



For Immediate Release

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CTA Introduces Balanced Operating, Capital Budgets Following Major State Funding Cut

Proposed balanced spending plan preserves service levels, continues historic modernization efforts, makes \$23 million in cuts and reforms, and includes modest base fare increase following \$33 million cut in state funding

Funding from new Chicago ride-hailing fee will support station, track and other capital projects that speed service and improve safety

The Chicago Transit Authority today proposed a balanced \$1.51 billion operating budget that preserves bus and rail service levels while continuing historic investment to modernize the CTA and improve the customer experience. Following a reduction of \$33 million in state support, the spending plan makes significant cuts and reforms, and includes a modest increase in CTA's base fare and the price of a 30-day pass.

Every dollar generated by the fare increase is equal to a dollar in savings and reforms CTA is making in the budget. Upon adoption, the fare increase will generate \$23 million for CTA operations, while the capital budget includes a new revenue stream from ride-hailing fees that will pay for projects that improve CTA infrastructure and service. The budget will also include more than \$23 million in budget cuts and reforms to maintain service levels in the coming year.

"This balanced budget reflects CTA's commitment to modernizing and improving its bus and rail system to ensure that it provides customers with 21st century public transit services," said CTA President Dorval R. Carter, Jr. "It has been over eight years since CTA has instituted a fare increase and it's a decision we don't take lightly. But after working hard to find \$23 million in savings and reforms, it is clear we need to raise revenue to overcome the major cut in state funding."

The CTA is also proposing a \$2.7 billion five-year capital budget for 2018-2022, continuing more than \$8 billion of historic transit investment completed, begun or announced by Mayor Rahm Emanuel since 2011. Those projects include rehabilitating rail stations and building new ones, modernizing rail and bus fleets, removing rail slow zones and adding new technologies—work that improves reliability, reduces commuting times, strengthens safety and security, and improves the overall commuting experience.

CTA to preserve services for customers

The 2018 budget preserves the robust bus and rail service that customers receive today, including expanded bus and rail service put into place in the last couple years.

In 2017, CTA expanded six bus routes that serve Chicago's South and Far South Sides. It also implemented or continued several bus service pilots and on the North and South Sides to test demand for expanded service.

CTA also last year added service to four of our eight rail lines, including the Red, Blue, Green and Purple Lines. All of the new service was implemented to benefit customers traveling during AM and PM rush, with trains operating more frequently during our peak hours.

CTA dedicated to cost savings, expense reduction

Since 2011, CTA has focused on identifying cost savings and implementing operational efficiencies through our organization—resulting in nearly \$300 million in savings. In 2018, CTA continues the focus on finding those opportunities, including:

- Cutting \$12.5 million in 2018 labor costs by eliminating 45 non-customer, non-safety-sensitive positions and freezing an additional 80 positions;
- Achieving \$4.7 million in fuel and power savings by locking in contractual prices
- Holding the line on contractual expenses by renegotiating contracts; and
Increasing advertising and concession revenue by more than \$5 million per year.

Changes in base fares

The CTA has held the line on fares since 2009—something achieved by no other transit agency in the United States during that time. Since 2011, the agency has accomplished this through strategically pursuing management efficiencies and achieving cost savings through reducing ongoing maintenance needs by modernizing the fleet, pre-purchasing diesel fuel and electricity at historically low levels and through responsible spending practices.

The CTA in crafting its 2018 budget was faced with an unprecedented challenge in the form of a reduction in state funding of \$33 million. This critical funding which supports CTA's day-to-day operations represents the equivalent of the annual cost of about 50 bus routes.

As a result, for the first time in nine years, the CTA has proposed a modest increase in its base fare of 25 cents and a \$5 increase in the 30-day unlimited ride pass. The new base fares of \$2.50 for rail and \$2.25 for bus allow the CTA to maintain and improve current levels of bus and rail service, while improving the customer experience. The 25-cent increase is well below the rate of inflation since 2009. CTA also proposes a \$5 increase in the cost of a 30-day pass. As required by federal law, reduced-fare rides will continue to be roughly 50 percent of base fares, which translates to an increase of 10-15 cents.

All other fares and passes—including student fares—would remain at the current price.

These increases are expected to generate \$23 million—all of which will support CTA daily operations.

Chicago ride-hailing fee to help support capital improvement projects

CTA will also receive support for its capital improvement projects via the City of Chicago's ride-hailing fee—the first such fee of its kind in the United States—which is dedicated solely to transit

capital investment. Due to the absence of a state capital program and with competition for federal funding increasing, this new source of funding is critical to allow CTA to continue investing in the modernization of its infrastructure.

The CTA continues to look beyond the farebox to support operations through other revenues, like advertising, retail concessions and other non-fare related sources.

Despite the funding challenges CTA faces to meet its modernization goals, the proposed 2018 operating budget is balanced for the seventh straight year and its capital budget preserves the historic level of transit investment that will serve the Chicago region for generations to come.

CTA in 2018 will continue to pursue long-term priorities which focus on improving service to customers. The agency will continue to make extensive investments in its bus and rail system – including some of the largest station, signal and track reconstruction projects in CTA history, such as the Red-Purple Modernization project, a \$2.1 billion investment to modernize and add capacity to the CTA's busiest rail corridor. CTA will also continue to enhance the overall customer experience by investing in public art at our rail stations.

Among the capital projects to continue or begin in 2018:

- Continuation of the complete reconstruction of the 95th Street Terminal on the Red Line
- Continuing work on Phase 1 of the Red and Purple Modernization Program, which includes rebuilding four Red Line stations, and track and signal systems, and constructing a rail bypass to meet current and future capacity needs
- Select a final alignment for a proposed Red Line Extension from 95th Street to 130th Street and perform additional project engineering work
- *Your New Blue* program to upgrade the Blue Line O'Hare branch
- Ravenswood Corridor signal improvements to benefit Brown, Purple Express between Armitage and the Merchandise Mart stations
- Upgrade and accessibility improvements to Quincy Loop 'L' station and Illinois Medical District Blue Line stations
- Belmont Blue Gateway project
- Garfield Green Gateway project
- Complete 3200-series overhaul

Many of the capital projects will feature distinctive architecture and public art from notable Chicago and international artists, part of ongoing efforts to make public transportation more attractive and to highlight communities.

Public hearing date set

A public hearing will be held on Tuesday, December 12, 2017 at 6 p.m. at CTA headquarters, 567 W. Lake Street, second floor conference room, Chicago, Illinois, 60661.

Written and oral comments will be taken into consideration prior to Chicago Transit Board action. This input will be welcomed at the hearing or by correspondence addressed to Gregory P. Longhini, Assistant Secretary of the Board, Chicago Transit Authority, P.O. Box 7567, Chicago, Illinois 60680-7567. Comments also may be submitted in writing either via email to: glonghini1@transitchicago.com or via fax: 312-681-5035. The deadline to submit written comments is noon on Wednesday, December 13, 2017. .

The proposed budget is available for public review at the CTA Headquarters reception desk, second floor, 567 W. Lake Street, Chicago, Illinois, 60661, weekdays between 8 a.m. and 4:30 p.m.

Copies are also available for review in standard size print and large print at the main office of the Regional Transportation Authority, reception desk, Suite 1650, 175 West Jackson, Chicago, Illinois, 60604; at the Archer Heights Branch Library, 5055 South Archer Avenue, Chicago, Illinois 60632; Austin Branch Library, 5615 West Race Avenue, Chicago, Illinois 60644; Harold Washington Public Library, 400 South State Street, 5th floor, Chicago, Illinois, 60605; Jefferson Park Branch Library, 5363 West Lawrence Avenue, Chicago, Illinois 60630; South Shore Branch Library, 2505 East 73rd Street, Chicago, Illinois 60649; West Town Branch Library, 1625 West Chicago Avenue, Chicago, Illinois 60622; Woodson Regional Public Library, 9525 South Halsted Street, Chicago, Illinois, 60628; Evanston Public Library, 1703 Orrington Avenue, Evanston, Illinois, 60201; Evergreen Park Public Library, 9400 South Troy, Evergreen Park, Illinois, 60805; Oak Park Public Library, 834 Lake Street, Oak Park, Illinois 60301; Riverdale Public Library, 208 West 144th Street, Riverdale, Illinois, 60827; and at the Skokie Public Library, 5215 West Oakton, Skokie, Illinois, 60077.

A copy of the proposed budget is also posted on the CTA's web site at www.transitchicago.com.

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