Proposed 2024 Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program

Northeastern Illinois
November 2023

Regional
Transportation
Authority

This document contains the proposed 2024 regional and Service Board operating budgets and capital programs, to be presented to the RTA Board on November 16, 2023.

Board of Directors

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Introduction

Innovation, collaboration needed to address regional transit challenges in 2024

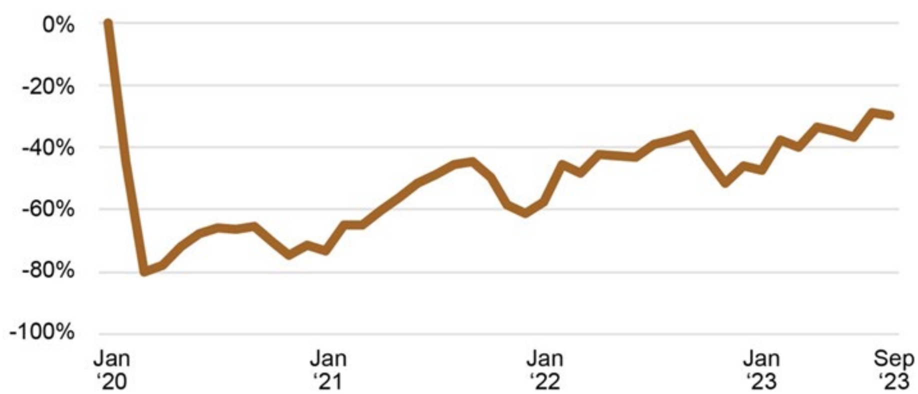
The Regional Transportation Authority (RTA) has a responsibility to oversee the financing of, plan for, and coordinate the Chicago region's transit system, which is operated by CTA, Metra, and Pace—known as the "Service Boards"—and to be candid with them and the public about financial challenges. Annually, all four transit agencies collaborate to develop the region's Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program. Preparation of the 2024 budget comes nearly a year after release of the new Regional Transit Strategic Plan, ***Transit is the Answer***, which was adopted in February. That plan set a vision of safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change. That vision and the plan's principles of Equity, Stewardship, and Commitment to Change, guide this budget and the work of the regional transit system going forward.

Transit connects people to jobs, education, and healthcare. It provides independence to people with disabilities. It transports people to economic opportunities beyond their community. Our transit system moves more than a million people a day in the Chicago region, but an outdated funding model that is too reliant on fares challenges our ability to reach regional goals. During development of *Transit is the Answer,* the RTA heard from stakeholders, advocates, and riders that they want public transit to be an agent of change for some of the largest challenges our region faces, but that requires investment in both operating and capital funding not only to close the budget gap that is projected in 2026 when federal COVID relief dollars run out, but also to expand and improve the system for the next generation.

This document describes a 2024 budget that includes $3.924 billion in operating expenses for northeastern Illinois' transit system, an increase of almost 10% above the adopted 2023 budget. This increase reflects significant operating expense increases due to continued service restorations and added security as well as inflationary increases in labor, fuel, and other expenses. Federal relief dollars distributed by the RTA earlier in the pandemic will continue to support transit operations for the upcoming budget year, making up about 20% of the budget. A gap of that size, projected to become an issue for the first time in 2026 would be devastating to our regional transit system and the riders it serves. The *Transit is the Answer* Coalition, and the 2024 Legislative Agenda, described below, will continue to work to address this gap and address the structural problem resulting from years of overreliance on fare revenue for transit.

In spite of the funding challenges, in 2023, the Chicago region's transit system continued to recover ridership, improve safety and security, and deliver transit options riders need. Service adaptations, such as providing additional buses and trains to capture riders who were stuck in Kennedy construction traffic, and fare programs such as continuing the Regional Connect Pass for people to travel seamlessly across all three operators, were just a few examples of how a stronger transit system encourages higher ridership. Additional focus on safety and security, reduced crime, and station improvements has helped riders feel confident in the region's transit system after several years of disruption. In 2023, RTA system ridership has continued a slow but steady recovery from the COVID-19 pandemic. Total ridership approached 60% of pre-COVID levels over the summer and is forecasted to finish the year at about 325 million.

Figure 1. System Ridership, January 2020 - September 2023



More people are riding transit not just to get to work but also for a variety of trips. Agencies have been flexible in adapting their schedules and riders are responding. Travel patterns have changed, however. While 80% of riders have returned to transit, they are riding less frequently.

This budget also details the 2024-2028 Regional Capital Program of $5.975 billion, which is 4.4% greater than the 2023-2027 Capital Program. Federal investment from the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act or IIJA) is flowing to the Chicago region and funds from the 2019 state law, Rebuild Illinois, continue to be programmed, allowing CTA, Metra, and Pace to make progress on the backlog of maintenance needs and work toward regional goals like accessibility, equity, and combatting climate change. For the first time in this budget, the RTA is evaluating its capital program based on 15 new metrics included in *Transit is the Answer*. These metrics provide different lenses for analyzing the capital program and understanding how it is accomplishing regional objectives with the limited funding available.

While much of the conversation in coming years will focus on the operating funding crisis, funding challenges remain on the capital side as well. Major investment from state and federal legislation has been a good first step, but the unmet need remains great. The 10-year regional capital funding need for all of the priority projects in this budget totals $40.5 billion. Notably, the current 2024-2028 Capital Program only funds 14.7% of the total 10-year need, which is less than the 15.6% funded in the 2023-2027 capital plan and well short of what is needed.

Expanding fare offerings to more riders to create a seamless, affordable transit system

Transit is the answer to connecting the most vulnerable people in our region to jobs, healthcare, and other opportunities. Chicago's regional transit system gives thousands of residents with disabilities and older adults independence through ADA paratransit and reduced fare and ride free programs, but these programs have been deeply underfunded for too long. For example, in 2023, 262,400 people were enrolled in RTA Reduced Fare and

Ride Free Programs with an estimated program cost of $88.2 million, but the state appropriation covered only $19.1 million, leaving agencies to cover the cost of these important programs through general operating revenue.

Fully funding and expanding regional reduced fare and ride free programs increases access for those residents who need it most. Making paying for transit more seamless and affordable is a commitment RTA made in *Transit is the Answer*.

A proposed pilot in 2024 will provide reduced fares for Metra rides to residents of the Chicago region experiencing low incomes.

This 18-month pilot program would be offered to all Supplemental Nutrition Assistance Program (SNAP) recipient household members living within the six-county region. Depending on the availability of additional funding, the pilot will be expanded to CTA and Pace.

Fare integration has already seen significant progress in recent years. For those who ride both Pace and CTA today, there is no transfer fee between the two services and riders use the same card to access both. Metra monthly pass users can also access unlimited monthly trips on CTA and Pace for only $30 with the Regional Connect Pass. In 2024, the Service Boards will continue working toward fully integrated fare products that allow riders to use CTA, Metra, and Pace for one price.

As we seek additional funding, it is critical to deliver on reforms and improvements that make riding transit more convenient and affordable for people across the region. For example, in response to the Transit Omnibus bill passed in Springfield in 2023, the RTA moved quickly to implement a program to supply pre-paid transit cards to survivors of domestic violence and sexual assault. The agency funded and delivered 20,000 Ventra cards pre-loaded with $20 to partners at The Network, an advocacy and support organization, who will distribute the cards to survivors. Legislation also called for expansion of the region’s Transit Benefit Program, which lets workers across the region pay for transit using pre-tax dollars. Starting January 1, businesses with 50 or more employees and access to frequent transit will be required to offer the program. The RTA runs a Transit Fare Benefit Program available for employers and employees to save time and money on their commute.

2024 Legislative Agenda

Public transit plays an essential role in the lives of millions of riders across the Chicago region and by fully funding the system, it has the potential to reach even more people and serve as an even stronger tool in our region's economic recovery and fight against climate change. Historic underfunding of the system has been exacerbated in recent years because of pandemic-induced changes in travel patterns that have resulted in drops in ridership and fare revenues.

Chicago's transit agencies—CTA, Metra, and Pace—are providing over 1 million rides each weekday, making transit an essential component of the region's transportation network, economy, and quality of life. More funding would position the system to better meet the needs of today's riders.

While significant ridership recovery has occurred, changes in remote and hybrid work are projected to result in lower levels of ridership for the remainder of the decade compared to 2019. Beginning in 2026, the RTA system is facing a projected annual budget gap of more than $700 million. Closing the gap is critical to avoid drastic cuts that would harm the system we have, but the actual cost of improving and expanding the system to the level that riders want and deserve may be much higher. The Plan of Action for Regional Transit (PART) report completed by the Chicago Metropolitan Agency for Planning (CMAP) in 2023 found that funding of either an additional $1 billion or $1.5 billion annually would provide meaningful change or transformational investment in the system. Fare increases and service cuts won't solve this problem—the system requires funding, reform, and policy changes that make transit a more competitive travel option.

Building off the region's transit strategic plan, *Transit is the Answer*, RTA has developed a legislative agenda for 2024 that focuses on securing funds to address the immediate budget gap while also reforming transit funding policy to sustain the system into the future.

Policy Priorities

Fully fund the region's transit system

Chicago's regional transit system is chronically underfunded. As the pandemic exposed, operating funding levels are not sustainable, limiting our ability to deliver equitable and efficient transit service across the region. Recent federal and state capital legislation has made a big impact in addressing state of good repair needs, but we need more sustainable capital funding to improve speed and reliability across the current system. Increasing investment in transit operations and capital is key to advancing equity, growing our economy, and combating climate change.

The RTA advocates to:

- Raise at least $730 million in new revenue for transit operations annually in advance of fiscal cliff projected to arrive in 2026. The baseline structural $730 million deficit represents about 20% of the system's operating budget and is projected to grow each year as expenses increase.
- Increase levels of sustainable capital funding to meet transit's infrastructure needs of $3.5 billion per year over the next 10 years, with a focus on additional PAYGO funds.

Develop a funding structure that is less reliant on rider fares.

Raising funding levels alone won't solve transit's problem—there must be structural shifts to the regional transit operating budget. The state-mandated recovery ratio of 50%—the highest requirement of its kind nationally—limits transit's ability to provide equitable service and innovate.

The RTA advocates to:

- Reform the 50% farebox recovery ratio and develop new performance metrics to determine system performance that align with regional plan goals.
- Fully fund the region’s existing free-and-reduced fare programs, estimated at $100 million annually, and ADA Paratransit service, $250 million annually.
- Fund and pilot expansion of free and reduced fare programs to include people experiencing low incomes, estimated to cost $50 million annually.

Pursue reforms and efficiencies that will improve transit operations and strengthen the current approach to service delivery, fare policy, and capital investments.

Regional travel patterns have shifted dramatically in recent history and transit must continue to adapt along with them. Legislators should pursue policies that build on recent advancements and support agencies in their work to adapt transit to meet changing needs and continue to grow ridership. This includes a more coordinated approach to regional fare policy as well as governance reforms that challenge the system to better collaborate in delivering high-quality service.

The RTA advocates to:

- Consider reforms to the RTA Act that improve coordination, efficiency, and accountability.
- Strengthen regional approach to fare policy to make paying for transit more seamless and affordable.
- Build on recent data-driven capital program investments to advance equity and mobility justice in transit planning and construction.

Pursue reforms to how the state plans, evaluates, and prioritizes transportation projects to reduce emissions and advance racial equity.

Transit is one of the most sustainable modes of travel, and the system is one of the strongest tools our region has in the fight against climate change. Transit accounts for just 2% of the region’s transportation emissions, while cars account for 59%. Lawmakers should enact policies that continue to drive ridership growth and reduce single-occupancy vehicles on the road, which will reduce regional emissions and congestion.

The RTA advocates to:

- Set statewide and regional greenhouse gas emissions targets for the transportation sector and reform project evaluation processes to prioritize projects that reduce emissions, particularly in environmental justice communities.
- Evaluate and reform how the state spends federal transportation resources to support public transit systems, including flexing highway funds to transit.
- Evaluate and reform road system user fees including tolling, parking, and vehicle registration to support transit and reduce single-occupancy vehicle trips.
- Provide additional capital funding and explore innovative purchase-agreements to accelerate the transition to a zero-emission bus network. CTA and Pace are both committed to fully electrifying their bus fleets by 2040.

Comment and join the *Transit is the Answer* Coalition to support transit's future

Since the adoption of *Transit is the Answer*, the RTA has launched and grown a coalition of transit supporters. The *Transit is the Answer* coalition meets quarterly with more than 100 members to discuss key initiatives of plan implementation, including safety and security, affordable fares, and more. These conversations have directly guided programs as they have been developed and will continue to give important feedback in 2024. We encourage people to join the coalition at https://transitistheanswer.org/

In addition, there are several opportunities to provide feedback on the 2024 Proposed Regional Budget, which will be open for public comment November 16 through December 7, 2023. Public comment may be submitted by emailing communications@RTAChicago.org or through an online form at https://www.rtachicago.org/transit-funding/2024-regional-transit-budget. Join the virtual Public Hearing on Thursday, December 7 from 4:00 to 6:00 p.m. You can also subscribe to the Regional Transit Update to receive our newsletter and stay informed. We encourage people to stay involved and join us in our work to support transit in the next few years. We will need every one of you along the way.

"In 2024, the RTA and Service Boards will collaborate in new and innovative ways to provide more reliable, seamless, and affordable transit service while advocating together for the increased funding we need to support our system's future. Together, we can achieve a system that will continue to thrive for generations to come."

– **Leanne Redden, RTA Executive Director**

Regional Operations

This section summarizes the proposed 2024 Regional Operating Budget and Two-Year Financial Plan, which is comprised of each Service Board's operating budget and the RTA Agency budget. This first section of the document contains high-level summaries of the regional budget. More complete details may be found in the subsequent CTA, Metra, Pace Suburban Service, ADA Paratransit, and RTA Agency sections.

Regional Operating Budget

The RTA's regional operating budget continues to rely heavily on the $3.540 billion of relief funding provided by the federal government to offset the ongoing impacts of the COVID-19 pandemic on ridership and fare revenue. While regional transit ridership continued to recover steadily in 2023 and sales tax collections have been strong, the Service Boards' combined system-generated revenue remains at about 60% of pre-pandemic levels. That revenue loss, combined with the inevitable exhaustion of federal relief funding and the increasing cost of providing the transit service our residents deserve has long portended an eventual operating budget shortfall which has now entered the three-year planning horizon.

The residual impacts of the pandemic and the necessary federal response led to both price inflation and ongoing labor market turmoil, increasing the costs of goods and services across most sectors of the economy, including the provision of transit services. Consequently, the Service Boards' proposed 2024 operating budgets contain significant operating expense increases due to both continued service restorations and added security, exacerbated by inflationary increases in labor, fuel, and other expenses. The proposed 2024 regional operating budget stands at $3.924 billion, 13% higher than the estimated 2023 regional expenses, and almost 10% above the adopted 2023 regional budget. Supporting the proposed Service Board expense levels is expected to result in the exhaustion of federal relief funding beginning in late 2025, with 2026 expected to be the first budget year largely unsupported by existing federal relief.

Unless otherwise noted, most growth rates in this document are calculated by comparing 2024 Budget figures to 2023 Estimate figures, which the Service Board finance teams have reforecast based on the most recent financial results, ridership, and operating trends of the current year. Such a comparison generally provides a more useful and meaningful view than comparing the (2024) budget to the prior year (2023) budget.

Ridership

In 2023, RTA system ridership has continued a slow but steady recovery from the COVID-19 pandemic. Total ridership approached 60% of pre-COVID levels over the summer and is forecast to finish the year at about 325 million. As shown in Table 1, ridership for 2024 is budgeted to continue recovering to 349 million, an increase of 7.4% from 2023 but still just 62% of the pre-COVID 2019 level of 562 million rides. Each Service Board is projecting ridership increases in their 2024 budgets, ranging from a 4% gain at Pace Suburban Service to 24% growth at Metra. Compared to pre-COVID ridership results, Metra's budget assumes ridership at 54% of 2019 levels, Pace at 55%, CTA at 64%, and ADA Paratransit at 98%.

Table 1. Regional Ridership Forecast

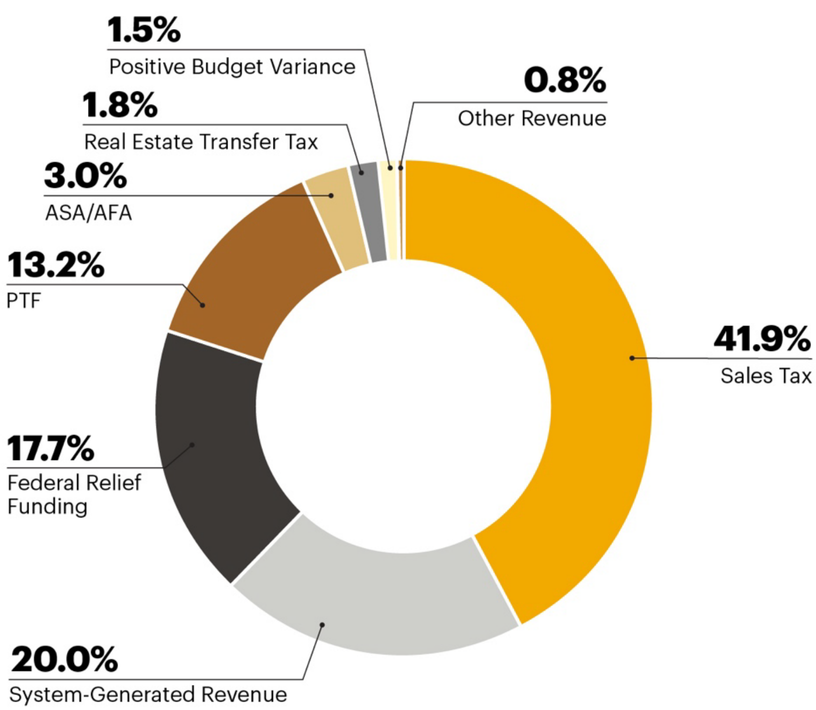
Ridership (in millions)	2023 Estimate	2024 Budget	2024 Growth	2024 as % of 2019
CTA	273.5	289.0	+5.7%	64%
Metra	32.3	40.2	+24.4%	54%
Pace Suburban Service	15.0	15.6	+3.5%	55%
ADA Paratransit	4.0	4.2	+3.7%	98%
System	**324.8**	**349.0**	**+7.4%**	**62%**

System-Generated Revenue

System-generated revenue consists primarily of passenger fares as well as ancillary revenue from sources such as the lease of space, advertising, and investment income. It also includes the state reduced fare reimbursement funding, which partially compensates the Service Boards for mandated free and reduced fare programs. While no general fare increases are included in the proposed 2024 CTA, Pace, and ADA Paratransit budgets, other fare-related actions are discussed in the individual Service Board sections, including a major overhaul of Metra's traditional ten-zone fare structure.

The Service Boards' 2024 budgets anticipate $789.8 million of system-generated revenue, an increase of $115.7 million, or 17.2%, over the 2023 estimate. More than half of this growth is attributable to planned Northern Indiana Commuter Transportation District (NICTD) reimbursements for Metra Electric District improvements. As shown in Figure 2, system-generated revenue accounts for only 20% of the $3.941 billion of total revenue estimated to be available for 2024 operations, with the balance coming from public funding sources and federal COVID-19 relief funding, discussed next.

Figure 2. 2024 Revenues: $3.941 Billion



Public Funding

Overall public funding for the 2024 budget is projected at $2.395 billion, an increase of $87.9 million or 3.8% from the 2023 estimate. About 42% of the region's revenue for operations is budgeted to come from the regional RTA sales tax imposed at 1.25% in Cook County and 0.5% in the collar counties. RTA sales tax receipts are expected to finish 2023 at $1.602 billion, an increase of 2.0% from 2022. Sales tax is assumed to grow by 3.2% in 2024, to $1.653 billion, followed by growth of 3.0% and 2.6% in 2025 and 2026, respectively, finishing the planning period at $1.747 billion. The existing state surcharge of 1.5% on RTA sales tax collections is assumed to remain in place, reducing RTA and Service Board funding by more than $20 million per year.

The majority of state funding received by the RTA is based on a 30% match of RTA sales tax and Real Estate Transfer Tax (RETT) receipts. The match funding comes from the State's Public Transportation Fund (PTF), which is expected to provide $520.3 million for 2024 operations. RETT receipts are expected to increase by 3.2% in 2024 to $72.5 million, in line with the sales tax growth assumption. State Financial Assistance (ASA/AFA) for state funded reimbursement of debt service on RTA Strategic Capital Improvement Program (SCIP) bonds is budgeted at $117.6 million for 2024. Other miscellaneous revenue sources, including increased state funding support of $9.1 million for Pace ADA Paratransit service, comprise less than 1% of total revenue.

Federal Relief Funding and Positive Budget Variance

As shown in Figure 2, relief funding and positive budget variance associated with relief funding account for 19% of the total 2024 revenue for operations. A total of $3.540 billion of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act, and American Rescue Plan (ARP) Act COVID-19 relief funding has been provided to the RTA region. The Service Boards and RTA estimate that $2.121 billion or 60% of the region's federal relief funding will be drawn down by the close of 2023. The proposed Service Board budgets and two-year plans project that CTA's relief funding will exhaust toward the end of 2025, requiring $50 million of additional funding or budget balancing actions for that budget year. The proposed Metra and Pace Suburban Service budgets and plans reflect exhaustion of all remaining relief funding allocations by early- and mid-2026, respectively. For Pace, this includes the programming of $176 million of positive budget variance associated with 2020-2022 relief funding drawdowns which are being held in reserve.

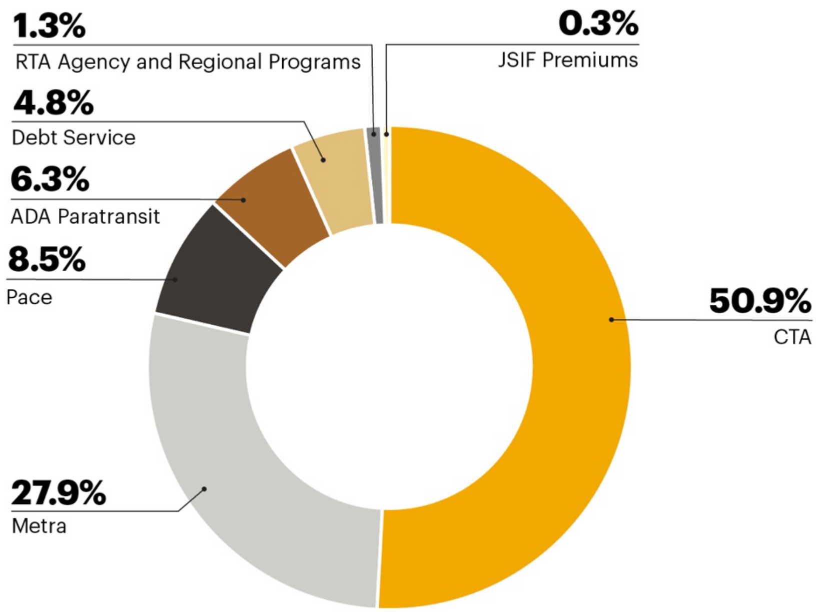
To summarize, the adopted Service Board 2024 budgets and 2025-2026 plans project that existing federal relief funding will begin to exhaust in late 2025, resulting in an expected operating budget shortfall of $878 million for 2026, represented by the Budget Balancing Actions line item in Table 2. Although this current projection exceeds the $730 million 2026 budget gap estimated by the Ten-Year Financial Plan effort within the RTA strategic plan, many variables will continue to impact and potentially mitigate this forecast as we move forward, including ridership recovery, sales tax trends, and Service Board expense performance relative to budget. The RTA will update the forecasted fiscal cliff information in 2024. Nevertheless, if additional operating funding sources are not identified soon, extensive service reductions and/or fare increases will be required by the Service Boards to bring operating expenses back into balance with projected revenue.

Service Levels and Expenses

As shown in Figure 3, Service Board operating expenses comprise about 94% of the 2024 Regional Budget, largely driven by planned service levels and associated labor costs. CTA's proposed budget assumes operation of as much service as its workforce allows toward the goal of restoring pre-pandemic levels, while the proposed Metra budget assumes weekday service near pre-pandemic levels, adjusted to new travel patterns. The proposed Pace Suburban Service operating budget reflects continued service additions, but overall Pace service levels remain well below pre-pandemic levels.

Each of the Service Boards anticipates very significant 2024 operating expense growth relative to their 2023 estimates, driven primarily by ongoing service restorations and labor costs. CTA projects an 11.7% increase in expenses, driven primarily by labor, material, and other expenses. Metra operating costs are expected to increase by 20.1% due to higher labor and administrative expenses, including $65 million of new, reimbursed expense for Metra Electric District improvements related to NICTD's expanded South Shore Line service. Pace anticipates 13.0% expense growth driven by the first full year of Dempster Avenue Pulse Bus Rapid Transit service and innovative new services utilizing transportation network company (TNC) partners, as well as the relocation to the operating budget of some expenses traditionally funded from capital. ADA Paratransit expenses are projected to increase by 3.6%, lower than the assumed 5% ridership growth, as the expanded utilization of less costly TNC options mitigates overall expense growth.

Figure 3. 2024 Expenses: $3.924 Billion



RTA Agency and Regional Programs expenses are budgeted at $52.5 million, an increase of 43% from the 2023 estimate, due to the every-other-year pattern of grant-funded programs. The 2024 RTA Agency net expense, or funding requirement, is budgeted to increase by 6.0% from 2023, to $38.4 million. The RTA Agency budget represents 1.3% of RTA system expenses.

Other regional expenses, which include debt service on bonds issued for Service Board capital funding and Joint Self Insurance Fund (JSIF) premiums, comprise the remaining 5.1% of regional expenses. The projected RTA debt service level of $189.8 million includes principal and interest expense on existing long-term bonds and on a new $130 million RTA bond issuance tentatively planned for 2024.

When RTA and regional expenses are combined with Service Board operating expenses, total 2024 expenses for the RTA system are projected at $3.924 billion, an increase of 13.3% over the 2023 estimate. However, on a budget-to-budget basis, Service Board and RTA operating expense growth rates are significantly lower, at a combined 9.5%. Total regional operating expenses are subsequently projected to increase by 4.3% and 2.9% in 2025 and 2026, respectively, reaching $4.213 billion by the end of the planning period.

Net Result and Recovery Ratios

As shown in Table 2, the regional operating budget and financial plan is balanced, with a net result of zero achieved by the utilization of federal relief funding and prior-year positive budget variance, shown in green, and by potential budget balancing actions in 2025 and 2026, shown in red. By including $756 million of federal relief funding in system-generated revenue, as authorized by the RTA Board, the 2024 CTA, Metra, and Pace operating budgets meet or exceed their individual RTA-specified recovery ratios of 42%, 39%, and 17%, respectively. The ADA Paratransit budget also meets the required recovery ratio of 7.5%, after authorized expense exclusions.

The resulting RTA regional recovery ratio for 2024 is budgeted at 48.2%, as allowed by the temporary state recovery ratio relief currently in place. After the 2025 RTA fiscal year, the temporary relief lapses and the 50% requirement returns. Even with federal relief funding and budget balancing actions included in the calculation, the RTA system is expected to fall short of the 50% statutory requirement in 2026, indicating that an extension of the temporary relief, or permanent recovery ratio relief, is needed. For purposes of considering the two-year financial plan for adoption, a tentative and unspecified regional-level revenue credit of $30 million has been included for 2026 only, to elevate the recovery ratio to the 50% requirement.

An additional recovery ratio calculation which excludes all federal relief funding and budget balancing actions has been added for information only, in red, near the bottom of Table 2. This ratio, which continues to apply the revenue and expense adjustments currently allowed by the RTA Act, gives a more transparent view of the recovery ratio which may be achievable in the post-COVID revenue environment at budgeted service levels. The ratio decreases from 26% to 23% across the budget and two-year financial plan period.

Table 2. Statement of Regional Revenues and Expenses (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
System-Generated Revenue					
CTA	$375,742	$409,741	$427,423	$443,424	$463,673
Metra	$173,100	$208,500	$308,900	$337,800	$313,700
Pace	$35,513	$43,431	$40,554	$38,526	$36,873
ADA Paratransit	$8,426	$12,493	$12,960	$13,077	$13,352
Total System-Generated Revenue	**$592,781**	**$674,165**	**$789,837**	**$832,827**	**$827,598**
Public Funding					
RTA Sales Tax	$1,569,567	$1,601,668	$1,652,921	$1,702,509	$1,746,774
Public Transportation Fund (PTF)	$499,587	$508,654	$520,274	$540,919	$554,983
Real Estate Transfer Tax (RETT)	$79,926	$70,209	$72,455	$74,629	$76,569
State Financial Assistance (ASA/AFA)	$125,797	$115,189	$117,615	$103,358	$99,131
State Funding for ADA Paratransit	$8,395	$8,395	$9,108	$9,108	$9,108
Federal Discretionary Funding	$8,774	$1,148	$5,553	$5,558	$4,357
ICE Carryforward [1]	-	$444	-	$16,301	$16,823
Other RTA Revenue [2]	$17,777	$1,925	$17,557	$3,739	$17,913
Total Public Funding	**$2,309,823**	**$2,307,631**	**$2,395,483**	**$2,456,120**	**$2,525,658**
Federal Relief Funding, PBV, and BBA					
Federal Relief Funding [3]	$367,354	$473,853	$696,186	$721,265	$23,485
Prior-Year Positive Budget Variance (PBV) [3]	-	$29,231	$59,706	$65,797	$50,731
Budget Balancing Actions [3]	-	-	-	$50,420	$878,148
Total Relief Funding, PBV, and BBA	**$367,354**	**$503,084**	**$755,892**	**$837,482**	**$952,364**
Total Revenues	**$3,269,957**	**$3,484,880**	**$3,941,211**	**$4,126,430**	**$4,305,619**

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Service Board Expenses					
CTA	$1,581,549	$1,786,240	$1,995,789	$2,106,776	$2,202,916
Metra	$844,500	$910,282	$1,093,000	$1,155,000	$1,145,000
Pace	$245,588	$294,901	$333,335	$346,155	$361,010
ADA Paratransit	$207,519	$240,372	$248,932	$264,867	$279,869
Total Service Board Expenses	**$2,879,156**	**$3,231,795**	**$3,671,056**	**$3,872,798**	**$3,988,794**
Region/Agency Expenses					
Debt Service	$199,740	$185,932	$189,834	$170,740	$157,090
RTA Agency and Regional Programs	$46,460	$36,692	$52,500	$39,835	$55,198
Joint Self-Insurance Fund (JSIF)	$9,975	$10,474	$10,997	$11,547	$12,125
Total Region/Agency Expenses	**$256,175**	**$233,098**	**$253,332**	**$222,122**	**$224,413**
Total Expenses	**$3,135,331**	**$3,464,893**	**$3,924,388**	**$4,094,922**	**$4,213,207**
ICE funding not used for operations - transfer to capital [4]	($8,307)	-	-	($14,182)	($14,636)
ICE funding retained by RTA for future distribution	-	($16,301)	($16,823)	($17,327)	($17,778)
Other transfers [5]	($25,999)	-	-	-	(60,000)
Net Result	**$100,320**	**$3,686**	**$0**	**$0**	**$0**
Regional Recovery Ratio (Statutory)	**44.6%**	**42.8%**	**48.2%**	**49.0%**	**50.0%**
Recovery Ratio Excluding Relief Funding (for info only)	**32.5%**	**25.5%**	**26.1%**	**25.7%**	**23.4%**

[1] In 2023, Pace carryover from 2022. In 2025 and 2026, RTA release of total estimated 2023 and 2024 ICE funding.

[2] Includes income from financial transactions and investments, sales tax interest, and revenues from RTA programs and projects.

[3] Authorized for inclusion as operating revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52.

[4] As authorized by RTA Ordinance 2023-39, ICE amounts not required for operating funding may be redesignated for capital projects.

[5] Includes Debt Service Deposit Agreement revenue and transfers to RTA reserves (2022) and Metra farebox capital (2026).

Primary RTA Public Funding Sources

RTA Sales Tax Part I: The original RTA sales tax, levied at 1.0% in Cook County and 0.25% in the collar counties of DuPage, Kane, Lake, McHenry, and Will. 85% of Sales Tax I receipts are distributed to the Service Boards according to a statutory formula. The remaining 15% of Sales Tax I is initially retained by the RTA to fund regional and agency expenses before being allocated at the direction of the RTA Board.

RTA Sales Tax Part II: Authorized by the 2008 funding reform, an additional sales tax of 0.25% in all six counties of the RTA region. Sales Tax II is distributed to the Service Boards according to a statutory formula after deducting funds for ADA Paratransit, Pace Suburban Community Mobility, and RTA Innovation, Coordination, and Enhancement (ICE). After these deductions, CTA receives 48%, Metra 39%, and Pace 13%.

Real Estate Transfer Tax (RETT): The 2008 funding reform also increased the City of Chicago RETT by $1.50 per $500 of property transferred and dedicated this additional tax revenue to directly fund CTA operating expenses.

Public Transportation Fund (PTF) Part I: PTF Part I is State-provided funding comprised of a 25% match of Sales Tax I receipts. 100% of PTF I is retained by the RTA and combined with 15% of Sales Tax I to form the basis for funding to be allocated at the direction of the RTA Board.

Public Transportation Fund (PTF) Part II: PTF Part II, authorized by the 2008 funding reform, is State-provided funding equal to a 5% match of Sales Tax I receipts and a 30% match of Sales Tax II receipts and RETT receipts. After allocating 5/6 of the PTF on RETT receipts to CTA, the remaining PTF II is distributed to the Service Boards by the same statutory formula used to allocate Sales Tax II.

State Financial Assistance: State-provided assistance to reimburse the RTA's debt service on Strategic Capital Improvement Program (SCIP) bonds. It consists of two components: Additional State Assistance (ASA) and Additional Financial Assistance (AFA).

State Reduced Fare Reimbursement: State-provided reimbursement to the Service Boards, via the RTA, to partially offset the cost of providing reduced fare and free ride programs mandated by law, including those for seniors and disabled persons.

CTA Operating Budget

CTA's proposed operating budget reflects a continued effort to deliver reliable service while striving to achieve the goals outlined in CTA's action plan, *Meeting the Moment*. No fare increases are proposed in 2024, and CTA has maintained the discounts on passes implemented in 2021. Overall operating expense levels are expected to increase by 11.7% from the 2023 estimate, driven primarily by higher labor costs. An operating budget gap of $472.5 million for 2024 will be closed with federal relief funds.

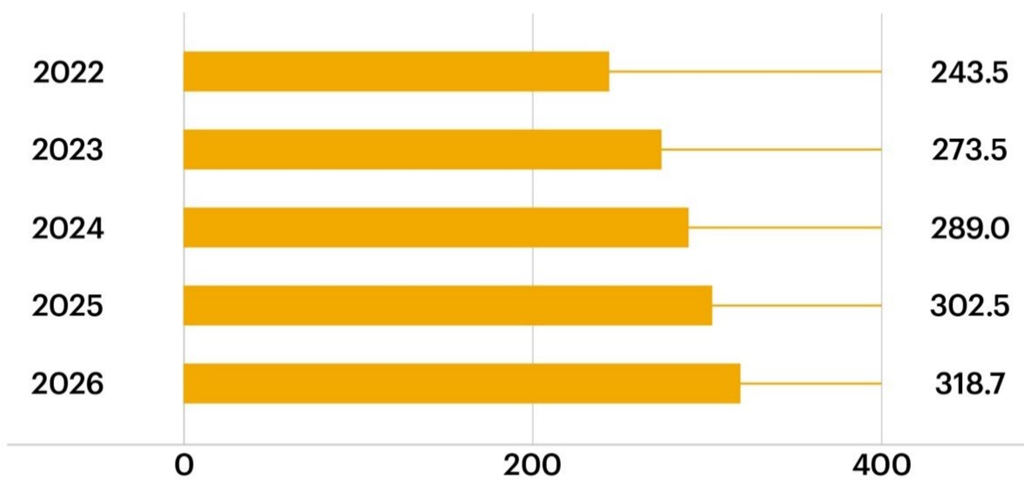
"The bus and rail service that CTA provides is a vital public good and an expression of equity that is fundamental to helping our most transit-reliant customers live their lives. I ask that our stakeholders remain engaged and join CTA in our fight to provide the best public transit possible to this great city."

Dorval R. Carter Jr., CTA President

Ridership

Transit ridership locally and nationally continues to lag pre-pandemic levels. CTA's total 2023 ridership is projected to end the year at 273.5 million, or about 60% of 2019 ridership. The 2024 budget anticipates ridership growth of 5.7% from the 2023 estimate to 289.0 million rides, or about 64% of pre-COVID levels. Further recovery is anticipated for 2025 and 2026, with ridership projected to reach 70% of pre-COVID levels for both bus and rail by the end of the planning period.

Figure 4. CTA Ridership (millions)



Fares

No fare increases are included in the proposed 2024 budget. As a result, CTA's average 2024 fare is projected to be unchanged from the 2023 estimate of $1.19. CTA's average fare accounts for ridership of all fare types, including a significant number of free and reduced fare rides. The fare reductions to the 1-Day, 3-Day, and 7-Day passes implemented in 2021 have been instrumental in driving ridership growth and strengthening fare revenues. In July of 2022, CTA introduced the Regional Connect Pass in partnership with Metra and Pace.

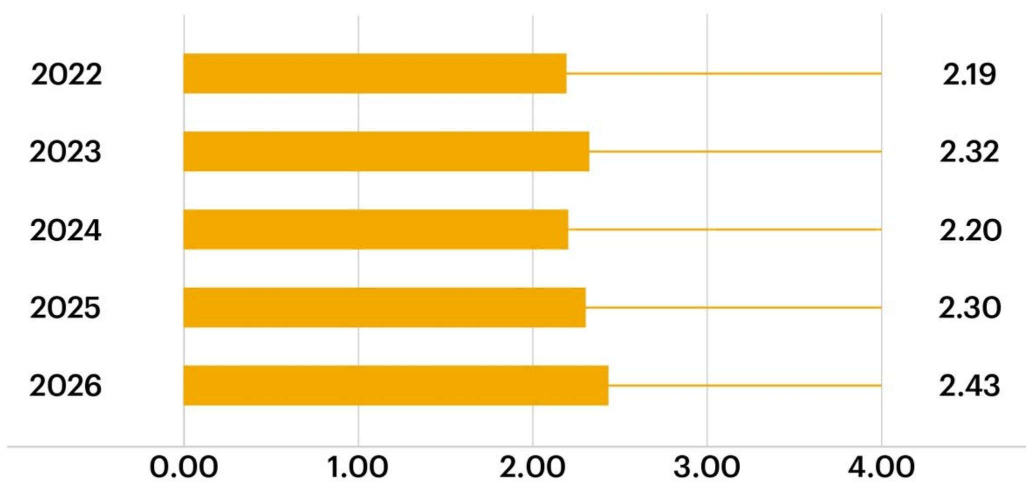
The Regional Connect Pass allows Metra monthly pass holders to ride all month on CTA and Pace with no day or time restrictions. Minor fluctuations in average fare may be expected across the planning period as ridership and ticket mix (i.e., pass and multi-day products versus single rides) vary.

Figure 5. CTA Average Fare

Service Levels

CTA proposes to continue operating as much service as its workforce allows to meet customer demand amid shifting travel patterns. Notably, a higher level of unscheduled service is anticipated due to an increasing number of special events across the City of Chicago. Vehicle revenue miles, a measure of the total distance vehicles travel while in revenue service, are budgeted at 104% of pre-pandemic levels in 2024 through 2026. Service effectiveness, as measured by passenger trips per vehicle revenue mile, is projected to decrease by about 5% in 2024 due to anticipated increased service levels tempered by ridership growth. Effectiveness is then projected to increase with ridership growth in 2025 and 2026.

Figure 6. CTA Passenger Trips per Vehicle Revenue Mile

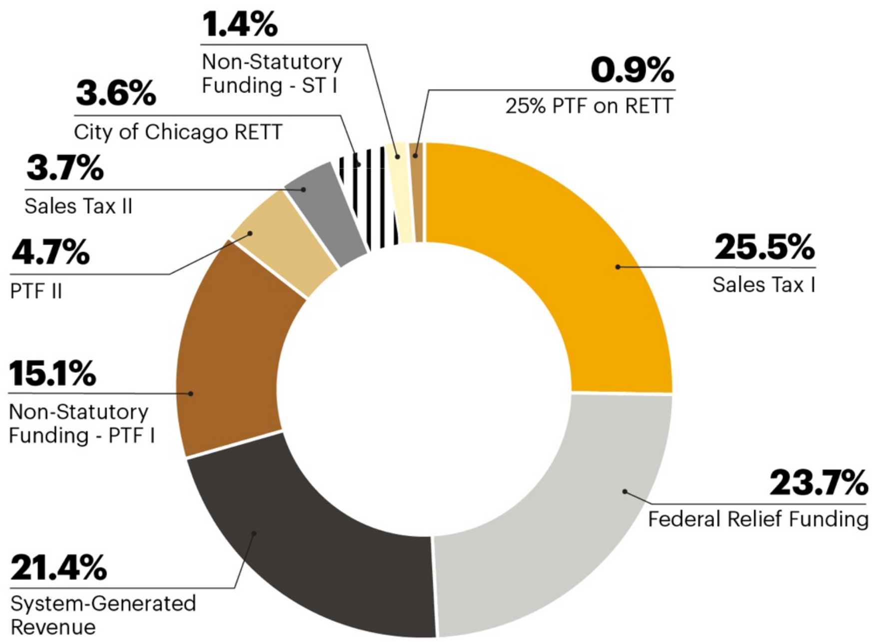


System-Generated Revenue

Total system-generated revenue is projected to increase by 4.3% to $427.4 million in 2024, driven by higher fare revenue. Passenger fare revenue is budgeted to grow by 5.7%, which is consistent with the ridership growth projections. CTA's share of the State reduced fare reimbursement increased to $15.8 million in 2024 and the planning years for this program. This reduced-fare subsidy only covers a portion of the more than $100 million in actual free and reduced rides provided by the CTA annually. CTA's Other Revenue category is expected to decline by 2.2% in 2024 to $66.5 million due to lower rental and non-capital grant revenue.

System-generated revenue comprises 21.4% of CTA's total revenue for operations, with the balance provided by public funding sources and federal relief funding.

Figure 7. CTA 2024 Revenues: $1.996 Billion



Public Funding

Due to continued RTA sales tax growth, total public funding for CTA operations in 2024 is projected at $1.096 billion, 3.2% higher than the 2023 estimate. CTA's funding assumptions for 2024 through 2026 match the RTA Board adopted marks for sales tax, PTF, and RTA non-statutory funding. These amounts include Chicago RETT receipts projected at $72.5 million to $76.6 million.

In a process change approved in 2022, RTA Innovation, Coordination, and Enhancement (ICE) funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program. Accordingly, CTA has tentatively assigned ICE funding to its capital program in 2025 and 2026.

Federal Relief Funding

CTA was allocated a total of $2.209 billion of combined CARES Act, CRRSAA, ARP Act, and ARP Act discretionary federal relief funding to help offset fare revenue and RTA funding losses due to the COVID-19 pandemic. To balance expenses and meet its required recovery ratio, CTA's 2024 operating budget relies on $472.5 million of federal relief funding with the remainder projected to exhaust toward the end of the 2025 budget year, after which new funding sources will be needed to support projected expense levels.

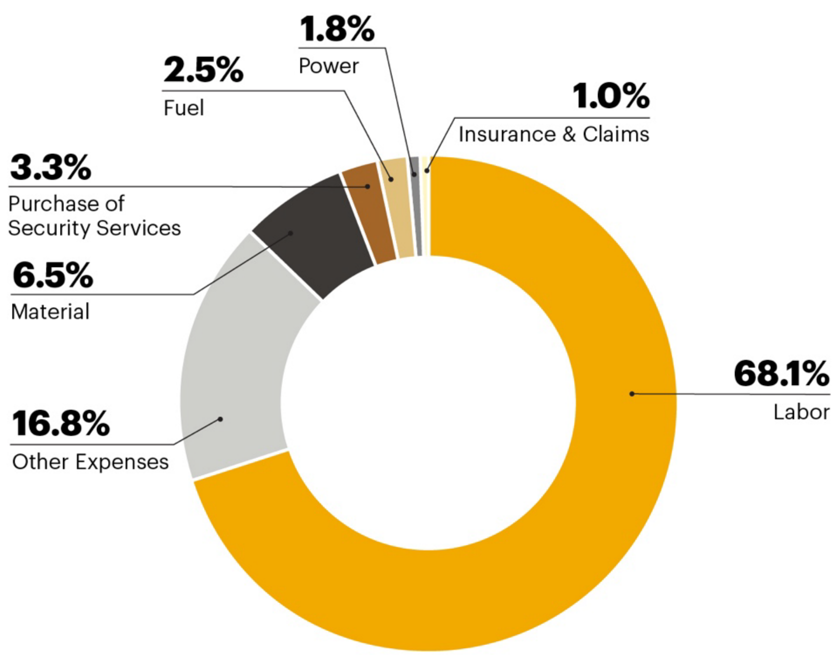
As authorized by the RTA Board, federal relief funding requisitioned to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

Expenses

CTA's 2024 budgeted expense level is $1.996 billion, an increase of $209.5 million or 11.7% from the 2023 estimate. Higher labor and other expenses represent approximately 88% of the increase. Labor, CTA's largest expense category, is budgeted to increase by 9.8% to $1.360 billion. The labor budget focuses on hiring and retention efforts to address workforce shortages and includes contractual wage increases, as well as higher healthcare and pension costs. Other expenses are budgeted at $334.5 million in 2024, an increase of 22.7% compared to the 2023 estimate. CTA's other expense category includes expenses such as contractual services, utilities, legal fees, advertising, bank fees, debt service for Transportation Infrastructure Finance and Innovation Act (TIFIA) loans and outstanding pension obligation bonds, and consulting services. Total CTA operating expenses are forecast to grow by 5.6% and 4.6% in 2025 and 2026, respectively, reaching $2.203 billion by the end of the planning period.

The 2024-2028 capital program includes a proposed CTA bond issuance of $467 million, and CTA has provided estimated financing parameters as required by the Budget Call. CTA's 2024 capital program contains approximately $205 million of annual debt service expense, while $97.5 million of existing debt service resides in the 2024 operating budget.

Figure 8. CTA 2024 Expenses: $1.996 Billion

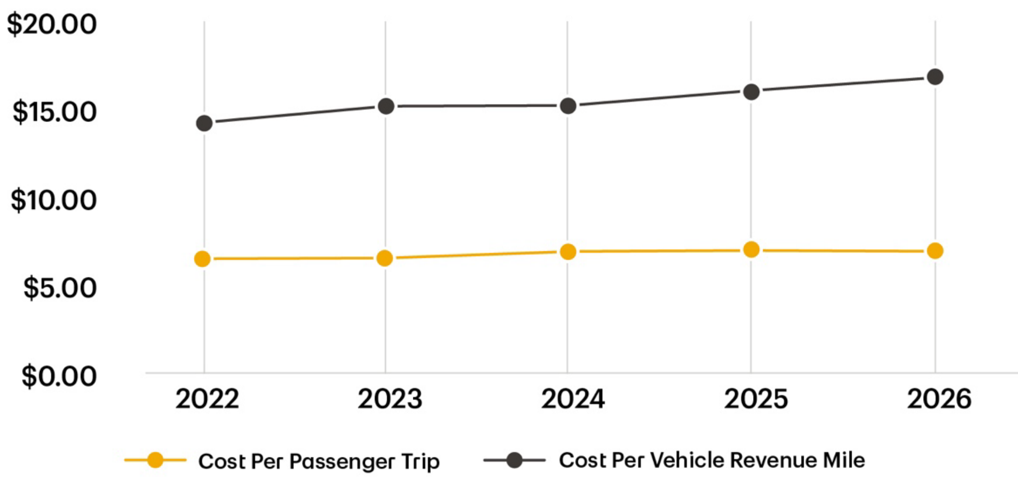


Fuel expense of $49.1 million represents 2.5% of CTA's total expense, and is budgeted at $2.97 per gallon, $0.15 higher than the 2023 estimate. While CTA continued its practice of fixed price purchasing for 2024, locking in 75% of expected consumption in advance, the increase in CTA fuel expenses next year reflects the past year's steady climb in diesel market pricing due to geopolitical factors, constrained supply, and high global demand. CTA has locked in 75% and 10% of projected fuel consumption for 2025 and 2026, respectively. The planning period assumes flat fuel consumption levels as ridership continues to increase while bus fleet efficiency improves with the replacement of CTA's oldest diesel buses and deployment of new electric buses.

Figure 9. CTA Fuel Price Per Gallon

Cost efficiency is shown in the next chart by cost per vehicle revenue mile in orange, which is projected to grow at an average annual rate of 4.2% across the five-year period as expenses increase with inflation while service levels remain essentially flat. Cost effectiveness, represented by cost per passenger trip, finished at $6.49 in 2022 and increases to $6.91 by 2026 as total expense growth is projected to outpace ridership growth.

Figure 10. CTA Cost Efficiency and Effectiveness



Net Result and Recovery Ratio

As shown in Table 3, CTA's operating budget is balanced in 2024 through 2026 by first utilizing the remainder of CTA's available relief funding, shown in green. Budget balancing actions, shown in red, are incorporated in 2025 and 2026 to represent CTA's projected budget shortfall. If new funding sources are not identified, these actions could include extensive service reductions and/or fare increases. After including budget balancing actions, revenues equal expenditures, producing a net result of zero.

CTA's 2024 recovery ratio of 52.5%, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exceeds the RTA Board adopted requirement of 42.0%. CTA has properly included federal COVID relief funding as a revenue credit for the purpose of meeting the required recovery ratio, as authorized by the RTA Board.

Table 3. CTA 2024 Budget and 2025-2026 Financial Plan (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
System-Generated Revenue					
Passenger Revenue	$290,891	$326,578	$345,117	$361,125	$380,429
State Reduced Fare Reimbursement	$14,606	$15,227	$15,847	$15,847	$15,847
Other Revenue	$70,245	$67,936	$66,459	$66,453	$67,397
Total System-Generated Revenue	**$375,742**	**$409,741**	**$427,423**	**$443,424**	**$463,673**
Public Funding					
Sales Tax I	$476,787	$492,882	$509,584	$524,872	$538,519
Sales Tax II	$73,098	$71,757	$73,246	$71,118	$68,928
PTF II	$89,618	$91,404	$93,506	$97,222	$99,750
25% PTF on RETT	$18,301	$16,505	$17,987	$18,657	$19,142
Non-Statutory Funding - PTF I	$288,691	$295,690	$301,333	$313,322	$321,468
Non-Statutory Funding - ST I	$19,784	$23,400	$27,739	$31,885	$37,918
Innovation, Coordination, and Enhancement Funding [1]	$7,668	-	-	$7,824	$8,075
City of Chicago RETT	$79,926	$70,209	$72,455	$74,629	$76,569
Total Public Funding	**$1,053,871**	**$1,061,846**	**$1,095,850**	**$1,139,529**	**$1,170,369**
Federal Relief Funding and Budget Balancing Actions					
Federal Relief Funding [2]	$151,935	$314,653	$472,516	$481,227	-
Budget Balancing Actions [2]	-	-	-	$50,420	$576,949
Total Federal Relief Funding and BBA	**$151,935**	**$314,653**	**$472,516**	**$531,647**	**$576,949**

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Total Revenues	**$1,581,548**	**$1,786,240**	**$1,995,789**	**$2,114,600**	**$2,210,991**
Expenses					
Labor	$1,134,269	$1,238,013	$1,359,830	$1,428,845	$1,499,931
Material	$105,052	$115,240	$130,628	$143,401	$154,500
Fuel	$27,201	$43,440	$ 49,074	$ 47,770	$45,150
Power	$18,323	$32,826	$36,729	$44,692	$45,754
Insurance & Claims	$31,680	$20,200	$19,850	$20,446	$21,059
Purchase of Security Services	$23,944	$63,914	$65,150	$68,082	$70,124
Other Expenses	$241,081	$272,607	$334,528	$353,540	$366,398
Total Expenses	**$1,581,549**	**$1,786,240**	**$1,995,789**	**$2,106,776**	**$2,202,916**
ICE funding not used for operations - transfer to capital [1]	-	-	-	($7,824)	($8,075)
Net Result	**$0**	**$0**	**$0**	**$0**	**$0**
Recovery Ratio	**53.7%**	**48.1%**	**52.5%**	**53.5%**	**54.4%**

[1] ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

[2] Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52. Federal Relief Funds to include CARES Act, CRRSAA, ARP Act and ARP. Discretionary.

Metra Operating Budget

Metra's proposed 2024 operating budget recognizes the need to evolve with ridership trends and to proactively adapt to changes in rider demand, thus shifting toward a regional rail model. Metra's budget and two-year financial plan relies on existing federal relief funding to maintain balance in 2024 and 2025, but projects that $274.7 million of additional funding or budget balancing actions will be required in 2026 when federal relief funding is expected to exhaust. Metra has proposed a complete revamp of its fare structure for 2024, replacing the existing 10-zone distance-based structure with a four-zone structure, among other changes.

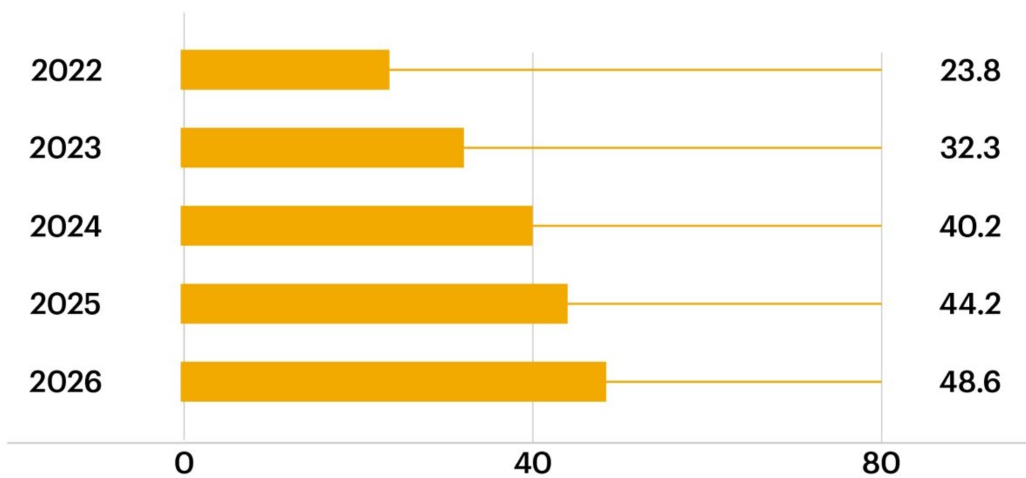
"We will be out there advocating for public transportation as an effective, worthwhile, essential investment for the economic and environmental health of the region. We'd like to see a system that gives you even more incentive to call us *My Metra*."

Jim Derwinski, Metra CEO/Executive Director

Ridership

Metra assumes that ridership will continue to gradually increase from an estimated 32.3 million rides in 2023 to 40.2 million rides in 2024, or about 54% of pre-COVID levels. Metra expects slow and steady ridership recovery over the two-year financial planning period, to 60% of pre-COVID levels in 2025 and 66% in 2026. These increases reflect the expectation that companies will continue to increase return to work requirements resulting in higher ridership.

Figure 11. Metra Ridership (millions)



Fares

Fares under the new four-zone structure are designed to be at or below pre-pandemic levels. If approved, the proposed fares will go into effect February 1, 2024. The existing 10 fare zones would be replaced with four zones for One-Way tickets, weekday Day Passes, and Monthly Passes. Trips not originating or terminating downtown would receive the lowest fare to grow new types of ridership. Promotional fares introduced during the pandemic are being discontinued.

The 10-Ride Ticket would be replaced with a new fare product, a Day Pass 5-Pack. The 5-Pack would only be available on the Ventra app and priced the same as the current 10-Ride Ticket. The passes in the 5-Pack would not need to be used on consecutive days and could be used on any five days within a 90-day period after purchase. Passes in the 5-Pack could be shared by up to five people traveling together.

Incremental Fares, which are a surcharge to travel beyond the zones indicated on the ticket, would be discontinued. The proposed changes to the fare structure would not change the following fare products and prices:

- The $30 Regional Connect Pass would be available to Monthly Pass buyers for unlimited rides on CTA and Pace.
- The $7 Saturday, Sunday, or Holiday Day Pass would still be available, and the $10 Weekend Pass would still be available on the Ventra app only.

In addition to these changes, the Fair Transit South Cook pilot program will end January 31, 2024, as Metra and the RTA institute a new system-wide reduced fare pilot program for low-income residents. The proposed fare changes combined with ridership projections will contribute to a modest increase in the overall average passenger fare from $4.60 in 2023 to $4.73 in 2024, still significantly lower than the $5.33 average fare in 2022.

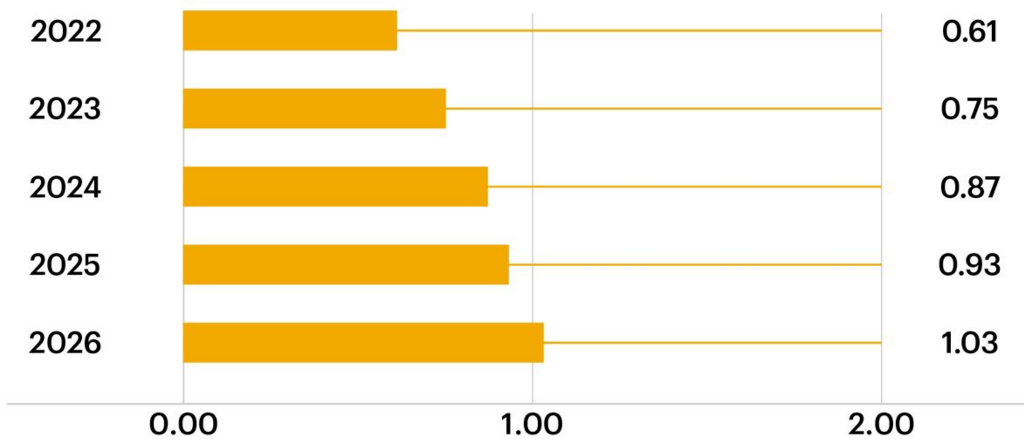
Figure 12. Metra Average Fare

Service Levels

As of September 2023, Metra was operating 96% of pre-COVID service. Metra continues to add trains to its schedules to provide service that is responsive to the region’s changing travel patterns as ridership returns. The 2024 budget contains additional service as well as service changes in anticipation of the transition to a regional rail model. As envisioned by Metra, this model increases non-rush-hour peak service and adds service between non-terminal stations.

Service effectiveness, as measured by passenger trips per vehicle revenue mile, improved in 2023 as ridership returned slowly and steadily. Reflecting further ridership recovery in 2024 through 2026, effectiveness is projected to increase through the planning period to 1.03 trips per vehicle mile but remain well below the pre-COVID level of about 1.7 trips per vehicle revenue mile.

Figure 13. Metra Passenger Trips Per Vehicle Revenue Mile

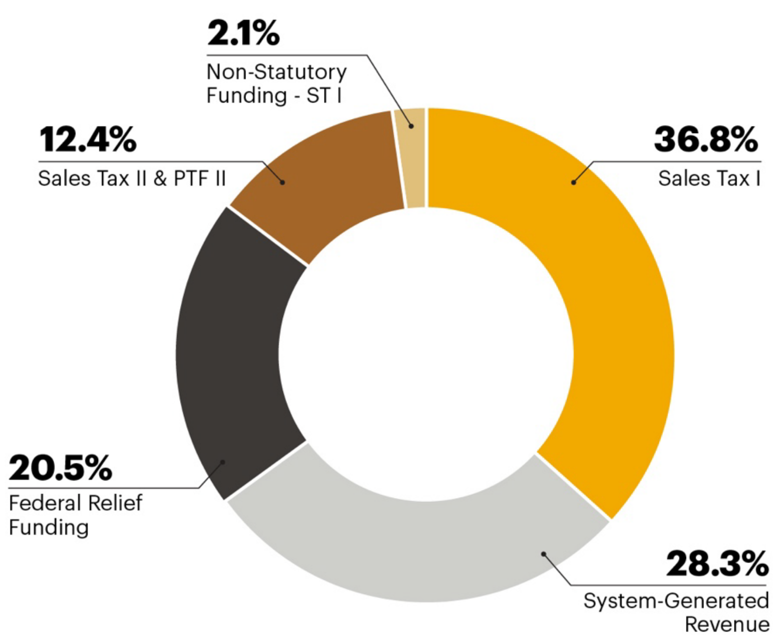


System-Generated Revenue

Metra anticipates that total system-generated revenues will increase by 48.2% from the 2023 estimate to $308.9 million, including $65 million of reimbursements of expected Metra costs for NICTD construction projects. Fare revenue of $190.1 million is budgeted to increase in line with ridership growth and reflects a slightly higher average fare associated with the new fare structure. Metra's $1.8 million share of the State reduced fare reimbursement, other revenue of $52.0 million, and the NICTD reimbursement round out the system-generated revenue. Other revenue includes lease of space, advertising income, and fees for track usage by other railroads. After increasing by about 0.2% in 2024, other revenue is assumed to remain flat in 2025 and 2026, while fare revenue is expected to continue to increase with ridership recovery. Total system-generated revenue is projected to reach $337.8 million in 2025 but decline to $313.7 million in 2026, reflecting a projected drop in reimbursable expense from NICTD construction projects from $75 million in 2025 to $30 million in 2026.

System-generated revenues comprise about 28% of Metra's total revenue for operations, with the balance provided by public funding sources and federal relief funding.

Figure 14. Metra 2024 Revenues: $1.093 Billion



Public Funding

Metra's funding assumptions for 2024 through 2026 match the RTA Board adopted marks for sales tax, PTF, and RTA non-statutory funding. Total 2024 RTA funding is projected at $560.4 million, a 3.3% increase from the 2023 estimate due to continued RTA sales tax growth.

In a process change approved by the RTA Board in 2022, ICE funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program. Accordingly, Metra has tentatively assigned ICE funding to its capital program in 2025 and 2026.

Federal Relief Funding

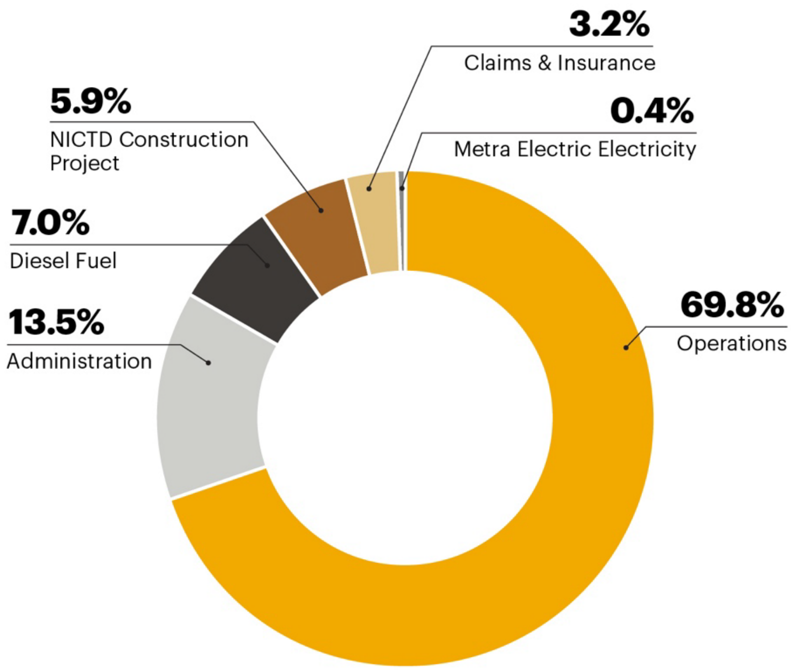
Metra was allocated a total of $1.076 billion of combined CARES Act, CRRSAA, and ARP Act federal relief funding to help offset fare revenue and RTA funding losses caused by the COVID-19 pandemic. To balance expenses and meet its required recovery ratio, Metra's 2024 operating budget relies on $223.7 million of federal relief funding, with the remaining relief funding projected to last into early 2026. At that point, new funding sources will be needed to support projected expense levels.

As authorized by the RTA Board, federal relief funding requisitioned to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

Expenses

Metra has budgeted operating expenses of $1.093 billion for 2024, an increase of 20.1% from the 2023 estimate, including $65 million of new costs anticipated to be incurred by Metra related to the NICTD construction project on the Metra Electric District. Excluding the NICTD costs, Metra's proposed 2024 budget increases by about 13% compared to the 2023 estimate. Metra's core operating expense increases are being driven by inflationary and contractual cost increases. The budget also includes additional costs related to the transfer of commuter train operations from Union Pacific to Metra that is expected to occur in 2024. As a result, Operations, Metra's largest expense category which includes Transportation and Maintenance, is budgeted to increase by 8.7% in 2024, to $763.1 million. Total Metra expenses are forecast to grow at a lower rate of 5.7% in 2025 before decreasing by 0.9% in 2026 as the NICTD project expense declines, reaching $1.145 billion by the end of the planning period.

Figure 15. Metra 2024 Expenses: $1.093 Billion

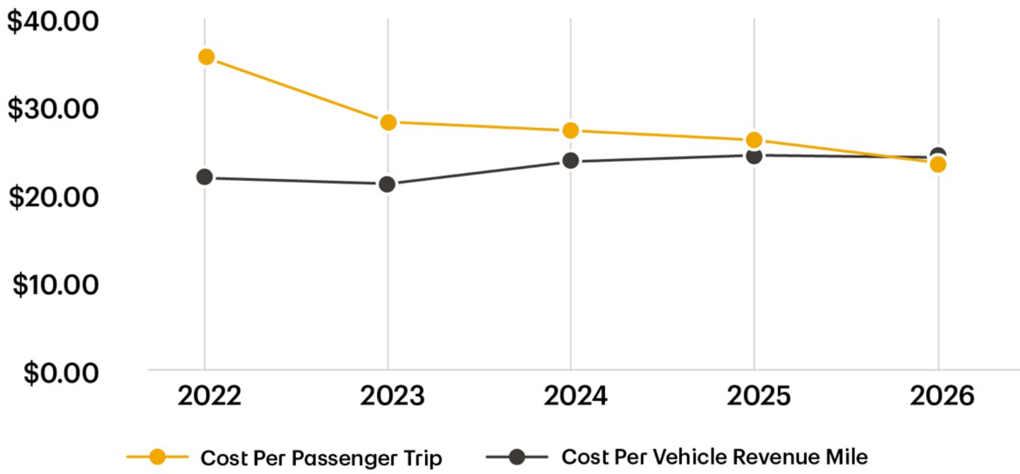


Diesel fuel for 2024 is budgeted at $76.9 million, up 27.3% from the 2023 estimate, and representing about 7% of total operating expenses. While the 2023 estimate incorporated a transaction in which 50% of the expected gallons were purchased at $1.73 per gallon, with the remaining 50% purchased at a spot price of $3.50 per gallon, the 2024 budget assumes that all gallons required are purchased on the spot market at a price of $3.00 per gallon. Due to increased service levels, fuel consumption is forecast to increase by 2.5% from the 2023 estimate. For 2025 and 2026, Metra's projected fuel expenses are $79.5 million and $81.9 million, respectively, with inflationary price increases assumed.

Figure 16. Metra Fuel Price Per Gallon

The next chart shows that cost efficiency, depicted in orange by cost per vehicle revenue mile, is projected to increase by an annual average of 2.6% across the five-year period. Cost effectiveness, shown in black as cost per passenger trip, is expected to improve to $27.19 in 2024. Cost effectiveness is projected to improve further in 2025 and 2026 due to projected continued ridership recovery.

Figure 17. Metra Cost Efficiency and Effectiveness



Net Result and Recovery Ratio

As shown in Table 4, Metra's operating budget and two-year plan is balanced with existing federal relief funding, shown in green, but acknowledges the need for $274.7 million of additional funding or other budget balancing actions, shown in red, after the relief funding exhausts in 2026. If new funding sources are not identified, these actions could include extensive service reductions and/or fare increases. Revenues equal expenses, producing a net result of zero after accounting for budget balancing actions and the transfer of ICE funding to the capital program in 2025 and 2026. Metra also plans to transfer $60 million from fare revenue to its capital program in 2026.

Metra's 2024 through 2026 recovery ratios, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exceed the RTA Board adopted requirement of 39%. Metra has properly included federal COVID relief funding as a revenue credit for the purpose of meeting the required recovery ratio, as authorized by the RTA Board.

Table 4. Metra 2024 Budget and 2025-2026 Financial Plan (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
System-Generated Revenue					
Passenger Revenue	$126,700	$148,800	$190,100	$209,000	$229,900
State Reduced Fare Reimbursement	$1,600	$1,700	$1,800	$1,800	$1,800
Other Revenue	$41,600	$51,900	$52,000	$52,000	$52,000
NICTD Project Reimbursement	$3,200	$6,100	$65,000	$75,000	$30,000
Total System-Generated Revenue	**$173,100**	**$208,500**	**$308,900**	**$337,800**	**$313,700**
Public Funding					
Sales Tax I	$387,152	$391,001	$402,407	$414,480	$425,256
Sales Tax II	$59,392	$58,303	$59,512	$57,783	$56,004
PTF II	$72,815	$74,266	$75,974	$78,993	$81,047
Non-Statutory Funding - PTF I	-	-	-	-	-
Non-Statutory Funding - ST I	$16,074	$19,012	$22,538	$25,906	$30,809
Innovation, Coordination, and Enhancement Funding [1]	$6,230	-	-	$6,357	$6,561
Total Public Funding	**$541,663**	**$542,582**	**$560,431**	**$583,519**	**$599,676**
Federal Relief Funding and Budget Balancing Actions					
Federal Relief Funding [2]	$137,200	$159,200	$223,670	$240,038	$23,485
Budget Balancing Actions [2]	-	-	-	-	$274,700
Total Federal Relief Funding and BBA	**$137,200**	**$159,200**	**$223,670**	**$240,038**	**$298,185**
Total Revenues	**$851,963**	**$910,282**	**$1,093,000**	**$1,161,357**	**$1,211,561**
Expenses					
Transportation	$263,900	$289,182	$321,700	$336,300	$346,500
Maintenance of Way	$184,800	$198,200	$211,000	$221,100	$228,300
Maintenance of Equipment	$193,600	$214,900	$230,400	$242,800	$250,400
Claims & Insurance	$42,200	$31,200	$35,300	$36,500	$36,900
Administration	$93,700	$105,700	$148,100	$159,000	$166,000

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Diesel Fuel	$59,900	$60,400	$76,900	$79,500	$81,900
Electricity	$3,200	$4,600	$4,600	$4,800	$5,000
NICTD Construction Project	$3,200	$6,100	$65,000	$75,000	$30,000
Total Expenses	**$844,500**	**$910,282**	**$1,093,000**	**$1,155,000**	**$1,145,000**
ICE funding not used for operations - transfer to capital [1]	($6,230)	-	-	($6,357)	($6,561)
Farebox capital program	-	-	-	-	($60,000)
Net Result	**$1,233**	**$0**	**$0**	**$0**	**$0**
Recovery Ratio	**39.7%**	**43.7%**	**52.0%**	**53.4%**	**51.6%**

[1] ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

[2] Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52. Federal Relief Funds to include CARES Act, CRRSAA, and ARP Act.

Pace Operating Budget

Pace's proposed 2024 operating budget remains stable by utilizing prior-year positive budget variance generated from federal coronavirus relief funding. Highlights for the Suburban Service budget include the first full year of Pulse Dempster service, continued support for innovative service options using transportation network companies, and the introduction of 23 battery electric buses into the fixed route fleet—supporting the agency's goal of reaching zero emissions by 2040. No fare increases are included in the 2024 budget, and overall operating expense levels are expected to increase by 13.0% due to service expansions and the impact of inflation, particularly on labor costs. Total ridership is expected to reach 15.6 million, which is 55% of pre-pandemic ridership.

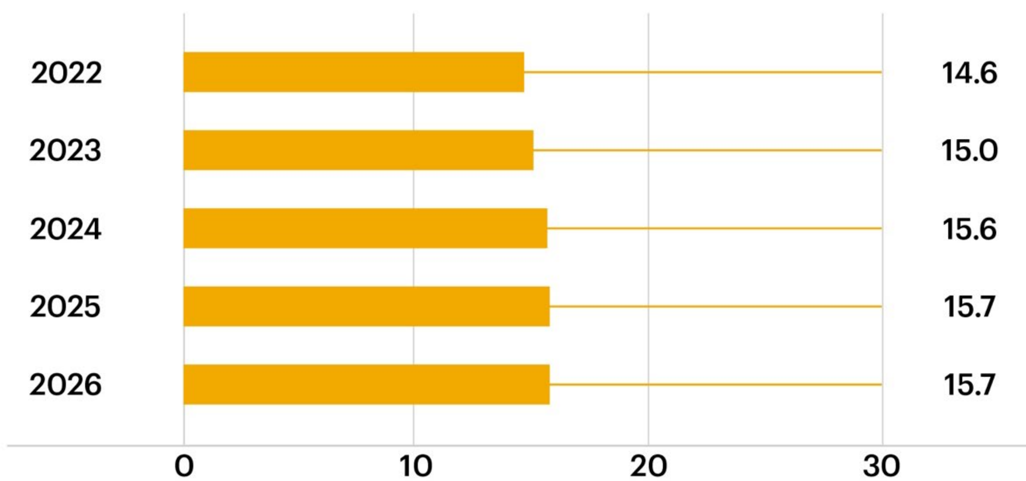
"Pace's ability to adapt, innovate, and maintain balanced budgets could not happen without our partners in municipal, township, and county governments. Our state and federal leaders understand why transit is critical to a strong quality of life and see the need for greater investments in transit through laws like Rebuild Illinois and the Infrastructure Investment and Jobs Act. Our continued partnership and collaboration will help ensure another successful year at Pace."

Richard Kwasneski, Pace Board Chairman

Ridership

Pace ridership is estimated to finish 2023 at 15.0 million, a 3.3% increase over 2022. Combined ridership for the three Suburban Service modes—Fixed-Route, Demand-Response, and Vanpool—is budgeted to increase by an additional 3.5% in 2024 to 15.6 million, or about 55% of pre-pandemic 2019 levels. Pace anticipates ridership gains for each mode in 2024 and overall Pace ridership is then assumed to remain essentially flat at 15.7 million in 2025 and 2026.

Figure 18. Pace Ridership (millions)



Fares

Pace's 2024 Suburban Service budget does not incorporate any general fare increases but does propose to introduce free fares on the Pace fixed-route system to ADA-certified customers with a valid RTA ADA Paratransit Permit ID Card. These customers currently ride at the reduced fare rate. Pace's average fare across all fare and pass types is projected to remain steady at about $1.30 across the budget and planning period.

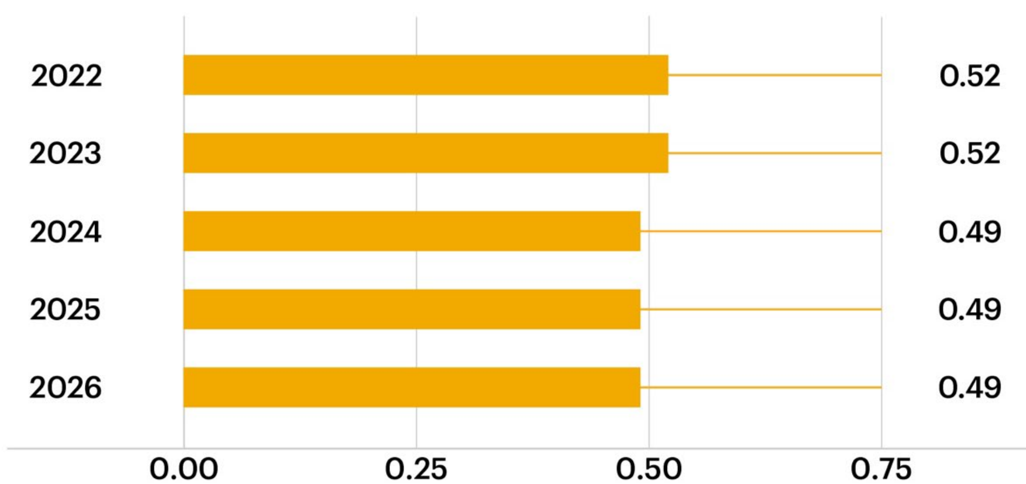
Figure 19. Pace Average Fare

Service Levels

Pace's 2024 budget includes the first full year of Pace's second Pulse arterial rapid transit route on Dempster Avenue, increased Demand-Response service, and additional TNC demonstration projects. However, due to the large number of bus routes which were discontinued or reduced as a result of the pandemic, total Pace service levels, as measured by projected 2024 vehicle revenue miles, are forecast at 86% of pre-COVID levels.

Service effectiveness, as measured by passenger trips per vehicle revenue mile (VRM), is projected to remain steady across the budget and planning period as ridership and service levels are forecast to grow at approximately the same rate.

Figure 20. Pace Passenger Trips Per Vehicle Revenue Mile

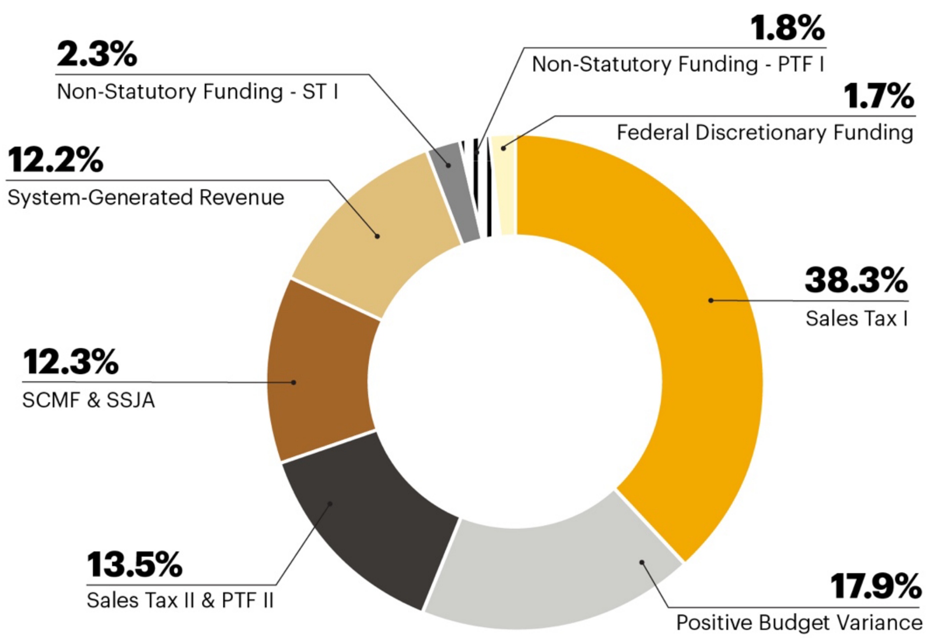


System-Generated Revenue

Pace projects that total 2024 system-generated revenue will decrease by 6.6% to $40.6 million, driven by lower ancillary revenue. Pace expects passenger fare revenue to increase by 3.2% to $20.3 million in 2024, consistent with forecast ridership growth associated with new service offerings. Pace's $1.5 million share of the State reduced fare reimbursement has increased over 2023 due to a higher State appropriation. Rounding out Pace's system-generated revenue is other revenue of $18.8 million, a decrease of 16.1% due to lower investment income associated with lower interest rates and the planned utilization of reserve cash. This ancillary revenue also includes advertising income, and local government contributions for specific Pace services.

System-generated revenue comprises about 12% of Pace's total revenue for operations, with the balance provided by public funding sources, federal relief funding, and prior-year positive budget variance.

Figure 21. Pace 2024 Revenues: $333.3 Million



Public Funding

Due to the continued stability of RTA sales tax performance, Pace's total 2024 public funding is projected to increase by 4.9% from the 2023 estimate, to $233.1 million. In addition to statutory and non-statutory sales tax and PTF components, Pace's public funding total includes $5.5 million of federal discretionary funding from the Congestion Mitigation & Air Quality (CMAQ) Improvement Program.

Pace's public funding assumptions match the RTA Board adopted marks for sales tax, PTF, Suburban Community Mobility Funds, South Suburban Job Access Funds, and RTA non-statutory funding. In a process change approved by the RTA Board in 2022, ICE funding will be temporarily retained by the RTA beginning in 2023, until final amounts can be determined. Actual ICE funding amounts, once known, will be allocated and adopted for usage in the future i.e., 2023 ICE funds will be programmed in the 2025 operating budget or capital program. Accordingly, Pace has reflected the use of 2023 and 2024 ICE funds for operations in its 2025 and 2026 financial plans.

Federal Relief Funding and Positive Budget Variance

The RTA Board allocated a total of $205.5 million of federal CARES Act, CRRSAA, and ARP Act funding to Pace Suburban Service to offset fare revenue and public funding losses due to the COVID-19 pandemic. By early 2023, Pace had drawn down the totality of its relief funding to be held in reserve as positive budget variance for future use. Pace estimates that $29.2 million of positive budget variance will be required to balance its 2023 financial results.

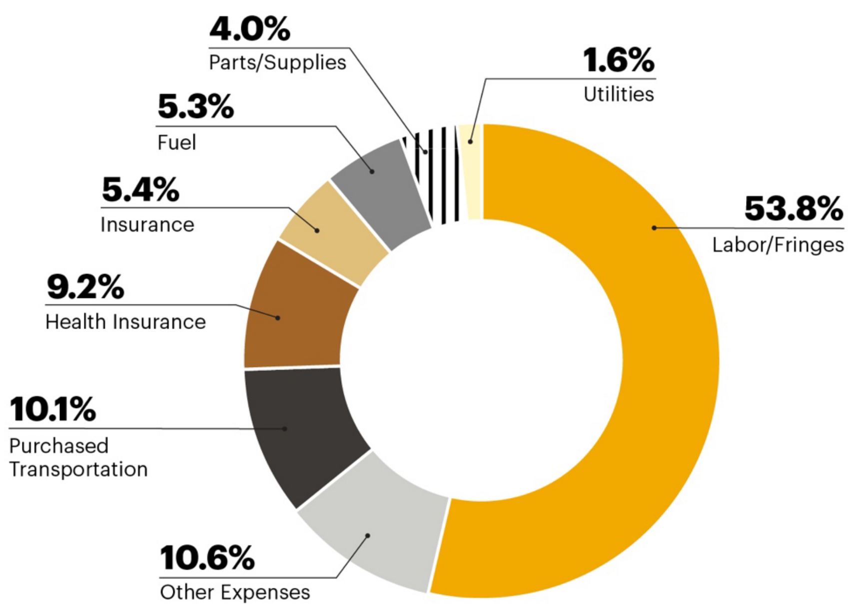
Pace's 2024 budget proposes to utilize $59.7 million of prior-year positive budget variance to achieve balance. Pace further projects that, at adopted RTA funding levels, its remaining $116.5 million of PBV associated with federal relief funding will last through mid-2026, at which point new funding sources will have to have been identified to support projected expense levels.

As authorized by the RTA Board, federal relief funding or associated positive budget variance utilized to address ongoing revenue losses may continue to be included in operating revenue for the purpose of meeting required recovery ratios.

Operating Expenses

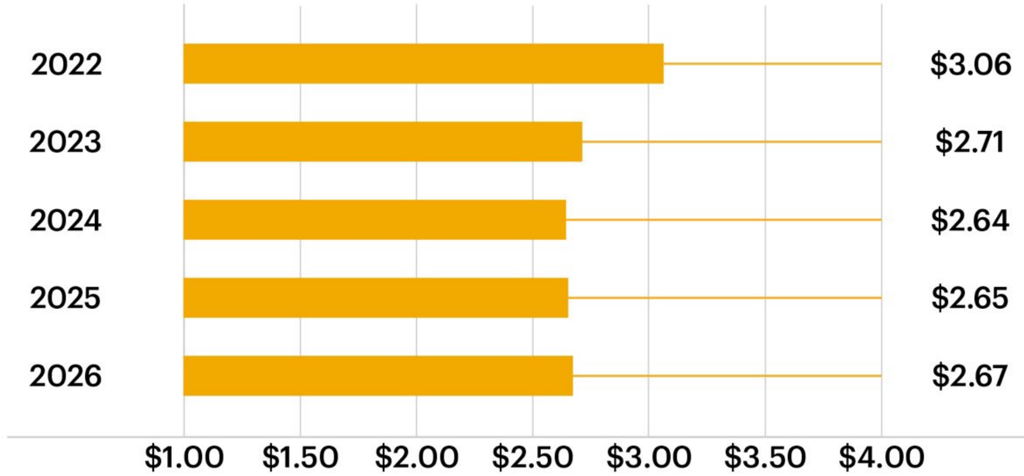
Pace projects that 2024 operating expenditures will increase from the 2023 estimate by $38.4 million, or 13.0%, to $333.3 million. About $10.8 million of the increase is due to additional service, with another $6.4 million attributable to the filling of HQ vacancies and higher healthcare costs. As a result, Labor and Fringe, Pace's largest expense category, is expected to increase by 11.6% to $179.4 million. Due to the addition of traditionally capital-funded efforts such as software implementation and project oversight services, Pace's Other Expense category is budgeted to increase by $8.8 million, or 33%, to $35.4 million, comprising about 11% of total operating expenses.

Figure 22. Pace 2024 Expenses: $333.3 Million



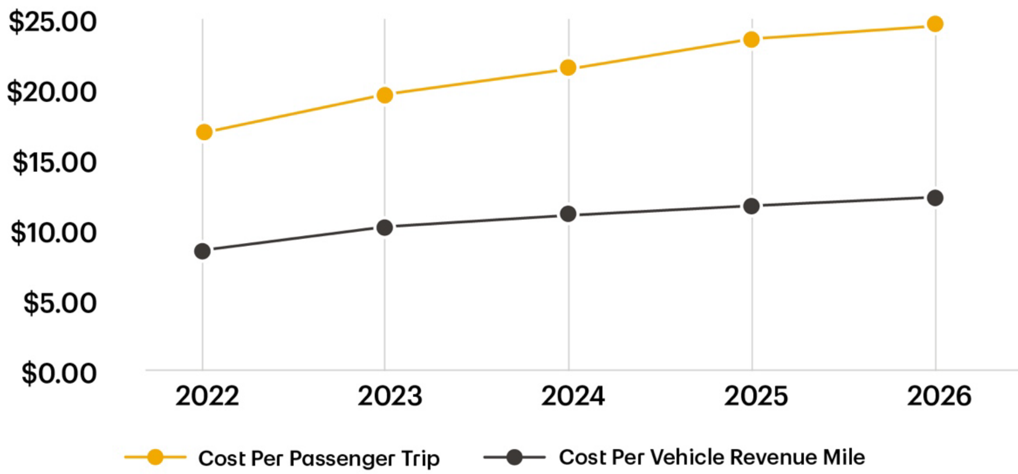
Pace's fuel expense is projected to grow by 5.9% in 2024 to $17.8 million. Fuel consumption is expected to increase by 7.6% due to service additions, while the overall fuel price including both diesel and compressed natural gas is assumed at $2.64 per gallon, down 7 cents from the 2023 estimate, and down more than 40 cents per gallon from actual 2022 prices.

Figure 23. Pace Fuel Price Per Gallon



Cost efficiency is shown on the next chart by cost per vehicle revenue mile in black, which grows at an average rate of 6.4% per year across the five-year period. Cost effectiveness is shown in orange as cost per passenger trip, which grows at an average rate of 8.0%, rising above $21 in 2024 as service and capital-related costs increase while ridership is assumed to recover more slowly.

Figure 24. Pace Cost Efficiency and Effectiveness



Net Result and Recovery Ratio

As shown in Table 5, Pace's operating budget and two-year plan is balanced by including the remainder of Pace's available prior-year positive budget variance associated with the 2020 through 2022 relief funding drawdowns, shown in green. However, $26.5 million of 2026 budget balancing actions are shown in red, to confirm the need for additional operating funding. If new funding sources are not identified, these actions could include extensive service reductions and/or fare increases. Revenues equal expenditures, producing a net result of zero through the planning period.

Pace's 2024 through 2026 recovery ratios, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, exactly meet the RTA Board adopted requirement of 17.0%, achieved by including federal relief funding as a revenue credit, as authorized by the RTA Board.

Table 5. Pace 2024 Budget and 2025-2026 Financial Plan (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
System-Generated Revenue					
Passenger Revenue	$19,282	$19,667	$20,287	$20,475	$20,530
State Reduced Fare Reimbursement	$1,346	$1,346	$1,460	$1,460	$$1,460
Other Revenue	$14,885	$22,418	$18,807	$16,591	$14,883
Total System-Generated Revenue	**$35,513**	**$43,431**	**$40,554**	**$38,526**	**$36,873**
Public Funding					
Sales Tax I	$123,182	$123,984	$127,552	$131,379	$134,794
Sales Tax II	$19,797	$19,434	$19,837	$19,261	$18,668
PTF II	$24,272	$24,755	$25,325	$26,331	$27,016
Suburban Community Mobility Fund	31,948	32,602	$33,645	$34,655	$35,556
South Suburban Job Access Fund	$7,500	$7,500	$7,500	$7,500	$7,500
Non-Statutory Funding - PTF I	$5,892	$6,034	$6,150	$6,394	$6,561
Non-Statutory Funding - ST I	$5,358	$6,337	$7,513	$8,635	$10,270
Innovation, Coordination, and Enhancement Funding [1]	$2,077	$444	-	$2,119	$2,187
Federal Discretionary Fund Programs	$8,774	$1,148	$5,553	$5,558	$4,357
Total Public Funding	**$228,800**	**$222,240**	**$233,074**	**$241,832**	**$246,908**
Federal Relief Funding, PBV, and Budget Balancing Actions					
Federal Relief Funding [2]	$71,263	-	-	-	-
Prior Year PBV (from 2020-2022 relief funding drawdowns) [2]	-	$29,231	$59,706	$65,797	$50,731
Budget Balancing Actions [2]	-	-	-	-	$26,499
Total Federal Relief Funding, PBV, and BBA	**$71,263**	**$29,231**	**$59,706**	**$65,797**	**$77,230**
Total Revenues	**$335,576**	**$294,902**	**$333,334**	**$346,155**	**$361,011**

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Expenses					
Labor/Fringes	$141,453	$160,775	$179,370	$187,709	$196,445
Health Insurance	$22,451	$26,648	$30,503	$32,699	$35,021
Parts/Supplies	$10,627	$12,528	$13,302	$14,147	$15,016
Purchased Transportation	$23,109	$29,808	$33,687	$35,704	$37,837
Fuel	$17,757	$16,774	$17,756	$17,946	$18,095
Utilities	$4,672	$5,024	$5,174	$5,452	$5,738
Insurance	$6,226	$16,670	$18,106	$19,275	$20,480
Other Expenses	$19,293	$26,674	$35,437	$33,223	$32,378
Total Expenses	**$245,588**	**$294,902**	**$333,334**	**$346,155**	**$361,011**
ICE funding not used for operations - transfer to capital [1]	($2,077)	-	-	-	-
Net Result	**$87,911**	**$0**	**$0**	**$0**	**$0**
Recovery Ratio	**19.6%**	**19.2%**	**17.0%**	**17.0%**	**17.0%**

[1] ICE amounts not required for operating funding may be utilized for approved capital projects. Paused for two years beginning in 2023 in accordance with RTA Ordinance 2022-47.

[3] Authorized for inclusion as revenue for recovery ratio purposes by RTA Ordinances 2020-20, 2021-08, and 2021-52.

Pace ADA Paratransit Operating Budget

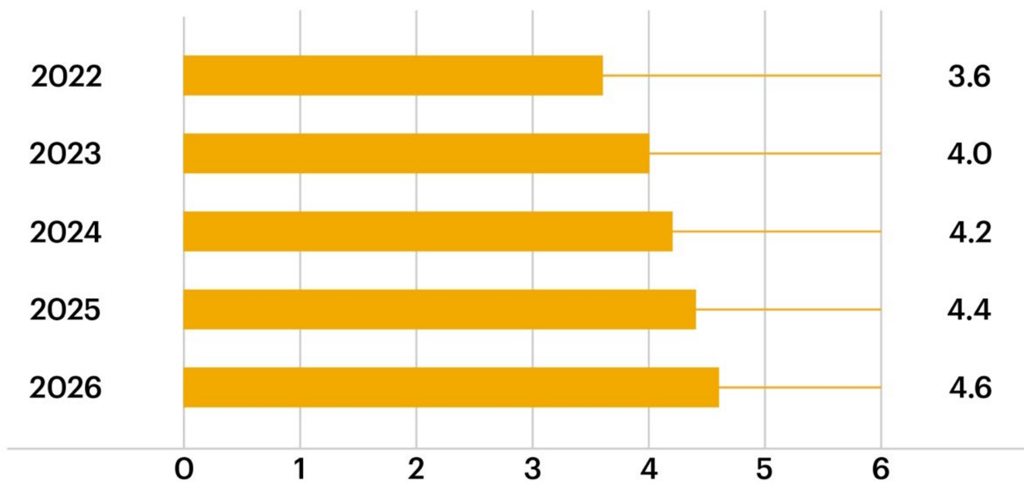
The proposed 2024 ADA Paratransit operating budget of $248.9 million reflects 3.6% growth over 2023 estimated expenses, in line with the projected growth of ADA Paratransit ridership and system-generated revenue. The budget emphasizes the utilization of more cost-effective TNC partners via expansion of the new Rideshare Access Program (RAP) begun in 2023. Growth of RAP and the existing Taxi Access Program (TAP) helps to address ongoing driver shortages and should continue to divert some demand away from the more expensive traditional ADA Paratransit service. Toward that same goal, Pace has proposed free fares beginning in 2024 on Pace fixed-route service for ADA-eligible customers.

Ridership

ADA Paratransit ridership, including companions, is projected to finish 2023 at 4.0 million, or around 95% of pre-COVID (2019) levels. Pace's 2024 budget assumes that ridership will grow by 3.7% to 4.2 million, or about 98% of 2019 ridership. User-Directed ridership, comprised of TAP and RAP, is forecast at 1.6 million in 2024, representing 38% of the ADA Paratransit total. Ridership is projected to increase at around 5% per year in 2025 and 2026, reaching 4.6 million by the end of the planning period.

Pace continues to emphasize TAP, and now RAP, as cost-effective alternatives to traditional ADA Paratransit service for eligible customers. TAP/RAP ridership is assumed to reach 1.8 million annual rides by the end of the planning period, more than seven times the pre-COVID TAP ridership level.

Figure 25. Pace ADA Paratransit Ridership (millions)

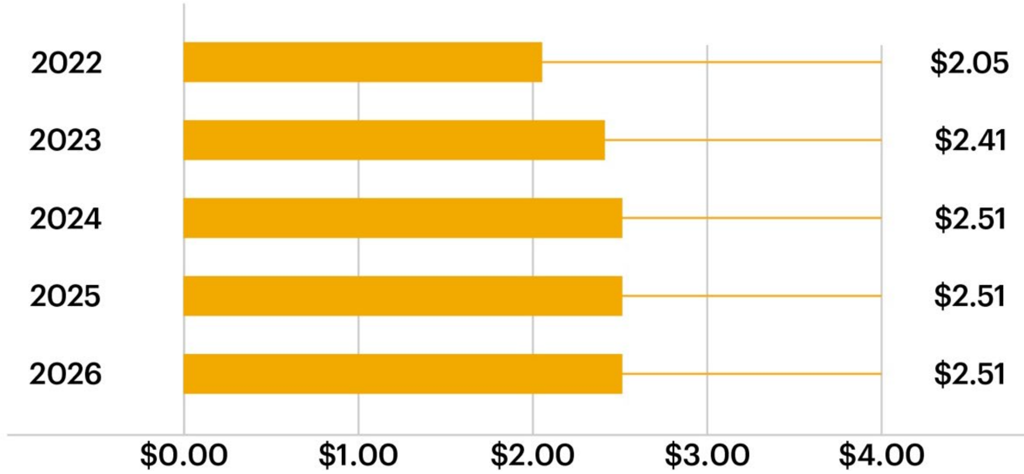


Fares

No general ADA Paratransit fare increase has been included in the 2024 budget, so the base ADA Paratransit fare will remain at $3.25. However, Pace reinstated the TAP fare in 2023 at a lower level of $2.00, versus the $3.00 TAP fare in place before COVID. Fares for the new RAP program are also $2.00, with Pace providing a subsidy of up to $30 depending on trip length. The projected average fare for all ADA Paratransit rides is $2.51 across the budget and planning period, still somewhat below the pre-COVID level of $2.79.

Pace's 2024 budget also proposes free fares on Pace fixed-route service for ADA Paratransit eligible customers. Such customers currently ride on fixed-route at a reduced fare.

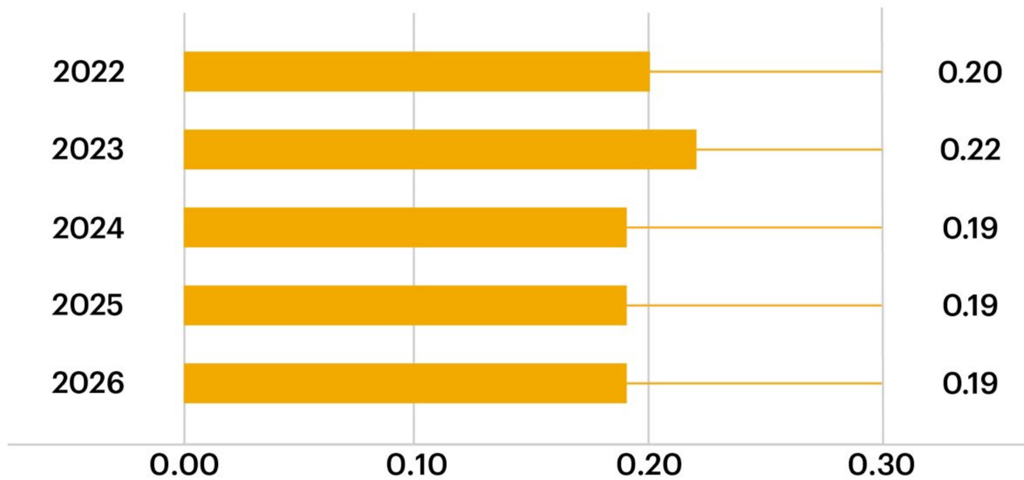
Figure 26. Pace ADA Paratransit Average Fare



Service Levels

ADA Paratransit service levels are driven by customer demand. Pace projects that ADA Paratransit vehicle revenue miles will increase by 3.2% in 2024, consistent with the projected ridership increase. As a result, service effectiveness, as measured by passenger trips per VRM, is expected to remain steady at 0.19 across the three-year planning period.

Figure 27. Pace ADA Paratransit Passenger Trips Per Vehicle Revenue Mile

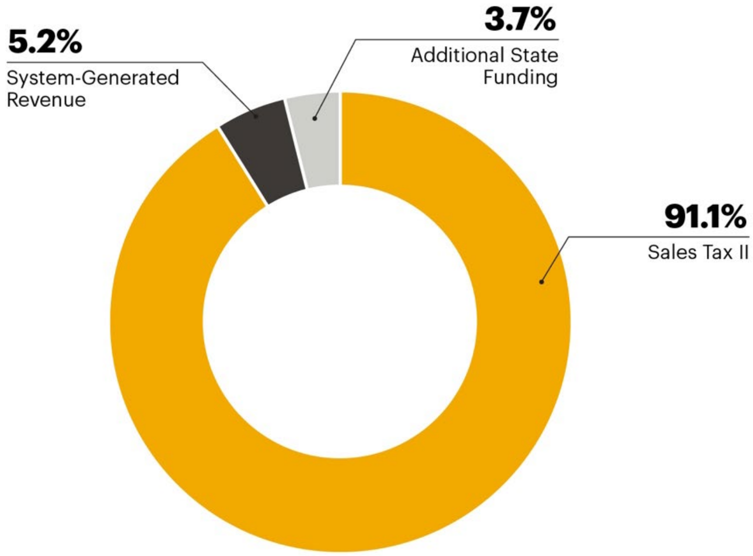


System-Generated Revenue

Pace projects that 2024 ADA Paratransit system-generated revenues will increase by 3.7% to $13.0 million. Fare revenue is expected to increase by 8.0% due to the full-year impact of the reinstatement of TAP fares in the second quarter of 2023.Ancillary revenue, comprised of reimbursements for certification trips to RTA Assessment centers and other revenue, is budgeted to decline by 11.5% to $2.4 million due to lower investment income.

System-generated revenue comprises only about 5% of Pace's total revenue for ADA Paratransit operations, with the balance provided by public funding sources.

Figure 28. Pace ADA Paratransit 2024 Revenues: $248.9 Million



Public Funding

In 2011, the RTA Act was amended to require that ADA Paratransit operations be fully funded by the RTA each year. In the 2024 budget, Pace projects an ADA Paratransit funding need of $236.0 million which will be satisfied by allocating Sales Tax II funds of $226.9 million and State funding of $9.1 million. State funding for ADA Paratransit was increased by 8.5% in the SFY 2024 budget.

If ridership significantly exceeds Pace expectations, additional ADA Paratransit funding may become necessary during the budget year. RTA ADA Paratransit reserve funds are available for this purpose, subject to the approval of the RTA Board. Pace's two-year financial plan indicates that adopted RTA funding levels for ADA Paratransit should be sufficient for 2025 and 2026, albeit with the same general uncertainty with respect to ridership and expense levels.

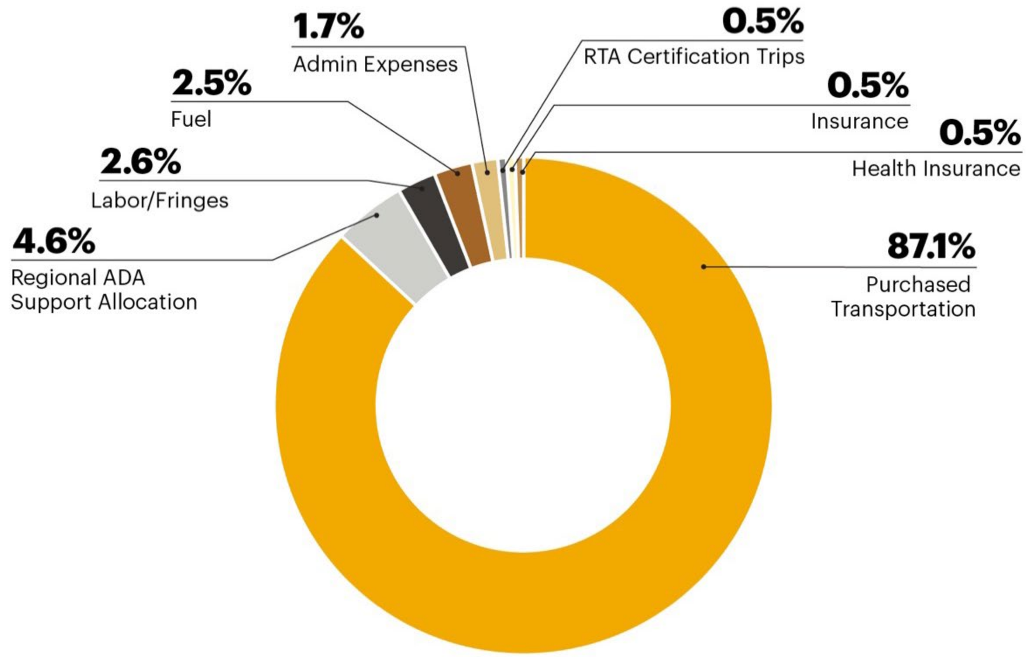
Federal Relief Funding

In March 2021, Pace was allocated $20.0 million of CRRSAA funding to support ADA Paratransit operations during the ongoing recovery and in May 2022 the RTA Board re-allocated to ADA Paratransit an additional $0.7 million of unused CARES Act funding returned by Southeastern Wisconsin. Pace subsequently utilized $13.8 million of this funding to achieve balance in the actual 2021 ADA Paratransit results and the remaining $6.9 million in 2022. Pace's projected funding requirements for 2024 through 2026 are planned to be fully met by adopted RTA sales tax and State funding amounts.

Expenses

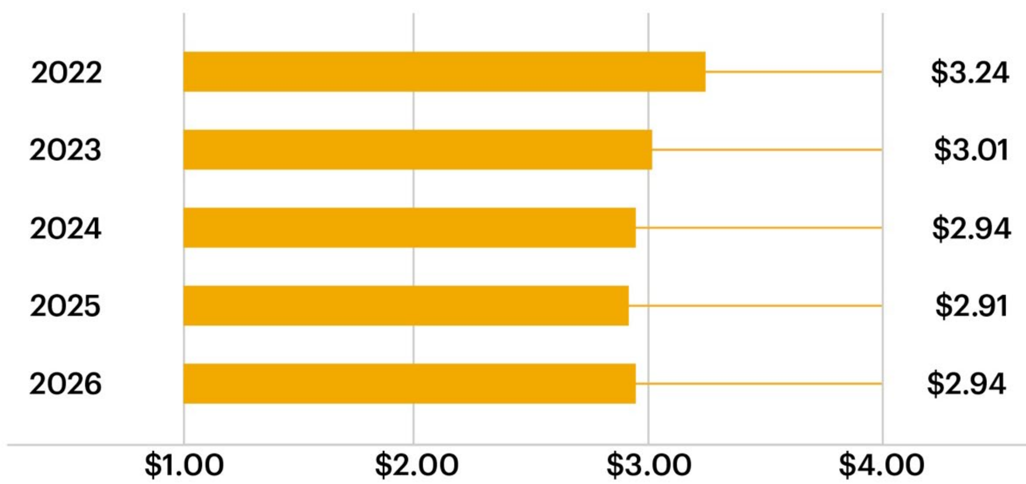
Pace projects that 2024 operating expenditures for ADA Paratransit will increase by $8.6 million, or 3.6%, to $248.9 million, balanced with expected revenue and followed by expense increases of 6.4% and 5.7% in 2025 and 2026, respectively. Purchased transportation, which accounts for 87% of total ADA Paratransit expenses, is budgeted to increase by 2.5% in 2024, lower than the assumed ridership increase due to the favorable impact of lower cost TAP and RAP growth. The regional ADA support allocation, which accounts for work done by other Pace departments in support of ADA Paratransit, is projected at $11.6 million, an increase of almost 24% from 2023.

Figure 29. Pace ADA Paratransit 2024 Expenses: $248.5 Million



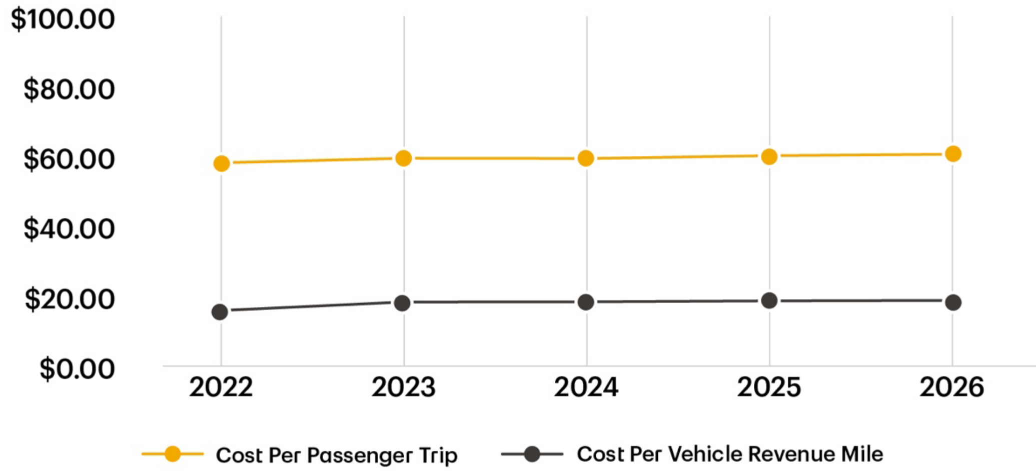
Fuel expense of $6.2 million comprises 2.5% of total ADA Paratransit expenses. Fuel price is assumed at $2.94 per gallon in the 2024 budget, about 7 cents lower than the 2023 estimate, and 30 cents per gallon lower than the actual 2022 fuel price.

Figure 30. Pace ADA Paratransit Fuel Price Per Gallon



Cost efficiency is shown in the next chart by cost per vehicle revenue mile in orange, which grows at an annual rate of 4.2% across the five-year period. Cost effectiveness, shown as cost per passenger trip in black, jumped to over $70 in 2020 as Pace implemented single rides due to COVID safety measures. With many of those lost efficiencies now regained, cost per trip is budgeted at $59.31 in 2024, still about 37% above the pre-COVID average of $43 per trip. The projected average annual growth of cost per trip is only 1.0% across the five-year period, reflecting the favorable impact of growing user-directed TAP and RAP service.

Figure 31. Pace ADA Paratransit Cost Efficiency and Effectiveness



Net Result and Recovery Ratio

As shown in Table 6, the Regional ADA Paratransit operating budget is balanced in 2024 through 2026, with revenues equal to expenditures, producing a net result of zero in each year. Pace is currently estimating a $1.9 million shortfall for 2023, which could potentially be addressed using the RTA's ADA Paratransit Reserve if still needed at year-end.

Pace's 2024 recovery ratio, calculated by dividing total operating revenue by total operating expenditures, with approved adjustments, meets the RTA requirement of 7.5%. The ADA Paratransit budgeted recovery ratio is allowed to be less than the statutory requirement of 10% through 2025 under the relief granted by P.A. 103-0281. Pace had to include a tentative revenue credit of $1.7 million in the 2026 recovery ratio calculation in order to achieve the returning statutory requirement of 10%, pending an extension of the temporary relief or modification of the current recovery ratio requirement.

Table 6. Pace Regional ADA Paratransit 2024 Budget and 2025-2026 Financial Plan (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
System-Generated Revenue					
Passenger Revenue	7,335	9,753	10,534	11,057	11,603
Other Revenue [1]	1,091	2,740	2,426	2,020	1,749
Total System-Generated Revenue	**$8,426**	**$12,493**	**$12,960**	**$13,077**	**$13,352**
Public Funding					
Sales Tax II	188,450	217,544	226,864	242,682	257,407
Additional State Funding	8,395	8,395	9,108	9,108	9,108
Total Public Funding	**$196,845**	**$225,939**	**$235,973**	**$251,790**	**$266,515**
Federal Relief Funding					
Federal Relief Funding [2]	$6,956	-	-	-	-
Total Federal Relief Funding	**$6,956**	**-**	**-**	**-**	**-**
Total Revenues	**$212,227**	**$238,432**	**$248,933**	**$264,867**	**$279,867**
Expenses					
Labor/Fringes	$4,627	$5,499	$6,491	$6,681	$6,875
Health Insurance	$676	$1,017	$1,237	$1,311	$1,390
Admin Expenses	$2,434	$3,277	$4,232	$ 3,676	$3,754
Fuel	$8,160	$7,646	$6,161	$6,404	$6,795
Insurance	$801	$928	$1,180	$1,206	$1,232
RTA Certification Trips	$511	$1,146	$1,234	$1,324	$1,420
Purchased Transportation	$182,664	$211,528	$216,840	$232,361	$246,142
Regional ADA Support Allocation [3]	$7,646	$9,331	$11,557	$11,904	$12,261
Total Expenses	**$207,519**	**$240,372**	**$248,933**	**$264,867**	**$279,867**
Net Result [4]	**$4,708**	**($1,940)**	**$0**	**$0**	**$0**
Recovery Ratio	**9.0%**	**9.9%**	**7.5%**	**7.5%**	**10.0%**

[1] Includes investment income and reimbursements for RTA certification trips.

[2] Authorized to be included as operating revenue for recovery ratio purposes by RTA Ordinance 2021-08.

[3] Accounts for work done by other Pace departments in support of ADA Paratransit activities.

[4] 2022 surplus used to satisfy new Governmental Accounting Standards Board reporting requirements.

RTA Agency Operating Budget

This RTA's 2024 budget is guided by the vision and principles of RTA's strategic plan *Transit is the Answer*. The Agency is working toward safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change.

Proposed funding for the 2024 RTA Agency budget is $38.4 million, $2.2 million or 6% above the 2023 funding level. The proposed RTA Agency operating budget contains gross expenses of $52.5 million, an increase of $15.6 million or 42.4% from the 2023 budget, because of new Federal 5310 projects programmed for 2024. A call for these projects is conducted in alternate years.

Background

The RTA is the oversight, funding, and regional planning agency for the three Service Boards: CTA bus and rail, Metra Commuter Rail, and Pace Suburban Service, as well as Regional ADA Paratransit.

The RTA's primary source of operating funding is a regional sales tax which is matched by the State of Illinois via the PTF. Most of the RTA sales tax collections and PTF pass directly through the RTA to CTA, Metra, and Pace according to pre-determined, statutory formulas. The remainder of the sales tax and PTF is distributed at the direction of the RTA Board. A portion of this funding covers the RTA agency administrative costs, regional services and programs, and regional debt service expense.

The 2024 Agency operating budget was developed in two parts to continue the RTA's support of regional programs and services. First is the RTA Agency Administration Budget, which includes the core agency expenses for staff, facilities, information technology, office services, and professional services to support the funding, planning, and oversight mission of the RTA.

Second is the RTA Regional Programs Budget, which includes Regional Services provided directly to the public by the RTA such as ADA Certification, Mobility Management Services, Travel Information, Customer Service, and the Reduced Fare and Transit Benefit Programs. The Regional Programs Budget also includes all the RTA's grant-funded projects, RTA-funded regional studies and initiatives, and regional capital programs.

RTA Agency Administration Budget

In 2024, total Agency Administration operating expenses of $17.7 million are $0.4 million or 2.4% higher than the 2023 estimate due to increased Information Technology (IT) and personnel expenses, as well as legal and audit fees. The 2024 Administration Budget accounts for 34% of RTA Agency expenses and is 47.2% below the 2024 administrative expense cap of $33.5 million set by the RTA Act. Administration expenses are expected to increase by 3% in 2025 and 2026.

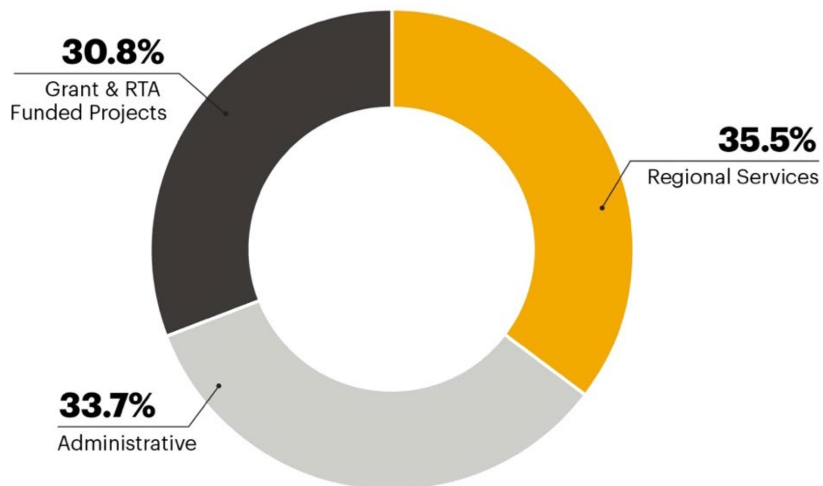
RTA Regional Programs Budget

In 2024, total Regional Programs revenue of $14.0 million is comprised of federal grants of $13.8 million mainly for 5310 projects, and $0.2 million of Regional Services Operating Revenue generated mostly from the Transit Benefit Program.

Total Regional Programs expenses of $34.8 million, the sum of Regional Services Operating Expense and RTA Funded Project Expenses, comprise the remaining 66% of total RTA Agency expenses. The Regional Services expense of $18.6 million is 6.2% higher than the 2023 estimate due to higher Purchased Service expenses for Pace ADA Site Trips, Travel Information Center, and Reduced Fare Program, including Metra's new reduced fare pilot program. Regional Programs expenses of $16.2 million, include all the RTA's grant-funded programs and regional capital programs, as well as RTA-funded regional studies and initiatives such as the *Transit is the Answer* strategic plan implementation, new community planning projects, the customer satisfaction survey, access to transit projects, continued Regional Transit Advocacy, and Rebuild Illinois Project Management Oversight.

The overall RTA Agency operating expense of $52.5 million is projected to be $15.8 million higher than the 2023 estimate, because there are new programmed 5310 federally funded and other RTA Grant-Funded Program expenses in the 2024 budget. Excluding the 5310 projects, the total expense increase is 5.7%. The overall Agency operating expense level, not including future 5310 projects, is budgeted to increase by 3% in 2025 and 2026.

Figure 32. 2024 RTA Agency Expenses: $52.5 Million



Sales Tax and Federal Relief Funding

Sales tax levels for 2023 and beyond appear more than sufficient to meet anticipated Agency budget funding requirements, so no need currently exists for additional relief funding for the RTA Agency. As shown in Table 7, the combination of operating revenue of $0.2 million, federal grants of $13.8 million, and sales tax of $38.4 million comprise total Agency revenue for 2024, and together balance the overall RTA Agency operating budget expenses of $52.5 million. Sales tax receipts comprise 73% of total 2024 Agency revenues.

Figure 33. 2024 RTA Agency Revenues: $52.5 Million

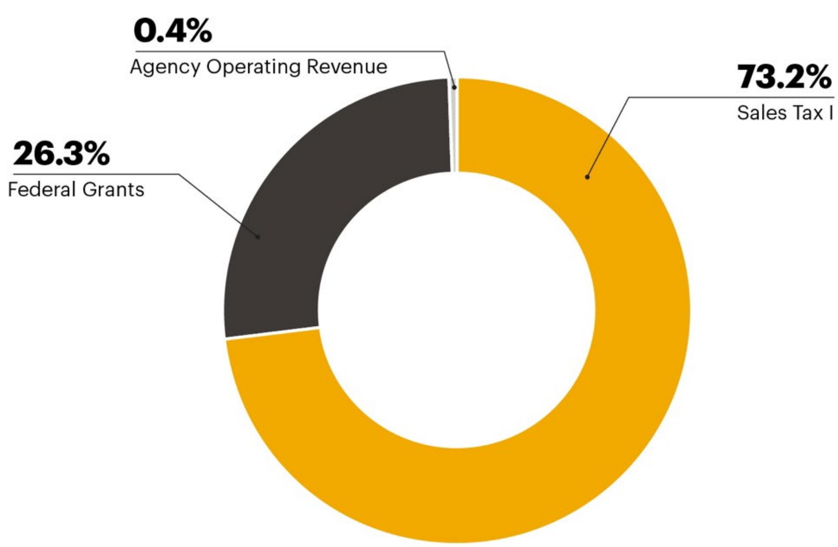


Table 7. RTA Agency 2024 Budget and 2025-2026 Financial Plan (in thousands)

	2022 Actual	2023 Estimate	2024 Budget	2025 Plan	2026 Plan
Revenues					
Operating Revenue					
Administrative Operating Revenue	$10	$250	-	-	-
Regional Services Operating Revenue	$188	$175	$232	$239	$246
Total Operating Revenue	**$198**	**$425**	**$232**	**$239**	**$246**
Public Funding					
Federal Grants [1]	$11,050	-	$13,825	-	$14,167
Sales Tax I	$35,211	$36,267	$38,443	$39,596	$40,784
Total Public Funding	**$46,261**	**$36,267**	**$52,268**	**$39,596**	**$54,951**
Total Revenues	**$46,460**	**$36,692**	**$52,500**	**$39,835**	**$55,198**
Expenses					
Administrative Operating Expenses [2]	$17,402	$17,275	$17,694	$18,225	$18,771
Regional Services Operating Expense [2]	$15,648	$17,554	$18,646	$19,206	$19,782
Program and Project Expenses [1]	$13,410	$1,863	$16,160	$2,405	$16,645
Total Expenses	**$46,460**	**$36,692**	**$52,500**	**$39,835**	**$55,198**
Net Result	**$0**	**$0**	**$0**	**$0**	**$0**

[1] Federally funded 5310 projects are programmed in alternate year.

[2] 2022 and 2023 include additional amounts that were set aside for pension contributions, IT infrastructure, and strategic planning items.

Regional Capital Program

Capital programming is a core function of the RTA. Section 2.01b of the RTA Act (70 ILCS 3615/) requires the RTA Board to annually adopt a Five-Year Regional Capital Program that is guided by a five-year strategic plan, *Transit is the Answer*, and is fiscally constrained by the annual budget and two-year financial plan. Once the capital program is adopted, the expenditures of CTA, Metra, and Pace are subjected to continual review, so that the RTA may budget and ensure that funds available to the region are spent with maximum efficiency. The purpose of this document is to fulfill the RTA's statutory requirements and equally importantly, to provide insights into how projects are evaluated and selected, as well as the strategic benefits of transit capital investment underway in the region. The 2024-2028 Regional Capital Program includes $5.975 billion in funding. Note that some charts showing percentages in this section have been rounded and may not sum to 100%.

For the last several years, the RTA and the Service Boards have been working together to deliver projects that maintain and enhance the system, while simultaneously advocating for increased funding to alleviate the region's state of good repair backlog and improve the system. *Transit is the Answer* continues to emphasize the importance of transit in northeastern Illinois and the required infrastructure investments by the three Service Boards, CTA, Metra, and Pace.

A key aspect of *Transit is the Answer* is the adoption of new regionwide evaluation metrics that are used to explain the benefits that projects funded in the program will bring to the system. Additionally, *Transit is the Answer* stated that the Service Boards should maintain the regional priority project lists, which were first adopted in the region's previous regional transit strategic plan, *Invest in Transit*, and continue to be updated annually as part of the budgeting process to help articulate the large capital needs of the region, show the projects that the Service Boards are planning to advance in the coming years, and illustrate which projects are funded and which projects are in need of more funds. Continuing to articulate these needs and priorities has been a key to securing additional capital dollars for the region, which has included positioning the Service Boards to compete successfully for Federal Discretionary Awards. Some of the key awards in 2022 and 2023 included:

New Starts Grants: Federal Transit Administration (FTA)'s program that funds large scale transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit.

- CTA is on track to receive a $2 billion New Starts Grant for construction of the Red Line Extension to 130th Street. This key regional priority project will bring increased equity to the southern part of Chicago. In addition to the Federal contribution, CTA successfully advocated for a Transit Tax Increment Finance (TIF) district to provide the local match, which could amount to nearly $1 billion. These funds are expected to be programmed in mid-2024.

Rail Vehicle Replacement Grants: FTA's program to help fund capital projects to replace rail rolling stock.

- CTA received $200 million to help fund the next generation of rail cars to help support CTA's priority of replacing all older 2600 and 3200 series rail cars that were purchased in the 1980s and early 1990s. CTA will need to program further funding to fully realize this project.

Mega Grants: FTA's program that supports large, complex projects that are difficult to fund by other means and likely to generate national or regional economic, mobility, or safety benefits.

- Metra received a Mega Grant to help fund the construction of 11 bridges along the UP-North line through Chicago. Replacing these 11 older bridges is a key priority project for Metra to keep the system in a state of good repair and be able to run reliable service. Metra was strongly positioned for this award due to the $156 million in state support, through the Rebuild Illinois program, which is already in the design phase and is expected to move to the construction phase in the coming years.

All Stations Accessibility Program (ASAP): FTA's new program, which was based on CTA's All Stations Accessibility Program, to help make it easier for people with disabilities and mobility needs to access some of the nation's oldest and busiest rail transit systems through essential upgrades, such as elevators.

- CTA received a $119 million ASAP grant to fund accessible stations at Belmont, Irving Park, and Pulaski on the Blue Line.
- Metra received ASAP grants totaling $67 million to fund accessibility at 95th Street Chicago University Station and 59th/60th University of Chicago Station.

Rebuilding American Infrastructure with Sustainability and Equity (RAISE): FTA's program to invest in road, rail, transit, and port projects that promise to achieve national objectives.

- CTA received a $25 million RAISE grant to fund the electrification of 95th Street bus terminal—an important piece of CTA's goal of electrifying the bus system by 2040.
- Pace received a $20 million RAISE grant to fund the Harvey Intermodal Station renovations.

These awards show both how great the region's needs are and how the Service Boards have been successful in bringing in funds for regionally significant projects. While these discretionary grants do not normally appear in the budget book because they are awarded after the budget is adopted, RTA works with the Service Boards to amend the Capital Program to add the projects as funding comes to the region, and RTA will report on these awards both at board meetings and in future budget documents.

The RTA and Service Boards have also continued to streamline administrative processes. Several improvements have been made to the efficiency, effectiveness, and transparency of the capital program processes. In 2022, the RTA released a new map of capital projects to accompany the web-based listing of capital projects and downloadable datasets that have been made available on the Regional Transportation Authority Mapping and Statistics website, RTAMS, since 2021.While these activities have improved communication around capital program delivery, RTA continues to innovate, including in the new strategic plan.

Transit is the Answer and Capital Programming

As part of the development of *Transit is the Answer* RTA formed five working groups, one of which focused on improving the capital project programming process. The goals of the group included:

- To incorporate the transparent prioritization process and criteria required by state legislation (Public Act 102-0573, Section 2.39).
- To incorporate the recommended goals, strategies, and performance measures developed by the Stakeholder Working Groups for the Strategic Plan and apply them to capital project selection and advancement.
- To better connect capital programming to other regional planning processes and show which projects are next in line for Service Boards to advance when funding is available.

New Capital Project Evaluation Process

In response to State of Illinois legislation and feedback from stakeholders, the working group outlined a new evaluation process for capital projects entering the five-year capital program. The team developed a series of 15 metrics to evaluate projects. These metrics address the 12 evaluation themes that were either provided in state statute, suggested by the Service Boards, or recommended by members of the other strategic plan stakeholder working groups. The evaluation themes and metrics are detailed below. The 2024-2028 Capital Program is evaluated using this new methodology and these evaluations replace the strategic goals and core requirements from *Invest in Transit* that had been used to evaluate projects.

This year's budget book will use these evaluation metrics as a lens to evaluate the regional capital program and assess how the program and the projects that are contained within do at addressing each of the regional capital goals that were expressed by the strategic plan working group, the State, and the Service Boards.

Evaluations of projects in the Five-Year Regional Capital Program

The 2024-2028 Capital Program evolves from reporting on core requirements and strategic goals, established in *Invest in Transit,* to the 15 new evaluation metrics included in *Transit is the Answer*. These metrics provide different lenses for analyzing the capital program and understanding how it is accomplishing regional objectives with the limited funding available. In addition, the priority projects constructed from *Invest in Transit* will continue in the previous analysis.

Evaluation Themes, Metrics and Measures:

Access to Key Destinations: This theme is evaluated using a metric called **Access to Key Destinations**. The metric will consider the degree to which a project affects access to the region's key destination. Destinations include jobs, retail, education, healthcare, and recreation.

The measures for this metric are:

- A. Significantly improves Access to Key Destinations
- B. Moderately improves Access to Key Destinations
- C. Maintains Access to Key Destinations
- N/A Does not impact Access to Key Destinations

Equity: This theme is evaluated using the metric **Equity Based on Residential Geography** for the location(s) as project benefits. This will be quantified using data from the US Department of Transportation (USDOT) Justice40 Program, to align with federal policy. The specific metric, "Sum of Disadvantage Indicators," combines transportation, health, economy, equity, resilience, and environmental factors.

The measures for this metric are:

- A. Scores 6-8 in Justice40 metric "Sum of Disadvantage Indicators"
- B. Scores 3-5 in Justice40 metric "Sum of Disadvantage Indicators"
- C. Scores 0-2 in Justice40 metric "Sum of Disadvantage Indicators"
- N/A. Project is not location specific or benefits entire service area

Benefit to Riders: This theme is evaluated using the metric **Benefits to Riders**. This metric looks at projects that are visible to riders and directly improve their experience. Benefits could range from new vehicles to station upgrades to speed enhancements on bus routes/train lines. This metric will consider level of benefit the project provides to riders.

The measures for this metric are:

- A. Significant benefit to riders
- B. Moderate benefit to riders
- C. Helps to maintain current benefits to riders
- N/A. Project does not impact riders

Capacity: This theme is evaluated based on the metric **Capacity Benefit and the Need.** The capacity metric will be defined broadly to include vehicles, stations/stops, transit lines, operating right of way, and storage facilities. The responses will consider how much a project increases capacity and whether the current or planned utilization is near capacity.

The measures for this metric are:

- A. Project increases capacity of transit operations or facilities where current or planned utilization is near capacity
- B. Project increases capacity of transit operations or facilities where current or planned utilization is not near capacity
- C. Project maintains/returns system to original capacity
- N/A. Not related to capacity of transit operations or facilities

Economic Impact: This theme is evaluated using **Economic Impact** as a metric. Economic Impact is broadly defined to include land use development, construction jobs, and long-term job impacts.

The measures for this metric are:

- A. Large impact on economic development
- B. Moderate impact on economic development
- C. Small impact on economic development
- N/A. No Economic Impact

Service Speed and Reliability: This theme is evaluated using the metric **Impact to Service Speed/Reliability**. The measure considers the level of impact on speed/reliability of the project.

The measures for this metric are:

- A. Significantly improves speed/reliability
- B. Moderately improves current speed/reliability
- C. Needed to maintain current speed/reliability
- N/A No impact on service speed/reliability

Safety and Security: This theme is evaluated using two metrics. The first is **Impact on Customer and/or Employee Safety** and the second is **Impact on System Security**. The first metric will consider the risk and exposure levels if a project addresses a safety issue. The second metric will consider the level of security enhancement the project makes and if the impacted location has a history of security incidents.

The measures for **Impact on Customer / Employee Safety** are:

- A. Project directly provides safety benefit/improvement
- B. Project indirectly provides safety benefit/improvement
- C. Project maintains current safety levels
- N/A. Project has not impact on safety

The measures for **Impact on System Security** are:

- A. Project implements new security protection and/or prevention
- B. Project enhances existing security level
- C. Project maintains or replaces existing level of security
- N/A. Project does not impact security

State of Good Repair: This theme is evaluated using two metrics, **Asset Condition** and **Vehicle Useful Life**. Asset condition will be measured using ratings from the FTA Transit Economic Requirements Model (TERM) on projects where it is applicable. For Vehicles Useful Life, vehicle ages will be compared with Service Board useful life benchmarks.

The measures for **Asset Condition** are:

- A. Asset(s) Rated below 2
- B. Asset(s) Rated 2-3
- C. Asset(s) Rated above 3
- N/A. Project does not have an asset rating

The measures for **Vehicle Useful Life** are:

- A. Over 2 years past useful life
- B. 0-2 years past useful life
- C. Not exceeding useful life
- N/A. Asset is not a vehicle with a useful life

Climate Impact: This theme is evaluated using two metrics, **Ridership/Mode Shift Impacts** and **Climate Agency Operating Impacts**. The metric **Ridership/Mode Shift Impacts** evaluates the inherent climate benefits from avoided emissions when travelers choose transit rather than driving. **Climate Agency Operating Impacts** refer to efforts to reduce greenhouse gas (GHG) emissions generated from transit operations, including transitioning to near-zero-emissions vehicles.

The measures for **Ridership/Mode Shift Impacts** are:

- A. Significantly improves transit ridership
- B. Moderately improves ridership
- C. Maintains assets necessary for transit ridership
- N/A. Project has no impact on transit ridership

The measures for **Climate Agency Operating Impacts** are:

- A. Directly supports significant reduction/zero GHG emissions from transit agency operations
- B. Supports moderate reductions or offsets to GHG emissions from transit agency operations
- C. No reduction of GHG emissions from transit agency operations
- N/A. Project does not affect GHG emissions

Accessibility for People with Disabilities: This theme is evaluated using the metric. **Accessibility Improvements**. This will focus on improvements to existing assets to make them partially or fully accessible. For new assets, not applicable should be selected, because new assets must be made accessible by default. The metric can also apply beyond station improvements, including vehicle accessibility and accessible communications.

The measures Accessibility Improvements are:

- A. Makes assets fully accessible
- B. Makes assets partially accessible/Minor accessibility improvements
- C. Is needed to maintain current levels of accessibility
- N/A. Project is not related to accessibility/new station

Regulatory Requirements: This theme is evaluated based on the metric **is project required to comply with regulatory requirements**. The Service Board will provide which requirements are met.

The measures for Regulatory Requirements are:

- A. Yes
- N/A. No

Operating Cost: This theme is evaluated based on the metric **impact on operating costs**.

The measures for impact on operating cost are:

- A. Decrease
- B. No change
- C. Increase
- N/A. Not applicable or unsure

This report includes how each project in the proposed capital program has been evaluated and includes details about how the region is doing in meeting the wide-ranging goals laid out for the system. In addition, the report will take a more in-depth look at three themes: equity, accessibility, and climate impacts to discuss how the proposed projects effect these key regional goals.

Priority Projects

In addition to the above evaluation measures, RTA will continue to report on priority projects, which are a set of core capital initiatives largely focused on bringing the regional transit system nearer to a state of good repair, as well as advancing limited expansions in growing markets. This list is updated each year during the capital programming process.

In describing the capital program through the lens of priority projects, the RTA and the Service Boards provide transparency around how many projects and how much funding is needed to advance each of these specific priorities.

Performance-Based Programming for Capital Investment

RTA and the Service Boards have also continued to partner to make funding allocations more transparent. A Performance-Based Capital Allocation method was approved at the July 2021 Board meeting, which is used to apportion state PAYGO funds and federal formula funds beginning with 2025 allocations. Funding in 2024 is based on historic allocation methods. The goal in implementing performance-based allocations is to use a data driven approach to distribute funds based on three key principles.

The first principle is to address capital reinvestment need. To that end the region uses the 20-year state of good repair metric to determine the baseline allocation of funds. This measure estimates the amount of funding each Service Board would need to reach a state of good repair of all assets within 20 years. The proportion of need makes up the initial funding split.

The 20-year state of good repair need is determined by the Strategic Asset Management working group which includes both Service Board and RTA staff. The group is tasked with regularly updating the needs assessment with new data to reflect investments that have been made.

In 2022, the need-based allocation, was updated; this allocation percentage will be used for the 2027 and 2028 allocations. There was a difference in the regional allocation, which impacted Metra and Pace. Both the original allocation percentages, which apply to 2025 and 2026 funds and the updated 2027 and 2028 allocation percentages, are shown in Table 8. The Strategic Asset Management working group intends to have annual updates to the allocation percentages beginning in 2024.

Table 8. 20-year State of Good Repair Needs-based Allocation percentages by Service Board and Year

	2025 & 2026	2027 & 2028
CTA	59.7%	59.7%
Metra	32.8%	33.2%
Pace	7.5%	7.1%

The second principle is to incentivize faster completion of projects. Fifty percent of PAYGO and federal formula funds are allocated based on the 20-year state of good repair needs percentages and then are incremented based on two measures, average age of funds (which has a goal to be under 2.5 years old) and percent of funds spent (with a goal of spending at least 20% of available funds annually); both metrics are built on a three-year average. Service Boards that meet the performance measures have no change to their available funding. If a measure is not met, funds are incrementally set-aside for future reallocation. Table 9 shows the average age of funds calculation and Table 10 shows the percent of funds spent calculation.

Table 9. Average Age of Funds (in years): Funds withheld when 3-year average is greater than 2.5 years

	2020	2021	2022	3-year Average
CTA	0.95	1.20	1.73	1.29
Metra	1.73	1.66	2.18	1.85
Pace	1.68	1.51	2.06	1.75

Table 10. Percent of Funds Spent: Funds withheld when 3-year average is less than 20%

	2020	2021	2022	3-year Average
CTA With Debt Payments	19.42%	18.84%	23.82%	20.69%
CTA Without Debt Payments	10.47%	11.45%	17.34%	13.09%
Metra	15.06%	14.55%	13.79%	14.47%
Pace	22.43%	10.44%	15.18%	16.02%

For 2028, based on the performance criteria, either $14.8 million or $43.7 million would have been withheld in the 2024-2028 five-year Capital Program due to slower spend rates for all of the Service Boards. If CTA debt service payments are not included in the percent of funds spent, CTA would have a withholding of approximately $28.9 million in 2028. If debt service payments are included, CTA would not have a withholding in 2028. Metra has a withholding of $12.9 million and Pace has a withholding of $2.0 million. Table 11 details the 2028 withholdings.

Table 11. 2028 Proposed Capital Withholdings

	Withholding Amount
CTA including Debt Service Payments	$0
CTA not including Debt Service Payments	$28,900,304
Metra	$12,865,702
Pace	$1,978,920
Total Not Including Debt Service Payments	$43,744,926

Since an allocation methodology has not been established for withheld funds, these dollars will not be set aside at this time and instead the Service Boards have included these funds as part of their capital programs, similar to how the calculated set asides for 2025-2027 were handled. Discussions for determining how to redistribute withheld funds continue with a goal to have a method in place for the next budget cycle.

A final part of the performance-based capital allocation is to advance policy priorities by programming projects that meet specified regional priorities, which are equity and accessibility for people with disabilities. The Service Boards must program at least 20% of the 2025-2028 federal formula and PAYGO funds to projects that meet one or both of those regional goals. The projects meeting these requirements are outlined throughout the capital section.

Summary

The evaluation themes and metrics identified in *Transit is the Answer* reflect the priorities of the capital program identified through public and stakeholder collaboration and take into account state requirements, the need to maintain a state of good repair, benefits to the rider experience, climate impacts and equity. These metrics, along with the priority project list communicate how the capital program meets the regional needs, explains the great need for additional funding and are responsive to the needs of the region.

2024-2028 Regional Capital Program and 2024 Regional Capital Program

2024-2028 Capital Funding by Source

The 2024-2028 Regional Capital Program includes $5.975 billion in funding. After accounting for CTA debt-service payments, the region has $4.982 billion for capital projects in the five-year program. Table 12 shows the breakdown of funding sources by Service Board.

Table 12. 2024-2028 Regional Capital Program Funding (dollars in thousands)

	CTA	Metra	Pace	RTA	Total	Total %
Funding Sources						
Federal Formula Funds	$2,245,309	$1,255,568	$281,223	-	$3,782,100	63.3%
Federal Discretionary Funds	$211,206	$148,024	$47,791	-	$407,022	6.8%
PAYGO Funds	$733,072	$400,635	$83,572	-	1,217,280	20.4%
RTA Innovation, Coordination, & Enhancement (ICE)	$15,899	$12,918	-	-	$28,817	0.5%
Service Board and Other Local Funds	$625	-	-	-	$625	0.01%
Sub-Total Non-Bond Funds	**$3,206,111**	**$1,817,145**	**$412,587**	**$0**	**$5,435,843**	**91.0%**
RTA Bond Proceeds	-	$130,000	-	-	$130,000	2.2%
CTA Bond Proceeds	$409,371	-	-	-	$409,371	6.9%
Sub-Total Bond Funds	**$409,371**	**$130,000**	**$0**	**$0**	**$539,371**	**9.0%**
Total Capital Funding	**$3,615,482**	**$1,947,145**	**$412,587**	**$0**	**$5,975,213**	**100.0%**
Debt Service/Financing Costs	($992,831)	-	-	-	($992,831)	
Total Capital Funding Available	**$2,622,651**	**$1,947,145**	**$412,587**	**$0**	**$4,982,383**	

The $5.975 billion in funding is 4.4% greater than the 2023-2027 Capital Program. Changes to the budgeted amount are due to a reduction in anticipated federal allocations based on the proposed apportionments in the Fiscal Responsibility Act of 2023 offset by an increase in state PAYGO funds, federal discretionary funds, and federal discretionary opportunities. Federal formula funds are expected to remain flat in 2024 compared to 2023 and have been projected to increase 1% per year from 2025 to 2028. In addition, due to favorable motor fuel tax receipts, the contribution from state PAYGO funds is expected to increase by 3.5% per year over the five-year capital program, partially offsetting the lower expected federal receipts.

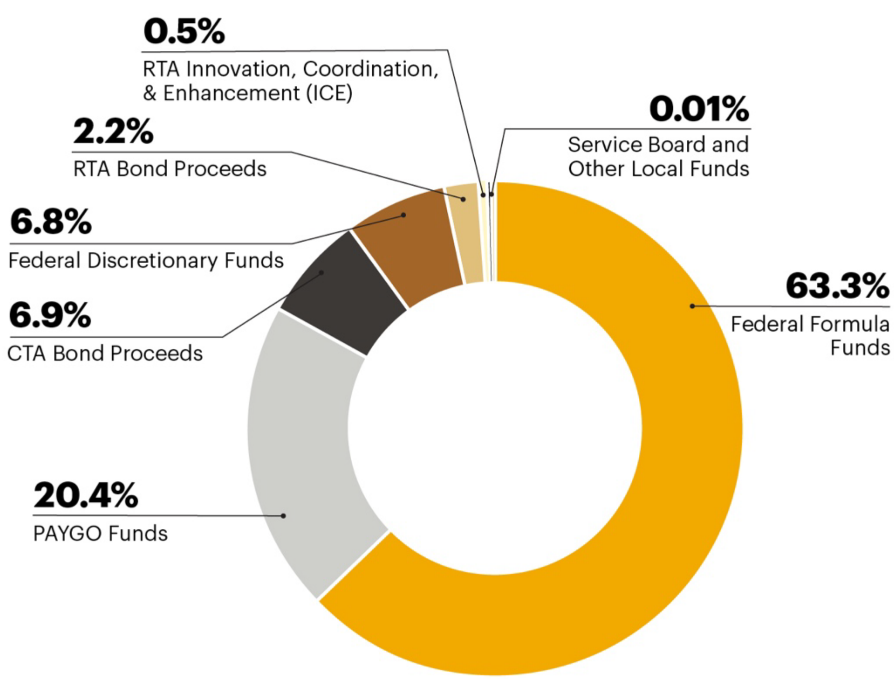
Federal formula and federal discretionary funds continue to be separated in the report as discretionary funds continue to increase as a percentage of the program. Discretionary funds continue to be an important part of the federal allocation; in 2023 nearly 25% of the program is expected to be federal discretionary funds compared to an estimate of 6% when the budget was adopted. The budget book will never be able to reflect all the discretionary funds that might be awarded during the year as the Service Boards cannot predict in advance which grants might be awarded. Most discretionary funds are only added to the program once they are awarded to the Service Boards. In 2023, the adopted budget contained $77 million in federal discretionary funds but to date $333 million in additional grants have been awarded bringing the regional allocation for 2023 to $410 million. In 2024, $407 million in discretionary funds have already been programmed but we expect to see a similar trend with the amount of programming increasing during the budget year. The region is expected to continue to compete favorably for many of the discretionary opportunities that include funds for bus electrification, large regionally significant projects, accessibility, and many other categories.

Another important funding area that has increased in the capital program is CTA's Red Line Extension project, which has included $704 million in the five-year program from CMAQ, PAYGO, and CTA bonds. Additionally, CTA is planning to program an additional $2.8 billion to this project during a future program amendment in 2024. These funds will be added to the program when the federal grant and City of Chicago TIF award are completed for this project.

A key change to the 2024-2028 program is the $1.217 billion in state PAYGO funds, which make up the majority of the state's share of available capital and is an increase of over 7% compared to the 2023-2027 capital program. The state also included bond funds as part of the Rebuild Illinois program, these funds were fully programmed and granted in 2020 and 2021. This means that the state contribution to the program will remain lower until the next state capital program is announced. Therefore, as the Rebuild Illinois bond funding is drawn down, the RTA will continue to work with the state to develop additional capital funding, to supplement PAYGO dollars and to provide reliable funds to maintain the region's transit system.

The 2024-2028 Capital Program includes a funding mix of federal, state, RTA, and local sources. Funding is divided as follows: 63% federal formula funds; 7% federal discretionary funds; 20% state PAYGO funds, 7% CTA bond funds, 2% RTA bond funds, and 0.5% other RTA and local funding sources. Figure 34 shows the detailed funding source split of the entire 2024-2028 Capital Program.

Figure 34. 2024-2028 Capital Funding: $5.975 Billion



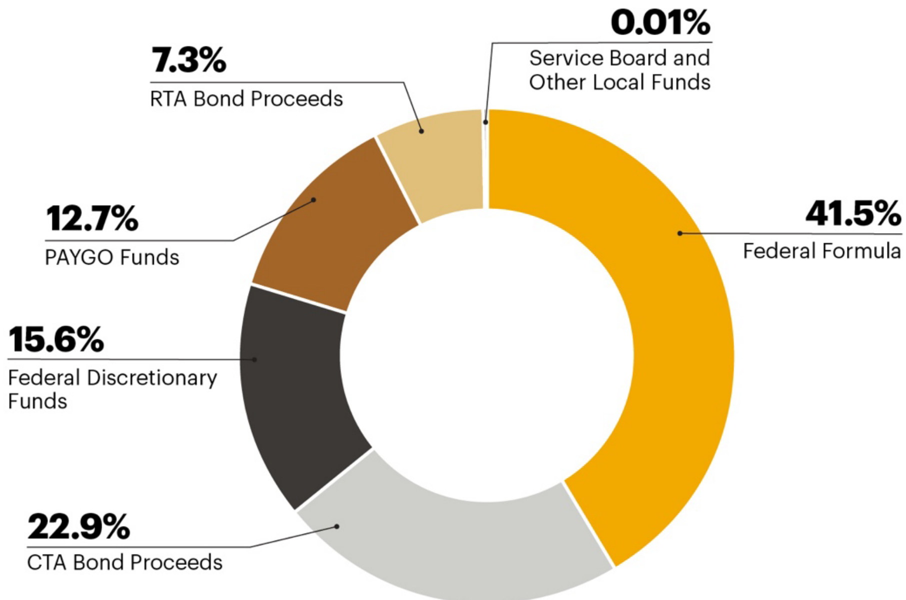
2024 Annual Capital Program Funding

For 2024, the total regional funds are $1.786 billion. After deducting $205 million of CTA debt service payments on previously issued bonds, an estimated amount of $1.580 billion is available for the year. These funds come from the following sources: 42% federal formula; 16% federal discretionary; 13% state PAYGO; 23% CTA bonds; 7% RTA Bonds and 0.01% other local sources. 2024 RTA bonds are planned to be issued in the amount of $130 million to Metra. The funds were allocated to Metra as part of the 2020 agreement to distribute Rebuild Illinois funds and were moved to 2024 from 2023 to better match the timing that the funds would be needed. Issuing in 2024 is anticipated to save the region $10 million in debt service by delaying the issuance. CTA plans to issue bonds to continue advancing the Red Line Extension project. Overall, less regional bonding is included in the program thanks to additional federal funds from IIJA and annual state PAYGO funds from the motor fuel tax. Table 13 and Figure 35 show the detailed split of funds by Service Board and funding source for 2024.

Table 13. 2024 Annual Regional Capital Program Funding (dollars in thousands)

	CTA	Metra	Pace	RTA	Total	Total %
Federal Formula	$430,036	$252,090	$59,315	-	$741,442	41.5%
Federal Discretionary Funds	$110,951	119,000	$47,791	-	$277,742	15.6%
PAYGO Funds	$141,875	$73,775	$11,350	-	$227,000	12.7%
Service Board and Other Local Funds	$125	-	-	-	$125	0.01%
Sub-Total Non-Bond Funds	**$682,987**	**$444,865**	**$118,457**	**$0**	**$1,246,309**	**69.8%**
RTA Bond Proceeds	-	$130,000	-	-	$130,000	7.3%
CTA Bond Proceeds	$409,371	-	-	-	$409,371	22.9%
Sub-Total Bond Funds	**$409,371**	**$130,000**	**$0**	**$0**	**$539,371**	**30.2%**
Total Capital Funding	**$1,092,358**	**$574,865**	**$118,457**	**$0**	**$1,785,680**	**100.0%**
Debt Service	($205,481)	-	-	-	($205,481)	
Total Capital Funding Available	**$886,877**	**$574,865**	**$118,457**	**$0**	**$1,580,199**	

Figure 35. 2024 Capital Funding: $1.786 Billion



With all the Rebuild Illinois bond funds programmed, the state share of the 2024 program is reduced to 23% of the previous year's total. RTA continues to work with the state to implement and construct projects in the Rebuild Illinois bond program as well as to explore other sustainable capital revenue sources.

Capital Funding by Priority Project

The following section presents the 2024-2028 Capital Program through the lens of priority projects identified by the Service Boards. All current priority projects, as identified by the Service Boards, are included in the analysis whether or not they will receive funding in the five-year capital program. In addition, there are administrative categories for activities required to execute the capital projects, as well as a category for projects that do not fall into any of the priority projects, called uncategorized projects. These categories of projects (administrative and uncategorized) are shown in the summary tables and are included in the 10-year need, but they are not included in the count of priority projects. Details of the priority projects are shown in the individual Service Board reports. The 10-year regional capital funding need is $40.5 billion. Notably, the current 2024-2028 Capital Program only funds 14.7% of the total 10-year need, which is less than the 15.6% funded in the 2023-2027 capital plan and well short of what is needed. If similar funding levels were to continue, with an estimated 2.5% annual increase in funding per year in 2029-2033 only 31.3% of the 10-year need would be funded. This shows the great need to increase capital funding to maintain and build upon the regional transit system.

The Service Boards have identified 89 priority projects in the 2024-2028 Capital Program. Four have been fully funded. Thirty-six projects do not receive any funding, and the remainder are partially funded. This demonstrates that additional funding is necessary to meet the needs of the region's transit system and users. While the 2024-2028 Capital Program continues to include new funding sources, more is needed. The regional estimate is that more than $3.5 billion is required annually to maintain and expand the system to meet the needs of the region.

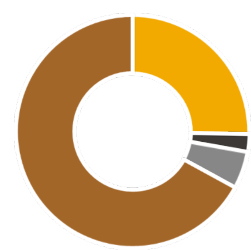
With that in mind, the RTA further analyzed the projects using the capital evaluation metrics. Details of these metrics are in the Capital Program section above.

Capital Evaluations

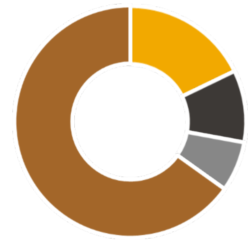
Beginning with the 2024-2028 capital program, all projects have been rated based on 15 metrics that evaluate the region's goals associated with the capital program. In developing the metrics, the region understood that the goals work in concert and while few projects will meet every regional goal, the Service Boards have worked to propose a selection of projects that address each of the regional goals. More funding is needed to robustly address every goal. Detailed evaluations of each project can be found in Appendix A.

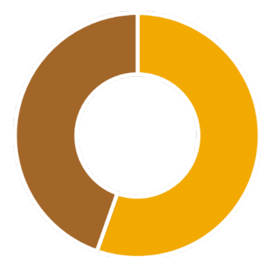
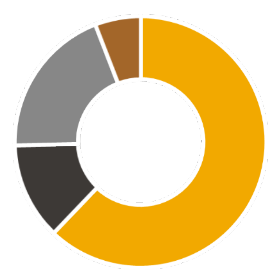
Table 14 shows all 15 evaluation metrics. Each metric has between two and four possible measurement choices. The chart included next to each metric shows the percentage of the Service Board's program that has been evaluated for each measurement choice. For example, in the Access to Key Destinations metric, the data shows that 24% of the total regional program has been evaluated as significantly improving access to key destinations.

Table 14. Regional Metrics and Evaluations

Metric	Measurements			Metric Evaluation
Access to Key Destinations	A	Significantly improves access	24%	
	B	Moderately improves access	4%	
	C	Maintains access	58%	
	NA	Not applicable	14%	
Equity based on Residential Geography	A	Scores 6-8 for USDOT Justice40 Program	25%	
	B	Scores 3-5 for USDOT Justice40 Program	2%	
	C	Scores 0-2 for USDOT Justice40 Program	5%	
	NA	Not location specific/Benefits entire service area	67%	
Benefit to Riders	A	Significant benefit	51%	
	B	Moderate benefit	27%	
	C	Maintains current benefit	17%	
	NA	Project does not impact customers	5%	

Metric	Measurements			Metric Evaluation
Capacity Benefit and Need	A	Increases capacity where utilization is near capacity	51%	
	B	Increases capacity where utilization is not near capacity	27%	
	C	Maintains original capacity	17%	
	NA	Not related to capacity	5%	
Economic Impact	A	Large economic impact	32%	
	B	Moderate economic impact	13%	
	C	Small economic impact	11%	
	NA	No economic development impact	44%	
Service Speed and Reliability	A	Significantly improves speed/reliability	30%	
	B	Moderately improves speed/reliability	11%	
	C	Maintains speed/reliability	32%	
	NA	No impact on speed/reliability	27%	
Impact on Customer/ Employee Safety	A	Directly provides safety benefit/improvement	24%	
	B	Indirectly provides safety benefit/improvement	52%	
	C	Maintains safety levels	17%	
	NA	No impact on safety	7%	

Metric		Measurements		Metric Evaluation
Impact on System Security	A	Implements new security protection/prevention	18%	
	B	Enhances existing security level	10%	
	C	Maintains or replaces existing level of security	7%	
	NA	Does not impact security	65%	
Asset Conditions	A	Rated below 2 for FTA's Transit Economic Requirements Model (TERM)	9%	
	B	Rated between 2 and 3 for TERM	25%	
	C	Rated above 3 for TERM	3%	
	NA	Does not have an asset rating	63%	
Vehicle Useful Life	A	Over 2 years past useful life	11%	
	B	Between 0-2 years past useful life	17%	
	C	Not exceeding useful life	7%	
	NA	Is not a vehicle with a useful life	65%	
Ridership/ Mode Shift	A	Significantly improves transit ridership	41%	
	B	Moderately improves transit ridership	27%	
	C	Maintains asset necessary for transit ridership	26%	
	NA	Project has no impact on transit ridership	7%	

Metric	Measurements			Metric Evaluation
Climate Agency Operating Impacts	A	Directly supports significant reduction/zero GHG emissions	29%	
	B	Supports moderate reductions or offsets to GHG emissions	19%	
	C	No reduction of GHG emissions	16%	
	NA	Project does not impact GHG emissions	37%	
Accessibility for Persons with Disabilities	A	Makes assets fully accessible	31%	
	B	Makes assets partially accessible/minor accessibility improvements	6%	
	C	Maintains current levels of accessibility	23%	
	NA	Project is not related to accessibility	41%	
Regulatory Requirements	A	Yes, fulfills regulatory requirements	55%	
	NA	No, is not a project to fulfill specific regulatory requirements	45%	
Operating Costs	A	Decreases operating costs	62%	
	B	No change to operating costs	12%	
	C	Increases operating costs	20%	
	NA	Not applicable	6%	

The metrics are based on available funding after payment of debt service. Debt service is not evaluated because these funds paid for capital projects that would have been evaluated in previous programs.

Throughout the report we will highlight three themes that are key focus areas for the region.

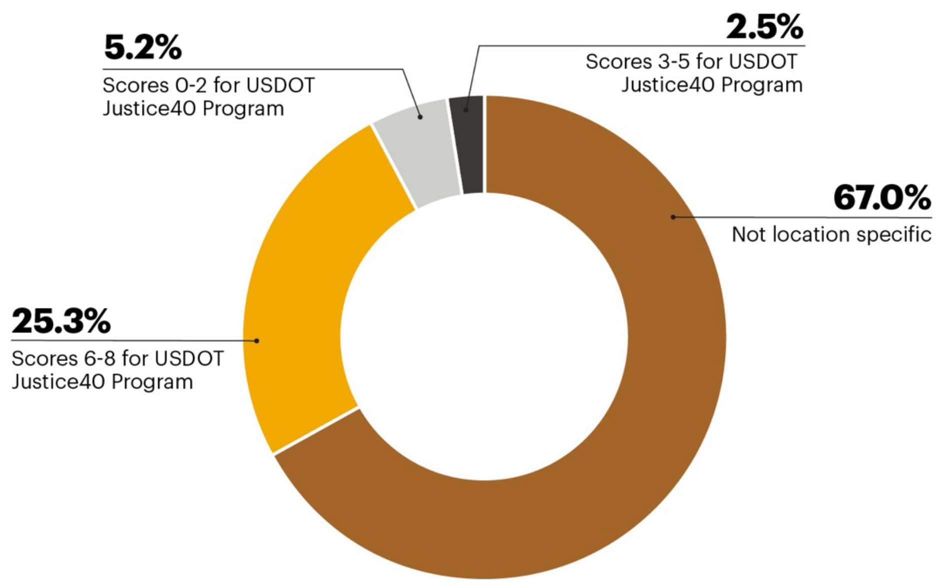
Equity

The equity measure being used is Equity Based on Residential Geography for the location(s) a project benefits. This measure uses data from the USDOT Justice40 Program, to align with federal policy. Areas receive a score of 0-8 based on review of 8 equity measures. Areas scoring higher are considered to have less equitable conditions. For our reporting projects are divided into 4 categories:

- Scores 6-8 in Justice40 metric "Sum of Disadvantage Indicators"
- Scores 3-5 in Justice40 metric "Sum of Disadvantage Indicators"
- Scores 0-2 in Justice40 metric "Sum of Disadvantage Indicators"
- Project is not location specific or benefits entire service area

The evaluation finds that 25% ($1.262B) is being invested in projects located in areas scoring 6-8 in the Justice40 metric "Sum of Disadvantage Indicators." Additionally, 3% of funds ($123M) is being invested in projects located in areas scoring 3-5 in the Justice40 metric "Sum of Disadvantage Indicators," 5% of funds ($258M) is being invested in projects located in areas scoring 0-2 in the Justice40 metric "Sum of Disadvantage Indicators" and 67% of funds ($3.339B) is programmed to projects that are either systemwide or do not have a specific location. Systemwide or non-location specific projects could include purchases or revenue vehicles, work on entire lines, and support projects such as IT projects. This shows that location specific projects are focused on investing transit capital dollars where they would most benefit from improved transit options.

Figure 36. Regional Metric – Equity Based on Residential Geography



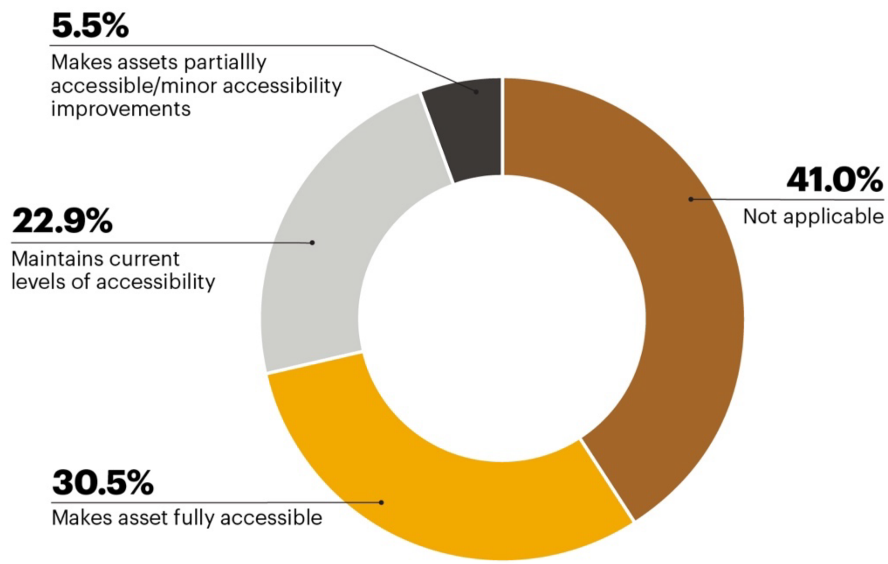
Accessibility

The accessibility metric being used is Accessibility Improvements. This measure looks at improvements that make the system partially or fully accessible. The region has done a good job competing for additional funding to continue moving towards the goal of making the system fully accessible, receiving over $185M in federal All Stations Accessibility Program grants in 2023. Project accessibility improvements are being evaluated using the following measures:

- Makes assets fully accessible
- Makes assets partially accessible / Minor accessibility improvements
- Is needed to maintain current levels of accessibility
- Project is not related to accessibility

The evaluation finds that 31% ($1.521B) is being invested in projects that make the system fully accessible. Additionally, 6% of funds ($276M) is being invested in projects that make the system partially accessible or provide minor improvements, 23% of funds ($1.142B) is being invested in projects that are needed to maintain current levels of accessibility and 41% of funds ($2.044B) goes to projects that are not related to accessibility.

Figure 37. Regional Metric – Accessibility for Persons with Disabilities



Climate Impact

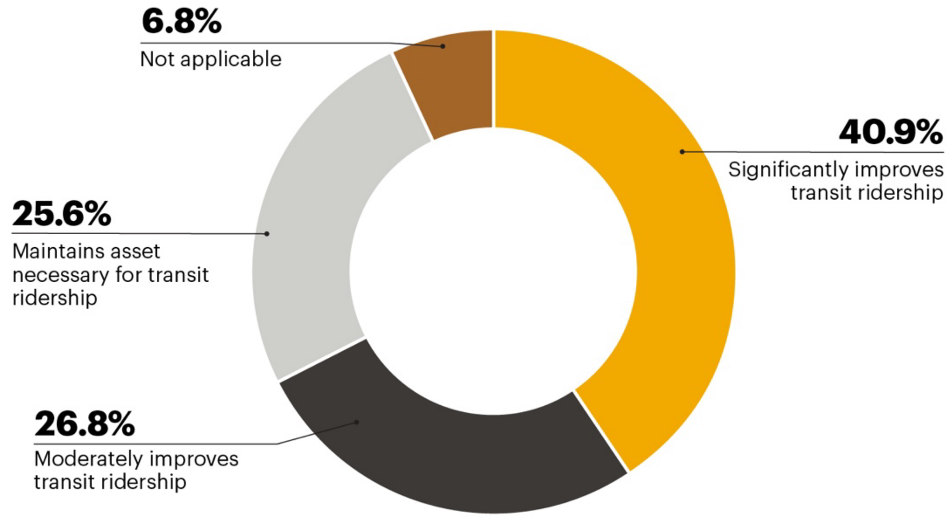
Transit plays an instrumental role in advancing sustainability by reducing driving. RTA analysis shows that emissions from transit vehicles make up less than 2% of total transportation emissions in the region. The climate impact of projects is being measured using two metrics: Ridership/Mode Shift Impacts and Climate Agency Operating Impacts.

The metric Ridership/Mode Shift Impacts evaluates the fundamental climate benefits from avoided emissions when travelers choose transit rather than driving.

The measures for Ridership/Mode Shift Impacts are:

- Significantly improves transit ridership
- Moderately improves ridership
- Maintains assets necessary for transit ridership
- Project has no impact on transit ridership

Figure 38. Regional Metric – Ridership/Mode Shift



For mode shift, 41% of funds ($2.037B) has been judged to provide a positive impact on transit ridership, as shown in Figure 38. An additional 27% ($1.334B) of the program is expected to lead to a moderate increase in ridership.

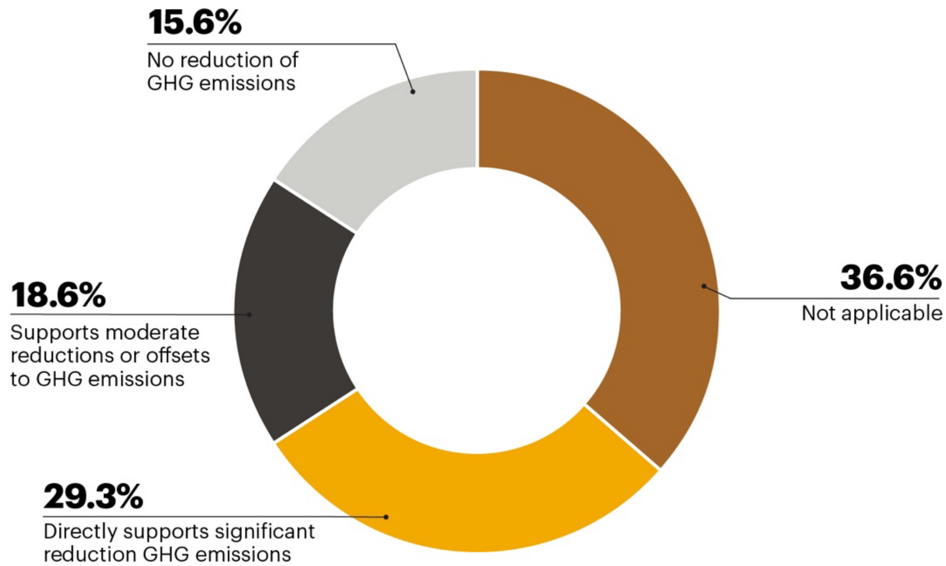
Agency Operating Impacts refer to efforts to reduce GHG emissions generated from transit operations, including transitioning to near-zero-emissions vehicles.

The measures for Climate Agency Operating Impacts are:

- Directly supports significant reduction/zero GHG emissions from transit agency operations
- Supports moderate reductions or offsets to GHG emissions from transit agency operations
- No reduction of GHG emissions from transit agency operations
- Project does not affect GHG emissions

For climate agency operating impacts on GHG, 29% ($1.457B) of the region's program directly supports a significant reduction in GHG emissions. Additionally, 19% ($925M) of the program supports a moderate reduction in GHG emissions and 52% ($2.600B) of the program either does not reduce GHG emissions or is not related to GHG emissions.

Figure 39. Regional Metric – Climate Agency Operating Impacts



For each of these metrics, a more in-depth look at some of the key regional projects is in the Service Board section of the report.

Performance-Based Programming

The new performance-based programming methodology requires that each Service Board programs at least 20% of funding to projects that are focused on improving accessibility or equity, beginning in 2025. Table 15 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects for 2025-2028. Projects that make assets fully accessible or partially accessible as well as equity projects scoring 3 or greater in the Justice40 index are included in the evaluation. Regionwide, 40% of funding ($326.2M) is programmed to projects that improve equity and accessibility in 2025, 40% of funding ($363.5M) is allocated in 2026, 56% of funding ($452.5M) in 2027, and 44% of funding ($375.2M) in 2028.

Table 15. Regional Equity and Accessibility Projects (dollars in thousands)

Description	2025	2026	2027	2028	Equity	Accessibility
All Stations Accessibility Program - Next Phases	-	-	-	$56,364	•	•
All Stations Accessibility Program - Oak Park, Ridgeland	$13,460	-	-	-	•	•
Electric Bus Program - Construction 103rd Garage	-	-	$77,621	$55,379	•	
Red Line Extension	$76,000	$106,000	$76,000	$60,883	•	•
Train Tracker Digital Signage Upgrade	$7,824	$8,075	-	-		•
115th-Kensington Station	-	-	-	$1,300	•	•
91st St-Beverly Hills Station	-	-	-	$1,930	•	•
Bridge 86 - 78th St Entrance	$8,295	$16,440	$8,425	-	•	•
Evanston-Davis Street Station	$1,815	$5,414	$5,700	$2,030	•	•
Harvey Intermodal Transportation Center	-	$310	-	-	•	•
Kedzie Station	-	-	$155	$310	•	•
Matteson Station	-	-	$1,390	-	•	•
Olympia Fields Station & Parking	$17,700	-	-	-	•	•
Riverdale Station	-	$1,390	-	-	•	•
Rock Island Intercity Improvements (RI3)	-	$13,500	-	-	•	
Rogers Park Station	-	$11,800	-	$24,430	•	•
Car Rehab (Amerail)	$15,955	$21,925	$30,000	$32,500		•
Car Rehab (Nippon Sharyo)	$33,245	$31,350	$30,000	$30,900		•
CUS Concourse Reconstruction	$3,000	$11,000	-	-		•

Description	2025	2026	2027	2028	Equity	Accessibility
Elevator Replacement	$15,770	$17,315	$11,415	$1,000		•
Forest Glen Station	-	-	-	$860		•
Glen Ellyn Station	-	-	$4,000	-		•
Highlands Station	$261	-	-	-		•
Indian Hill Station	-	-	$1,110	-		•
New Railcars	-	$35,946	$127,300	$44,500		•
Parking Lot Improvements	$1,522	$1,090	-	$3,200		•
Pingree Road Station	-	$2,680	-	-		•
Platform Improvements	$2,690	$2,030	$4,650	$4,110		•
Station ADA Improvements	$4,000	$4,000	$1,000	$2,000		•
Station Displays	$1,000	$5,048	-	-		•
Station Sign Replacement	$2,000	$4,890	-	$5,900		•
Ticket Vending Machines	$7,500	-	-	-		•
West Hinsdale Station	$4,130	-	-	-		•
Zero-Emissions Trainsets	$36,274	-	$21,165	$21,165		•
North Division Electrification/ Expansion	$7,600	-	-	-	•	
Southwest Division Electrification/ Expansion	$41,000	$37,500	$25,900	-	•	
River Division Electrification	$17,621	$18,238	$17,869	$13,100	•	
Onboard Digital Screens	$2,000	$2,000	$2,000	$2,000		•
Paratransit Vehicles	$5,564	$5,526	$6,838	$11,365		•
Total	**$326,226**	**$363,466**	**$452,537**	**$375,226**		
Total Annual Program	$822,498	$904,158	$815,137	$860,391		
Percent of Program toward Accessibility and Equity	**40%**	**40%**	**56%**	**44%**		

When analyzing available funding based on these metrics, it's clear that the region needs more funding to meet all of the regional goals. Despite these funding challenges, the agencies continue to do their best to make a positive impact in as many priority areas as possible while also maintaining the existing system.

Long-Term Funding Need

Overall, the 2024-2028 Capital Program is primarily focused on addressing the region's state of good repair needs, providing for a more equitable transit system, increasing accessibility systemwide, and building a more climate-friendly system.

To maintain the needs of the region's transit infrastructure, a level of capital investment of around $3.5 billion per year is needed over the next 10 years, yet the five-year program averages less than a billion per year. The RTA continues to lead Strategic Asset Management (SAM) activities for the region to consider the impacts of capital funding and the asset condition outlook beyond the timeframe covered in the capital program. The RTA is currently working with the Service Boards to update the data and models used to estimate the impact of capital funding on the region. Meanwhile, capital funding continues to be insufficient to meet regional needs.

RTA will continue with its work analyzing capital needs and advocating for additional capital funding to better meet the region's significant capital requirements.

CTA Capital Program

CTA's 2024-2028 Capital Program has $3.615 billion programmed for capital expenditures and debt service. CTA has a 10-year need of more than $24.3 billion for priority projects that include bus fleet electrification, replacement of ageing rail cars, and state of good repair priorities. CTA's capital projects continue to focus on moving the system toward a state of good repair by spending on both rehabbing and replacing assets while also improving the system.

Looking at the program in more depth, 9% ($315M) of CTA's program is for rehabbing bus and rail cars, while another 17% ($605M) is for purchasing new rail cars and buses. Significantly, $188 million is programmed to purchase two types of electric buses, which will help advance their goal of a fully electrified bus fleet by 2040. To support these new buses, $158 million is being programmed to garage electrification at the Chicago and 103rd Street Garages. CTA also continues to move the needle on their ASAP program, accounting for $128 million of spending. Another priority project is the Red Line Extension, which is funded with $704 million or 19% of the current program. Additionally, CTA's Capital Program contains debt-service on past debt-issuances. CTA funds many of their capital projects by issuing debt. Some of CTA's debt is repaid using federal capital funding; 27.5% ($993 million) of CTA's Capital Program is assigned to paying principal and interest on this debt. The RTA and Service Boards continue to advocate for new funding sources so that CTA is not as reliant on debt backed by federal formula funds, especially with the current high cost of debt financing. Table 16 shows all of CTA's funded capital projects sorted by priority project. At the bottom of the table is a list of priority projects that do not have any funding in the 2024-2028 Capital Program.

Table 16. CTA 2024-2028 Capital Improvement Program and Ten-Year Need (dollars in thousands)

CTA Priority Project	Estimated 10-Year Need for Priority Project	Project Description	Total 5-Year Funding Programmed
Red Purple Modernization	$5,956,152	-	-
Red Line Extension	$3,793,476	Red Line Extension	$704,363
Railcar Purchase	$1,166,014	Purchase Rail Cars - 7000 Series (Base Order 400)	$77,285
		Purchase Rail Cars - 9000 Series	$211,711
		Purchase Rail Cars - 7000 Series Options	$132,408
Blue Line Forest Park Modernization - Phase 2	$653,077	-	-
Green Line Improvements	$645,293	-	-
Signal Replacement (Systemwide)	$619,339	-	-
Subway Life Safety Improvements	$604,309	Subway Life Safety	$18,000
Blue Line Forest Park Modernization - Phase 3	$598,030	-	-
Blue Line Forest Park Modernization - Phase 4	$597,030	-	-
Railcar Overhauls	$491,054	Life extending Overhaul 2600/3200 Series	$136,975
		5000 Series Rail Car Quarter Life Overhaul	$41,620
		Replace video system 3200 and 5000-Series railcars	$20,000
Replacement Buses 1000 Series - 430 Electric Buses	$459,358	Purchase up to 6 Electric Buses with Charging Systems	$2,600
Brown Line Improvements	$436,384	-	-
Systemwide Track Renewal	$396,612	Infrastructure State of Good Repair Program	100,000
Red Line Improvements	$396,400	-	-
Elevated Track and Structure Systemwide	$380,000	2024 - Elevated Track and Structure Maintenance Systemwide	$38,384
Perform Bus Maintenance Activities	$360,000	2024 - Bus Maintenance	$49,495
Systemwide Structural Renewal	$336,200	-	-

CTA Priority Project	Estimated 10-Year Need for Priority Project	Project Description	Total 5-Year Funding Programmed
Electric Bus Infrastructure Program	$330,287	95th Street Terminal Electrification	$7,600
		Bus Garage Electrification - Chicago	$17,010
		Bus Garage Electrification - 103rd Garage	$133,000
Mid-Life Bus Overhaul (7900 series)	$308,489	Bus Overhaul - Mid-Life 450 Nova (7900 Series)	$80,489
Rail Car Maintenance Activities	$300,000	-	-
Station ASAP	$278,524	All Station Accessibility Program - Elevator Replacement	$4,633
		All Station Accessibility Program Elevator Replacement Phase II	$22,467
		All Stations Accessibility Program - Escalator Replacement	$15,000
		All Stations Accessibility Program - Next Phases	$56,364
		All Stations Accessibility Program - Oak Park, Ridgeland	$29,124
Replacement Buses (4000 Series) - Electric Buses	$263,332	Purchase Articulated Electric Buses and Charging Equipment	$185,375
Rail Yard Improvements	$255,374	-	-
Bus Garage Improvements	$248,090	-	-
Rail Shops Improvements	$233,400	Midway Shop - Wheel Truing Machine Bldg. Extension and Access Track	$13,800
		Rail Car Facility Maintenance	$14,000
		Skokie Shops - Railcar Hoists	$15,000
		Skokie Shops - Wheel truing machine replacement	$4,500
		Skokie Shops Improvements Other	$1,500
BRT/Bus Slow Zone Removal/ TSP/Dedicated Lane projects	$216,040	-	-
Blue Line (O'Hare) Traction Power Capacity & Track Improvements	$215,740	-	-

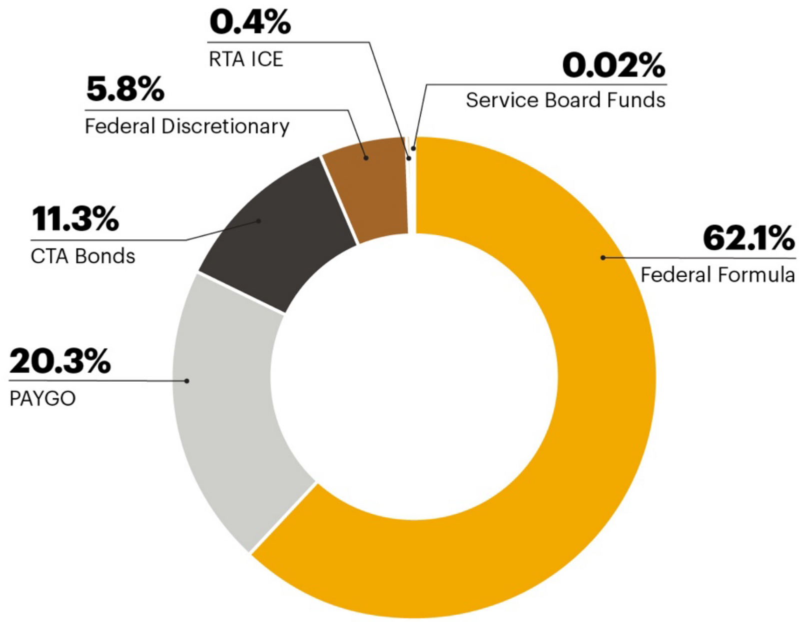
CTA Priority Project	Estimated 10-Year Need for Priority Project	Project Description	Total 5-Year Funding Programmed
Maintenance Facilities Rehabilitation	$200,000	2024 Facilities Maintenance - Systemwide	$12,121
Replacement Buses (1000 Series) - 600 Clean Diesel	$176,016	Replace Buses - Options to Purchase Up To 500 of 1,030	$107,050
Station Communication Infrastructure	$158,800	Public Address Communication Modernization & Upgrade	$14,000
		Rail Station Communications Infrastructure Modernization	$10,000
Tactical Traction Power Improvements (Systemwide)	$153,613	-	-
CTA OFPS - Equipment (Lease) - VENTRA	$141,675	Ventra 3.0 Upgrade	$82,991
Replacement Bus Purchase (4300 series)	$140,000	-	-
Blue Line Forest Park Modernization - Phase 1	$131,245	-	-
Critical Needs at CTA Facilities	$118,534	Facilities Critical Needs	$10,000
Systemwide Station Program	$118,179	Refresh and Renew Program Expansion	$9,000
Information Technology	$108,565	Information Technology - Bus Router Replacements (MP070's)	$4,200
		Information Technology - Hastus Upgrade	$1,000
		Information Technology - IVN3/IVN4 Replacement	$2,601
		Information Technology - MMIS Upgrade	$2,500
		Information Technology - Technology Upgrades Rail Engineering & Maintenance	$200
		Information Technology - TOPS Upgrade II	$1,500
		Security Camera Modernization and Upgrade	$9,569
		Upgrade Office Computer Systems	$3,000
		Upgrade Technology Systems	$4,912

CTA Priority Project	Estimated 10-Year Need for Priority Project	Project Description	Total 5-Year Funding Programmed
Non-Revenue Vehicle Replacement Program	$70,740	Equipment and Non-Revenue Vehicles Program	$6,000
		Non-Revenue Rail Vehicle Equipment - Replacement	$10,000
		Non-Revenue Utility Vehicle Replacement	$2,450
Radio System Upgrade	$64,500	-	-
Tactical Signal Improvements	$21,630	-	-
Life-Extending Bus Overhaul 430 (1000 series)	$9,372	Life Extending Bus Overhaul - (1000 Series)	$6,737
New Control and Training Center	FULLY FUNDED	-	-
Mid-Life Bus Overhaul (4300 series)	FULLY FUNDED	-	-
Admin and Uncategorized Needs			
Bond Repayment, Interest Cost & Finance Cost	$1,841,370	CTA Bond Repayment - Principal/Interest	$992,831
	$195,301	Farebox Replacement	$23,811
		Implement Security Projects - HLS Program	$30,000
		Match for FTA Discretionary Awards	$40,000
		Tactile Signage at CTA Bus Stops	$1,697
		Train Tracker Digital Signage Upgrade	$15,899
Program Management	$66,064	Program Management	$33,032
Administration - CTA	$55,000	Office Building Principal and Interest	$30,939
		Support Services	$11,615
Program Development	$6,250	Program Development - UWP	$3,125
Total 10-Year Needs	**$24,314,862**		**$3,615,482**

Capital Funding by Source

In CTA's $3.615 billion 2024-2028 Capital Program, funding comes from five sources: federal formula funds 62%; federal discretionary funds 6%; PAYGO funds 20%; CTA bond proceeds 11%; and other local funds 0.5%, shown in Figure 40. CTA's Capital Program has continued to shift more towards federal funds as all the Rebuild Illinois bond funds have been programmed. CTA continues to be successful in applying for and receiving federal discretionary grants and continues to work to diversify state and local funding sources to support the great needs of the program.

Figure 40. CTA 2024-2028 Capital Program Funding: $3.615 Billion



Capital Funding by Priority Project

CTA has identified 43 priority projects (excluding administrative projects), as part of their 10-year funding need. CTA's total 10-year need is $24.3 billion of which about 15% ($3.6B) is funded in the current five-year program. RTA estimates that an additional $4.1 billion would be expected in 2029-2033 based on 2.5% annual funding growth. Based on this assumption, approximately 32% of CTA's funding needs are expected to be covered over the 10-year period with an additional $16.6 billion needed to meet all of the state of good repair and enhancement needs.

Priority projects such as Red Purple Modernization, bus and rail car overhauls and purchases, and the Blue Line Forest Park Branch Modernization are focused on maintaining the current system. Projects to purchase electric buses and electrify bus garages are focused on making transit more climate friendly. A smaller percentage of CTA's priority projects are designed to enhance and expand the system while improving equity in the region, some of which include the Red Line Extension to 130th Street and the Bus Slow Zone Removal/Dedicated Lane projects.

CTA's 2024-2028 Capital Program funds activities in 22 of the 43 priority projects, as shown in Table 17. Two of CTA's priority projects are fully funded and 19 have no funding in the 2024-2028 program. This leaves important priority projects like later phases of the Blue Line Forest Park Branch rehab and Red-Purple Modernization completely unfunded in the 2024-2028 Capital Program. Without funding for these projects, CTA will continue to make smaller repairs to the existing system to keep it in operation, but the lack of funding may negatively affect the system's performance. For example, more buses may be out of service or trains may run at slower speeds. CTA's large 10-year need shows that more funding is needed to keep the system rolling and to move towards greener operations.

Table 17. CTA Priority Projects (dollars in thousands)

Priority Project	Estimated 10-Year Need for Priority Project	Total 5-Year Funding Programmed
Red Purple Modernization	$5,956,152	$0
Red Line Extension	$3,793,476	$704,363
Railcar Purchase	$1,166,014	$421,404
Blue Line Forest Park Modernization - Phase 2	$653,077	$0
Green Line Improvements	$645,293	$0
Signal Replacement (Systemwide)	$619,339	$0
Subway Life Safety Improvements	$604,309	$18,000
Blue Line Forest Park Modernization - Phase 3	$598,030	$0
Blue Line Forest Park Modernization - Phase 4	$597,030	$0
Railcar Overhauls	$491,054	$198,594
Replacement Buses 1000 Series - 430 Electric Buses	$459,358	$2,600
Brown Line Improvements	$436,384	$0
Systemwide Track Renewal	$396,612	$100,000
Red Line Improvements	$396,400	$0
Elevated Track and Structure Systemwide	$380,000	$38,384
Perform Bus Maintenance Activities	$360,000	$49,495
Systemwide Structural Renewal	$336,200	$0
Electric Bus Infrastructure Program	$330,287	$157,610
Mid-Life Bus Overhaul (7900 series)	$308,489	$80,489
Rail Car Maintenance Activities	$300,000	$0
Station ASAP	$278,524	$127,588
Replacement Buses (4000 Series) - Electric Buses	$263,332	$185,375
Rail Yard Improvements	$255,374	$0
Bus Garage Improvements	$248,090	$0
Rail Shops Improvements	$233,400	$48,800
BRT/Bus Slow Zone Removal/ TSP/Dedicated Lane projects	$216,040	$0
Blue Line (O'Hare) Traction Power Capacity & Track Improvements	$215,740	$0
Maintenance Facilities Rehabilitation	$200,000	$12,121

Priority Project	Estimated 10-Year Need for Priority Project	Total 5-Year Funding Programmed
Replacement Buses (1000 Series) - 600 Clean Diesel	$176,016	$107,050
Station Communication Infrastructure	$158,800	$24,000
Tactical Traction Power Improvements (Systemwide)	$153,613	$0
CTA OFPS - Equipment (Lease) - VENTRA	$141,675	$82,991
Replacement Bus Purchase (4300 series)	$140,000	$0
Blue Line Forest Park Modernization - Phase 1	$131,245	$0
Critical Needs at CTA Facilities	$118,534	$10,000
Systemwide Station Program	$118,179	$9,000
Information Technology	$108,565	$29,482
Non-Revenue Vehicle Replacement Program	$70,740	$18,450
Radio System Upgrade	$64,500	$0
Tactical Signal Improvements	$21,630	$0
Life-Extending Bus Overhaul 430 (1000 series)	$9,372	$6,737
New Control and Training Center	Fully Funded	$0
Mid-Life Bus Overhaul (4300 series)	Fully Funded	$0
Admin and Uncategorized Needs		
Bond Repayment, Interest Cost & Finance Cost	$1,841,370	$992,831
Uncategorized Projects - CTA	$195,301	$111,407
Program Management	$66,064	$33,032
Administration - CTA	$55,000	$42,554
Program Development	$6,250	$3,125
Total 10-Year Needs	**$24,314,862**	**$3,615,482**

In addition to CTA's priority projects, there are four administrative projects, with a total need of $2.0 billion. One CTA administrative requirement—bond repayment, interest, and finance cost—must be fully funded, as debt service payments are required, and represent the largest of CTA's funded projects in the 2024-2028 plan ($993M). CTA's continued use of federal funds for debt repayment limits CTA's ability to execute new projects with these federal dollars and highlights the need for other local and state funding sources that can be used as a match to the influx of federal discretionary dollars coming into the region.

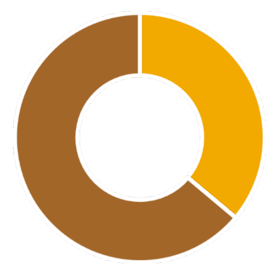
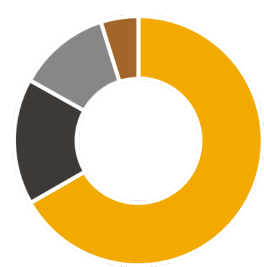
CTA plans to issue $409 million in new debt in 2024 of which 75% is a match to federal funds for Red Line Extension construction. Additional projects include Ventra 3.0 upgrades and the purchase of 7000 series rail cars. These bonds are planned to be supported by sales tax receipts.

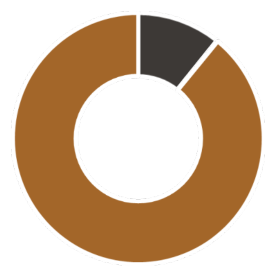
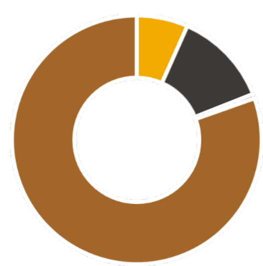
Evaluation Metrics

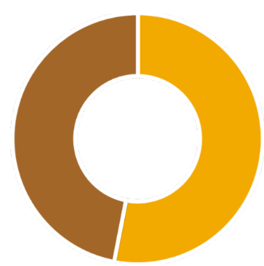
Beginning with the 2024-2028 capital program all CTA projects have been rated based on 15 metrics that evaluate the region's goals associated with the capital program. In developing the metrics, the goals work in concert and while few projects will meet every regional goal, CTA proposed a selection of projects that meets each of the regional goals. More funding is needed to robustly address every goal. Detailed evaluations of each CTA project can be found in Appendix A.

Table 18 shows all 15 evaluation metrics. Each metric has between two and four possible measurement choices. The chart included next to each metric shows the percentage of the Service Board's program that has been evaluated for each measurement choice. For example, in the Access to Key Destinations metric, the data shows 30% of CTA's program has been evaluated as significantly improving access to key destinations.

Table 18. CTA Metrics and Evaluations

Metric	Measurements			Metric Evaluation
Access to Key Destinations	A	Significantly improves access	30%	
	B	Moderately improves access	3%	
	C	Maintains access	54%	
	NA	Not applicable	13%	
Equity based on Residential Geography	A	Scores 6-8 for USDOT Justice40 Program	36%	
	B	Scores 3-5 for USDOT Justice40 Program	0%	
	C	Scores 0-2 for USDOT Justice40 Program	0%	
	NA	Not location specific/Benefits entire service area	64%	
Benefit to Riders	A	Significant benefit	67%	
	B	Moderate benefit	16%	
	C	Maintains current benefit	12%	
	NA	Project does not impact customers	5%	
Capacity Benefit and Need	A	Increases capacity where utilization is near capacity	37%	
	B	Increases capacity where utilization is not near capacity	0%	
	C	Maintains original capacity	48%	
	NA	Not related to capacity	15%	

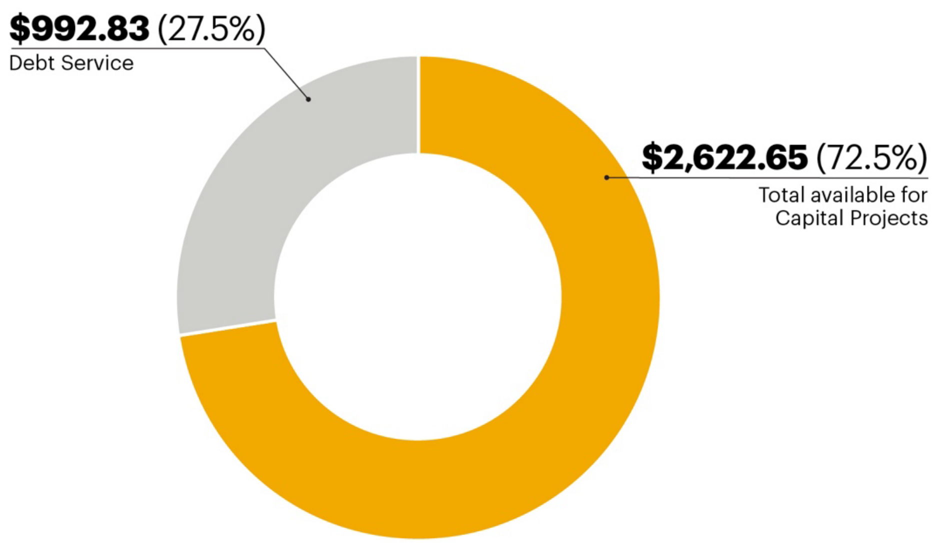
Metric		Measurements		Metric Evaluation
Economic Impact	A	Large economic impact	33%	
	B	Moderate economic impact	7%	
	C	Small economic impact	5%	
	NA	No economic development impact	55%	
Service Speed and Reliability	A	Significantly improves speed/reliability	27%	
	B	Moderately improves speed/reliability	12%	
	C	Maintains speed/reliability	25%	
	NA	No impact on speed/reliability	36%	
Impact on Customer/ Employee Safety	A	Directly provides safety benefit/improvement	3%	
	B	Indirectly provides safety benefit/improvement	66%	
	C	Maintains safety levels	26%	
	NA	No impact on safety	5%	
Impact on System Security	A	Implements new security protection/prevention	0%	
	B	Enhances existing security level	11%	
	C	Maintains or replaces existing level of security	0%	
	NA	Does not impact security	89%	
Asset Conditions	A	Rated below 2 for FTA's Transit Economic Requirements Model (TERM)	7%	
	B	Rated between 2 and 3 for TERM	12%	
	C	Rated above 3 for TERM	1%	
	NA	Does not have an asset rating	80%	

Metric		Measurements		Metric Evaluation
Vehicle Useful Life	A	Over 2 years past useful life	6%	
	B	Between 0-2 years past useful life	27%	
	C	Not exceeding useful life	5%	
	NA	Is not a vehicle with a useful life	62%	
Ridership/ Mode Shift	A	Significantly improves transit ridership	54%	
	B	Moderately improves transit ridership	14%	
	C	Maintains asset necessary for transit ridership	26%	
	NA	Project has no impact on transit ridership	6%	
Climate Agency Operating Impacts	A	Directly supports significant reduction/zero GHG emissions	40%	
	B	Supports moderate reductions or offsets to GHG emissions	20%	
	C	No reduction of GHG emissions	15%	
	NA	Project does not impact GHG emissions	25%	
Accessibility for Persons with Disabilities	A	Makes assets fully accessible	30%	
	B	Makes assets partially accessible/minor accessibility improvements	1%	
	C	Maintains current levels of accessibility	39%	
	NA	Project is not related to accessibility	30%	
Regulatory Requirements	A	Yes, fulfills regulatory requirements	53%	
	NA	No, is not a project to fulfill specific regulatory requirements	47%	

Metric		Measurements		Metric Evaluation
Operating Costs	A	Decreases operating costs	52%	
	B	No change to operating costs	5%	
	C	Increases operating costs	31%	
	NA	Not applicable	11%	

CTA's metrics are based on available funding after payment of debt service. Debt service is not evaluated because these funds paid for capital projects that would have been evaluated in previous programs. Further, because debt service is a requirement for CTA, they must fund this debt before any other capital projects can be programmed. As previously noted, 28% of CTA's funds directly pay for past borrowing. This reduces CTA's current ability to execute projects. Figure 41 shows available funding for capital projects versus required debt service as a portion of the program.

Figure 41. Amount of CTA Funding Available for New Spend (Dollars in Millions)



When reviewing CTA's program, it is noted, that CTA's projects provide significant benefits to the region by funding rehabilitation, system improvements, and limited expansions. The analysis shows that 53% of the program dollars are working to address state of good repair issues based on the state of good repair metrics: asset condition and vehicle useful life. State of good repair projects continue to be important to CTA, but more funding is essential to address these great needs as well as provide for enhancements and expansions. Some of the strongest themes being met include benefits to riders as well as climate impacts. CTA's program includes significant projects that meet these criteria including electrification, Red Line Extension and All Station Accessibility Program. Overall, the measures show that CTA is contributing to all of the regionally important areas, but only additional funding would allow for CTA to address all of these goals to a greater extent.

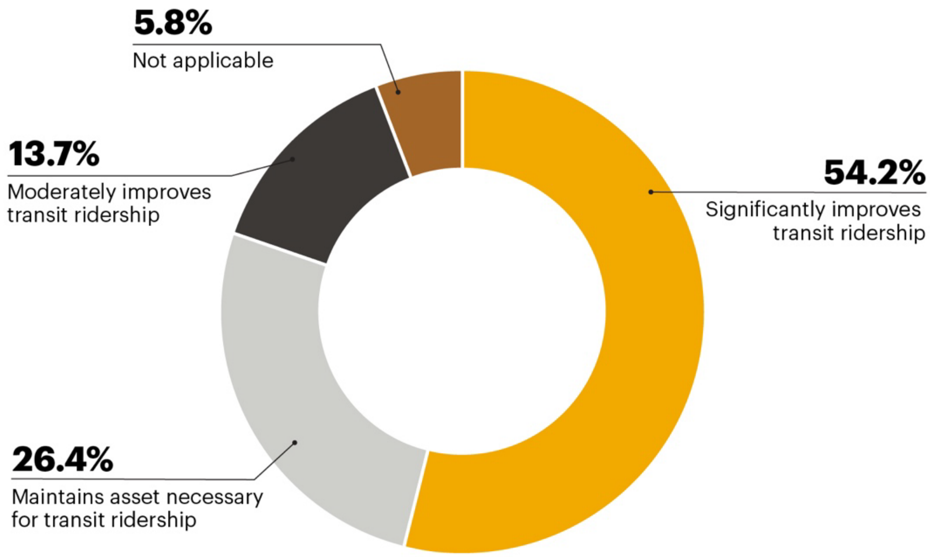
In this analysis, RTA will dive deeper on three of the regional goals, Climate Impact, Equity, and Accessibility to see how CTA's program is impacting these regionally important areas.

Climate Impact

The region settled on two metrics to look at climate impact: ridership/mode shift and agency GHG operating impacts.

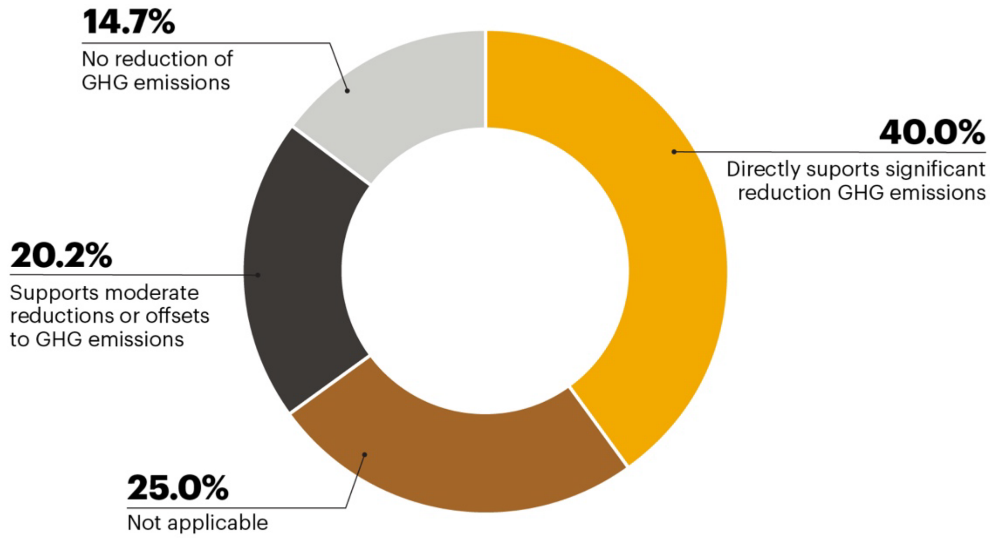
For mode shift, 68% of CTA's program ($1.780B), has been judged to provide a positive impact on transit ridership, as shown in Figure 42. This ranges from the Red Line Extension, which provides a significant improvement in ridership by offering faster service to riders in the far South Side of Chicago, to projects that improve customer amenities such as new buses and rail cars and new/improved signage that make using the system easier for the public and lead to a more positive ridership experience.

Figure 42. CTA Metric - Ridership/Mode Shift



For climate agency operating impacts on greenhouse gas emissions, 40% ($1.050B) of CTA's program directly supports a significant reduction in GHG emissions. Additionally, 20% ($531M) of the program supports a moderate reduction in GHG emissions and 40% of the program either does not reduce GHG emissions or is not related to GHG emissions. Key projects that CTA is undertaking that reduce GHG emissions include, electrification at two garages, purchase of electric buses to be used at these garages and the Red Line Extension which provides rail service to an area currently served by diesel buses.

Figure 43. CTA Metric - Climate Agency Operating Impact



Below are additional details on select climate friendly projects:

- Red Line Extension: Construction of an extension of the Red Line to 130th Street with four new transit stops which will reduce use of diesel buses and increase ridership in the area. This project is funded with $704M in the program.
- Garage and System Electrifications: The projects include electrification at Chicago and 103rd Garages as well as electrification of the 95th Street bus terminal. These projects are funded with $158M in the program.
- Articulated Electric Bus Purchases: Purchase of articulated electric buses to replace diesel articulated buses that are past their useful life, funded with $185M in the program.

Equity

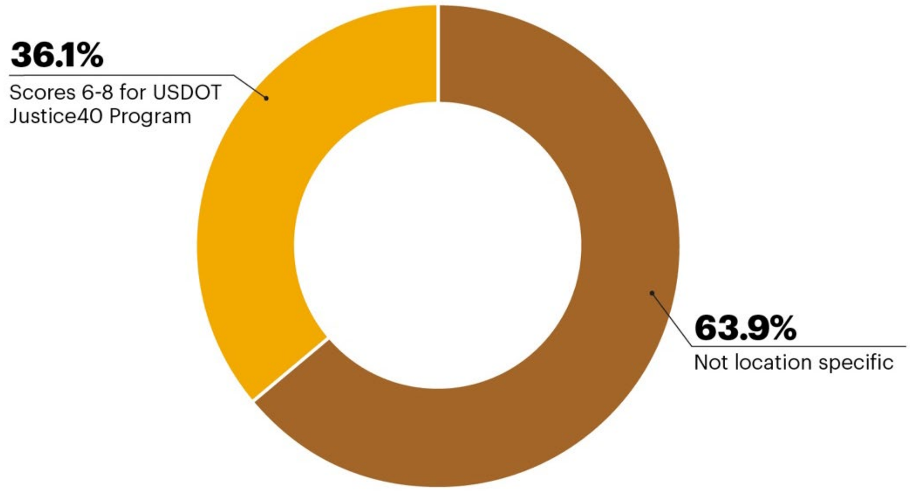
Equity is being measured using the geography of the project based on the USDOT Justice40 metric. Station specific projects are measured based on the Justice40 score within the station's walkshed and projects that span segments of bus/rail lines receive an equity ranking based on the highest scoring area that the route passes through.

Reviewing CTA's program, 36% ($947M) of the program creates a positive impact on areas scoring 6 or higher in the Justice40 metric, as shown in Figure 44. The remaining projects within CTA's program are not area specific. CTA has worked to program projects to improve equity throughout the region.

Some of the key equity projects include:

- Red Line Extension: This project will serve disadvantaged communities in the far South Side of Chicago and is funded with $704M in the program.
- 103rd Street Garage Electrification: This project will serve disadvantaged routes originating from the 103rd Street Garage which serves the South Side of Chicago with clean electric buses and is funded with $133M in the program.
- 95th Terminal Electrification: This project will enable use of electric buses out of the 103rd Street garage and will offer cleaner air for a disadvantaged community. The project is funded with $8M in the program.

Figure 44. CTA Metric - Equity based on Residential Geography

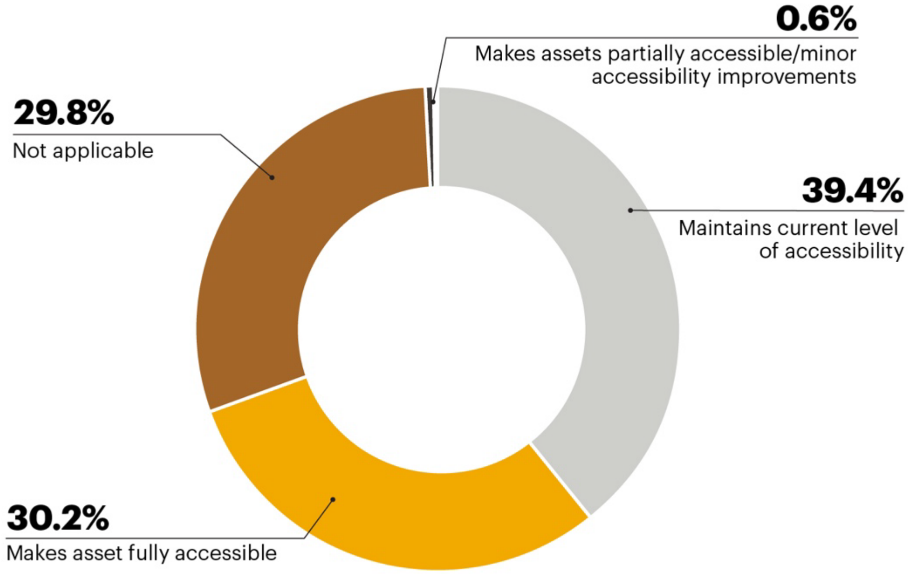


Accessibility

Accessibility is being evaluated using a metric focused on accessibility improvements. CTA's program shows that 30% ($792M) provides for full accessibility while 1% ($16M) of the program provides a minor improvement to accessibility. Additionally, 69% of CTA's program either maintains existing accessibility or has no impact on accessibility. While a large portion of CTA is already accessible, including all of the bus network, there are still a significant number of rail stations that have yet to be upgraded to ADA requirements. Here are some of the key projects in the plan:

- All Stations Accessibility Program – Oak Park and Ridgeland Stations: This project will make the Oak Park and Ridgeland Stations fully ADA accessible along the green line. The project is funded with $29M in the program.
- All Stations Accessibility Program – Next Phase: This project will make the Clybourn Red, Cicero, and Austin Blue Line stations fully ADA accessible. The project is funded with $56M in the program.
- Red Line Extension: The project includes four new fully accessible rail stations at 103rd Street, 111th Street, Michigan Avenue/115th Street, and 130th Street along the red line. The program is funded with $704M in the program.

Figure 45. CTA Metric - Accessibility for Persons with Disabilities



Performance-Based Programming

The performance-based programming method requires that each Service Board programs at least 20% of funding to projects that either achieve full accessibility or improve equity, beginning in 2025. Table 19 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects. CTA's 2024-2028 Capital Program includes several projects that improve equity and/or accessibility. In 2025, 25% of funding is assigned to either equity or accessibility. In 2026, 23% of funding supports one of those goals. In 2027 and 2028, 38% and 39% of the program's funds target equity or accessibility. Key equity projects in the plan include the Red Line Extension to 130th Street, which reaches a significant population who is currently underserved by transit, as well as electrification projects, which reduce harmful pollutants and provide for a greener transit system. CTA's plan is to electrify garages in more disadvantaged communities first. CTA has dedicated funding to several elevator installations and replacements over the coming years with the goal of making the entire system accessible.

Table 19. CTA Accessibility and Equity Project Highlights (dollars in thousands)

Description	2025	2026	2027	2028	Equity	Accessibility
All Stations Accessibility Program - Next Phases	-	-	-	$563,636	•	•
All Stations Accessibility Program - Oak Park, Ridgeland	$134,600	-	-	-	•	•
Improve Facilities - Electric Bus Program - Construction 103rd Garage	-	-	$776,205	$553,795	•	
Red Line Extension	$760,000	$1,060,000	$760,000	$608,826	•	•
Train Tracker Digital Signage Upgrade	$78,240	$80,750	-	-		•
Total	**$972,840**	**$1,140,750**	**$1,536,205**	**$1,726,256**		
Total Program Available (Excludes Bond Repayment)	$3,906,446	$4,947,933	$4,058,556	$4,444,804		
Percent of Program toward Accessibility and Equity	**25%**	**23%**	**38%**	**39%**		

Based on the 2024-2028 Capital Program, CTA has shown their strong commitment to equity and accessibility, while continuing to invest in key state of good repair projects. Funding for additional enhancements, such as expansions and electrifications must be delayed due to the limited amount of funding that is available to CTA. CTA and RTA continue to advocate for funds that will help address important goals such as CTA's All Stations Accessibility Program, electrification of the bus network, and the goal of getting the system back into a state of good repair. The programmed projects build on the system and offer transit to underserved communities, fulfilling an important need for the region. Furthermore, advocating for additional federal and state funding will allow CTA to reduce its overreliance on funding projects with CTA issued debt, which requires large future repayments of principal and interest with federal funds, which otherwise would be available for new capital needs.

Metra Capital Program

Metra's 2024-2028 Capital Program has $1.947 billion in available funding. Metra has an approximately $13.9 billion 10-year funding need for its priority projects, which include key goals of reaching a state of good repair, updating the fleet of railcars and locomotives, and improving speed and passenger amenities.

In more depth, one-third ($648M) of Metra's program is dedicated to replacing and rehabbing rail cars and locomotives. State of good repair remains a key focus of the plan with 16% ($302M) going towards bridge repairs and replacements and 19% ($363M) of the program towards track, signal, and electrical improvements. Metra achieves significant accessibility improvements when renovating stations. Additionally, 14% ($263M) is dedicated to station projects. Table 20 shows all of Metra's funded capital projects sorted by priority project. At the bottom of the table is a list of priority projects that do not have any funding in the 2024-2028 Capital Program.

Table 20. Metra 2024-2028 Capital Improvement Program and Ten-Year Need (dollars in thousands)

Metra Priority Project	Estimated 10-Year Need for Priority Project	Description	5-Year Program
Bridge Replacement and Repair	$2,081,462	Bridge 86 - 78th St Entrance	$33,160
		Bridge A318	$7,600
		Bridge Rehabilitation Program	$6,525
		Bridge Replacement Program	$13,520
		Bridges & Retaining Walls-MED	$10,450
		Bridges & Retaining Walls-MWD	$6,400
		Bridges & Retaining Walls-RID	$9,850
		Bridges & Retaining Walls-UPR	$10,900
		Bridges & Retaining Walls BNS	$10,843
		Catenary Structure Rehabilitation	$4,800
		CREATE EW-2 Bridge Lift	$3,040
		Hickory Creek Bridge	$2,750
		Metra UP North Rebuild	$179,217
		Stoney Creek Bridge	$2,830
Track Improvements	$2,011,525	CREATE - 75th St CIP	$10,000
		CREATE Ogden Junction (WA1)	$500
		Crossings (Road & Track) MED	$7,800
		Crossings (Road & Track) MWD	$3,650
		Crossings (Road & Track) RID	$10,660

Metra Priority Project	Estimated 10-Year Need for Priority Project	Description	5-Year Program
		Crossings (Road & Track) UPR	$5,635
		Elmwood Park Grade Separation	$10,000
		Rail Renewal MED	$9,487
		Rail Renewal-MWD	$15,510
		Rail Renewal-RID	$10,850
		Rail Renewal-UPR	$1,500
		Ties & Ballast-MET	$61,546
		Ties & Ballast-UPR	$2,500
		Ties, Ballast, & Switches-BNS	$8,000
		Undercutting & Surfacing-MET	$15,000
Fleet Modernization Plan	$1,736,770	Car And Locomotive Cameras	$10,000
		Car Rehab Midlife (Amerail)	$103,380
		Car Rehab (Nippon Sharyo Highliners)	$190,057
		F59 Locomotive Engine Upgrade	$13,290
		Locomotive and Car Improvements	$11,000
		New Railcars	$207,746
		Switcher Locomotive Procurement	$3,750
		Traction Motors	$8,800
		Wheel Replacement	$21,500
75th Street Corridor	$1,646,584	-	-
Signal & Electrical Improvements	$1,351,472	16th Street Interlocking	$15,660
		A-20 Interlocking	$23,005
		BNSF Yard Power Transformers	$7,850
		Centralized Traffic Control System Upgrade	$1,000
		Constant Tension Catenary	$5,205
		Crossing Inventory Management System	$470
		DC & AC Switchgear Replacement	$1,325
		Harvey Substation	$4,635
		Homewood Substation	$600
		Impedance Bonds	$2,750
		Jackson Substation	$12,200

Metra Priority Project	Estimated 10-Year Need for Priority Project	Description	5-Year Program
		MED Improvements	$22,000
		Morgan Interlocking	$1,500
		Power Distribution System Monitoring	$6,400
		Randolph St Interlocking	$11,360
		Signal Interlocking Microprocessors	$7,650
		Signal Standards	$400
		Signal System Upgrades-MED	$7,500
		Signal System Upgrades-MWD	$7,550
		Signal System Upgrades-RID	$7,535
		Signal System Upgrades-UPR	$2,425
		Smart Gates	$7,500
		Switch Layout Standards	$2,950
		Systemwide Cameras	$5,450
		Western Interlocking	$13,010
Station ADA Rehabilitations	$1,124,130	115th-Kensington Station	$1,300
		Elevator Replacement	$48,020
		Kedzie Station	$465
		Matteson Station	$1,390
		Platform Improvements	$19,300
		Riverdale Station	$1,390
		Station ADA Improvements	$12,600
		West Hinsdale Station	$4,130
		Woodstock Station-Warming Shelter	$1,000
Rock Island Intercity Improvements	$971,250	Rock Island Intercity Improvements	$13,500
A-2 Interlocking Replacement	$826,875	-	-
Yards, Facilities, and Equipment Improvements	$575,863	Asset Management	$10,725
		Automatic Equipment ID Readers	$1,180
		Central Warehousing	$9,775
		Crew Facilities-14th Street Yard	$100
		Crew Facilities-LaSalle Street	$190
		Crew Facilities-University Park	$2,475
		Cybersecurity Systems	$955
		Engineering Cyber Security Systems	$1,300

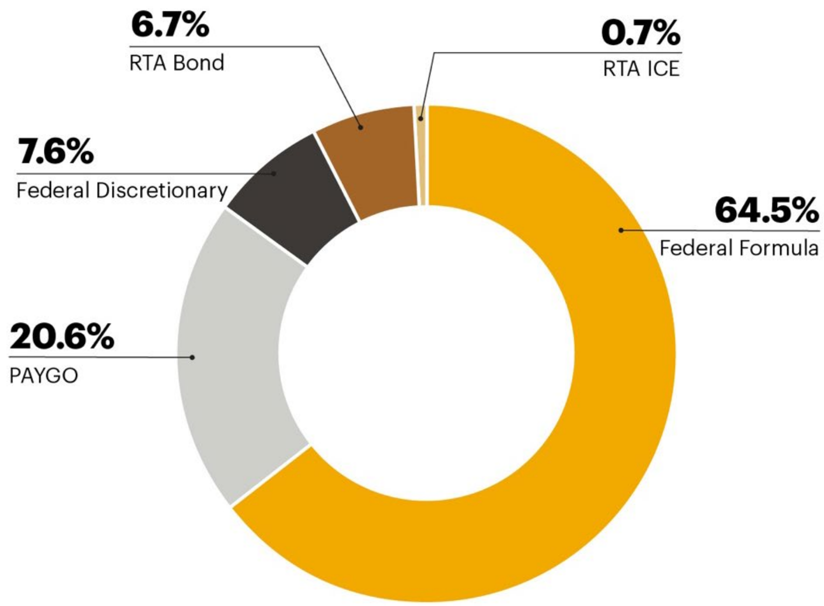
Metra Priority Project	Estimated 10-Year Need for Priority Project	Description	5-Year Program
		Fuel Storage Tank Upgrades	$1,935
		Human Resources Software Upgrades	$1,750
		IT Components & Services	$5,800
		Kensington Tower Rehabilitation	$405
		Kensington Yard-HVAC Replacement	$600
		Office Equipment	$1,250
		Protective Asset Acquisition	$85,100
		Right of Way Equipment	$4,495
		Roof Rehab-47th St Diesel-Coach	$160
		Roof Rehab-49th St Shop	$370
		Telecom Facilities HVAC Replacement	$980
		Timekeeping System Upgrade	$2,050
		Vehicles & Equipment	$15,411
		Western Ave Yard-Roof & HVAC Replacement	$22,900
		Yard Improvements-BNS	$10,550
		Yard Improvements-MED	$12,570
		Yard Improvements-MWD	$6,891
		Yard Improvements-RID	$5,930
		Yard Improvements-UPR	$2,500
Chicago Union Station Improvements	$549,675	Crew Facilities-CUS	$700
		CUS Concourse Reconstruction	$15,000
Rail Station Improvements		91st St-Beverly Hills Station	$1,930
		Evanston-Davis Street Station	$16,959
		Forest Glen Station	$860
		Glen Ellyn Station	$4,000
		Harvey Intermodal Transportation Center	$24,080
		Highlands Station	$261
	$514,560	Indian Hill Station	$1,110
		LaGrange Road Station	$515
		Olympia Fields Station & Parking	$17,700
		Parking Lot Improvements	$7,022
		Pingree Road Station	$2,880
		Rogers Park Station	$19,515
		Shelters	$3,125

Metra Priority Project	Estimated 10-Year Need for Priority Project	Description	5-Year Program
		Station Displays (TROI Net)	$13,948
		Systemwide Station Sign Replacement	$15,865
		Ticket Vending Machines	$7,500
		Van Buren Street Station	$28,500
		West Chicago Station	$8,000
Zero-Emissions Locomotives and Trainsets	$320,250	Zero-Emissions Trainsets	$78,604
PTC - systemwide	FULLY FUNDED	PTC Renewal (Engineering)	$690
		PTC Renewal (Mechanical)	$1,750
Admin and Uncategorized Needs			
Administration - Metra	$400,000	Capital Delivery Support Contracts	$2,275
		Contingencies	$4,000
		Infrastructure Engineering-MET	$9,550
		Program Management	$117,289
		Project Administration	$5,000
		Project Development	$5,100
Uncategorized Projects - Metra	-		-
Total	**$13,895,416**		**$1,947,146**

Capital Funding by Source

Metra's $1.947 billion 2024-2028 Capital Program has funding that is supported by federal, state, and local funds. Federal formula funds represent 65% of Metra's Capital Program, federal discretionary funds represent 8%, PAYGO funds are 21% of the program, RTA Bonds account for 7% of available funds, and RTA ICE funds account for 0.7% of the five-year capital program, as shown in Figure 46. Metra's program is largely supported by federal sources, at 72% of available funds and includes 28% of funding from state and local sources. Metra's program includes a planned 2024 RTA bond issuance which was delayed from 2023 to better match the timing that funds will be needed. The 2024 RTA bonds are specifically allocated to Metra based on a regional funding agreement that was established when State Rebuild Illinois bonds were issued.

Figure 46. Metra 2024-2028 Program Funding Sources: $1.947 Billion



Capital Funding by Priority Project

Metra has identified 13 priority projects excluding administrative tasks as part of their 10-year funding need. Metra's total 10-year need is $13.9 billion of which $1.95 billion is funded in the five-year program. RTA estimates that an additional $2.20 billion would be expected in 2029-2033 based on 2.5% annual funding growth. Based on this assumption approximately 30% of Metra's funding needs are expected to be covered over the 10-year period with an additional $9.8 billion needed to meet all of the state of good repair and enhancement needs. In addition to Metra's Priority Projects, there is one administrative project with a need of $40 million over the ten-year time frame.

Most of Metra's capital priorities involve maintaining the current system through projects such as fleet modernization, track improvements, and rail station improvements. Metra has fully funded the capital cost of one project, Positive Train Control (PTC), which was mandated by the federal government. Eleven projects are partially funded but need more funds to be completed, and two projects remain unfunded in the 2024-2028 Capital Program. Metra has added three new priority projects to its list for the current budget cycle including Zero-Emission Trainsets and Locomotives, Station ADA Rehabilitations, and Rock Island Intercity Improvements. RTA and Metra continue to advocate for additional funding to better meet the needs of these projects, which are designed to bring Metra up to a state of good repair, make the system greener, and improve the experience of Metra's riders.

Table 21. Metra 2024-2028 Priority Projects (dollars in thousands)

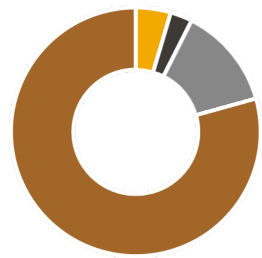
Priority Project	Estimated 10-Year Need for Priority Project	Total 5-Year Funding Programmed
Bridge Replacement and Repair	$2,081,462	$301,884
Track Improvements	$2,011,525	$172,638
Fleet Modernization Plan	$1,736,770	$569,523
75th Street Corridor	$1,646,584	-
Signal & Electrical Improvements	$1,134,472	$177,930
Station ADA Rehabilitations	$1,124,130	$89,595
Rock Island Intercity Improvements	$971,250	$13,500
A-2 Interlocking Replacement	$826,875	-
Yards, Facilities, and Equipment Improvements	$575,863	$208,314
Chicago Union Station Improvements	$549,675	$15,700
Rail Station Improvements	$514,560	$173,770
Zero-Emissions Locomotives and Trainsets	$320,250	$78,604
PTC - systemwide	-	$2,440
Admin and Uncategorized Needs		
Administration - Metra	$400,000	$143,214
Uncategorized Projects - Metra	-	-
Total 10-Year Needs	**$13,895,416**	**$1,947,146**

Evaluation Metrics

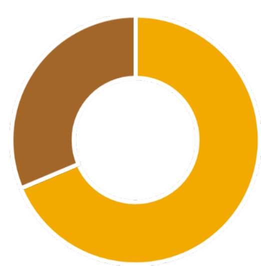
Beginning with the 2024-2028 capital program, all Metra projects have been rated based on 15 metrics that evaluate the region's goals associated with the capital program. In developing the metrics, the region understood that the goals work in concert and while few projects will meet every regional goal, Metra has proposed a selection of projects that meets each of the regional goals. More funding is needed to robustly address every goal. Detailed evaluations of each Metra project can be found in Appendix A.

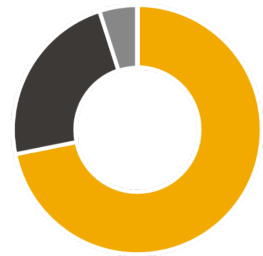
Table 22 shows all 15 evaluation metrics. Each metric has between two and four possible measurement choices. The chart included next to each metric shows the percentage of the Service Board's program that has been evaluated for each measurement choice. For example, in the Access to Key Destinations metric, the data shows that 18% of Metra's program has been evaluated as significantly improving access to key destinations.

Table 22. Metra Metrics and Evaluations

Metric		Measurements		Metric Evaluation
Access to Key Destinations	A	Significantly improves access	18%	
	B	Moderately improves access	6%	
	C	Maintains access	57%	
	NA	Not applicable	20%	
Equity based on Residential Geography	A	Scores 6-8 for USDOT Justice40 Program	5%	
	B	Scores 3-5 for USDOT Justice40 Program	3%	
	C	Scores 0-2 for USDOT Justice40 Program	13%	
	NA	Not location specific/Benefits entire service area	79%	
Benefit to Riders	A	Significant benefit	31%	
	B	Moderate benefit	36%	
	C	Maintains current benefit	26%	
	NA	Project does not impact customers	7%	
Capacity Benefit and Need	A	Increases capacity where utilization is near capacity	23%	
	B	Increases capacity where utilization is not near capacity	6%	
	C	Maintains original capacity	44%	
	NA	Not related to capacity	28%	
Economic Impact	A	Large economic impact	26%	
	B	Moderate economic impact	21%	
	C	Small economic impact	21%	
	NA	No economic development impact	33%	

Metric		Measurements		Metric Evaluation
Service Speed and Reliability	A	Significantly improves speed/reliability	38%	
	B	Moderately improves speed/reliability	12%	
	C	Maintains speed/reliability	31%	
	NA	No impact on speed/reliability	20%	
Impact on Customer/ Employee Safety	A	Directly provides safety benefit/improvement	54%	
	B	Indirectly provides safety benefit/improvement	29%	
	C	Maintains safety levels	7%	
	NA	No impact on safety	9%	
Impact on System Security	A	Implements new security protection/prevention	43%	
	B	Enhances existing security level	11%	
	C	Maintains or replaces existing level of security	0%	
	NA	Does not impact security	46%	
Asset Conditions	A	Rated below 2 for FTA's Transit Economic Requirements Model (TERM)	14%	
	B	Rated between 2 and 3 for TERM	41%	
	C	Rated above 3 for TERM	1%	
	NA	Does not have an asset rating	45%	

Metric		Measurements		Metric Evaluation
Vehicle Useful Life	A	Over 2 years past useful life	15%	
	B	Between 0-2 years past useful life	7%	
	C	Not exceeding useful life	11%	
	NA	Is not a vehicle with a useful life	67%	
Ridership/ Mode Shift	A	Significantly improves transit ridership	25%	
	B	Moderately improves transit ridership	36%	
	C	Maintains asset necessary for transit ridership	30%	
	NA	Project has no impact on transit ridership	9%	
Climate Agency Operating Impacts	A	Directly supports significant reduction/zero GHG emissions	25%	
	B	Supports moderate reductions or offsets to GHG emissions	36%	
	C	No reduction of GHG emissions	30%	
	NA	Project does not impact GHG emissions	9%	
Accessibility for Persons with Disabilities	A	Makes assets fully accessible	34%	
	B	Makes assets partially accessible/minor accessibility improvements	11%	
	C	Maintains current levels of accessibility	2%	
	NA	Project is not related to accessibility	53%	
Regulatory Requirements	A	Yes, fulfills regulatory requirements	69%	
	NA	No, is not a project to fulfill specific regulatory requirements	31%	

Metric	Measurements			Metric Evaluation
Operating Costs	A	Decreases operating costs	72%	
	B	No change to operating costs	23%	
	C	Increases operating costs	5%	
	NA	Not applicable	0%	

Metra's program has a significant impact on all the goals. Because a larger portion of Metra's funding is being used to upgrade the fleet, there are fewer projects that are location specific, which points to the lower percentage of projects in equity areas, while metrics such as benefit to riders, capacity benefit and need, and service speed and reliability are notable highlights from the fleet upgrades. Across the Service Boards the story remains the same, there is a great financial need to meet all the regional goals. Additional funding streams would allow for more work to be accomplished across the region.

In this analysis, RTA will dive deeper on three of the regional goals, Climate Impact, Equity, and Accessibility, to see how Metra's program is impacting these regionally important areas.

Climate Impact

The region settled on two metrics to look at climate impact: ridership/mode shift and agency GHG operating impacts.

For mode shift, 61% ($1.179B) of funds have been judged to provide a positive impact on transit ridership, as shown in Figure 47. This ranges from station renovations and purchase of new rail cars, which provide significant improvement in ridership, to projects that provide incremental speed upgrades that includes track and signal upgrades and rail car upgrades, which improve amenities leading to a more positive ridership experience and allows for moderate increases in ridership.

Figure 47. Metra Metric – Ridership/Mode Shift

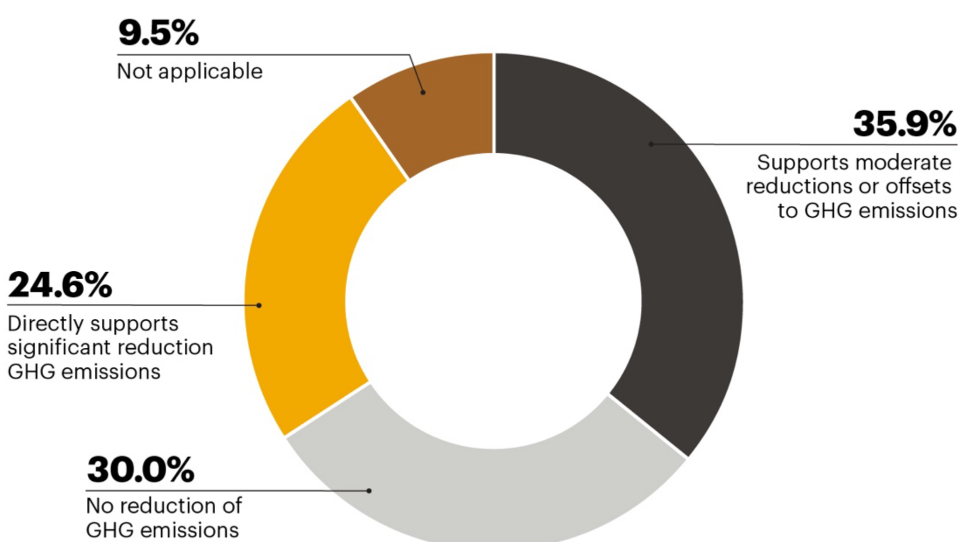
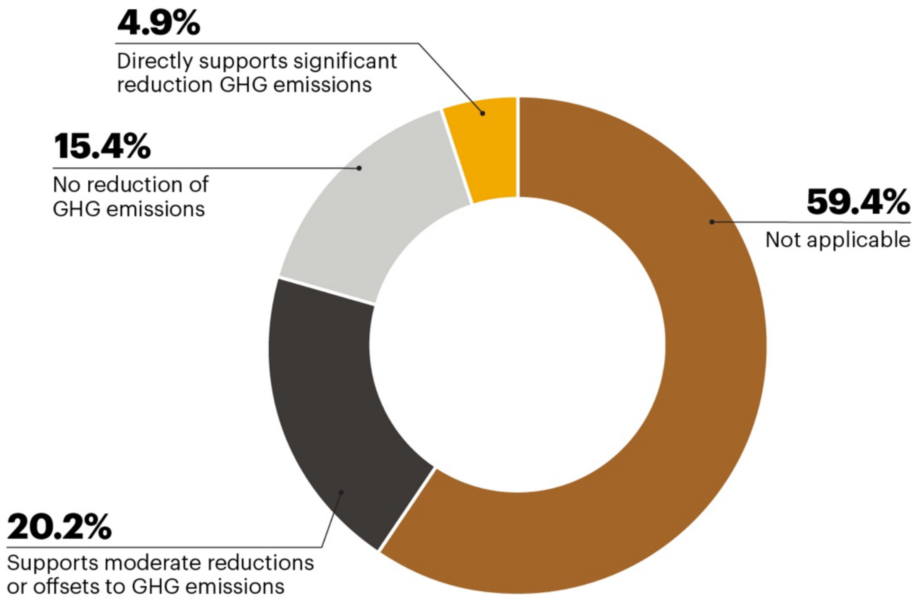


Figure 48. Metra Metric – Climate Agency Operating Impacts



For climate agency operating impacts on greenhouse gas emissions, 5% ($95M) of Metra's program directly supports a significant reduction in GHG emissions and 20% ($394M) supports moderate reductions in GHG emissions. Additionally, 75% ($1.457B) of the program either does not reduce GHG emissions or is not related to GHG emissions as shown in Figure 48.

Key projects that Metra is undertaking that reduce GHG emissions or increase ridership include:

- Zero-emission Trainsets: This project supports the purchase of zero-emission trainsets that are battery powered. This project is funded with $104M in the program.
- F-59 Locomotive Rehab: This project will upgrade engines of older locomotives from tier 0 and 1 emission standards to tier 3 and 4 emission standards which cuts emissions by up to 80%. The project is funded with $13M in the program.
- Purchase of New Rail Cars: This project will provide for significant mode shift to Metra by offering a better, more reliable ridership experience. This project is funded with $207M in the program.

Equity

Equity is being measured using the geography of the project based on the USDOT Justice40 metric. Station specific projects are measured based on the Justice40 score within the station's walkshed and upgrades to specific line segments are judged based on the highest scoring tract along the line. Many of Metra's projects are systemwide or focus on entire lines and therefore do not receive a score in the equity metric.

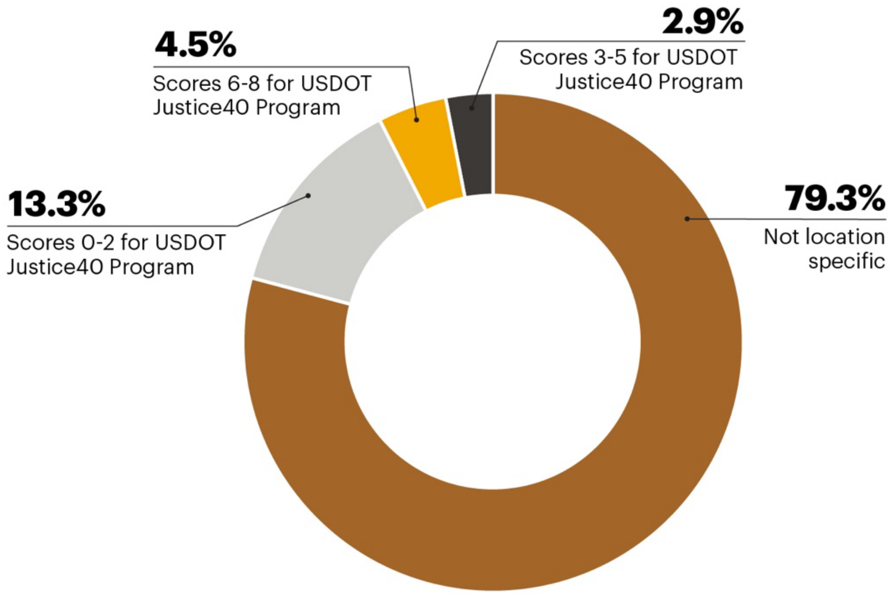
Reviewing Metra's program, 7% ($144M) of the program creates a positive impact on areas scoring 3 or higher in the Justice40 metric as shown in Figure 49. Additionally, 80% of Metra's program is not location specific or includes improvements that improve conditions for the entire line.

Some of the key equity projects include:

- Harvey Intermodal Transportation Center: This joint project with Pace will upgrade a major transportation hub in a disadvantaged area and is funded with $24M in the program.
- Auburn Park New Station: This project funds a required bridge lift and station entrance at 78th Street and is funded with $33M in the program.

- Rogers Park Station: This project will make this station ADA accessible and provide a full rehab. The project is funded with $39M in the program.

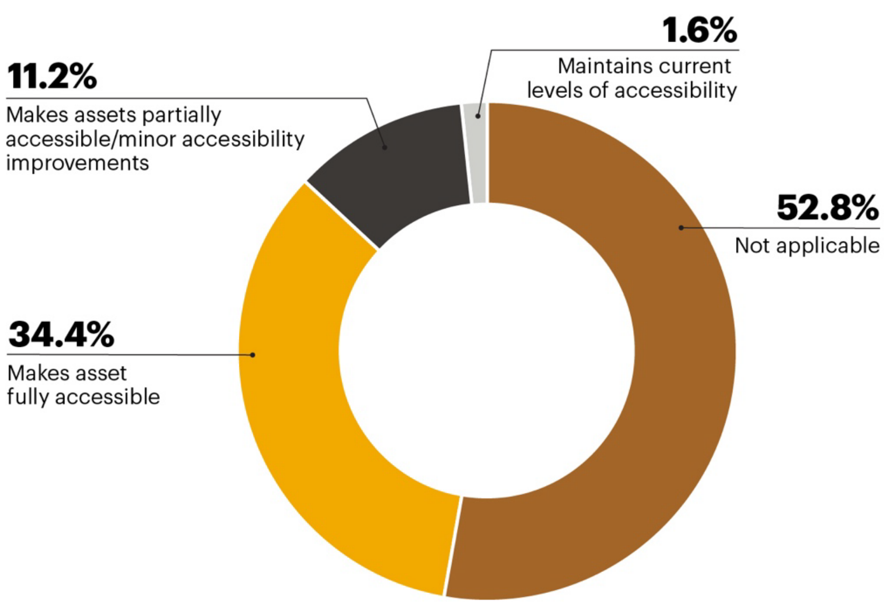
Figure 49. Metra Metric – Equity Based on Residential Geography



Accessibility

Accessibility is being evaluated using a metric focused on accessibility improvements. Metra's program shows that 34% ($370M) provides for full accessibility while 11% ($218M) of the program provides a minor improvement to accessibility. Additionally, 55% of Metra's program either maintains existing accessibility or has no impact on accessibility. Projects improving accessibility include:

Figure 50. Metra Metric – Accessibility for Persons with Disabilities



- New Rail Cars: This project purchases fully ADA accessible rail cars and trainsets for use systemwide. The project is funded with $286M in the program.

- Rail Car Rehab projects: This project makes older rail cars full ADA compliant. The project is funded with $293M in the program.
- Station Accessibility Enhancements: These projects provide various ADA enhancements at stations around the system including full ADA accessibility at some stations. The station program is funded with $271M in the program.

Performance-Based Programming

The new performance-based programming methodology requires that each Service Board programs at least 20% of funding to projects that either achieve full accessibility or improve equity, beginning in 2025. Table 23 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects. Metra's program has a significant focus on equity and accessibility projects with 43% of projects meeting one of these requirements in 2025, 50% in 2026, 73% in 2027 and 51% in 2028. Some of the main accessibility projects include new accessible rail cars and improving the accessibility at various stations throughout the system. Equity projects include new stations and station improvements both of which will provide enhancements to Metra service.

Table 23. Metra Accessibility and Equity Project Highlights (dollars in thousands)

Metra Project	2025	2026	2027	2028	Equity	Accessibility
115th-Kensington Station	-	-	-	$1,300	•	•
91st Street-Beverly Station	-	-	-	$1,930	•	•
Bridge 86 – 78th St Entrance	$8,295	$16,440	$8,425	-	•	•
Evanston Davis St. Station	$1,815	$5,414	$5,700	$2,030	•	•
Harvey Transportation Center – Metra	-	$310	-	-	•	•
Kedzie Station	-	-	$155	$310	•	•
Matteson Station	-	-	$1,390	-	•	•
Olympia Fields Station	$17,700	-	-	-	•	•
Riverdale Station	-	$1,390	-	-	•	•
Rock Island Intercity Improvements	-	$13,500	-	-	•	
Rogers Park Station	-	$11,800	-	$24,430	•	•
Car Rehab – Midlife (Amerail)	$15,955	$21,925	$30,000	$32,500		•
Car Rehab (Nippon Sharyo P-5)	$33,245	$31,350	$30,000	$30,900		•
Chicago Union Station Concourse Reconstruction	$3,000	$11,000	-	-		•
Elevator Replacement	$15,770	$17,315	$11,415	$1,000		•
Forest Glen Station	-	-	-	$860		•
Glen Ellyn Station	-	-	$4,000	-		•
Highlands Station	$261	-	-	-		•

Metra Project	2025	2026	2027	2028	Equity	Accessibility
Indian Hill Station	-	-	$1,110	-		•
New Bi-Level Rail Cars Purchase	-	$35,946	$127,300	$44,500		•
Parking Lot Improvements	$1,522	$1,090	-	$3,200		•
Pingree Road Station	-	$2,680	-	-		•
Platform Improvements	$2,690	$2,030	$4,650	$4,110		•
Station ADA Improvements	$4,000	$4,000	$1,000	$2,000		•
TROI – NET Station Displays	$1,000	$5,048	-	-		•
Systemwide Station Signs	$2,000	$4,890	-	$5,900		•
Ticket Vending Machines	$7,500	-	-	-		•
West Hinsdale Station	$4,130	-	-	-		•
Zero-Emissions Trainsets	$36,274	-	$21,165	$21,165		•
Total for Equity/Accessibility	**$155,157**	**$186,128**	**$246,310**	**$176,135**		
Total Program by Year	$358,068	$334,401	$337,175	$342,636		
% Toward Equity/Accessibility	**43%**	**56%**	**73%**	**51%**		

Overall, like the other Service Boards, Metra's goals are primarily focused on maintaining the system and meeting regulatory requirements. Lesser funds are available for improving accessibility and equity. With more funds, Metra would better be able to address these important regional issues.

Pace Suburban Service Capital Program

Pace's 2024-2028 Capital Program has $413 million of available funding. Pace has an approximately $2.26 billion 10-year funding need for its priority projects, which include key goals of electrification, service enhancement, and reaching state of good repair. Pace's 2024-2028 Capital Program continues to shift the focus towards a more environmentally friendly future as the agency invests in electrifying their fleet and garages.

Looking at the details, over $312 million (76%) of Pace's 2024-2028 Capital Program will be used to purchase electric buses as well as for the electrification and expansion of three bus garages: North, River, and Southwest Divisions. Another focus in Pace's program includes the Pulse Network expansion along two corridors: 95th Street and Halsted Street, which accounts for 14% of the 2024-2028 Capital Program. Table 24 shows all of Pace's funded capital projects sorted by priority project. At the bottom of the table is a list of priority projects that do not have any funding in the 2024-2028 Capital Program.

Table 24. Pace 2024-2028 Capital Improvement Program and Ten-Year Need (dollars in thousands)

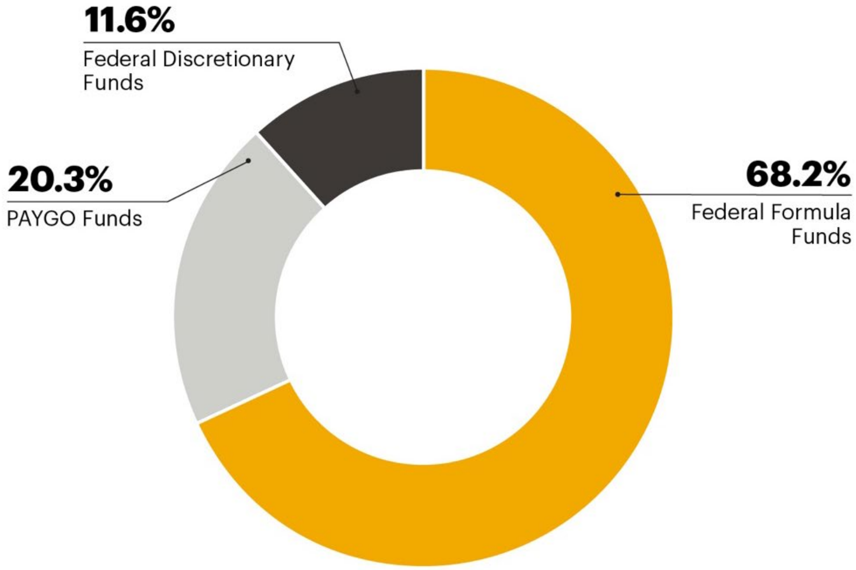
Priority Project	10 Year Need by Priority Project	Individual Capital Project Title	Programmed Five-Year
Improve Support Facilities	$671,696	North Division Electrification/Expansion	$62,600
		River Division Electrification/Expansion	$66,828
		Southwest Division Electrification/Expansion	$104,400
Fixed Route Buses – Electric	$487,500	Fixed Route Electric Buses	$78,009
Paratransit Vehicles – Replacement	$86,508	Purchase 15-passenger Paratransit Vehicles	$31,095
Pulse Infrastructure	$82,561	Pulse 95th Street	$19,568
		Pulse Halsted	$39,574
IBS Replacement & Onboard Digital Screens	$32,150	Onboard Digital Screens	$10,514
Subtotal Projects included in Current 5-Year CIP	**$1,360,415**		**$412,587**
ADA Regional Paratransit Program	$394,034	-	-
Associated Capital Maintenance Items	$89,600	-	-
Fixed Route Buses – Expansion	$83,889	-	-
Improve Passenger Facilities – Transportation Centers	$67,150	-	-
Fixed Route Buses – Replacement	$36,400	-	-

Priority Project	10 Year Need by Priority Project	Individual Capital Project Title	Programmed Five-Year
Charging Infrastructure	$36,000	-	-
Regional Transit Signal Priority (RTSP)	$34,686	-	-
Security, Computer, Software, and Office Systems Upgrades	$31,936	-	-
Pedestrian Infrastructure/Shelters/ Signs	$30,500	-	-
Support Equipment/Non-Revenue Vehicles	$22,450	-	-
Community Vehicles – Replacement	$17,955	-	-
Bus on Shoulder (BoS) Infrastructure	$17,025	-	-
Paratransit Vehicles – Expansion	$13,000	-	-
Vanpool Vehicles – Replacement	$12,640	-	-
Improve Passenger Facilities – Park-n-Ride Lots	$6,250	-	-
Community Vehicles – Expansion	$3,000	-	-
Farebox System	-	-	-
Construct New Support Facilities	-	-	-
Uncategorized Projects – Pace	-	-	-
Administration – Pace	-	-	-
Subtotal No Projects in Current 5-Year CIP	**$896,515**		**$0**
Grand Total	**$2,256,930**		**$412,587**

Capital Funding by Source

Pace's $413 million 2024-2028 Capital Program has three funding sources: federal formula funds 68%; federal discretionary funds 11%; and PAYGO funds 20%. For 2024-2028, 80% of Pace's funds come from federal sources and 20% from local sources. The region continues to look to diversify funding streams to include other state and local sources to reduce the reliance on federal funding. Figure 51 shows the breakdown of capital funding by source.
In addition to working to find new local and state funding sources, Pace will continue to apply for federal discretionary opportunities that can bolster the program. Many of the discretionary opportunities are a good fit for Pace as they are focused on transitioning to a more climate-friendly transit system.

Figure 51. Pace 2024-2028 Capital Program Funding: $412.6 M



Capital Funding by Priority Projects

Pace has identified 23 priority projects, including ADA projects, as part of their 10-year funding need. Pace's total 10-year need is $2.3 billion of which $412 million is funded in the five-year program. RTA estimates that an additional $466 million would be expected in 2029-2033 based on 2.5% annual funding growth. Based on this assumption, approximately 39% of Pace's funding needs are expected to be covered over the 10-year period with an additional $1.4 billion needed to meet all of the state of good repair and enhancement needs.

Of the 23 priority projects, as shown in Table 25, Pace has been able to dedicate some funding to five projects in the 2024-2028 Capital Program. Two projects have been fully funded in past programs. Many of Pace's projects that are unfunded are focused on expanding services. These types of expansions continue to be on hold due to reductions in ridership during the pandemic. Pace will continue to evaluate the regional need as the system recovers over the coming years. A large portion of Pace's funding need is focused on system electrification, which includes a $488 million need for electric buses, $672 million in need for electrification of garages and $36 million for charging infrastructure throughout Pace's network. The investment in electrification represents 53% of the 10-year funding need. In addition, Pace continues to focus on enhancements to services, with a need of $83 million for Pulse - Bus Rapid Transit, $17 million for Bus on Shoulder routes and $35 million for Transit Signal Priority. These priority projects represent 6% of Pace's 10-year needs.

Table 25. Pace Priority Projects (dollars in thousands)

Priority Project	Estimated 10-Year Need for Priority Project	Total 5-Year Funding Programmed
Improve Support Facilities	$671,696	$233,828
Fixed Route Buses - Electric	$487,500	$78,009
ADA Regional Paratransit Program	$394,034	$0
Associated Capital Maintenance Items	$89,600	$0
Paratransit Vehicles - Replacement	$86,508	$31,095
Fixed Route Buses - Expansion	$83,889	$0
Pulse Infrastructure	$82,561	$59,141

Priority Project	Estimated 10-Year Need for Priority Project	Total 5-Year Funding Programmed
Improve Passenger Facilities - Transportation Centers	$67,150	$0
Fixed Route Buses - Replacement	$36,400	$0
Charging Infrastructure	$36,000	$0
Regional Transit Signal Priority (RTSP)	$34,686	$0
IBS Replacement & Onboard Digital Screens	$32,150	$10,514
Security, Computer, Software, and Office Systems Upgrades	$31,936	$0
Pedestrian Infrastructure/Shelters/Signs	$30,500	$0
Support Equipment/Non-Revenue Vehicles	$22,450	$0
Community Vehicles - Replacement	$17,955	$0
Bus on Shoulder (BoS) Infrastructure	$17,025	$0
Paratransit Vehicles - Expansion	$13,000	$0
Vanpool Vehicles - Replacement	$12,640	$0
Improve Passenger Facilities - Park-n-Ride Lots	$6,250	$0
Community Vehicles - Expansion	$3,000	$0
Farebox System	Fully Funded	$0
Construct New Support Facilities	Fully Funded	$0
Admin and Uncategorized Needs		
Uncategorized Projects - Pace	$0	$0
Administration - Pace	$0	$0
Total 10-Year Needs	**$2,256,930**	**$412,587**

Evaluation Metrics

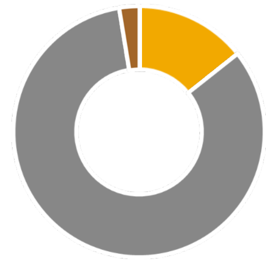
Beginning with the 2024-2028 capital program, all Pace projects have been rated based on 15 metrics that evaluate the region's goals associated with the capital program. In developing the metrics, the region understood that the goals work in concert and while few projects will meet every regional goal, Pace proposed a selection of projects that meets each of the regional goals. More funding is needed to robustly address every goal. Detailed evaluations of each Pace project can be found in Appendix A.

Table 26 shows all 15 evaluation metrics. Each metric has between two and four possible measurement choices. The chart included next to each metric shows the percentage of the Service Board's program that has been evaluated for each measurement choice. For example, in the Access to Key Destinations metric, the data shows that 14% of Pace's program has been evaluated as significantly improving access to key destinations.

Table 26. Pace Metrics and Evaluations

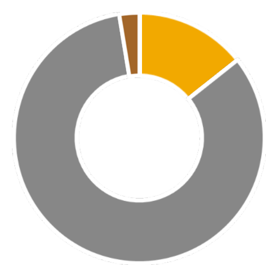
Metric		Measurements		Metric Evaluation
Access to Key Destinations	A	Significantly improves access	14%	
	B	Moderately improves access	3%	
	C	Maintains access	83%	
	NA	Not applicable	0%	
Equity based on Residential Geography	A	Scores 6-8 for USDOT Justice40 Program	55%	
	B	Scores 3-5 for USDOT Justice40 Program	16%	
	C	Scores 0-2 for USDOT Justice40 Program	0%	
	NA	Not location specific/Benefits entire service area	29%	
Benefit to Riders	A	Significant benefit	43%	
	B	Moderate benefit	57%	
	C	Maintains current benefit	0%	
	NA	Project does not impact customers	0%	
Capacity Benefit and Need	A	Increases capacity where utilization is near capacity	57%	
	B	Increases capacity where utilization is not near capacity	14%	
	C	Maintains original capacity	26%	
	NA	Not related to capacity	3%	
Economic Impact	A	Large economic impact	57%	
	B	Moderate economic impact	14%	
	C	Small economic impact	3%	
	NA	No economic development impact	26%	

Metric		Measurements		Metric Evaluation
Service Speed and Reliability	A	Significantly improves speed/reliability	14%	
	B	Moderately improves speed/reliability	0%	
	C	Maintains speed/reliability	83%	
	NA	No impact on speed/reliability	3%	



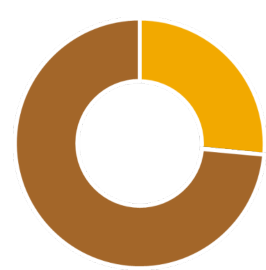
Metric		Measurements		Metric Evaluation
Impact on Customer/ Employee Safety	A	Directly provides safety benefit/improvement	14%	
	B	Indirectly provides safety benefit/improvement	76%	
	C	Maintains safety levels	8%	
	NA	No impact on safety	3%	

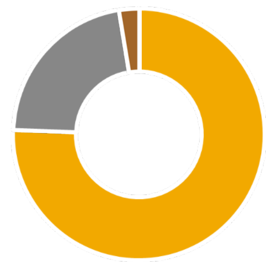
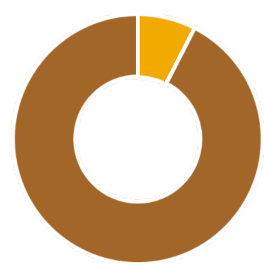
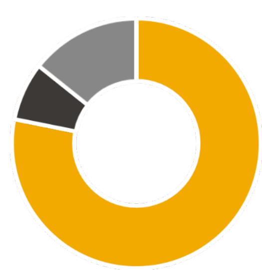
Metric		Measurements		Metric Evaluation
Impact on System Security	A	Implements new security protection/prevention	14%	
	B	Enhances existing security level	0%	
	C	Maintains or replaces existing level of security	83%	
	NA	Does not impact security	3%	



Metric		Measurements		Metric Evaluation
Asset Conditions	A	Rated below 2 for FTA's Transit Economic Requirements Model (TERM)	0%	
	B	Rated between 2 and 3 for TERM	31%	
	C	Rated above 3 for TERM	25%	
	NA	Does not have an asset rating	43%	

Metric		Measurements		Metric Evaluation
Vehicle Useful Life	A	Over 2 years past useful life	26%	
	B	Between 0-2 years past useful life	0%	
	C	Not exceeding useful life	0%	
	NA	Is not a vehicle with a useful life	74%	



Metric		Measurements		Metric Evaluation
Ridership/ Mode Shift	A	Significantly improves transit ridership	33%	
	B	Moderately improves transit ridership	67%	
	C	Maintains asset necessary for transit ridership	0%	
	NA	Project has no impact on transit ridership	0%	
Climate Agency Operating Impacts	A	Directly supports significant reduction/zero GHG emissions	76%	
	B	Supports moderate reductions or offsets to GHG emissions	0%	
	C	No reduction of GHG emissions	22%	
	NA	Project does not impact GHG emissions	3%	
Accessibility for Persons with Disabilities	A	Makes assets fully accessible	14%	
	B	Makes assets partially accessible/minor accessibility improvements	3%	
	C	Maintains current levels of accessibility	26%	
	NA	Project is not related to accessibility	57%	
Regulatory Requirements	A	Yes, fulfills regulatory requirements	8%	
	NA	No, is not a project to fulfill specific regulatory requirements	92%	
Operating Costs	A	Decreases operating costs	78%	
	B	No change to operating costs	8%	
	C	Increases operating costs	14%	
	NA	Not applicable	0%	

When reviewing Pace's program, the funded projects have a significant impact on all the goals. Because much of Pace's funding is being used to electrify garages and buy electric buses, the program shows a higher emphasis on metrics like Climate Impact, Economic Impact, and Reduction in Operating Cost while measures such as Access to Key Destinations, Accessibility, and Impact to Service Speed and Reliability are not getting as much attention in the current program. This points to the great financial needs that each of the Service Boards face in meeting all the regional goals. Additional funding streams would allow for more work to be accomplished in all the regional goals.

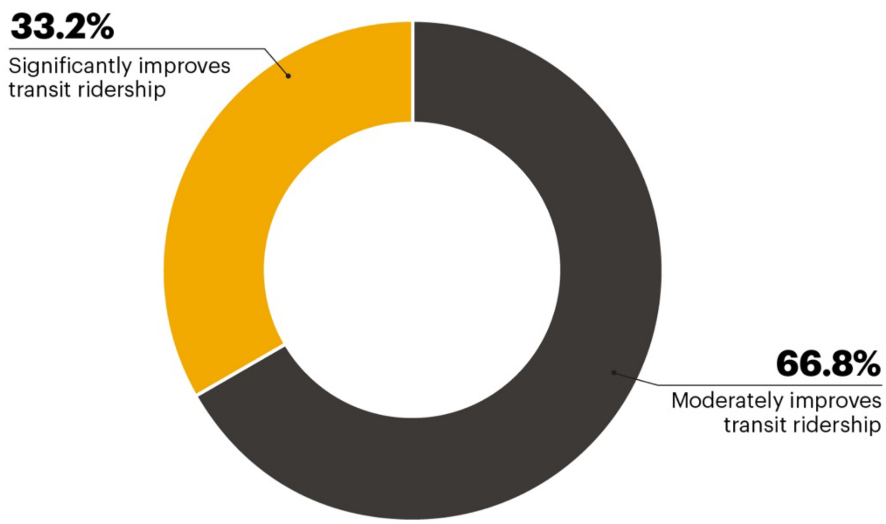
In this analysis, RTA will dive deeper on three of the regional goals, Climate Impact, Equity, and Accessibility to see how Pace's program is impacting these regionally important areas.

Climate Impact

The region settled on two metrics to look at climate impact: ridership/mode shift and agency greenhouse gas (GHG) operating impacts.

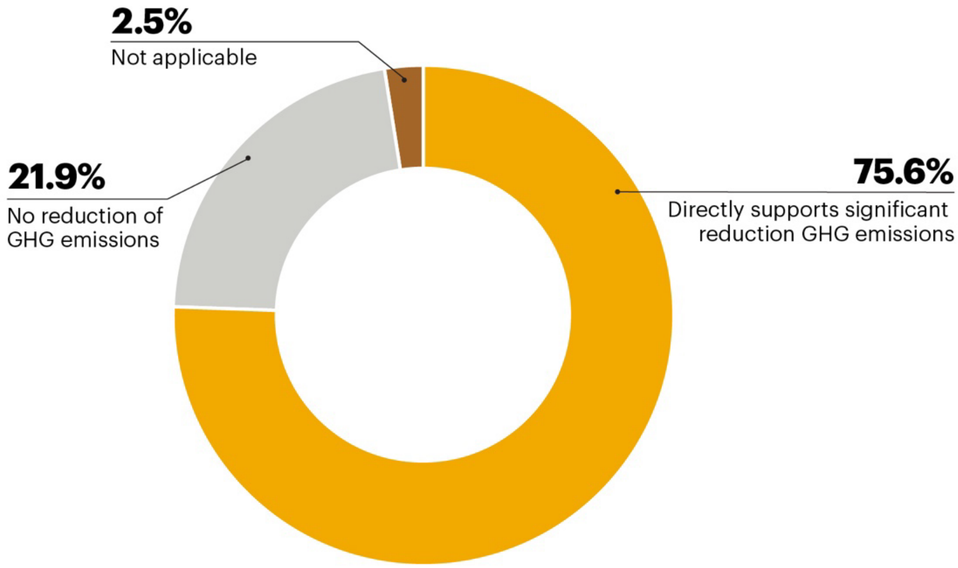
For mode shift Pace's entire program ($413M) has been judged to provide a positive impact on transit ridership as shown in Figure 52. This ranges from Pulse lines which provide a significant improvement in ridership by offering faster and more frequent service to projects that improve customer amenities, such as new vehicles and customer information displays, that make using the system easier for the public and lead to moderate ridership increases.

Figure 52. Pace Metric - Ridership/Mode Shift



For climate agency operating impacts on GHG, 76% ($312M) of Pace's program directly supports a significant reduction in GHG emissions. Additionally, 24% ($101M) of the program either does not reduce GHG emissions or is not related to GHG emissions as shown in Figure 53. Key projects that Pace is undertaking that reduce GHG emissions include, electrification at three garages, as well as the purchase of electric buses to be used at these garages.

Figure 53. Pace Metric – Climate Agency Operating Impacts



Below are additional details on select climate-friendly projects:

- Southwest Division Electrification: Renovation of Southwest Division Garage located in Bridgeview, including installation of charging capabilities for electric buses. This project is funded with $104M in the program.
- North Division Electrification: Renovation of North Division Garage located in Waukegan, including installation of charging capabilities for electric buses. The project is funded with $63M in the program.
- River Division Electrification: Renovation and expansion of River Division Garage located in Elgin, including installation of charging capabilities for electric buses. The project is funded with $67M in the program.
- Electric Bus Purchases: Purchase of approximately 60 electric buses to support electrification at the above garages funded with $78M in the program.

Equity

Equity is being measured using the geography of the project based on the USDOT Justice40 metric. Station specific projects are measured based on the Justice40 score within the station's walkshed and projects that span bus lines receive an equity ranking based on the highest scoring area that the route passes through.

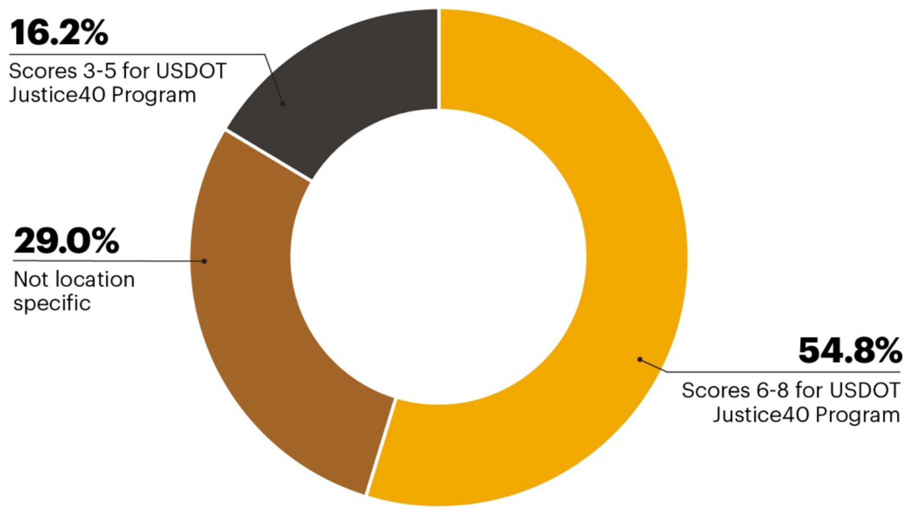
Reviewing Paces program, 55% ($226M) of the program creates a positive impact on areas scoring 6 or higher in the Justice40 metric, while an additional 16% ($67M) of the program creates a positive impact on areas scoring 3-5 on the Justice40 metric, as shown in Figure 54. As Pace has developed plans for both electrification and rollout of the Pulse network, equity has played a large role in deciding which projects to fund.

Some of the key equity projects include:

- North Division Electrification: This project will serve disadvantaged routes in the Waukegan Area with clean electric buses and is funded with $63M in the program.
- Southwest Division Electrification: This project will serve disadvantaged routes originating from the Bridgeview Garage with clean electric buses and is funded with $104M in the program.

- Pulse 95th Street line: This project will provide improved service for customers in Chicago, Evergreen Park, Oak Lawn, Chicago Ridge, Bridgeview, Palos Hills, and Hickory Hills including various disadvantaged areas along the route. The project is funded with $20M in the program.

Figure 54. Pace Metric – Equity Based on Residential Geography

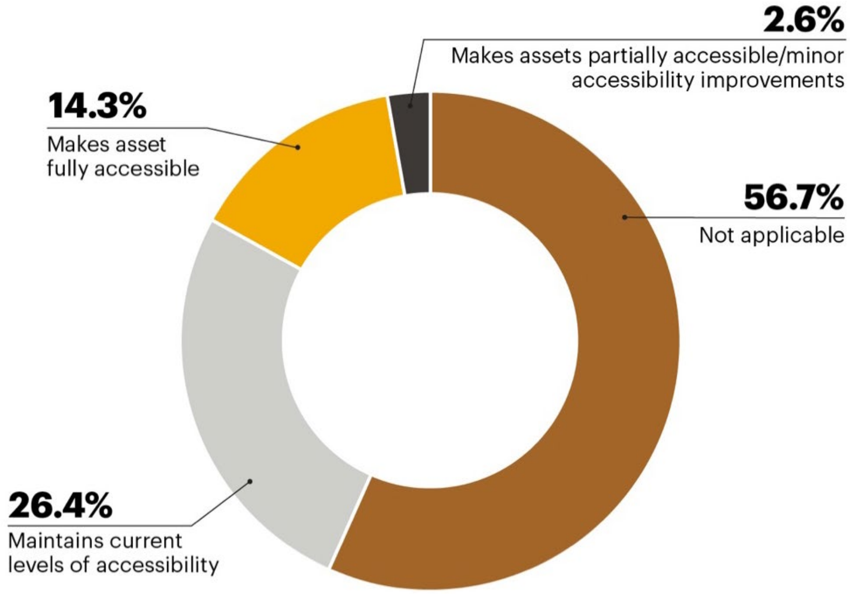


Accessibility

Accessibility is being evaluated using a metric focused on accessibility improvements. Pace's program shows that 14.3% ($59M) provides for full accessibility while 10.1% ($42M) of the program provides a minor improvement to accessibility. Additionally, 75.6% of Pace's program either maintains existing accessibility or has no impact on accessibility. This is not surprising because all of Pace's buses are already accessible, and garage renovations do not impact accessibility for riders. Projects that do impact accessibility include:

- Pulse 95th Street line: This project will include fully ADA accessible stops along the entire route. The project is funded with $20M in the program.
- Pulse Halsted line: This project will include fully ADA accessible stops along the entire route. The project is funded with $40M in the program.
- Paratransit Vehicle Purchase: The project increases ADA accessibility by outfitting new vehicles with stronger lifts as well as improving signage both outside and onboard the vehicles. This project is funded with $31M in the program.

Figure 55. Pace Metric - Accessibility for Persons with Disabilities



Performance Based Programming

The new performance-based programming methodology requires that each Service Board programs at least 20% of funding to projects that are focused on improving accessibility or equity, beginning in 2025. Table 27 shows the projects and dollar value of those projects that are programmed to either equity or accessibility projects for 2025-2028. Pace's program has a significant focus on equity and accessibility projects with 100% of the program meeting one of these requirements in 2025, 84% addressing the goals in 2026, 73% in 2027 and 36% of projects in 2028.The percentage of projects meeting these criteria goes down through the years because the later years include bus purchases which support the electrification of garages in equity areas.

Table 27. Pace Accessibility and Equity Projects (dollars in thousands)

Description	2025	2026	2027	2028	Equity	Accessibility
North Division Electrification/ Expansion	$7,600	-	-	-	•	
Southwest Division Electrification/ Expansion	$41,000	$37,500	$25,900	-	•	
River Division Electrification/ Expansion	$17,621	$18,238	$17,869	$13,100	•	
Onboard Digital Screens	$2,000	$2,000	$2,000	$2,000		•
Paratransit Vehicles	$5,564	$5,526	$6,838	$11,365		•
Total	**$73,785**	**$63,263**	**$52,607**	**$26,465**		
Total Annual Program	**$73,785**	**$74,963**	**$72,107**	**$73,275**		
Percent of Program toward Equity and Accessibility	**100%**	**84%**	**73%**	**36%**		

Pace continues to focus its capital program on the impending transition to electrification. As a result, over three-quarters of Pace's 2024-2028 Capital Program is dedicated to garage electrification projects and electric bus purchases. Equity and accessibility play a major role in Pace's projects, with a significant focus on improving air quality in equity areas and making new Pulse routes fully ADA accessible. RTA and the Service Boards continue to work to obtain more capital funding so that additional projects can be completed both to maintain the system, move towards greener operations, as well as provide for more equitable and accessible transportation in the region.

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