

CITIZEN'S ADVISORY BOARD

CTA FY25 Budget Overview

October 18, 2024



Innovating Transit for a Vibrant City



President's 2025 Budget
Recommendations



THEMES FOR THE 2025 BUDGET

Enhancing service and reliability

- Service hours are budgeted to increase above 2019 levels as investments from the bus vision plan are put into place

Clean buses, trains, and facilities

- Additional workforce added in 2024 are maintained to increase vehicle cleanliness

Safe and Secure

- Budgeted security levels reflect the additional security investments

Investments in employees

- Additional training resources along with expanded employee engagement and facilities investments

2025 BUDGET SUMMARY

Overview

- Operating Budget is \$2.16B (+8.1%, *increase of \$161.1M over FY24 budget of \$1.996B*)
- Capital Improvement Program (2025-2029) of \$6.95B
- Ridership growth rate of 25.8% over 2024 budget
 - Retention rate of 80% compared to 2019
- Requires Federal Relief Funding of \$578.7M
 - \$66.3M of original \$2.2B Federal Relief Funds remain at the end of 2025
 - In 2026, Federal Relief Funds are projected to be exhausted in Q1 with an additional \$539.0M required to close the FY26 budget gap
 - Forecast need of \$642.3M to close FY27 budget gap

Highlights

- Increased service levels
- No fare changes
- 2019 ridership retention 80%, revenue retention 63%
- Workforce investments
- Reduction in labor and material capitalization
- Security expense relatively flat to FY24 forecast
- Traction Power increase of \$20.1M or 54.7%
- Maintains investment in social service outreach programs

OPERATING BUDGET



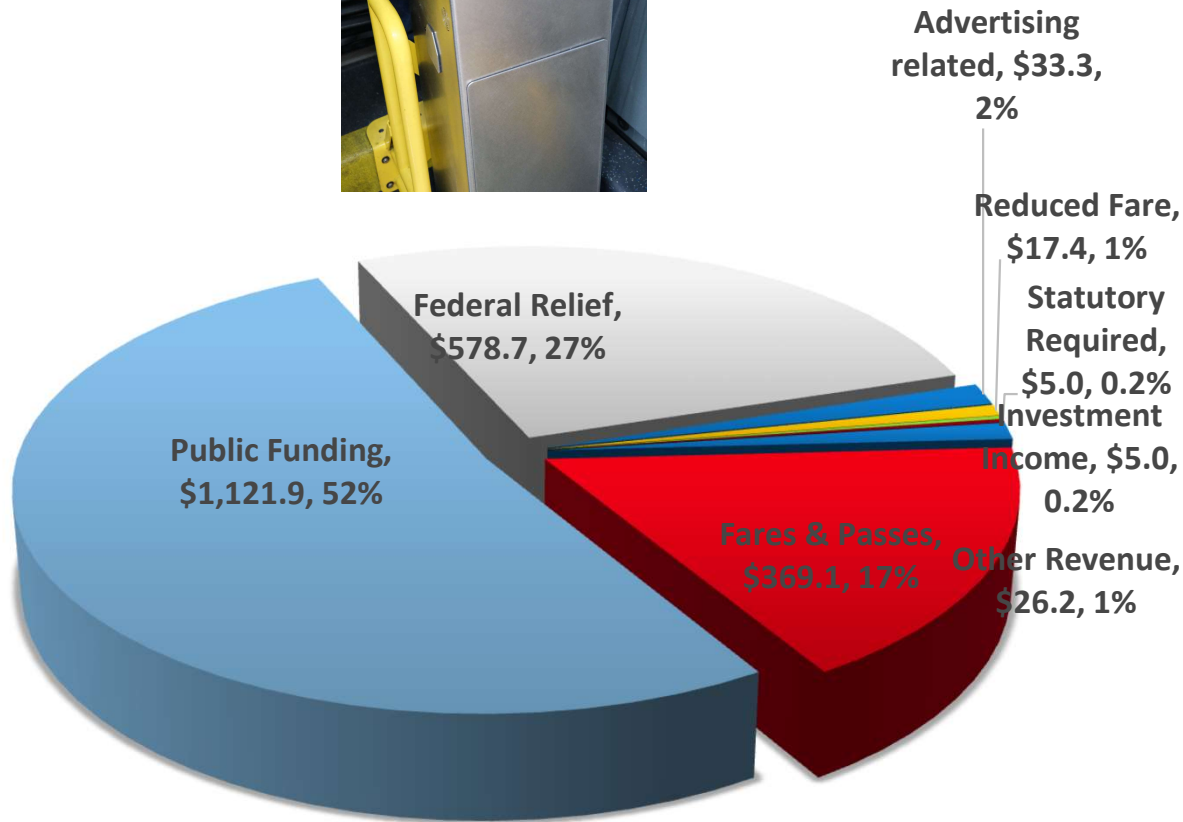
BUDGET SCHEDULE

(Dollars in Thousands)	2024 Budget	2024 Forecast	2025 Proposed Budget	2026 Plan	2027 Plan
<u>Operating Expenses</u>					
Labor	1,359,830	1,305,947	1,448,229	1,506,158	1,566,405
Material	130,628	127,939	153,351	157,951	162,690
Fuel	49,074	44,979	48,476	47,312	47,381
Power	36,729	36,923	56,806	60,551	61,667
Provision for Injuries and Damages	19,850	19,850	22,262	23,152	24,079
Purchase of Security Services	65,150	86,897	88,473	91,127	93,861
Other Expenses					
Pension Obligation Bonds (Net)	97,491	89,851	86,947	87,575	87,575
Contractual Services	190,988	162,340	190,860	196,586	202,483
Utilities, Non-Capital Grant, Travel, Leases, Other	28,189	27,360	43,260	45,700	46,607
Other Debt Service	17,860	14,491	17,860	17,860	21,196
Other Expenses Total	334,528	294,042	338,926	347,720	357,861
Total Operating Expenses	\$ 1,995,789	\$ 1,916,577	\$ 2,156,522	\$ 2,233,972	\$ 2,313,943
<u>System Generated Revenue</u>					
Fare and Passes	345,117	351,513	369,089	376,471	380,236
Reduced Fare Subsidy	15,847	16,640	17,432	17,432	17,432
Advertising, Charter & Concessions	33,838	31,561	33,271	34,934	36,681
Investment Income	5,000	12,729	5,000	5,000	5,000
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	22,621	23,175	26,160	27,468	28,842
System Generated Revenue	\$ 427,423	\$ 440,618	\$ 455,952	\$ 466,305	\$ 473,190
<u>Public Funding</u>					
Sales Tax I	509,584	514,075	528,932	542,685	556,794
Sales Tax II	73,246	76,424	68,130	67,154	65,339
PTF II	93,506	95,422	97,693	101,302	104,133
RETT	72,455	55,811	57,485	66,108	76,024
PTF II on RETT	17,987	13,898	14,059	16,527	19,006
Non-Statutory Funding - PTF I	301,333	309,451	316,225	327,294	335,803
Non-Statutory Funding - Sales Tax I	27,739	27,739	39,351	41,336	41,311
ICE*	-	-	-	-	-
Public Funding	\$ 1,095,850	\$ 1,092,820	\$ 1,121,875	\$ 1,162,406	\$ 1,198,410
Federal Relief Funds	\$ 472,516	\$ 383,138	\$ 578,695	\$ 66,308	\$ -
Budget Balancing Actions**	-	-	-	\$ 538,952	\$ 642,343
Total Operating Revenue	\$ 1,995,789	\$ 1,916,577	\$ 2,156,522	\$ 2,233,972	\$ 2,313,943
Recovery Ratio***	52.50%	50.79%	55.57%	55.43%	55.57%
Required Recovery Ratio	42.00% 6	42.00%	42.00%	42.00%	42.00%



FY25 OPERATING BUDGET - REVENUE

Revenue \$2.156B
(System Revenue, Public Funding and Relief)

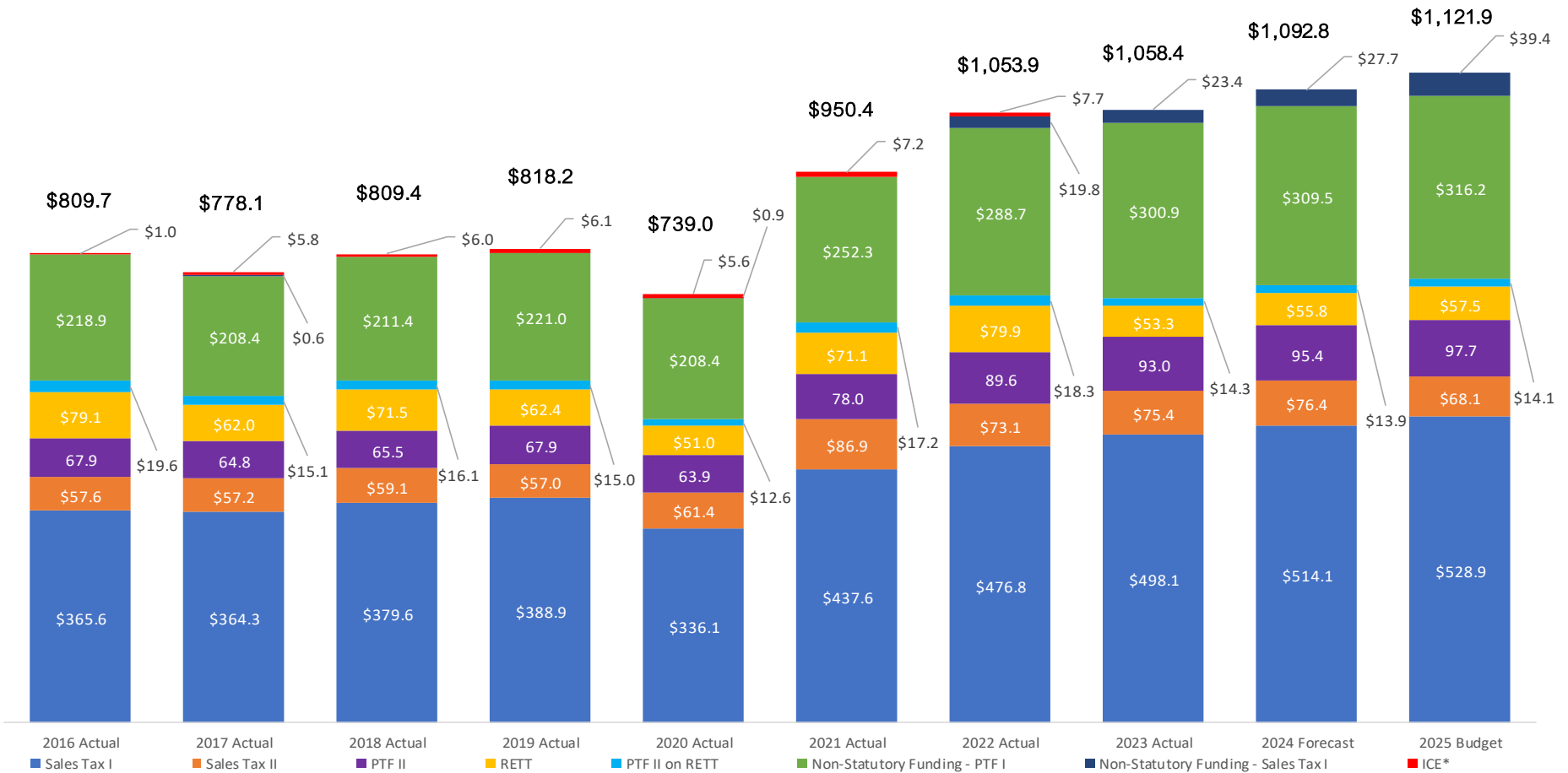


- **Public Funding (\$1,121.9)**
 - Sales Tax
 - Real Estate Transfer tax
 - Allocated from RTA
 - 2.4% increase from 2024
- **Federal Relief (\$578.7)**
 - Funds required to close budget gap
 - Drawn from total \$2.23B award (\$66M remaining after 2025)
- **Fare and Passes (\$369.1)**
 - Ridership continues to improve
 - Ongoing shift from full fare to passes
 - 5% growth forecast
- **Reduced Fare Reimbursement (\$17.4)**
 - State reimbursement for **\$100M+** in mandated free/reduced rides
- **Advertising Related (\$33.3)**
 - Includes Charters and concessions
 - Executed a new contract with Advertising Agency

\$ in Millions



Public Funding Trend by Year



- For 2025, public funding is projected by the RTA to be \$1,122.0 million which is \$26.0 million, or 2.4% above 2024 Budget
- CTA receives 46% of total Region public funds
 - Includes Metra, Pace, Pace ADA and RTA

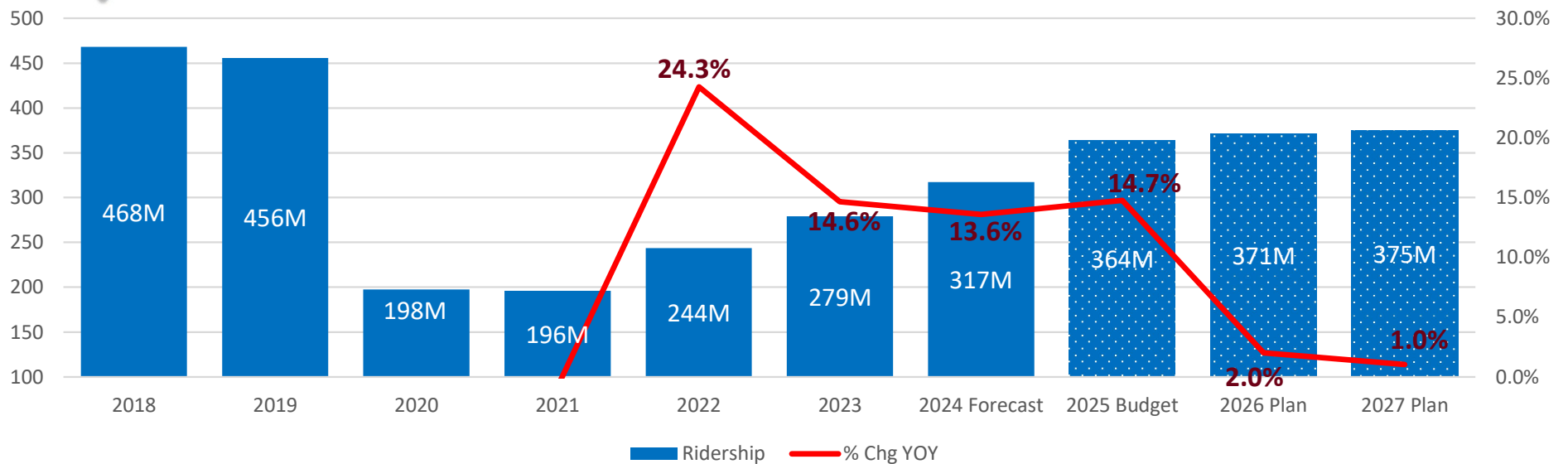


2025 RIDERSHIP

Ridership continues to rebound as service is enhanced

- FY24 ridership forecasted to finish 13.6% higher than 2023 (24% increase from 2021 to 2022)
 - 2024 ridership projected to finish the year at 70% of 2019 ridership
 - At the end of 2024, bus ridership retention forecasted at 78.9% and Rail ridership forecasted at 59.4% of 2019
- FY25 ridership budget 14.7% higher than forecast and 25.9% higher than FY24 budget
 - 2025 ridership projected to finish the year at 80% of 2019 ridership
 - FY25 ridership retention forecasted at 90.4% for Bus and 68.3% for Rail

Passenger Ridership in Millions

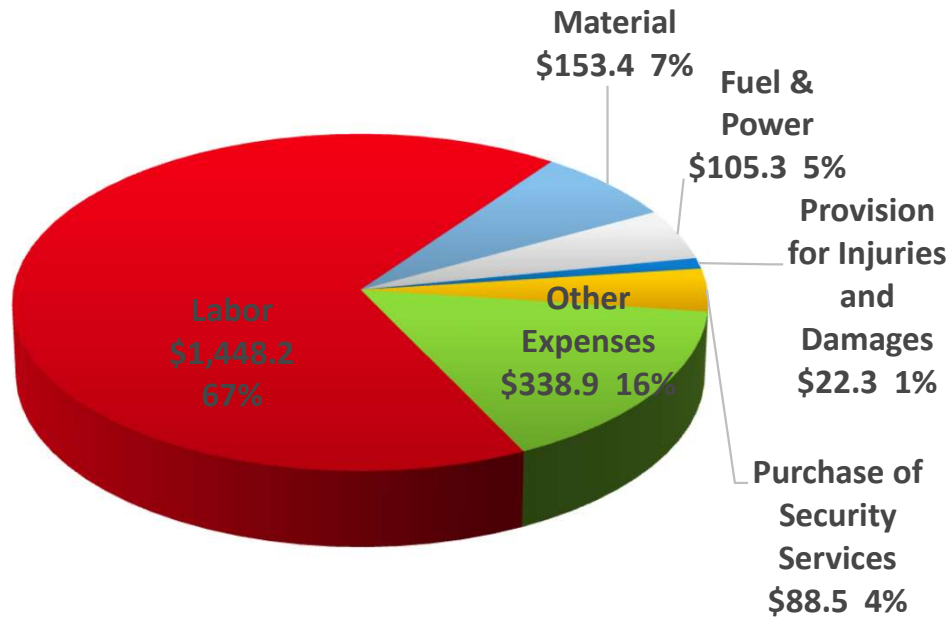


2026 and 2027 ridership retention expected to be 81% and 82%, respectively



FY25 OPERATING BUDGET - EXPENSE

Operating Expenses \$2.156B



\$ in Millions



- **Labor (\$1,448.2)**
 - Improve service frequency on key bus routes and rail routes
 - Service hours Increased
 - 4.1% higher than 2024
 - 5.8% higher than 2019
 - Contractual wage increases
- **Materials (\$153.4)**
 - Older fleet
 - Additional service
 - Inflation
- **Fuel & Power (\$105.3)**
 - Optimize fuel costs by locking in rates
 - Rate increases for electricity
- **Security Services (\$88.5)**
 - Allocate security services to maximize effectiveness, increasing K-9 patrols
 - Pursue innovative technologies
- **Other Expenses (\$338.9)**
 - Contractual services - Ventra 3.0 rollout and contract escalation
 - Pension Obligations
 - Debt service



FEDERAL FUNDING REQUIREMENTS

Federal Relief funds exhausted in 2026, balancing actions of \$1.2B needed FY26-FY27



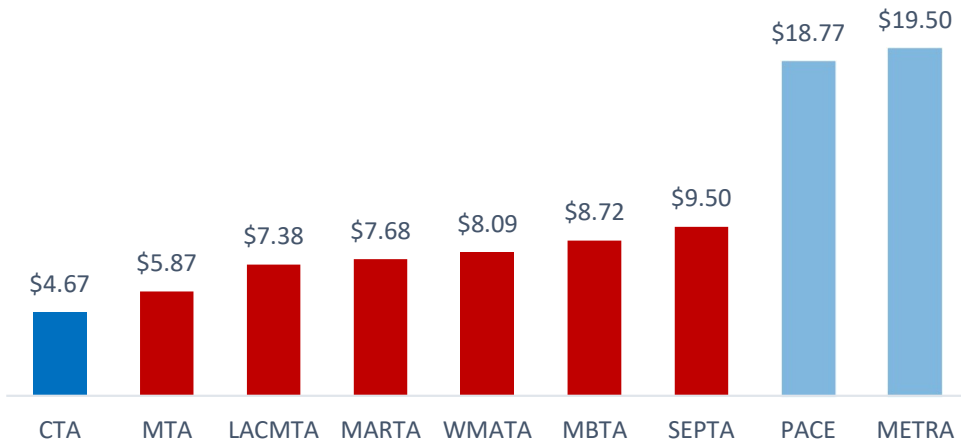
- The Federal Funds are expected to be exhausted in Q1 of 2026
- Expense growth exceeds revenue growth
- Budget balancing actions totaling \$1.18B needed for FY26-FY27
 - FY26 \$538.9M
 - FY27 \$642.3M
- Public Funding marks increase 3.6% in 2026 and 3.1% in 2027
- Permanent recovery ratio reform is necessary
 - Public Funding and Federal Relief funds account for 79% of 2025 revenue, 79% in 2026 and 80% in 2027



2025 BUDGET

SUBSIDY PER PASSENGER TRIP

2025 Net Operating Loss per Rider



- CTA has the lowest operating expense per passenger trip at **\$5.93**
- CTA has the lowest operating loss per passenger trip at **\$4.67**
- Higher operating loss requires higher public funding

	Revenue	Operating expense	Subsidy
CTA	\$1.25	\$5.93	\$4.67
MTA	\$3.30	\$9.17	\$5.87
LACMTA	\$0.64	\$8.02	\$7.38
MARTA	\$2.37	\$10.05	\$7.68
WMATA	\$2.34	\$10.43	\$8.09
MBTA	\$2.03	\$10.75	\$8.72
SEPTA	\$2.46	\$11.96	\$9.50
PACE	\$2.60	\$21.37	\$18.77
METRA	\$7.68	\$27.19	\$19.50

* Based on publicly available 2025 Budget proposals, except Pace & Metra which are 2024 final Budget



CAPITAL PROGRAM



2025-2029 CAPITAL IMPROVEMENT PROGRAM

Program Size

- 2025-2029 CIP is \$6.95B

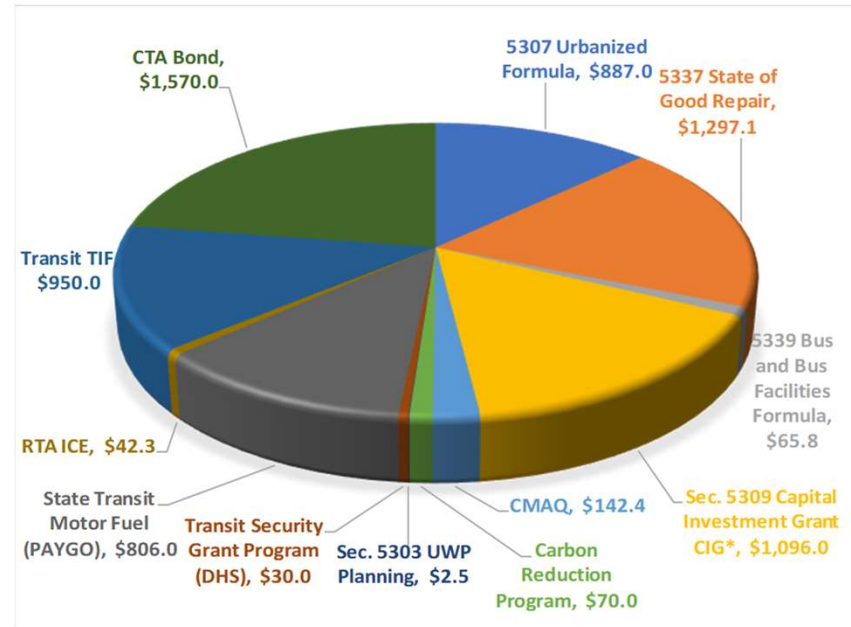
Funding Sources

- Federal funds: \$2,250.0M
- State Motor Fuel Tax (MFT): \$805.9M
- RTA ICE: \$42.3M
- Transit TIF: \$950.0M
- Discretionary Programs: \$1,340.9M
 - Capital Investment Grant (CIG): \$1,096.0M (RLE)
 - CMAQ : \$142.4M (RLE and Ebus)
 - Carbon Reduction Program: \$70.0M (RLE)
 - Transit Security Grant Program: \$30.0M
 - United Work Program – Planning: \$2.5M
- CTA bonds: \$1,569.9M in bonds
 - RLE \$1,353.0M
 - RLE Design Build Phase \$200.0M
 - Railcars \$16.9M

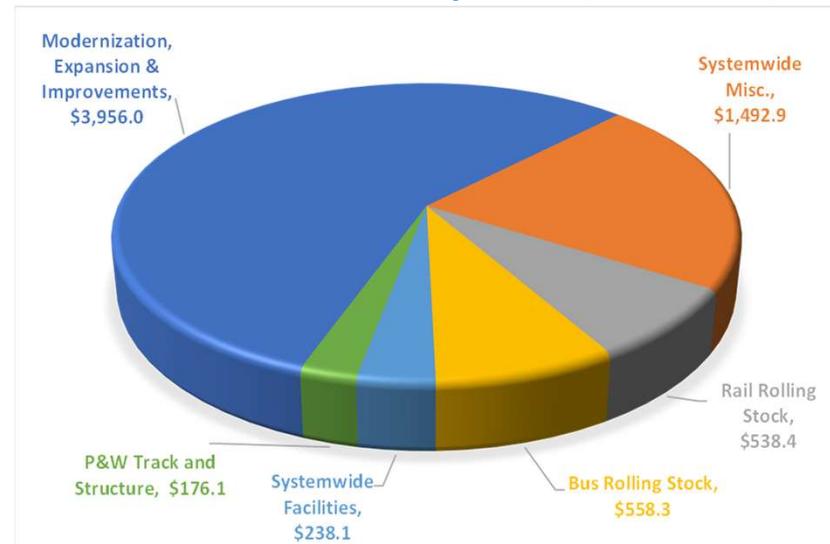
Major Projects

- Red Line Extension (RLE)
- All Stations Accessibility Program (ASAP)
- Bus System Electrification
- Bus and Rail Fleet Modernization
- Customer Service Upgrades
- Employee Facilities Improvements
- Communication and Security Investments
- Technology Upgrades to Enterprise and Planning Systems
- Rail Facilities and Rail Line Structure Investments
- Ventra 3.0 Upgrade

FY 2025-2029 CIP Funding Source (in millions)

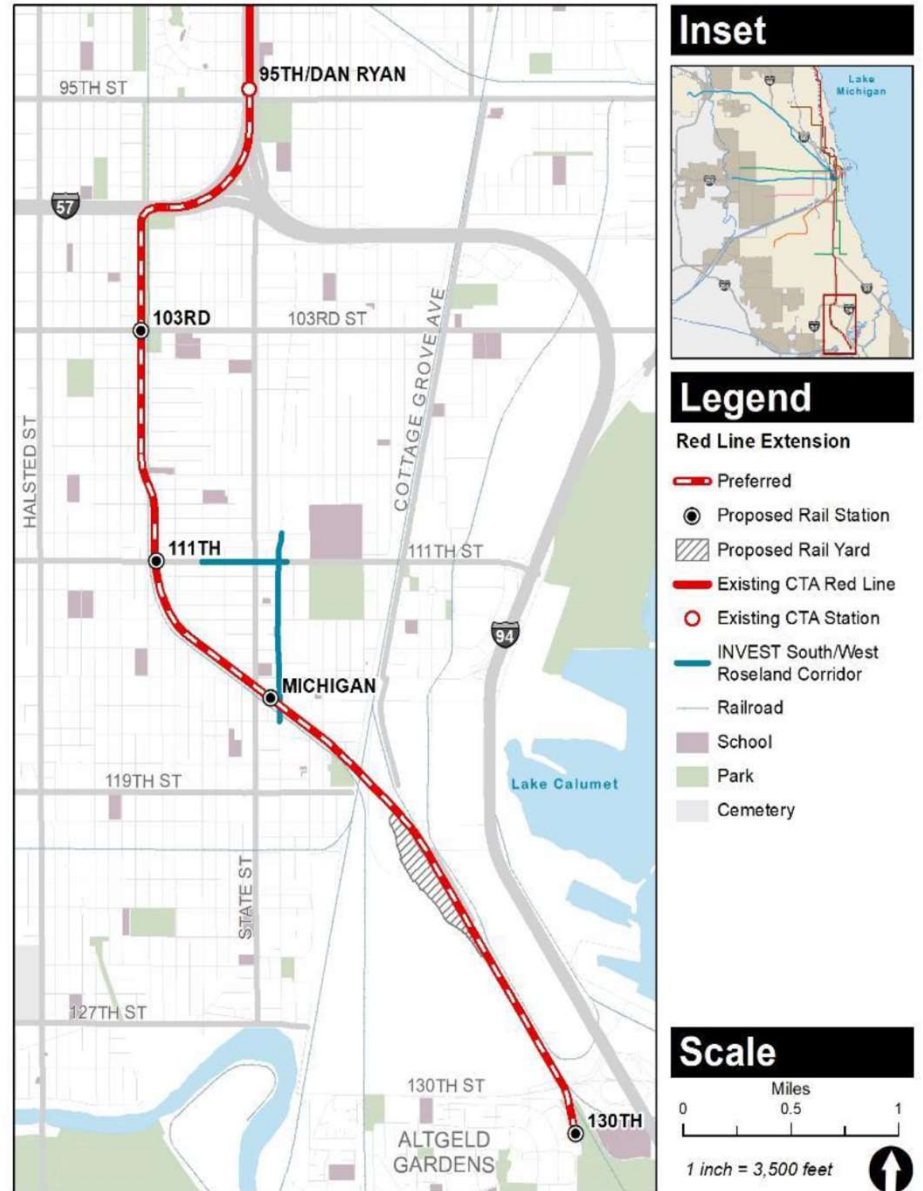


FY 2025-2029 CIP By Asset (in millions)



RED LINE EXTENSION (RLE) \$5.3B

- **RLE's total project cost is estimated at \$5.3B**
 - FY 2024 FTA 5309 CIG fund of \$746.0M enables the Project to advance to an anticipated FFGA Q4 2024 when all construction funding will be secured.
- **Project Description:**
 - 5.6-mile heavy rail transit line extension from the 95th St. Terminal to 130th St.
 - Four new stations at 103rd St., 111th St., Michigan Ave., and 130th St.
 - Park & Ride and bus connections at each station
 - Train storage yard & maintenance facility at 120th St.
- **Project Status:**
 - Entered Engineering phase of the federal New Starts funding program.
 - Contractor selected through competitive RFQ
 - Property acquisition continues.
 - RLE Transit Supportive Development Plan completed
 - Continued community engagement, agency coordination, and technical analysis.
 - FFGA Q4 2024 or Q1 2025



Improve mobility and accessibility for transit-dependent residents



ALL STATIONS ACCESSIBILITY PLAN (ASAP)

Currently, 104 of CTA's 146 stations (70%) are accessible.

CTA has secured funding for 13 of the inaccessible stations and CDOT has secured funding for State/Lake. This will increase accessible stations to 81%.

- **Current Grants fund Phase One of the plan which includes updates to make the following stations fully accessible:**
 - Lawrence, Argyle, Berwyn, and Bryn Mawr Red Line Stations (funded through RPM)
 - Austin Green Line Station
 - California, Montrose and Racine Blue Line Stations
 - Irving Park, Belmont, and Pulaski Blue Line Stations
 - State/Lake Elevated Station (CDOT Managed)
 - Elevator Replacement Program replace/rehab up to 20 elevators – Phase One

- **FY 2025-29 CIP Funds design and construction for the following ASAP initiatives (\$120.1M)**
 - Completes funding for the Construction of Oak Park and Ridgeland Green Line Stations
 - Elevator Replacement Up to 16 units – Phase Two
 - Escalator Replacement Program
 - Initial Funding for Next in line ASAP Stations
 - Targeted Stations include Clybourn (Red) and Cicero and Austin (Blue) Congress
 - Additional CIP funds will be leverage with pending or future discretionary Federal grant funds to complete station construction.

Goal = 100% ADA accessibility across the rail system



BUS SYSTEM ELECTRIFICATION PROGRAM

- **Prior CIP funds provide for an engineering assessment of the bus system need, design criteria, and initial construction, including the following:**
 - Detail load flow study and develop design criteria for construction
 - Complete Phase 2 Chicago Avenue route implementation
 - 77th and South Shops Master Plan & Facility assessment
 - Garage Facility assessments
 - Funding for full implementation of Chicago Garage electrification
 - Procurement of e-buses – 22 Phoenix Cars LLC Option and future contract for a minimum of 200 buses
- **2025-2029 CIP funds of \$437.7M for additional e-buses, charging infrastructure and full electrification of 103rd Garage**

Projects	2025-2029 Funding
103rd Bus Garage Modification	\$133.0
Future ebus Order	\$213.3
Infrastructure Modifications to support buses	\$91.4
Total	\$437.7

\$'s in millions

- CIP invests \$133.0M for the full electrification of the 103rd Garage and provides a share of funding for Chicago Garage implementation.
- CIP funds the equivalent of 126 e-buses to replace the 4000 Series buses
- Seeking additional discretionary federal grant funds for new garage construction and additional e-buses.

CTA has committed to a full electrification of the bus fleet by 2040



BUS & RAIL FLEET MODERNIZATION

- **Bus Rolling Stock (\$558M)**
 - Purchase 600 new Standard Buses
 - Electric Buses – Replace 4000 Series
 - Mid-life Overhaul of 450 Nova buses (7900 Series)
 - Life Extending Overhaul on 430 Standard New Flyer buses.
- **Rail Rolling Stock (\$538M)**
 - Purchase 400 New 7000 Series Rail Cars
 - Quarter-Life Overhaul 5000-Series Rail cars
 - Expanded Fleet Overhaul to include 3200/2600 Series Cars
 - Replace Camera Systems 3200 and 5000 Series
- **Maintenance Fleet & Equipment (\$83M)**
 - Utility Vehicle Replacement
 - Rail Borne Vehicle Equipment
 - Equipment for New Rail Shop
 - Facility Systems- Roofs, Boilers, Building Structures
 - Midway Rail Shop- Building Extension Wheel Truing



Continuously renewing, maintaining and improving our entire system



2024 BUDGET CALENDAR

Oct 11

- CTA President's Proposed Budget released

Oct 17

- Citizens' Advisory Committee presentation

Oct 23

- Cook County presentation

Nov 7

- Public hearing

Nov 13

- CTA Board vote

Nov 15

- Approved budget due to RTA

Nov 22

- RTA Presentation

Dec 19

- RTA Board vote

