

Illinois Mass Transit

An Update on the Lay of the Land in Springfield

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May 9, 2025

General Overview – Transit Budget Troubles

- The combined mass-transportation authorities in the Chicagoland area are facing an estimated \$770 million shortfall just to maintain current service levels
 - Looking to the State for a bailout
 - Legislators overwhelmingly want to see “reform” before approving state assistance
 - Estimates for Reform bring the necessary cost up to ~\$1.5 billion





General Overview – State Budget Troubles

- The State is facing its own budget challenges without pressures from mass transit:
 - After April Revenue Collections, the state appears to be facing an ~\$500 million shortfall **in the current fiscal year.**
 - The current fiscal shortfall would replicate in FY27 absent cuts or revenue, creating an ~\$1 billion hole to be addressed urgently – all before the transit issue can be resolved
 - Federal uncertainties about executive orders “sequestering” funds to the states loom large – already discussion of a summer session to revisit budget issues.



What does this mean?

- The combined needs of the state budget – including addressing the transit crisis – carry a cost of \$1.8 to \$2.8 billion
- This does not include financial concerns about:
 - Federal Funding Sequestration
 - Tier 2 Pension Fix
 - K-12 Education increases

Competing Approaches to Mass Transit

- **MMA Act**

- MMA Act (SB 5 & HB 3778 (Villivalam, Delgado))

- **RTA Transforming Transit Plan**

- No Legislation Introduced

- **Labor Plan**

- SB1938/ HB2963 (Vilivalam, Evans)



Most Reforms Unrelated to Governance are Broadly Accepted

Service Improvements:

- Aims to fund the system and modernize governance to support expanded, fast, frequent, reliable transit services that connect important destinations.
- Implement policies, like transit ambassadors, that make transit safe, secure, & clean.
- Integrate one fare system across all Chicagoland transit providers; provide affordable fares and passes for low-income riders.
- Incentivize transit-supportive development to foster vibrant, healthy communities with housing and amenities accessible via transit.

All proposed service improvements carry costs that require significant outlays beyond the \$770M fiscal cliff



Metropolitan Mobility Authority

Governance:

- Instead of four government agencies (RTA, CTA, Pace, Metra) competing for funds & duplicating services, a unified Metropolitan Mobility Authority (MMA) would oversee all bus, rail, and paratransit operations to streamline operations and reduce overlapping, competing transit service for seamless transfers throughout the 6-counties of Northeast Illinois.
- Instead of the current structure of 4 boards with 47 voting members appointed by 21 Elected officials, the new MMA would have 19 voting members and 6 non-voting members appointed by 8 elected officials
- Would add new representation from labor unions, people with disabilities, and the business community.

Labor Alliance for Public Transportation

Governance:

- Maintains the four government agencies (RTA, CTA, Pace, Metra) overseeing regional transportation, but with expanded board membership and additional authorities to RTA.
- Expands board appointments from 47 to 52 voting members appointed by 8 elected officials instead of , the new MMA would have 19 voting members and 6 non-voting members appointed by 8 elected officials. Establishes Member experience requirements
- Would add new representation from labor unions, people with disabilities, and the business community.
- Creation of an RTA Police Force
- Single fare system
- Contemplates options for revenues – piloting road usage charges

RTA Transforming Transit Plan

Governance:

- Maintains current 4-board structure, but with RTA in a “first among equals role where:
- RTA approves regional fare policy for the regional system, manages a unified regional app, and establishes seamless fares and customer services
- Transit operators report quarterly to RTA Board on fare levels and policies
- RTA Board votes to certify compliance or requires changes before granting additional funds
- RTA sets regional services standards for fast, reliable service that operators will be measured against
- Transit operators report quarterly to RTA Board on service quality. RTA Board votes to certify compliance or requires changes before granting additional funds
- RTA prioritizes and evaluates major capital projects; distributes, funding based on scoring and level of need
- Transit operators report quarterly to RTA Board on capital program, RTA Board votes to certify compliance or requires changes before granting additional funds

The RTA proposal is silent on board membership makeup or appointment authority

What Comes Next?

Simply put – the challenges facing a solution to the transit crisis are

1. COST
2. GOVERNANCE

While Service Improvements and Reforms are important, they are also broadly understood and supported in principle by all parties. The impediment in this area goes back to COST

- With 3 weeks left in session, we are still far away from any consensus on this issue
- There is no reasonable way to address either approach without significant new revenue
- Concern over how Federal sequestration will be resolved creates a scenario where any new fiscal outlay by the state carries significant long term risk.
- In Illinois, betting on a “punt”, and putting off the solution until later in the year remains a highly possible outcome.