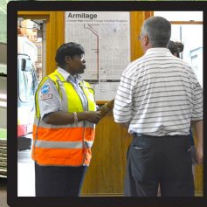


Board Presentation

CTA FY25 Budget Overview

November 13, 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

Overview

- Operating Budget is \$2.16B (+8.1%, increase of \$161.1M over FY24 budget of \$1.99B)
- Capital Improvement Program (2025-29) 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
 - \$65.3M 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

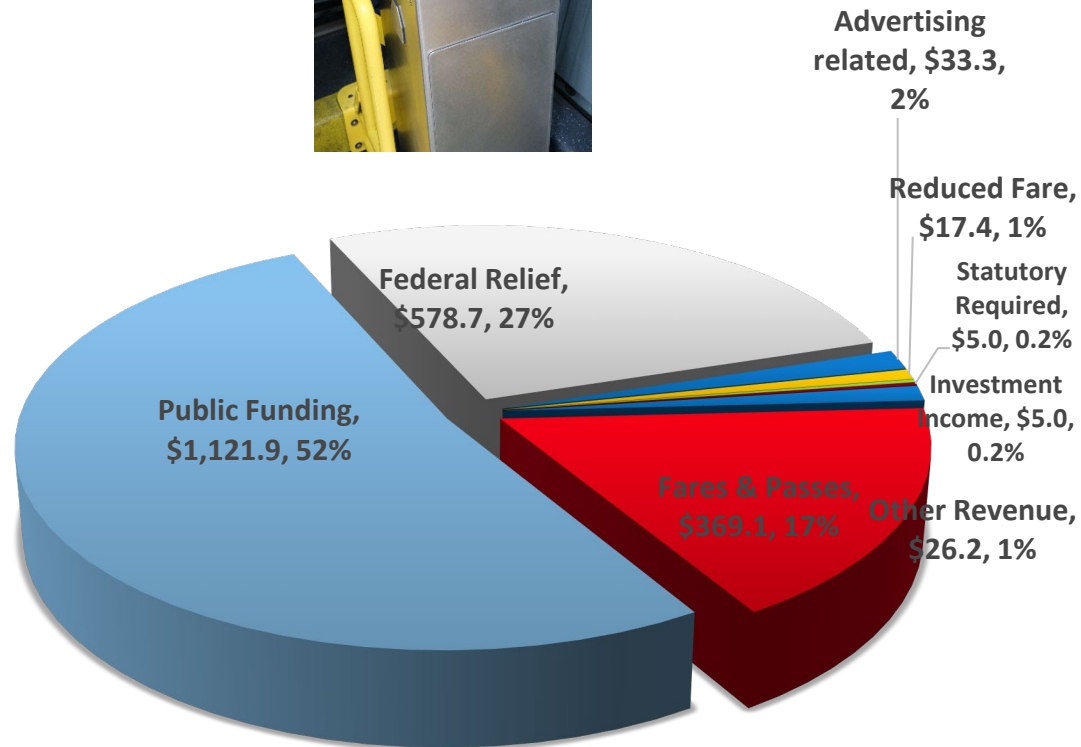
Hearings Overview

- **Budget released on October 11**
- **Citizen's Advisory Committee (October 18)**
 - Reviewed proposed operating budget, capital budget, and agency performance measures
 - Comments/questions varied across topics such as service, workforce, security, commodity expenses, and vehicle fleet
- **Cook County Commissioners (October 23)**
 - Regional and CTA budget presented by RTA and all service boards
- **Public Hearing (November 7)**
 - Public hearing on proposed operating and capital budget
 - 16 speakers commented on a variety of topics including service, scheduling, bus electrification, workforce, public safety, and customer tools

Operating Budget

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

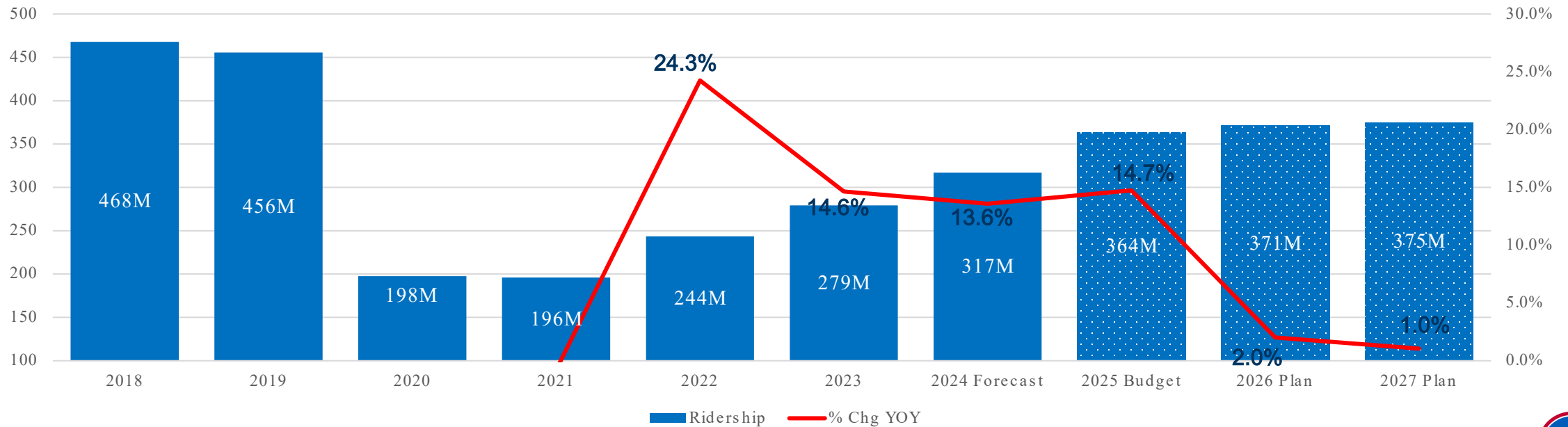


2025 Ridership

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 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

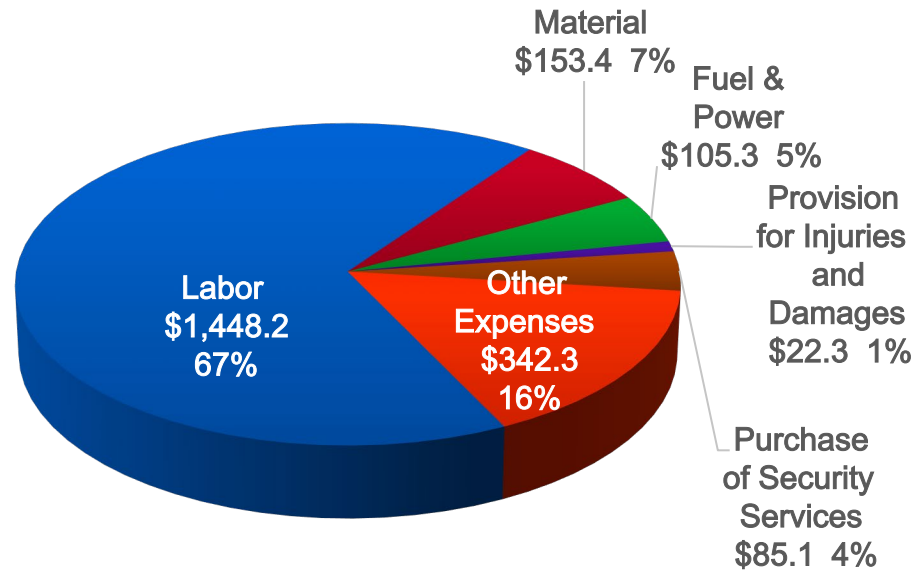


2026 and 2027 ridership retention expected to be 81% and 82%, respectively



FY25 Operating Budget– Expense

Operating Expenses \$2.156B



\$ in Millions



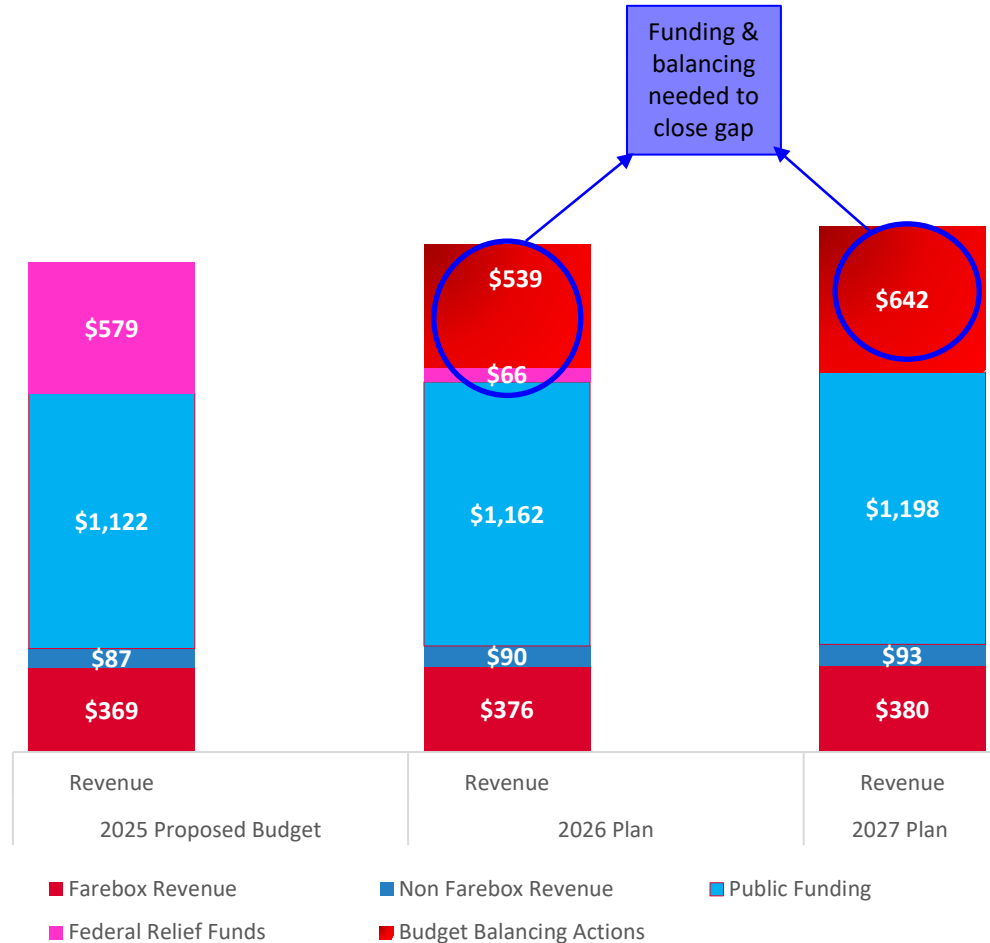
- **Labor (\$1,448.2)**
 - Improve service frequency on key bus routes and rail routes
 - Service hours above 2019 levels
 - 4.1% higher than 2024
 - 5.8% higher than 2019
 - Contractual wage increases
- **Materials (\$153.4)**
 - Older Fleet
 - Additional service
 - Inflation
- **Fuel & Power (\$105.3)**
 - Optimize fuel costs by locking in rates
 - Rate increases for electricity
- **Purchase of Security Services (\$85.1)**
 - Allocate security services to maximize effectiveness, increasing k9 patrols
 - Pursue innovative technologies
- **Other Expenses (\$342.3)**
 - Contractual services Ventra 3.0 rollout and contract escalation
 - DFSS contract
 - Pension Obligations
 - Debt service

Updates to the Proposed Budget

- CTA's current investments are necessary but not sufficient to provide the expected level of public safety
- Updates have been made to the proposed budget to reflect public input, specifically the need to reassess public safety investments
- \$3.3 million will be allocated to new public safety pilots
- Experimental initiatives will be informed by forthcoming community input
- This change will be reflected in the Purchase of Security Services and Other Expenses line items

Federal Funding Requirements

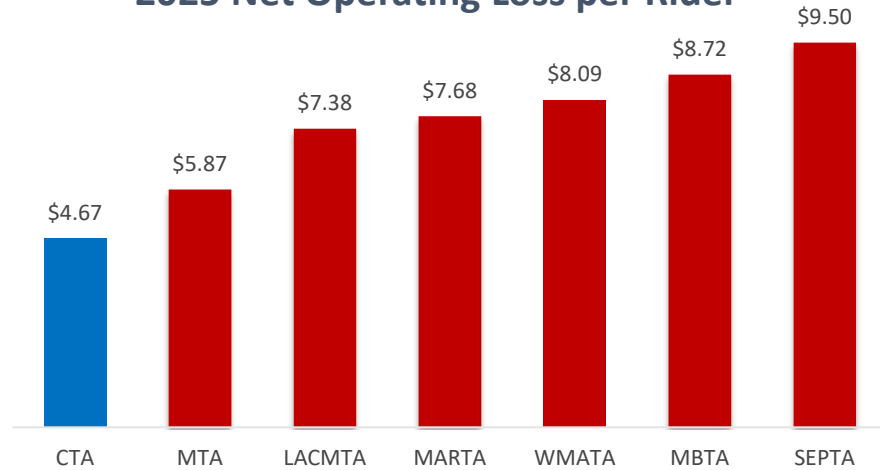
Federal Relief funds exhausted in 2026, balancing actions of \$1.2B needed FY26-FY27



- The Federal Funds are expected to be exhausted in Q1 of 2026
- Expense growth exceeds revenue growth
- Budget balancing actions totaling \$1.2B need for FY26-FY27
 - FY26 \$578.7M
 - 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



	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

- 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

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

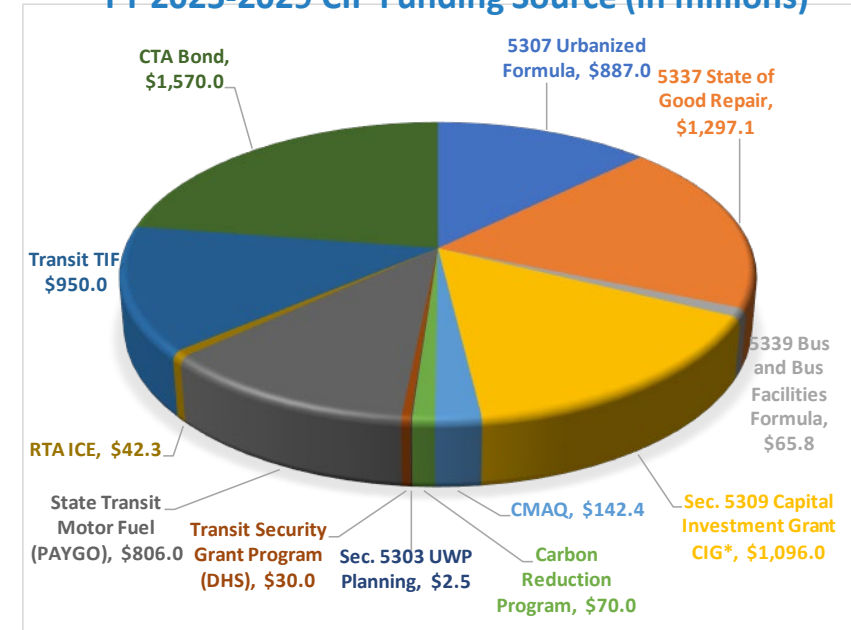
Capital Program

2025-2029 Capital Improvement Program

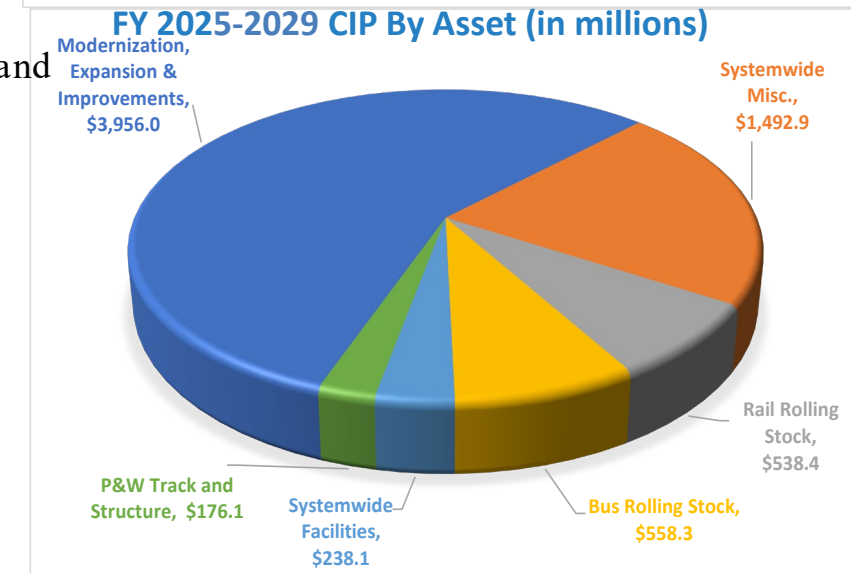
- **Program Size**
 - 2025-2029 CIP is \$6.95B
- **Funding Sources**
 - Federal funds: \$2,250.0M
 - State Motor Fuel Tax (MFT): \$805.9M
 - RTA ICE: \$42.3M
 - Transit TIF: \$950.0M
 - Discretionary Programs: \$1,340.9M
 - Capital Investment Grant (CIG): \$1,096.0M (RLE)
 - CMAQ: \$142.4M (RLE and bus)
 - 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
 - Railcar \$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)

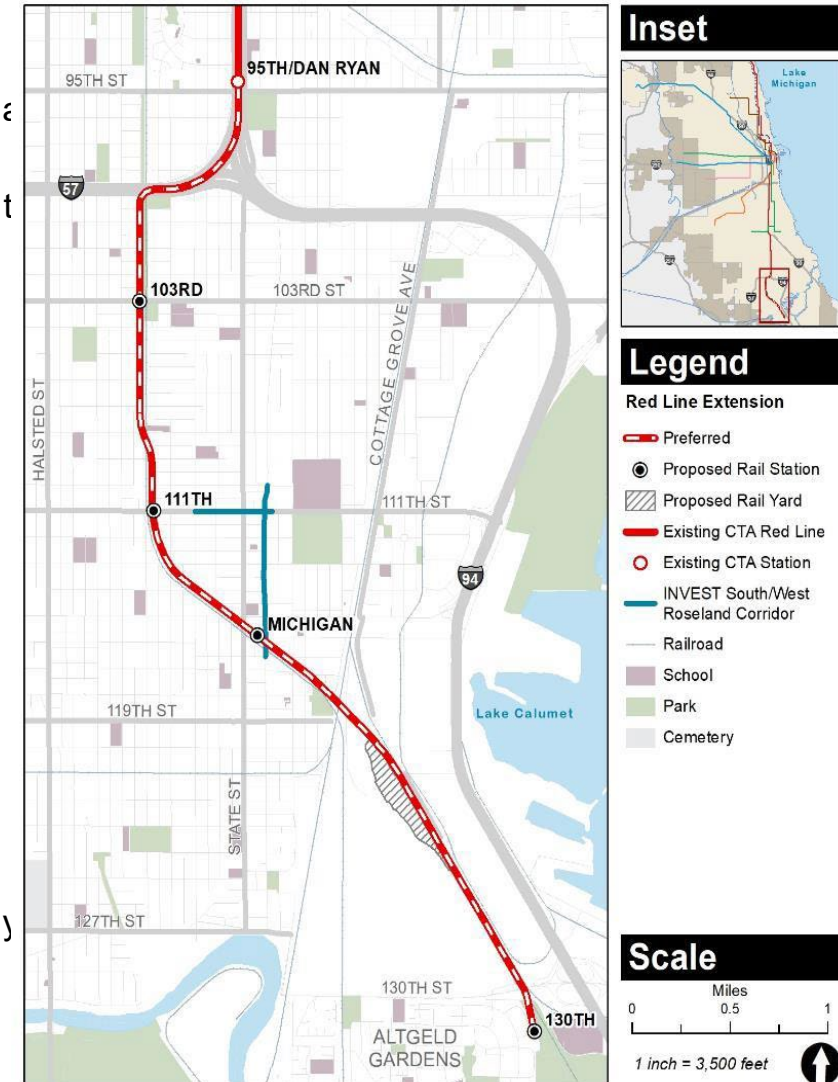


FY 2025-2029 CIP By Asset (in millions)



Red Line Extension (RLE) \$5.75B

- **RLE's total project cost is estimated at \$5.75B**
 - 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.
 - FTA-required contingency of approximately \$424.1 million added in October to project cost of \$5.3B
- **Project Description:**
 - 5.6-mile heavy rail transit line extension from the 95th 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 130th
- **Project Status:**
 - Entered Engineering phase of the federal New Starts funding program.
 - Contractor selected through competitive RFG
 - 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 initiative (\$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



2024-2028 Capital Improvement Program Amendment

- **Final Amendment for current fiscal year**
- **Red Line Extension**
 - FTA 5309 Capital Investment Grant (CIG)
 - Transit TIF
- **Public Transit Capital Funds Allocations**
 - \$1.0 million for Cicero Grade Crossing Enhancements, these funds with existing capital will provide for construction of enhancements.
 - \$500,000 for initial planning and assessment for design of the Congress Blue Line Austin Station (ASAP)
 - \$500,000 for the initial planning and design for security video and communication consoles at select CTA Station Customer Assistance Kiosks
 - \$1.5 million for an engineering assessment of the 74th Street Bus Garage to determine full scope of work to transition facility to service the electric bus fleet
- **Department of Homeland Security**
 - \$19,268,840 of FY 2024 Transit Security Grant Program (TSGP) funds.
- **Forest Park Branch**
 - Prior granted “Rebuild Illinois” Transportation Bond funds of \$11,645,802 are available to contribute funding for the Forest Park Branch Phase One project for track renewal and the Racine Station construction, Cicero Avenue Grade Crossing enhancements, and the traction power equipment upgrades on the O’Hare Blue Line.

2024 Budget Calendar

Oct 11	CTA President's Proposed Budget released
Oct 18	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