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To: Board of Directors
From: Leanne P. Redden, Executive Director
Date: August 12, 2021
Re: Strategic Plan Workshop

At its meeting on August 19, 2021, RTA staff will engage the RTA Board in a workshop to kick off the next Regional Transit Strategic Plan. This work initiates both Step 3 of recovery that was outlined by the RTA staff in October of 2020 and work toward adoption of a new strategic plan as required by the RTA Act.

Background and Previous Action

The [RTA Act](#) identifies the RTA as the entity responsible for strategic and long-term planning for transit in Northeastern Illinois. [Section 2.01a\(a\)](#) requires the RTA Board to adopt a Strategic Plan no less than every five years. [Invest in Transit: The 2018-2023 Regional Transit Strategic Plan](#) was adopted by the RTA Board in January of 2018 after two years of research, close collaboration with the CTA, Metra, and Pace, and outreach to stakeholders. *Invest in Transit* sets a bold vision for “Transit as the core of the region’s robust transportation mobility network” and underscores the importance of sustainable capital funding in achieving three strategic goals. The plan has guided the collective work of the transit agencies since its passage and yielded success with the passage of Rebuild Illinois in 2019.

Since then, the COVID-19 global pandemic of 2020 (“the pandemic”) significantly impacted the worldwide economy and public transportation. As the RTA has continually communicated with the RTA Board and stakeholders, transit ridership and funding have been impacted at historic levels. As of early June 2021, regional ridership has recovered to around 40 percent of 2019 levels, roughly 650,000 trips per weekday. RTA conducted a COVID-19 Lapsed Rider Survey in November 2020 and January 2021, the results of which indicated that about 80 percent of transit users who stopped riding during the pandemic plan on returning to CTA, Metra, and Pace if COVID-19 concerns diminish. But they also indicate telecommuting may continue at higher than pre-pandemic levels, with lasting implications for the regional transit system.

RTA’s two main sources of funding – fare revenue and public funding – have also been affected throughout the pandemic. In the first half of 2020, both sources fell far short of budget projections. By August 2021, public funding has rebounded to pre-pandemic levels, whereas fare revenue still lags with ridership. The Federal CARES Act and CRRSAA Act provided transit funding to the region, staving off operational funding crises in 2020 and 2021. The American

Rescue Plan (ARPA) provides additional funding to continue to bolster transit. However, federal relief funding will eventually run out and at that time the regional transit system operations will need to be financially sustainable again. The need for the transit system to adapt to changing needs of riders and the related implications for funding must be a central conversation point in this next strategic planning process.

[The RTA conducted a scenario planning](#) project in June – September 2020 to consider changes to the transit system that may be needed to navigate a variety of different potential futures. Staff developed a variety of scenarios – ranging from pessimistic economic depression scenarios to more optimistic visionary scenarios – and estimated their impacts upon the economy, commuting, transit mode share, and ultimately transit funding. The RTA used this work to frame a discussion with the RTA Board and regional transit stakeholders about potential changes to the system needed to continue to achieve the vision and goals of *Invest in Transit*. A variety of feedback was received but the resounding message was that visionary change is needed in the transit system.



Congested Recovery

Economy

All things considered, the economy is doing relatively well. Catastrophic conditions appear to have been avoided.

Commuting

While businesses are fully reopening, much of the workforce is still telecommuting, particularly in CBD oriented industries.

Transit Mode Share

RTA Lapsed Rider Survey suggests transit trips are being forgone more often than replaced. Transit Mode Share could improve as workers begin to return to office locations.

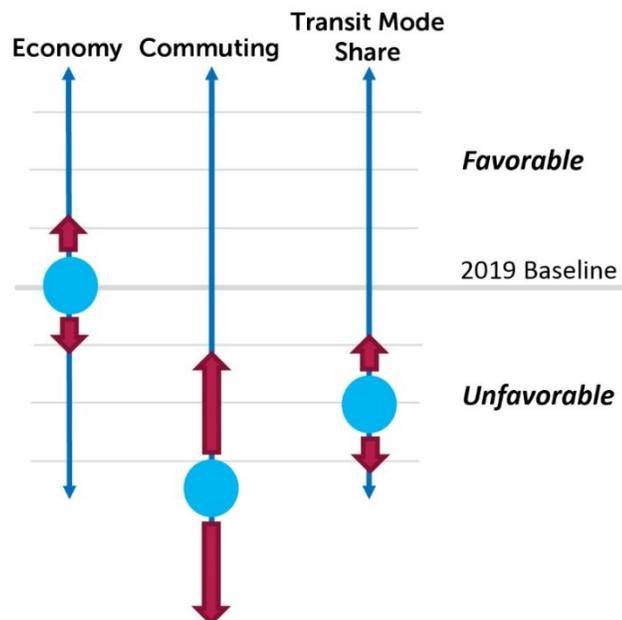


Figure 1: One-year after the RTA's Scenario Planning Project was completed, the region is experiencing an environment most similar to the "Congested Recovery" scenario

One year later, the region appears to be experiencing an environment similar to that outlined in the “Congested Recovery” scenario (see Figure 1). Although many communities have continued to suffer in the wake of the pandemic, the economy is currently performing relatively well and catastrophic economic conditions appear to have been avoided. Many workers, particularly downtown office workers, are still telecommuting. Many in-person workers have continued to commute throughout the pandemic, but it is unclear when or if the majority of office workers will return to physical locations and whether they will return full time or in a staggered or hybrid mode. Travel overall has rebounded more quickly than transit ridership, although changes to trip patterns, trip lengths, and preferred time of day/day of week remain unclear.

Even before the pandemic occurred, the transit system was facing challenges related to limited funding and reduced ridership¹, and the region was facing several challenges related to equity, the environment, and transportation funding.² As a result of these long-standing issues that have now been exacerbated by a pandemic, new strategic guidance is needed to set the direction for the RTA system within the context of RTA’s role as a funding and planning agency.

During the RTA Board meeting on October 15, 2020, RTA staff outlined a [Three-Step COVID Recovery Strategy](#) that has been guiding its work throughout 2021. The first two steps of recovery focused on the near-term decisions that were confronting the RTA Board in late 2020 and early 2021 to sustain transit during those times and have now been largely completed. The third step of the recovery strategy, to “Engage in Strategic Recovery Planning,” is an opportunity for the RTA Board to set a longer-term view and is now being initiated with an update of the regional transit strategic plan that will have an outlook of 2023 and beyond.

Summary of Step 3 of Recovery: Strategic Plan Process and Timeline

In Step 3 of COVID recovery, the RTA will continue to build on the three policy priorities identified for the RTA’s recovery process to chart a future direction for the region’s transit system. Three tracks, which focus on funding, service, and transparent and collaborative communication, will advance simultaneously, and work together to support the execution of the RTA’s 2021 work plan and the development of the next Regional Transit Mobility and a 10-Year Financial Plan. These activities will help articulate a strategic vision that will be considered by the RTA Board for adoption in January 2023. The approach is illustrated in Figure 2 and will be described by staff during the Board meeting.

¹ RTA, [Invest in Transit Annual Progress Report](#), 2020.

² More information about long-standing regional challenges is available in CMAP’s [ON TO 2050 Strategy Papers](#).

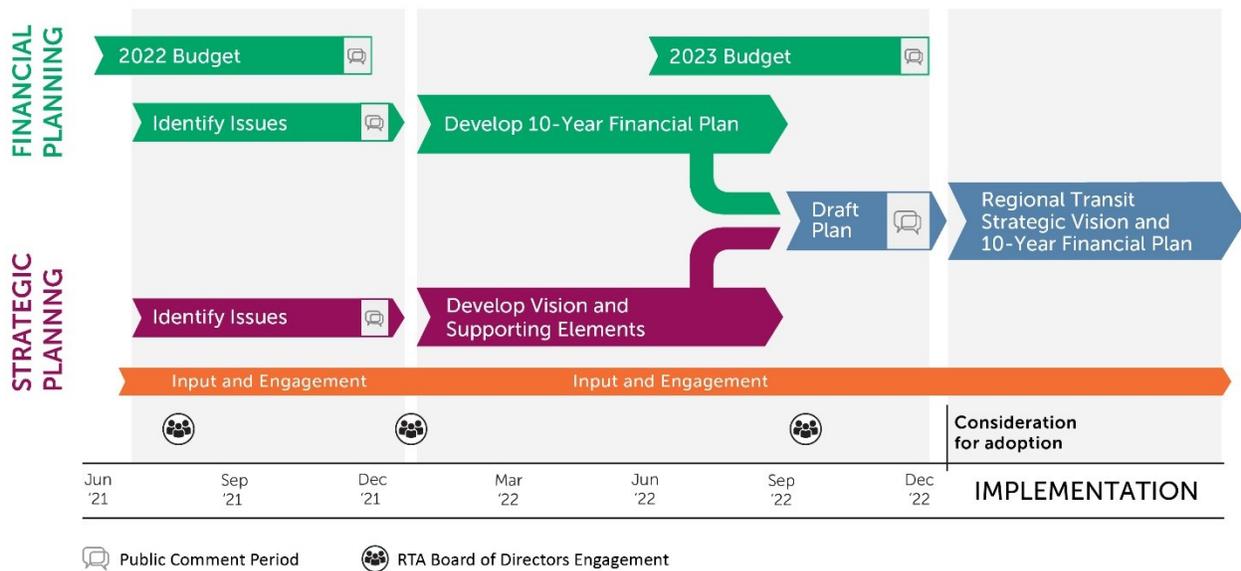


Figure 2: Collaborative development of a new strategic direction for the region's transit system will occur over three phases and include a Strategic Planning track, a Financial Planning track, and a Communications and Engagement track.

The **Strategic Planning** track will provide a forum for the RTA Board and stakeholders to set a new vision for the transit system; to identify the capital projects and other supporting elements needed to achieve that vision; and to have insightful conversations about the trade-offs between visionary ideals and funding realities. The purpose of this task is to develop a new **Regional Transit Strategic Plan** that outlines a shared vision of priorities for the transit systems in 2023 and beyond.

The **Financial Planning** process will include work to guide and direct the 2022 and 2023 budget development processes while also conducting a longer-term financial planning process culminating with a **10-Year Financial Plan** to accompany the Strategic Plan. The purpose of this task is to proactively prepare the region and decision-makers for future actions that may need to be taken to ensure financial sustainability of transit when the federal relief dollars are expended.

The **Communications and Engagement** track will ensure that the RTA Board, stakeholders, and the public remain informed about the process, have opportunities to engage, and are made aware of outcomes. The track will include **educational materials, means for providing input, and promotion** of RTA's activities so that all interested parties are invited and encouraged to participate fully.

The RTA Board workshop in August 2021 will provide directional input and kickoff all three tracks of activities.

Board Workshop and Format

The August workshop will provide a forum for Board early input on the key topics that should be addressed in the strategic plan. The format of the workshop will be an informational presentation, followed by an interactive discussion involving five questions intended to generate conversation and discussion on key directional issues. Information from this discussion will help shape and focus the Strategic Planning process, which will provide a forum for creating a vision and developing goals and solutions. A written summary of the discussion questions is provided as an attachment to this memo.

Next Steps

This workshop will kick off a stakeholder and public input process. RTA staff will return to the RTA Board with a summary of input received for additional input in late 2021.

Prepared by: Capital Programming & Planning

LPR/JL/JHH/PF/PK

Attachment(s):

Workshop Discussion Questions

Workshop Topics and Questions

Topic: Opportunities for Impact

The region's transit system has many benefits beyond the service itself, such as supporting equitable access to opportunity, enhancing quality of life, providing health benefits, improving air quality, and combatting climate change, to name a few.^{3,4} The Strategic Plan will create a forum to talk about transit's contribution to all these societal benefits and to highlight a few particular opportunities for impact.

Discussion Question: What is the greatest opportunity for impact right now that the Strategic Plan process should address?

Potential opportunities include:

- **Joining the region's fight against climate change** by combining forces with the Chicago Metropolitan Agency for Planning (CMAP) and/or other agencies on broader regional climate strategies that could include policies to increase transit ridership, decrease single occupancy vehicle use, and foster transit-conducive land use and development.
- **Improving the region's health and education outcomes** by building partnerships with economic development agencies, social service agencies, schools, hospitals, and other entities both to better adapt to changing community needs and to improve understanding of the value of transit service and investments in achieving better public health, education, and community outcomes.
- **Strengthening the region's broader transportation system** by advocating for transit-supportive policy changes that need to be made at roadway agencies in order for transit to thrive. [Invest in Transit](#) and [ON TO 2050](#) as well as other plans identify many policy actions that the region and agencies could take to support action.
- **Contributing to the economic growth of the region** by actively engaging with the business community to meet their needs for transportation services for employees and customers.
- **Improving quality of life in local communities** by funding and advancing local transit-oriented development plans, walk and bicycle access improvements, transit changes, and other actions that maximize the presence of transit in a community.

³ American Public Transportation Association, [Public Transportation Facts](#).

⁴ Metropolitan Planning Council, [Transit Means Business](#), 2018.

Topic: Transit System Adaptation

The region's transit system, while robust in many ways, has been facing ridership declines since 2012.⁵ The pandemic has only widened uncertainty about what the region will need from its transit systems in the coming years. Many potential ideas for improving the transit system have been included in [Invest in Transit](#) and other regional plans, but progress has been limited due to issues outside of the transit agencies' control, funding constraints, and competing demands. The Strategic Plan is an opportunity to reinvigorate and focus discussion about opportunities for improvement.

Discussion Question: What types of transit system changes should be the focus of this process?

Potential focus areas include:

- **Reestablishing pre-COVID service levels** across the regional network and reaffirming existing vision, goals, and capital priorities to improve the system as outlined in *Invest in Transit* as well as other regional plans.
- **Hosting a conversation about desirable transit service and mobility levels** across the region and laying out a plan to leverage different modes, delivery methods, and funding structures to achieve the services that people across the region would like to see.
- **Pursuing visionary expansion of the transit system through additional service, extensions, or new transit options** throughout the region or in specific areas of the region and working to identify the additional transit funding sources that will be needed to embark on such a vision.
- **Creating a new regional fare and funding structure to address affordability, remove barriers to ridership, and facilitate transfers between Service Boards** as recommended by RTA's long-standing coordination efforts and CMAP's [Improving Equity in Transportation Fees, Fines and Fares](#) Report, and as is being tested by Cook County [Fair Transit South Cook](#) Project.
- **Advancing a robust region-wide capital improvement program focused on system renewal and projects that promote equity, reliability, accessibility, and implementation of green technologies** such as fleet and track electrification that will help improve the convenience, competitiveness, and performance of the transit system.

⁵ RTA, [2019 Regional Report Card](#), 2021.

Topic: Funding Sustainability

The regional transit system is funded by public funds and farebox revenue.⁶ Federal relief funds have been used to sustain the transit system during 2020 and 2021 and will likely be used for the next couple of years while the RTA works with the region to establish a long-term financial plan. The Strategic Plan and 10-year Financial Plan processes will be an opportunity for RTA and stakeholders to identify mismatches between desired service levels and projected available public funding and fare revenue, and to develop strategies for addressing those mismatches.

Discussion Question: Which key financial issues should be addressed through this process?

Potential financial issues for discussion:

- **Developing a transparent method for allocating a portion of the ARPA relief dollars.** This work would build upon the work done during the 2022 budget development process to further sustain transit by developing a strategy for distributing remaining federal relief dollars to realize the greatest impacts as the region continues to recover.
- **Preparing for a future scenario in which COVID relief funding runs out before ridership has recovered to pre-COVID levels such that there is a lingering funding deficit.** This discussion would involve weighing the trade-offs between service levels and funding. If this were to occur, should the transit system be prepared to scale back to “live within its means”? Or should the region also pursue enhanced operating funding levels for transit to provide vital/greater mobility to the region well into the future?
- **Reviewing appropriateness of statutory RTA regional recovery ratio requirement of 50% in light of short-term farebox volatility and long-term financial outlook.** This issue would likely involve understanding peer practices and charting a legislative strategy toward reducing the requirement and, to improve transparency, simplifying the calculation.
- **Advancing the conversation about capital funding** and methods for investing in the regional transit network. Such a conversation would continue discussions related to performance-based capital programming and delve into capital funding issues such as federal funding and managing regional debt levels in light of changing market conditions.

⁶ RTA, [Adopted 2021 Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program](#), 2020.

Topic: Equity

Invest in Transit focused on geographic equity and distributing investments across different parts of the region.⁷ Over the last year, other types of equity have been highlighted at regional, state, and federal levels. The Strategic Plan will provide a forum for talking about how to consider different forms of equity in funding and planning activities, while maintaining regional parity in how resources are distributed.

Discussion Question: What are some productive ways for RTA to define, understand, and incorporate equity during this process?

Potential ideas for discussion include:

- **Fostering discussion about equity and what that means** to better understand unique characteristics and transit needs of different communities across the six-county region.
- **Developing a shared regional equity statement or vision** that can shape strategic direction.
- **Establishing goals and performance measures for measuring equity for service and capital project distribution** that can be applied as a part of RTA's budget and other processes.
- **Rethinking transit funding and service distribution at the regional level** to address the variety of equity concerns raised in public comments submitted to the RTA Board recently, including [those related to the Framework for Transit Investment](#) considered by the Board in September 2020, the [allocations of federal relief funding](#) approved in March 2021, and the [performance-based capital programming process](#) approved in July 2021.
- **Leveraging transit's inherent advantage towards equitable mobility** to advocate for increasing federal and state share of transportation funding.

⁷ RTA, [Beginning the Discussion](#), 2017.

Topic: Engagement

RTA's recent strategic discussions including development of *Invest in Transit* and the scenario planning workshops held in 2020 invited numerous government, civic, academic, and advocacy organizations. Staff have and will continue to engage a lot of perspectives in this process. This question focuses on ensuring that we are continuously broadening our audience and engaging with the right people and in the right ways.

Discussion Question: Who would you as the RTA Board like to hear more directly from during this process?

Potential groups to hear more from include but are not limited to:

- **Leadership and staff from the Service Boards.**
- **Leadership from other units of government** at the local, regional, state, and federal levels.
- **Civic groups and advocates** working throughout the region.
- **Leaders within the Disability Community** across the region.
- **Business Organizations and Economic Development Leaders** in the City of Chicago and suburban job centers.
- **Academic researchers and other thought-leaders** in transportation and related fields.
- **Members of the public.**