



## **Regional Transportation Authority**

### **For immediate release**

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### **RTA RELEASES 2009 BUDGET MARKS** *Economic conditions add additional budget pressures*

Chicago, IL – The Regional Transportation Authority (RTA) Board of Directors met today to take budget actions required by the RTA Act. RTA executive staff was joined by representatives from the Chicago Transit Authority (CTA), Metra and Pace to brief the Board on current budget conditions, financial plans for 2009, implementation of new governance and management reforms and the urgent need for new capital funding for the regional transit system.

“When the funding and reform bill was enacted in January, we thought we could balance the budget even though new tax revenues would not be available until July, and we had to deal with the loss of revenue from the senior free rides mandate. Since then, increases in the price of fuel, the elimination of the state half-fare subsidy, economic pressures producing lower-than expected sales tax receipts and revenue from the real estate transfer tax, and increased operating costs due to deferrals in capital maintenance have all contributed to the more serious challenge that we face today,” noted RTA Board Chairman Jim Reilly. “We have the responsibility to take steps to deal with the situation in a fiscally prudent manner and, in cooperation with the service boards, we will.”

The Board made changes to the 2008 budget to reflect these financial challenges and approved projected 2009-2012 financial plans. Metra Executive Director Phil Pagano, CTA President Ron Huberman, and Pace Executive Director T.J. Ross presented an update to the Board on their efforts to implement recommendations from the Illinois Auditor General to improve the efficiency and coordination of the system.

“All of the service boards are facing challenges,” noted Steve Schlickman. “These challenges are made more difficult by a lack of state capital funding. When the CTA, Metra and Pace are forced to operate equipment that is out of date on an aging infrastructure, it costs them more money than it should and places more strain on an already-tight budget. We need action in Springfield on capital funding.”

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In cooperation with the CTA, Metra and Pace, the RTA worked earlier this year to pass historic legislation to reform the regional transit system, restructure financial and management processes and provide new operating funding for area trains, buses and paratransit services. No state funding for new trains, buses, tracks or other infrastructure was included in the measure.

“While we face some tough budgetary choices as we finalize the 2009 budget, the situation this year is dramatically better than that we faced last year thanks to the passage of last January’s RTA funding and reform legislation by the General Assembly and the concurrence by the Governor. Just one year ago we faced a deficit of hundreds of millions of dollars, a deficit so large that, as the Auditor General said, no possible combination of efficiencies and fare increases could possibly bridge the gap.

“By contrast the issues this year, while not easy, are eminently doable with further cost restraints and, if need be, a modest fare increase.

“When lobbying for the passage of the RTA reform and funding bill, we anticipated that the plan would establish a strong stable base of public funding for mass transit operations for many years to come, and we still believe that to be the case,” explained Jim Reilly. “At the same time, we always maintained that periodic fare increases would be needed. Not only are we required to collect half of our revenue from fares, but transit riders ought to pay a reasonable share of the cost of their trip – which remains a legitimate bargain compared with driving.

“Going forward, the RTA will fulfill the important oversight responsibilities assigned to us by the Reform Act to ensure that transit services are provided as efficiently as possible while also seeking to coordinate modest fare increases every few years to provide continuity for our riders,” said Reilly.

The CTA, Metra and Pace will now develop their budgets and hold public hearings before submitting them to the RTA by November 15. The RTA will hold public hearings in November throughout the region on the combined budget before the RTA Board adopts the 2009 transit budgets in December. Visit [www.MovingBeyondCongestion.org](http://www.MovingBeyondCongestion.org) for updates.

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*About the RTA: The RTA provides financial oversight, funding and regional planning for the three public transit operations in Northeastern Illinois: The Chicago Transit Authority (CTA) bus and train, Metra commuter rail and Pace suburban bus and paratransit. For more information, visit [www.rtachicago.com](http://www.rtachicago.com) and [www.MovingBeyondCongestion.org](http://www.MovingBeyondCongestion.org).*