



Regional Transportation Authority

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RTA Updates Revenue Estimates as Economy Continues to Falter *Agency approves 12 percent budget cut for internal operations*

Chicago – The Regional Transportation Authority (RTA) Board of Directors approved today the reduction of revenue estimates downward by \$61 million and will begin working immediately with the CTA, Metra and Pace to identify solutions to address the revenue shortfall resulting from the current economic crisis. The RTA will also seek approval to reduce its own internal operating budget of \$36.7 million by 12 percent, totaling approximately \$4.5 million. Compared to 2008 levels, the RTA’s overall budget has been reduced by 18 percent.

“The RTA’s responsibility in coordinating and managing the finances of the transit agencies has never been more critical than today as we confront the impact of this historic economic crisis,” said Jim Reilly, Chair of the RTA Board of Directors. “We stand ready to work with the CTA, Metra and Pace and make every effort to identify some solutions that will reduce the need to rely on fare increases or service reductions even under these very challenging financial circumstances.”

The revised revenue estimate reflects dramatically reduced sales tax and real estate transfer tax (RETT) collections. The RTA closely monitors revenues each month and previously reduced revenue estimates at its April 2009 board meeting, reflecting a 9.8 percent decline from the initial projections used to set the 2009 budget which was adopted in December 2008. Revenues have fallen nearly seven percent below the April conditions as the economy has continued to worsen. In April, the RTA worked with the service boards to successfully shift funds from existing programs, reduce administrative expenses, provide working cash to the transit agencies and facilitate state and federal assistance that has helped to close the initial shortfall.

“We understand the difficult decisions that lay ahead,” said Reilly. “As we have in the past, we will continue to examine the alternatives and try to identify funding to assist the service boards in any way we can.”

According to a recent report from the American Public Transportation Association (APTA), more than 80 percent of transit agencies nationwide are facing declining revenues, with an average drop of 20 percent in revenues. State and local governments across the nation have also experienced unprecedented shortfalls in revenues and exploding budget deficits.

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The Center for Budget and Policy Priorities also reports that 47 states are facing budget deficits. The Illinois shortfall stands at \$11.6 billion. The City of Chicago recently announced that revenues could fall \$300 million short of estimates.

“The recession has hit all levels of government hard for more than a year now, and the transit agencies are not immune to the economic crisis,” said Steve Schlickman, RTA Executive Director. “Unfortunately, this is the reality of the situation and we all have to adjust to changing conditions.”

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About the RTA: The RTA provides financial oversight, funding and regional planning for the three public transit operators 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 and www.MovingBeyondCongestion.org.