. The traditional state revenue sources—the motor fuel tax and vehicle registration fees—have lost significant purchasing power over the last 20 years. Further, the motor fuel tax faces long-term threats to its viability as vehicles become more fuel efficient and travel behavior changes.

Home to the nation's freight hub and one of its largest transit system, Illinois needs adequate multimodal investments to address metropolitan Chicago's multifaceted infrastructure challenges. The Chicago region's transit system remains critically underfunded and lacks a stable source of non-federal capital funding. Similarly, freight issues must be better incorporated into capital programming processes.

Increased state and federal investment while critical, are likely to meet only our significant maintenance needs. Metropolitan Chicago needs to create an infrastructure fund for prioritized projects that support implementation of the GO TO 2040 regional plan. Other U.S. metropolitan regions are far ahead of ours in raising local revenues for infrastructure projects with long-term benefits of livability, mobility, and the economy. These urban areas are using their regional revenues to make investments that give them a distinct competitive advantage over metropolitan Chicago. Regionally-raised and regionally-invested funds would help construct a significant number of prioritized projects and modernize the system while leveraging private and public funding sources.

CMAP supports increasing the motor fuel tax by 8 cents and indexing it to inflation in the near term but recognizes the need to develop a sustainable, long-term revenue source—based on the principle of transportation user fees—to replace the motor fuel tax.

CMAP supports new, sustainable revenues for transportation. CMAP also supports a dedicated source of capital funding for transit, intercity passenger rail, and a greater focus on improvements to the freight system.

CMAP supports state legislation enabling northeastern Illinois to secure sustainable and substantial revenues to make performance-based investments in modernization of roadway, transit and bike/pedestrian facilities and coordinate transportation, water, stormwater and open space projects.

Performance-based transportation investments

Investment decisions in Illinois are governed largely by arbitrary formulas, which do not reflect the most pressing needs throughout the state. A more transparent, performance-based approach would ensure that limited resources are steered toward the most critical projects, and shed light on how investment decisions are made.

CMAP supports legislative initiatives and administrative efforts that encourage a commitment by transportation implementing agencies to use transparent, performance-based capital programming.

Innovative tools for transportation investment

While enhanced transportation revenue sources would do much to move Illinois in the right direction, new tools are still needed to better manage the transportation system and develop complex projects. These tools focus on facility-specific approaches to raise revenues or finance projects, ensuring a closer connection between benefits received and costs paid by users of the transportation system.

Through congestion pricing, which IDOT is currently proposing for new capacity on I-55 between downtown Chicago and I-355, toll rates rise and fall with traffic levels, encouraging more efficient use of the system while also raising revenues. Value capture strategies, such as the Transportation Facility Improvement Areas (35 ILCS 120/11) signed into law in 2016, recognize that transportation investments increase property values and business activity, tapping into these sources to pay for upfront construction costs. New legislation establishing Transportation Facility Improvement Areas is a good start, although these districts are limited to certain capital improvements in the City of Chicago and suburban Cook County. Public-private partnership (P3) strategies can reduce costs and accelerate project delivery by tapping into private-sector expertise and financing. But as GO TO 2040 explicitly states, such agreements must be carefully structured to protect the public interest.

CMAP supports legislative initiatives that require IDOT and the Illinois Tollway to implement congestion pricing on new highway capacity, and to allow them to strategically price components of the existing highway network, including congestion pricing for new managed lanes on I-55.

CMAP supports legislative initiatives that enable multijurisdictional value capture districts for transportation, while also ensuring equity considerations for underlying jurisdictions and the region's taxpayers.

CMAP supports legislative initiatives that require increased transparency and safeguards to protect the State of Illinois and other public agencies from undue financial risk in P3 projects.

State tax policy

The Chicago region's ability to make infrastructure and community investments recommended in GO TO 2040 is significantly shaped by fiscal and tax policy decisions made at the state level. CMAP is specifically interested in how tax policy influences the region's overall economy, including the commercial, industrial, and residential development of communities.

State tax policies can sometimes distort land use decisions rather than allow markets or quality of life factors to guide them, and the same policies can inadvertently foster unproductive competition among local governments over economic development opportunities with little or no overall regional benefit.

The tax system should also reflect the region's and state's economy and demographics. Outmoded aspects of the state tax system should be modernized and tax policy changes should minimize economic distortions by broadening the tax base and lowering rates. The Illinois General Assembly should reform the tax system in a manner that helps achieve the goals and recommendations included in GO TO 2040. Specifically, the ILGA should evaluate key revenue sources, such as the income and sales tax, to determine whether, in what manner, and how those taxes' structures should be reformed.

CMAP supports comprehensive reforms of state tax policy to broaden the tax base, in a manner that may lower rates.

CMAP supports tax policy reforms that encourage effective local land use decisions, generate sustainable economic development, and reduce the focus on intrastate and intraregional competition over economic development.

Water supply planning and management

CMAP's Water 2050 plan emphasizes the need for better management of the region's water resources. The Lake Michigan Water Allocation Program, which provides water for nearly 70 percent of residents in the region, has undergone revisions that require the Illinois Department of Natural Resources (IDNR) and its regional partners such as CMAP to help implement new allocation rules and provide technical assistance to water utilities. However, the state currently

does not have a dedicated revenue stream for a water supply planning and management program. With new funds, the state could formalize water planning within IDNR, support regional planning groups such as CMAP, and dedicate a portion to the Illinois State Water Survey's (ISWS) Illinois Water Inventory Program (IWIP).

CMAP supports new, sustainable revenues to support state and regional water planning for IDNR, ISWS, IWIP, and regional partners.

Transparency and accountability

Data sharing through transparent, open governance improves efficiency and accountability. Further, CMAP relies on other agencies' data to complete its own work in planning, policy, and transportation programming. By sharing their data in a timely manner, usable format, and accessible location, public agencies also communicate clearly how they make decisions to establish policies, prioritize projects, and administer funding.

CMAP supports legislation to increase data and information sharing by requiring state and local agencies to make their programs and policies more transparent to the public.

About CMAP

The Chicago Metropolitan Agency for Planning (CMAP) was created in 2005 through state statute (70 ILCS 1707) and is the federally designated Metropolitan Planning Organization (MPO) for the seven counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. Its state and federal mandates require CMAP to conduct comprehensive regional planning, prioritize transportation investments, provide technical assistance for communities, and compile data resources that enhance decision making.

CMAP developed and now guides implementation of the region's GO TO 2040 comprehensive plan, which was adopted unanimously in October 2010 by leaders from across the seven counties, and updated in 2014. To address anticipated population growth of more than 2 million new residents, GO TO 2040 is an innovative, policy-based plan that establishes coordinated strategies to help the region's 284 communities address transportation, economic development, open space, water, energy, housing, and other quality-of-life issues. In 2013, CMAP received the American Planning Association's first-ever National Planning Excellence Award for a Planning Agency.

CMAP's annual legislative agenda serves as a tool for the Illinois General Assembly, relevant state agencies, the Governor, and CMAP partners. It describes priorities based on recommendations of the GO TO 2040 comprehensive regional plan and on related CMAP

research. For more information about CMAP's policy statements and adopted positions, please visit www.cmap.illinois.gov/about/legislative-policy-statements.

Contact

For additional information contact Gordon Smith, Director of Government Affairs, at 312-386-8739 or gsmith@cmap.illinois.gov.

See www.cmap.illinois.gov for more information.