

2024 BUDGET OVERVIEW BOARD MEETING

November 2023



2024 BUDGET

Overview

- Operating Budget is \$1.996B
- Capital Improvement Program (2024-2028) of \$3.6B
- No fare increase
- Allows for service to be added as the operator headcount continues to grow to pre-pandemic levels
- Ridership growth rate of 9.9% over 2023 budget
 - Retention rate of 63.4% compared to 2019
- Requires Federal Relief Funding of \$473M
 - \$481M of original \$2.2B Federal Relief Funds remain at the end of 2024
 - Federal Relief Funds projected to be exhausted in 2025. Requires an additional \$50M to close 2025 budget gap

Highlights

- Delivering consistent and reliable service
- Enhancing safety and security for riders
- Improving customer experience at CTA facilities
- Upgrading digital tools to improve rider communication
- Investing in our employees
- Expanding fare programs

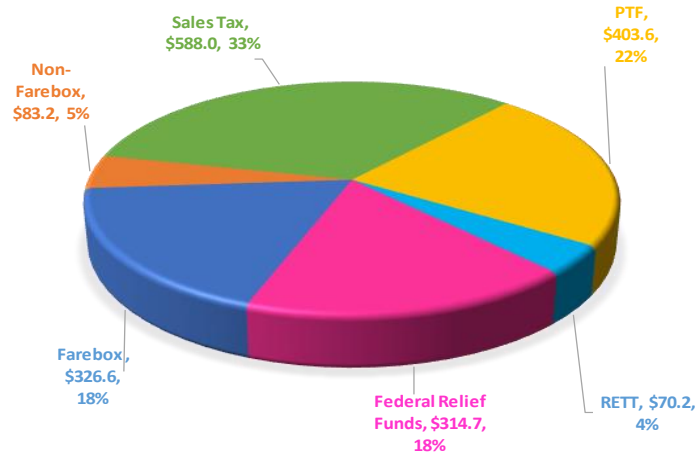


FY23 FORECAST = \$75.3M FAVORABLE TO BUDGET

2023 forecast includes \$314.6M of federal relief

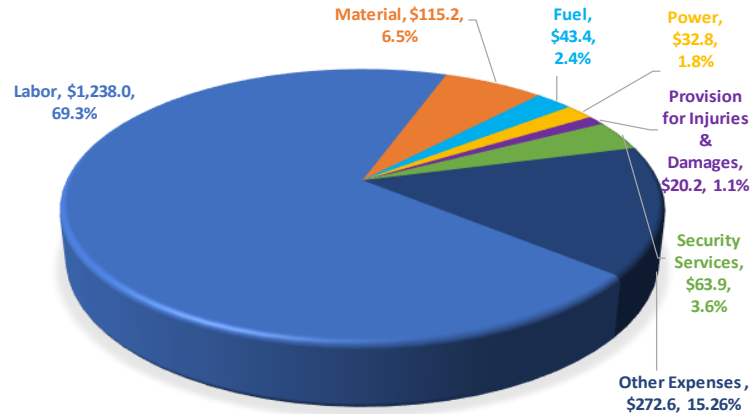
Revenue Forecast - \$34M above Budget

\$ in Millions



Expense Forecast - \$41M below Budget

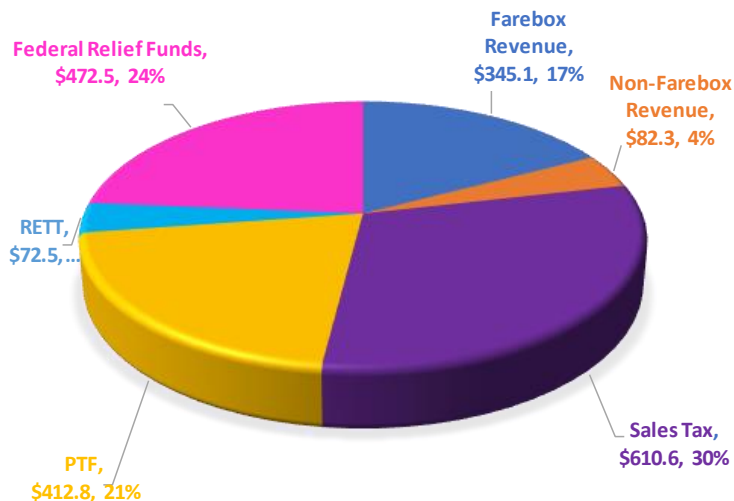
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FY24 OPERATING BUDGET

Operating Revenue \$1.52B
\$85.7M higher than '23 Budget (+6.0%)

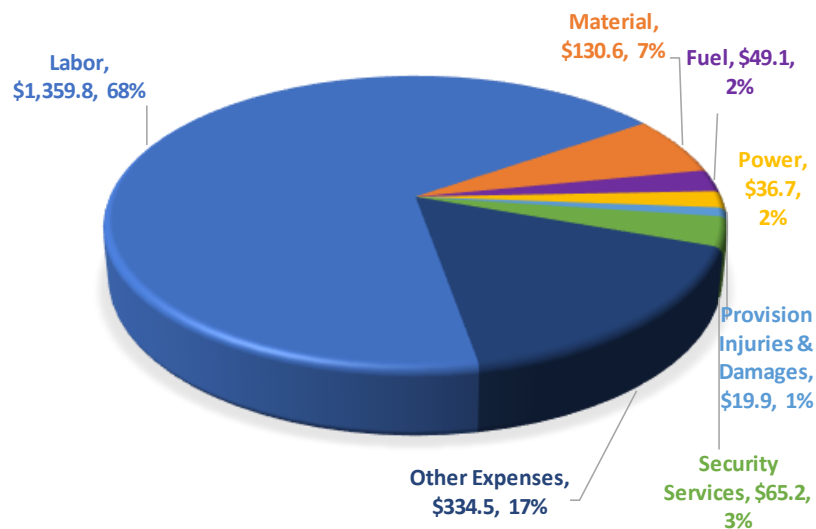
\$ in Millions



- System Generated Revenue increase of \$33.8M over '23 budget (8.6%)
- Public funding per RTA projected at \$51.8M above '23 Budget (5.0%)
- Federal relief funds of \$472.5M to close the budget gap in FY24

Operating Expenses \$1.996B
\$168.2M higher than '23 Budget (+9.2%)

\$ in Millions

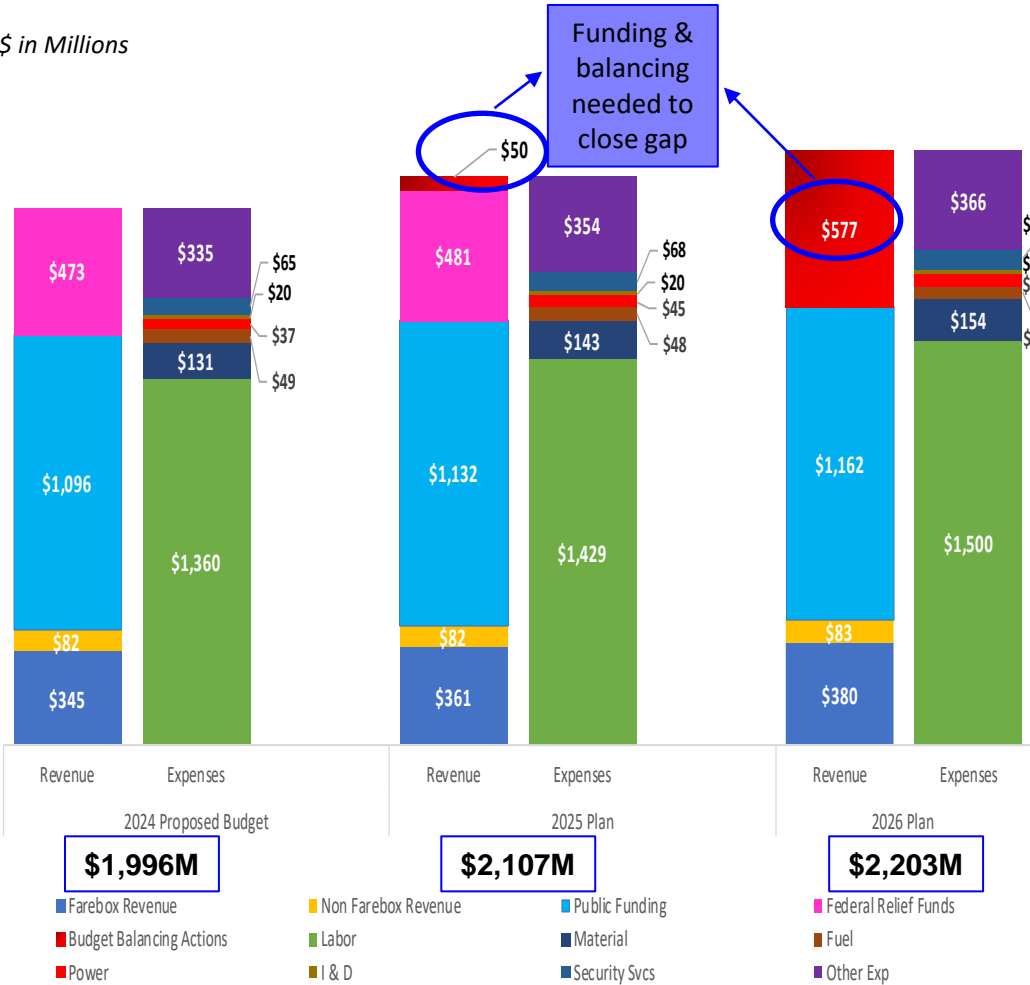


- Labor budget increase of \$75.4M (5.9%)
- Materials increase of \$16.0M (13.9%)
- Security Services increase of \$24.0M (58.3%)
- Contractual Services increase of \$38.8M (25.5%)
- Debt Service expense increase of \$10.9M

FEDERAL FUNDING REQUIREMENTS

2024 utilizes \$473M in Federal relief funds

\$ in Millions



- Total Expenses increase 5.6% in 2025 and 4.6% in 2026
 - ATU contract expires 12/31/23; does not include potential future wage increases
- System generated revenue increases 4.5% in 2025 and 4.6% in 2026
- Public Funding marks increase 3.3% in 2025 and 2.7% in 2026
- Permanent recovery ratio reform is necessary
 - Public Funding and Federal Relief funds account for 79% of 2024 revenue

Federal relief funds exhausted in 2025

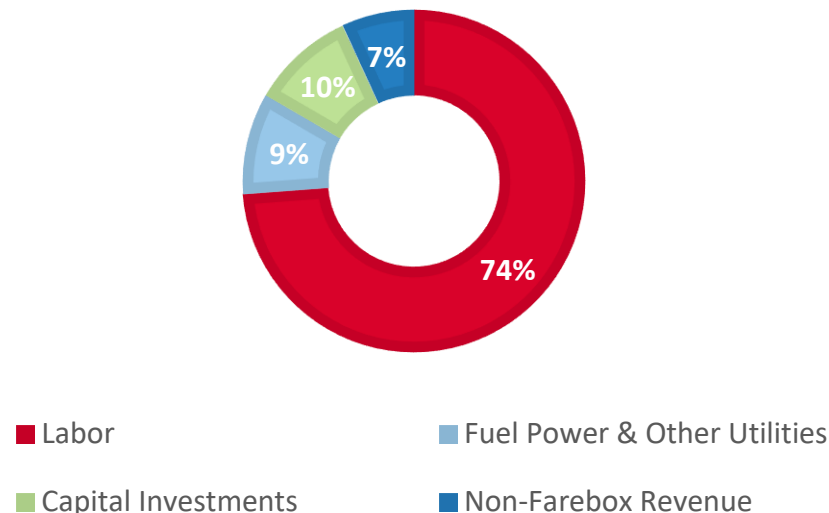


BELT TIGHTENING MEASURES

Since 2015, over \$1B of cumulative cost savings and non-farebox revenue growth initiatives have been implemented

- Labor: \$755M
 - Savings have been achieved without impacts to service or safety sensitive positions
- Fuel, Power and Other Utilities: \$98M
- Capital investments: \$100M+
- Non-farebox Revenue: \$70M

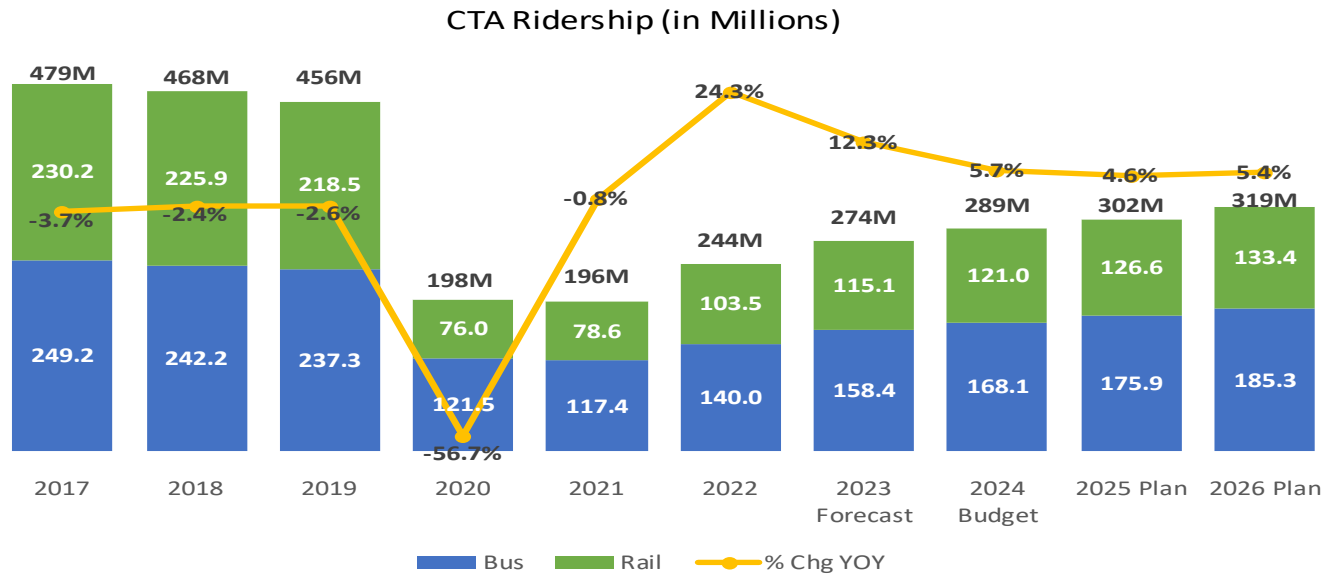
BUDGET SAVINGS AND REVENUE INCREASES



2024 RIDERSHIP

Ridership is expected to grow 5.7% from 2023 forecast (63.4% of 2019 levels)

- Ridership continues to rebound, but many return to office policies are in place
- FY23 ridership forecasted to finish 12% higher than 2022 (24% increase from 2021 to 2022)
 - 2023 ridership projected to finish the year at 60% of 2019 ridership
 - CTA has surpassed 1M rides on multiple days in 2023
 - Bus ridership forecasted to end 2023 at 67% and Rail ridership forecasted to end at 53% of 2019



2025 and 2026 ridership is expected to be 66% and 70% of 2019 levels, respectively



CAPITAL PROGRAM



2024-2028 CAPITAL IMPROVEMENT PROGRAM

Program Size

- 2024-2028 CIP is \$3.61B

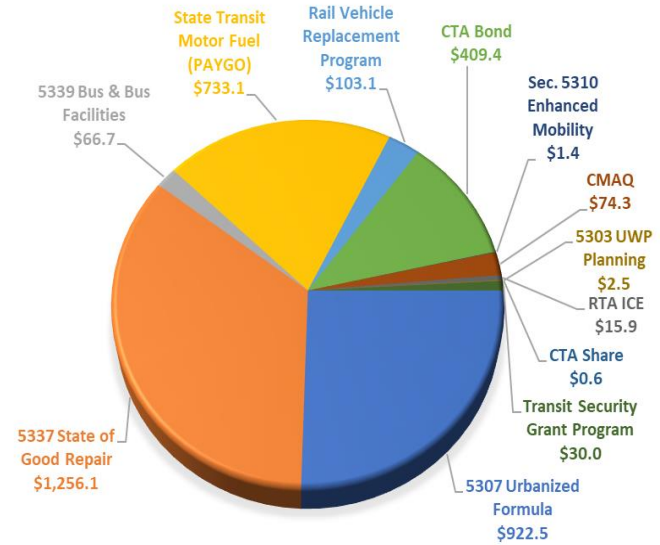
Funding Sources

- Federal funds: \$2.25B
- State Motor Fuel Tax (MFT): \$733.1M
- CTA bonds: \$409.4M
- Discretionary Programs: \$211.2M
 - Continue to seek additional funding as it becomes available
- RTA ICE: \$15.9M

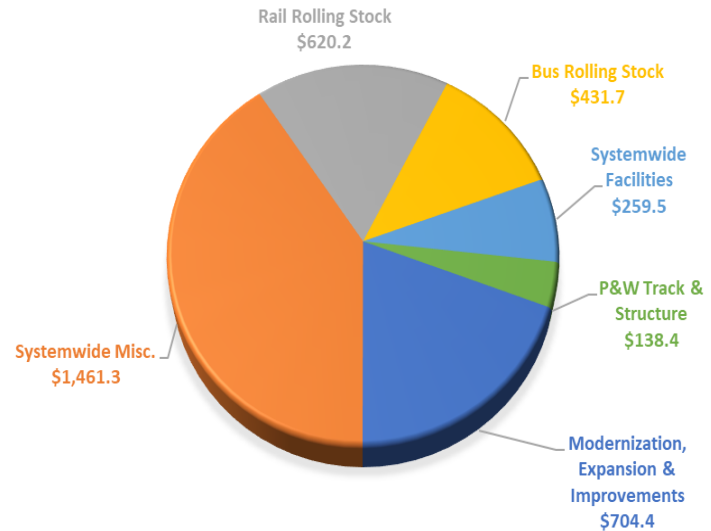
Major Projects

- Red Line Extension (RLE)
- All Stations Accessibility Program (ASAP)
- Bus System Electrification
- Bus and Rail Fleet Modernization

FY 2024-2028 CIP Funding Source (in Millions)

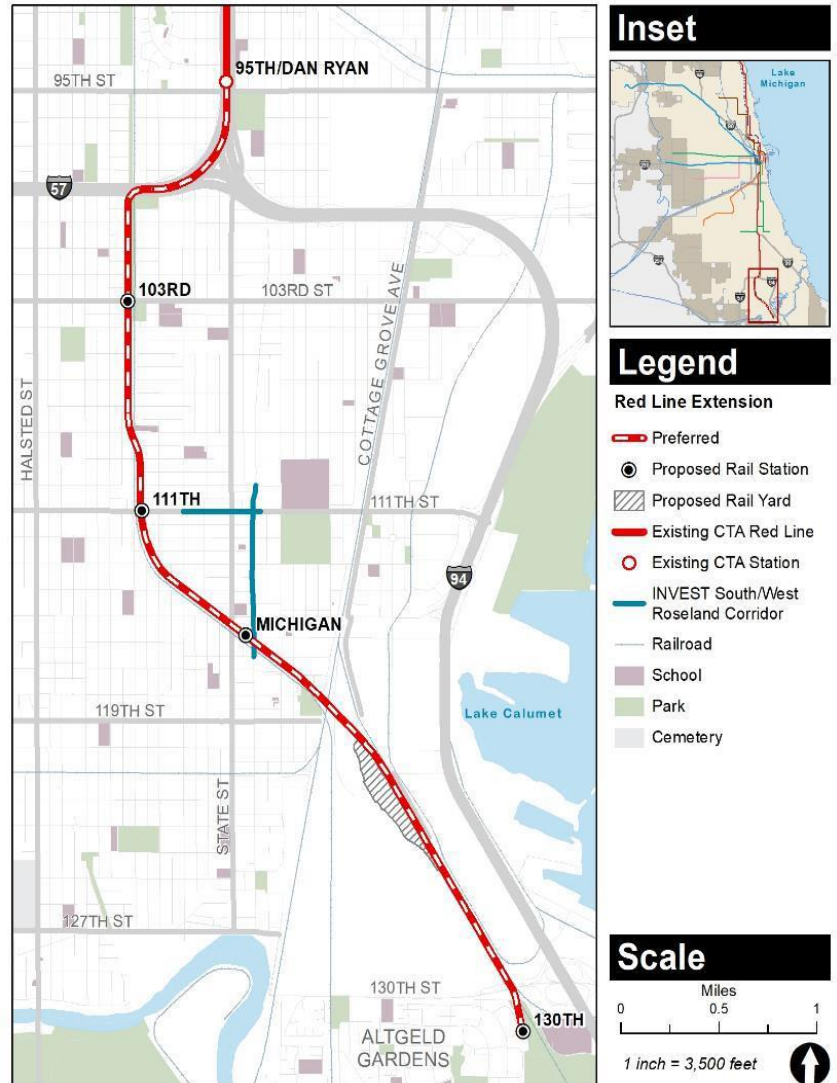


FY 2024-2028 CIP By Asset (in Millions)



RED LINE EXTENSION (RLE)

- **RLE's project cost is estimated at \$3.6B**
 - CIP funds of \$704.4M enables the project to advance to 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.
 - Three qualified contracting teams will submit design-build proposals
 - Property acquisition continues.
 - RLE Transit Supportive Development Plan completed
 - Continued community engagement, agency coordination, and technical analysis.
 - FFGA Q4 2024



ALL STATIONS ACCESSIBILITY PLAN (ASAP)

Currently, 103 of CTA's 145 stations (70%) are accessible. CTA has funding secured for 13 of the inaccessible stations on the system and CDOT has secured funding for State/Lake. This will bring 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 2024-28 CIP Funds design and construction for the following ASAP initiatives (\$127.6M)**
 - Fully funds Construction of Oak Park and Ridgeland Green Line Stations
 - Elevator Replacement Up to 16 units – Phase Two
 - Escalator Replacement Program
 - Initial funding for a portion of Phase 2 stations that will be leveraged with pending or future discretionary Federal grant funds to complete station construction



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 developing design criteria for construction
 - Complete Phase 2 Chicago Avenue route implementation
 - 77th and South Shops Master Plan & Facility assessment
 - Garage Facility assessments
 - Funding for Chicago Garage electrification
 - Procurement of e-buses
- **2024-2028 CIP funds of \$345.6M for additional e-buses and charging infrastructure**

Projects/Initiatives	Total
Chicago Garage Electrification	\$17.0
103rd Garage Electrification	\$133.0
95th Terminal Electrification	\$7.6
Future ebuses and Chargers	\$188.0
Total	\$345.6

(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 a portion of e-buses to replace the 4000 Series buses
- Seeking additional discretionary federal grant funds for bus garage improvements for e-Bus and for the purchase of additional e-Buses



BUS & RAIL FLEET MODERNIZATION

• Bus Rolling Stock (\$432M)

- 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 (\$620M)

- Purchase 400 New 7000 Series Rail Cars
- Quarter-Life Overhaul 5000-Series rail cars
- Expanded Fleet Overhaul to include 3200/2600 Series Cars

• Maintenance Fleet & Equipment (\$67M)

- Utility Vehicle Replacement
- Rail Borne Vehicle Equipment
- Equipment for New Rail Shop
- Rail car body hoists at Skokie shops
- Wheel truing machines at Skokie & Midway shops

