

President Preckwinkle, and ladies and gentlemen of the Board—good morning.

Joining me today is Chicago Transit Board Chairman, Lester Barclay, as well as Jeremy Fine, CTA’s Chief Financial Officer.

It is my pleasure to address you and to discuss CTA’s proposed \$1.8 billion operating budget for fiscal year 2023. I’m proud to say that the spending plan holds the line on all fares, while continuing to provide the highest level of service possible.

The budget also reflects the steady increase in ridership the CTA has seen all year. We are currently providing more than 900,000 rides each weekday, nearly 60 percent of our pre-pandemic ridership.

It’s one of the largest ridership recoveries of any U.S. transit agency, and a continuing reflection of how public transit has remained an essential service for the last two-and-one-half years of the pandemic. Since March 2020, we have strived to provide as much service as possible to those who rely on transit.

And while overall we've put forth a strong effort, there is no question we've faced a number of challenges. None of them are unique to us—indeed, every US transit system is facing them—but CTA has been acutely focused on addressing them.

By far the biggest challenge has been workforce shortages. Like nearly every business, we've seen the impacts of the Great Resignation along with marketplace competition for workers, especially bus and train operators.

When we don't have enough people to drive buses and trains, we can't provide the level of service we want to. That can lead to longer-than-normal delays and inconsistent service at some times of the day.

It's also led to some issues with our Bus and Train Trackers, which use a combination of both schedule and real-time information. When our schedules are off—because we don't have enough workers to provide certain trips—the trackers will be off, creating what some refer to as “ghost buses” and “ghost trains.”

Addressing these issues is my top priority. That's why in August I announced “Meeting the Moment,” a multifaceted plan to strengthen the rider experience – more consistent and reliable service, safe rides, clean facilities, modern amenities, dynamic customer engagement tools, and a strong CTA workforce.

In the two months the plan has been in place, we've made some significant strides:

We introduced new rail schedules that reflect our current workforce availability. The new schedules aim to provide more consistent, reliable service and reduce the large wait times customers sometime experience. They will also help reduced the issue of "ghost trains."

We have undertaken unprecedented efforts to recruit and hire new employees. CTA has hosted or participated in a dozen in-person and virtual job fairs, some in conjunction with our unions.

We developed a great program with Olive Harvey College to offer a free preparatory course to assist candidates in obtaining a Commercial Learner's Permit, needed to obtain the Commercial Driver's License required to be a CTA bus operator.

We're also working on the other pillars of "Meeting the Moment," including a continued focus on providing a safe and comfortable environment for our customers.

We have a decades-long partnership with the Chicago Police Department, which provides law enforcement for CTA. This year, CPD has added more resources to CTA.

CTA has also increased its security budget—from \$15 million in 2019 to \$41 million in 2023. That includes

supplementing CPD officers with private, contracted security guards and new K-9 teams.

And just last month, we announced an upcoming partnership with the Chicago Department of Family and Support Services to provide outreach and support for riders who are unsheltered, as well as those grappling with mental health and substance abuse.

As we're working to address these current challenges, we're also keeping an eye on the future. We are addressing our growing \$13 billion in State of Good Repair needs with a five-year, \$3.5 billion dollar Capital Improvement Plan, made possible by a mix of federal and local funding, including the State of Illinois' *Rebuild Illinois* capital bill.

Among the many capital projects we'll tackle in 2023 are:

- Our All Stations Accessibility Program (ASAP), to make CTA's rail system 100% vertically accessible.
- Blue Line Forest Park Branch track and power improvements, the first phase of a comprehensive rebuild.
- *Refresh & Renew*, an expanded and accelerated rail station improvement program.
- *Better Streets for Buses*, a comprehensive, citywide plan for bus-priority streets.
- Expansion of electric bus fleet, part of CTA's commitment to complete the electrification of the entire bus fleet by the year 2040.

- We have invested \$415 million in eBuses so far, including an additional \$257 million in our 2023-2027 Capital Improvement Plan
- Earlier this year, we released “Charging Forward,” our master plan for full electrification. As you know, electrifying a fleet of more than 1,800 buses takes more than just purchasing new vehicles.
- It requires extensive charging infrastructure and significant electrical power upgrades across the service area. Charging infrastructure must go hand-in-hand with the purchasing of electric buses; otherwise, eBuses are useless. Chargers will be required at garages and at key locations along select bus routes.

We also continue to work on what will be the largest project in CTA history: the Red Line Extension, which will extend the CTA’s busiest rail line to the southern City limits, providing transit access and connectivity to the Far South Side of Chicago.

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We have also continued our focus on more regional cooperation and coordination among the Service Boards

Earlier this year, we replaced the Metra Link-Up with a new Regional Connect Pass—which expanded the hours

of use outside the rush hours, and lowered the price to just \$30, down from \$55.

We're also making changes to the Pace/CTA products to streamline our offerings and remove the premium pricing for passes used on CTA and Pace, which includes the low priced 30-Day CTA and Pace unlimited rides pass available for \$75. In 2023, CTA will eliminate the \$25 7-day CTA and Pace pass and instead offer only the existing \$20 7-day CTA pass for use on Pace as well. We will also expand the existing 1- and 3-Day passes to include Pace rides.

It is important that the RTA and the Service Boards continue to make the case for additional operating and capital funding to ensure the transit needs of Cook County are met and expanded upon into the future.

It's also important to continue dialog about how transit operations are funded in the region. Like our fellow Service Boards Metra and Pace, our ridership losses have taken a significant toll on our operating budget's bottom line. For 2023, CTA is facing a \$390 million deficit in our operating budget.

Fortunately, we have been able to offset the unprecedented loss of fare revenue, thanks to federal relief funds designated for public transit nationwide. That federal funding, which totals \$2 billion, has been a lifeline enabling CTA to continue providing the service the region

has relied on. This federal funding will help carry us through Fiscal Year 2025.

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Despite the unprecedented challenges posed by the pandemic, we continue to put our customers first and work hard to provide the best possible service for those who need us most in Chicago and Cook County. This proposed budget supports those efforts and we will continue to work diligently on our riders' behalf.

I thank the Cook County Board of Commissioners in advance for the annual statutory county contribution of \$2 million and your support of transit. I'm happy to answer any questions. Thank you.

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