[BOOK FRONT COVER]
Meeting The Moment: Building a Strong Foundation for the Post-Pandemic Future
[Picture of CTA train on the tracks]
[4 different pictures of CTA stations. Large cover picture of Green Line train heading west into sunset on elevated track on Lake Street. Three smaller pictures are inset 1st picture is a CTA electric bus at a stop, 2nd picture is of the new digital screens inside a bus showing upcoming stop and connection information, and 3rd picture is a CTA train made up of the new 7000 series rail car train pulling into a station]
President's 2023 Budget Recommendations
[CTA Logo]

[BACK PAGE OF FRONT COVER]
Chicago Transit Board and CTA President

The governing arm of the CTA is the Chicago Transit Board. The Board consists of seven members, with four appointed by the Mayor of Chicago and three appointed by the Governor of Illinois. The mayor's appointees are subject to the approval of the Governor and the Chicago City Council; the Governor's appointees are subject to the approval of the Mayor and the Illinois State Senate. CTA's day-to-day operations are directed by Dorval R. Carter, Jr., President.

The current Mayoral appointees are Lester L. Barclay, Michele A. Lee, Rev. Johnny L. Miller, and Alejandro Silva. The current gubernatorial appointees are Rev. Dr. L. Bernard Jakes, Neema Jha, and Rosa Y. Ortiz.

Lester L. Barclay serves as Chairman of the Chicago Transit Board.

Lester L. Barclay, Chairman
Appointed by: Mayor, City of Chicago
Rev. Dr. L. Bernard Jakes, Board Member
Appointed by: Governor, State of Illinois
Neema Jha, Board Member
Appointed by: Governor, State of Illinois
Michele A. Lee, Board Member
Appointed by: Mayor, City of Chicago
Rev. Johnny L. Miller, Board Member
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Rosa Y. Ortiz, Board Member
Appointed by: Governor, State of Illinois
Alejandro Silva, Board Member
Appointed by: Mayor, City of Chicago
Chicago Transit Authority
Dorval R. Carter Jr., President

[TABLE OF CONTENTS]

Table of Contents

System Map: page 1
President’s Letter: page 5
Organizational Chart: page 7
Strategic Goals: page 9
Executive Summary: page 11
Operating Budget
2017 – 2025 Operating Budget Schedule: page 27
2022 – 2025 Consolidated Financial Overview: page 31
2022 – 2025 Consolidated Operating Expenses: page 32
2022 – 2025 Consolidated Operating Revenues: page 36
Operating Funding Summary
System-Generated Revenues: page 39
Public Funding: page 40
Performance Management & Statistics
Performance Management: page 45
Operating Statistics: page 48
Comparative Performance Analysis: page 50
Sustainability Initiatives: page 53
Capital Improvement Program: page 59
Appendices
History of the CTA: page 79
Department Overview: page 81
Debt Administration: page 83
Economic Indicators: page 92
Annual Budget Process: page 94
Accounting Systems, Financial Controls & Policy: page 96
Acronyms & Glossary: page 99

[PRINTED PAGE 1]
[System Map]

[Picture: CTA Service Area Statistics at a Glance]

[PRINTED PAGE 2 and PAGE 3]
[System Map]

[Picture: Map of the CTA system]

[PRINTED PAGE 5]
[President's Letter]

Dear CTA Customers,

Throughout the past year, the public transit industry has approached our collective post-COVID new normal with a hopeful, but cautious optimism—and the Chicago Transit Authority has been no exception. For more than two-and-a-half years, CTA staff has confronted the ever-evolving challenges of the pandemic, while striving to provide as much bus and rail service as possible—and simultaneously fighting for adequate federal funding to sustain its operations during an extraordinary, once-in-a-lifetime public health emergency. I am very proud of what we achieved, especially when it comes to the dedicated work of our front-line essential employees—the bus operators, rail operators and rail customer service personnel who interact with customers—as well as the mechanics, trades workers and others who keep our vehicle fleet moving and our tracks in good repair.

As I write this letter in early October 2022, I am encouraged that CTA ridership has reached a post-pandemic high of more than 900,000 weekday rides taken on our buses and trains, systemwide. This growth comes amidst major improvements to CTA rail stations and infrastructure, innovative enhancements to CTA's customer communications, and continued investment in developing our workforce.

We believe that the steady growth we've seen in bus and rail ridership portends good things for the future of public transit in Chicago and begins to answer the question of when riders would return to CTA.

Some of the challenges created by COVID-19, however, have left other questions that will take longer to answer—and will require CTA to work harder than ever to resolve them.

As seen across our entire industry over the course of the pandemic, CTA suffered workforce losses directly attributable to the market forces of the Great Resignation, a very competitive job market and unusually high attrition rates among bus and rail operators. These employee shortages have resulted in an inability for CTA to provide our customers with the full scheduled bus and rail service they expect and deserve. Simply put, for much of the past year, we have been unable to meet our own high expectations for reliability and on-time performance. That is not acceptable to our customers, and it is not acceptable to me.

To address this and other issues, in August, I unveiled our new action plan, Meeting the Moment: Transforming CTA's Post-Pandemic Future. This plan is our roadmap to restoring better, more reliable service and details the steps we will take to achieve this goal. It not only addresses the need for more reliable service but outlines investments we are making in our CTA employees, security, technological tools, and infrastructure—all designed to provide a better customer experience.

We are already seeing improvements and progress related to initiatives that are part of the Meeting the Moment plan. We are aggressively recruiting and bringing aboard new bus and rail operators each month. Significant gaps between trains on our busiest rail lines—the Red and Blue lines—have already been reduced. We have introduced a new Bus Tracker app that is easier to use and update. And we are continuing, each week, to add additional K-9 security teams on our rail system.

These are just a few examples of the work we are doing to improve CTA travel for our customers and there is much more to come in the future.

CTA also continued its focus on diversity, equity, inclusion, belonging and accessibility in 2022. We continue to make significant progress towards the creation of CTA's first ever set of equity principles as well as to establish CTA's inaugural equity working group in collaboration with our partners—the Center for Neighborhood Technology and TransitCenter. Our agency was also a founding signatory with the American Public Transportation Association's Racial Equity Commitment Pilot Program—a two-year roadmap for advancing racial equity in public transit.

This year, CTA was also one of five founding signatories with the Equity in Infrastructure Project (EIP). EIP focuses on the need for the infrastructure industries, including transportation, to help build generational wealth and reduce the racial wealth gap, in part by creating more prime, joint venture and equity opportunities for historically underutilized businesses, like Small- and Disadvantaged Business Enterprises. CTA will play a key role in the development, growth and expansion of this program and its future initiatives—some of which will be based on the already very successful programs developed by CTA's Diversity Programs Department.

Equity is also a key reason that CTA's FY2023 $1.8B proposed budget recommendation maintains full service with no increase in our fares. We've maintained the discounts implemented last year on our 1-day, 3-day, 7-day and 30-day passes. The price reductions on these unlimited ride passes have helped families and individuals save money during an uncertain time. As our post-pandemic ridership levels increase, I am heartened to know that more-and-more people who were not previously taking advantage of this new fare structure because they were at home can now benefit from it.

CTA's 2023-2027 Capital Improvement Program (CIP) is $3.4B. CIP dollars will help fund progress on key CTA initiatives, including two equity focused CTA projects—the Red Line Extension and future All Stations Accessibility Program station construction—along with work towards the continued transition to the electrification of our bus routes, bus and rail fleet modernization, and future projects under our Refresh & Renew station program.

Despite the progress that I believe we will make over the coming year, I want to be emphatically clear that the entire transportation industry—from carmakers to aviation to public transit—still faces a great deal of uncertainty for the foreseeable future. No sector has been immune from the long-term effects of COVID-19, and the solutions require unprecedented innovation and resiliency from us all.

Among the many fiscal challenges faced by the public transit industry is the impact of reduced ridership. At CTA, fares generate about 50 percent of our operating budget. With fare revenue down, our balanced budget recommendation for FY2023 has required the use of $390M in federal relief funds. Further, the $2.2B in federal relief funding provided to CTA is expected to be exhausted in 2025, without regard to CTA's financial condition, State of Good Repair needs or unavoidable cost increases for labor, materials, fuel and power, and other key areas directly impacting CTA's financial condition.

CTA will continue to aggressively confront these challenges—always with an eye towards providing reliable and equitable service throughout the region. We also ask for the continued partnership and advocacy of all of our stakeholders during this transformative time for our industry. Appropriate staffing levels and sufficient funding will be key to resolving operational issues, continuing to investment in equity, and providing our customers with the best travel experience possible.

From the start of the pandemic back in 2020 to today, my focus has been on providing the service that Chicago and the region have always relied on. The pandemic proved how essential transit services are—and the importance of affordable, reliable transit service has never been more evident. And CTA's commitment to providing that service has never been stronger.

Sincerely,

Dorval R. Carter, Jr.
President

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[CTA Organizational Chart]

The Chairman of the Board is at the top of the chart and under the Chairman is the President. Under the President is the Chief of Staff, Chief Operating Officer, and Internal Audit.

Following thirteen branches are under the President:

Branch 1 has Finance at the top, with Accounting, Budget & Capital Finance, Revenue, Treasury, and Finance & Payroll Systems below.

Branch 2 has General Counsel at the top, with Claims, Labor Policy & Appeals, Torts, and Corporate Law & Litigation below.

Branch 3 has Safety & Security at the top, with Safety and Security below.

Branch 4 has Planning at the top, with Scheduling & Service Planning, Strategic Planning, and ADA below.

Branch 5 has Infrastructure at the top, with Construction, Engineering, Infrastructure Maintenance, Community Relations, Real Estate, Red Line Extension, and Red Purple Modernization below.

Branch 6 has Transit Operations at the top, with Bus Operations, Rail Operations, Vehicle Maintenance, Rail Station Management, and Control Center below.

Branch 7 has Strategy, Data & Technology at the top, with Data Analytics, Technology, and Strategic Business Initiatives below.

Branch 8 has Administration at the top, with Human Resources, Diversity & DBE Compliance, Purchasing & Supply Chain, Equal Employment Opportunity, Training & Workforce Development, and Performance Management below.

Branch 9 is Legislative Affairs.

Branch 10 is Communications.

Branch 11 is Innovation.

Branch 12 is Equity and Inclusion.

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[Strategic Goals]

CTA provides the Chicago region with quality, affordable, convenient transportation that connects people, places, and jobs. Since he was named President in 2015, President Carter has been committed to three key strategic goals: enhancing safety, improving the customer experience, and expanding workforce development with a focus on equity and inclusion. As we move forward in this post-pandemic climate and beyond, President Carter has set forth his vision for the CTA that lays the foundation for the near term and ensures the CTA will continue to fulfill its mission in the years to come.

CTA Mission Statement: CTA delivers quality, affordable transit services that link people, jobs, and communities.

The CTA mission is focused around both our customers and our workforce. Providing a quality experience is inclusive of, but not limited to, reliability of service, availability of service, safety, security,

customer communication, interactions between customers and employees and physical environment. Affordability focuses on providing a range of fare products that meet the various needs of a diverse ridership base and attracts new riders.

CTA Values: The CTA accomplishes its mission with a diverse workforce that embodies the following values:

Courteous – CTA will create a pleasant environment for its customers and employees

Innovative – CTA will seek out and encourage employees who initiate change, improvement, learning and advancement of its goals

Motivated – CTA will meet each task with spirit, enthusiasm, and a sense of pride to be second to none

Professional – CTA will provide transit service with the highest standards of quality and safety for its customers and employees

Reliable – CTA will be dependable for its customers and employees and will maintain the highest standards of trust

Results-Oriented – CTA will focus on getting the job done and will derive personal satisfaction from the service it provides

CTA Strategic Goals

Considering the mission statement and core values, the CTA created three overarching goals, which were applicable in the past and will continue to be so in the present and future.

Safety – CTA aims to ensure that customers and employees have a safe and secure transit system and workplace that prioritizes safety over all aspects of service delivery

Customer Experience – CTA places a high priority on putting the customer at the center of every decision made and action taken to ensure its services meet or exceed customer expectations

Workforce Development – CTA invests in its workforce to build on past successes and works toward a bright future creating job and learning opportunities with a focus on Diversity, Equity and Inclusion (DEI)

Meeting the Moment Action Plan

To support these strategic goals, the CTA has developed the Meeting the Moment Action Plan, a customer focused plan grounded in five key pillars, which lays the foundation to support the strategic goals in the near and long-term.

Deliver Reliable and Consistent Service o Increase hiring to address manpower issues needed to operate scheduled service

Launch service optimization to match available workforce while hiring and training

Improve bus and rail infrastructure and fleet

Enhance Safety and Security

Expand police officer patrols, deploy specialized units and increase private security guards

Assist people experiencing homelessness, mental health issues, and drug abuse

Improve the Customer Experience at Our Facilities

Improve already extensive cleaning protocols

Complete Refresh & Renew program

Increase janitorial staffing

Upgrade Our Digital Tools to Improve Rider Communication

Enhance bus and rail tracker feeds and features in the Ventra app

Pilot Chat with CTA or ChatBot feature

Engage in ongoing customer feedback initiatives

Invest in Our Employees and Community

Explore and advance competitive hiring and retention strategies with union leadership

Launch bigger Refresh & Renew program to improve facilities

Expand employee recognition programs

Provide CSAs with video screens to better monitor station activities

Install new, sturdier driver shields on buses

Improve SAFELINE anonymous reporting system for employees

The Executive Summary addresses the action plans and programs the CTA has identified to achieve the strategic goals.

[Picture: Graphic of CTA Strategic Priorities. CTA logo in the middle with circular flow of Safety, Workforce Development, and Customer Experience around the logo]

[PRINTED PAGE 11]

[Executive Summary]

[Picture: Pete Buttigieg, Transportation Secretary of United States, speaking from Podium about Biden Infrastructure bill. Surrounded by local dignitaries Chicago Mayor Lightfoot, Senator Tammy Duckworth, US Rep Bobby Rush, CTA President Dorval Carter Jr, Senator Robin Kelly, US Rep Tom Casten, US Rep Raja Krishmanoorthi]

OVERVIEW

On October 1, 2022, the CTA celebrated its 75th anniversary as a governmental agency. Formed after the acquisition of several private rail and bus companies, the CTA has played a vital role in the growth and development of the city.

Seventy-five years after its creation, the CTA remains an invaluable part of the city. The last two-and-a-half years of the pandemic have demonstrated the importance of an affordable, accessible, convenient transit system that serves every community in Chicago and more than 30 suburbs. Though ridership plummeted at the start of the pandemic in March 2020, patronage has slowly risen—now averaging roughly 900,000 rides each weekday—as more people return to the office and their daily routines.

Like transit agencies across the country, the CTA continues to address the still-emerging ridership demand and commuting patterns. The agency's No. 1 focus is on providing reliable service; offering a clean, comfortable and secure riding experience; and ensuring that transit remains the top transportation option for commuters and visitors.

[Picture: CTA logo in the middle with the number seventy-five around the logo.]

[PRINTED PAGE 12]

MEETING THE MOMENT

Like every other sector of industry, commerce and public service, public transit was upended by the COVID-19 pandemic. Ridership plummeted, commuting patterns shifted, workforce challenges emerged—but public transit remained an essential service.

CTA continually strived to deliver as much service as possible throughout the pandemic. But as the health crisis evolved and eventually began to wane, CTA began facing new challenges primarily related to its workforce—the impacts of the Great Resignation, competition in recruitment from other industries, and growing bus and rail operator attrition—all of which impacted CTA's ability to provide full service.

CTA continues to feel the influence of this new normal on its workforce and service, and continually explores strategies to address ever-evolving challenges.

That's why in August, CTA unveiled the "Meeting the Moment: Transforming CTA's Post-Pandemic Future" Action Plan, which aims to address these challenges in the near-term, while also laying the

foundation for a long-term transformation of the agency. The long-term goal of the plan, the first of its kind among major U.S. transit industries, is to align CTA service with emerging mobility patterns and ensure that CTA is a first choice of travel for many riders in the region.

This customer-focused action plan is grounded in five key pillars:

Deliver reliable and consistent service

Enhance safety and security for our riders

Improve the customer experience at our facilities

Upgrade our digital tools to improve rider communication

Invest in our employees

These pillars are central to the CTA rider experience, and will be reinforced by near-term strategic investments, initiatives, and tools. Soon after unveiling the "Meeting the Moment" Action Plan, CTA was already announcing new initiatives and deliverables in support of the Plan, such as the launch of a fully redesigned Bus Tracker website, the awarding of a new contract for unarmed K-9 security teams, and roll-out of the “Ask CTA” customer engagement and feedback program.

In 2023, CTA will also embark on developing a long-term strategy to transform the agency for success in a post-pandemic environment. Addressing many structural issues will be key to this plan, including future operating funding from state and federal levels, bus electrification, service alignment to serve emerging mobility patterns equitably, delivery of large capital projects to enhance and expand the system, making the system fully accessible, and incorporating innovative technology and solutions to

prioritize transit as the backbone of Chicago’s transportation network.

These initiatives and more are highlighted in the following Executive Summary, which also highlights progress made on a variety of other projects and programs CTA has carried out to further improve its

operations, infrastructure, safety, security and overall customer experience.

Meeting the Moment initiatives are denoted by an asterisk*.

[Picture: Image of the Meeting the Moment scorecard dashboard showing multiple graphs with information and metrics as of Oct 2022 regarding Ridership, Service Optimization, Service Reliability, Accomplishments, and Security]

CUSTOMER EXPERIENCE

RAIL IMPROVEMENTS

Rail Service Optimization*: In support of the “Meeting the Moment” Action Plan, CTA also took the first of several steps towards optimizing rail service schedules to better reflect available workforce levels; provide customers with more consistent intervals between trains; and reduce instances of large or inconsistent gaps in service. The initial steps toward rail schedule optimizations, which took effect in mid-August, were along the Red, Blue, Orange, Purple and Brown lines. Among the initial changes

CTA was able to make was the temporary removal of certain trips that were previously scheduled—but could not occur because of lack of staff—while the remaining trips were re-spaced until more personnel are hired into place.

Since implementation of these adjustments on select routes, scheduled rail service has become more consistent, and long wait times between trains have been reduced. CTA will be making additional announcements regarding both bus and rail service schedule optimization efforts through the remainder of 2022 and into 2023.

Refresh & Renew*: In the spring of 2021, CTA rolled out Refresh & Renew, an expanded and accelerated station improvement program. The program was a component of the CTA’s multi-faceted “When You’re

Ready, We’re Ready” marketing campaign to help welcome back and attract new riders by making improvements to more than 125 stations – or 90% of the rail system.

In 2022, crews are targeting a total of 120 rail stations. Of these locations, 92 will receive a deep clean power wash, repainting of surfaces (e.g., columns, walls, railings, fencing/gates, platform fixtures) and upgraded LED lighting throughout. The remaining 28 locations will also receive a power wash and fresh coat of paint, plus more extensive work, including improved platform amenities (e.g., benches, trash bins, windbreaks, etc.), concrete repairs, updated or replacement of old or damaged signage, and

more. Crews spend up to two weeks at each location performing the level of work that is needed.

The Refresh & Renew program builds on an existing station improvement program that’s been in place since 2019 and is intended to keep all 145 rail stations in a state of good repair by performing moderate upgrades and improvements on a reoccurring schedule.

New 7000-Series Railcars*: The 7000-Series is CTA’s newest generation of railcars and the first purchased by the CTA in more than a decade. Following the successful out-of-service testing, last year the CTA announced the start of revenue service testing of ten prototype 7000-Series railcars along the Blue Line. As done previously with other railcar prototypes, CTA has continued testing the 7000s across all eight rail lines and through various types of weather and working conditions. This testing

will continue through the end of 2022. Upon successful completion of this testing, CTA will provide approval for the manufacturer to begin delivery of production rail cars at the rate of 10 to 14 vehicles per month.

These new railcars will provide customers with a more comfortable and reliable commute, while also

the agency's maintenance and repair expenses. Among the new features for customers are

multiple interior digital information displays that show upcoming stops and other information, a new seating configuration, and a refreshed interior layout that features clear windscreen panels.

[Picture: CTA train run number 104 , new 7000 series rail car boarding the passengers]

CRRC Sifang America JV built the 7000-Series railcars, with final assembly taking place at their newly constructed 45-acre facility on the Far South Side of Chicago. This critical investment brings railcar

manufacturing back to Chicago after a 50-year absence and further grows the far Southeast Side's manufacturing sector and job opportunities. CRRC is committed to creating 170 manufacturing,

warehouse and professional jobs as part of this project.

Railcar Overhauls: The CTA's quarter-life overhaul of the 5000-Series railcars, its latest model in service, is well underway. Overhaul work is necessary and will improve the performance and reliability of the railcars, allowing them to reach their expected useful life of 34 years. This scheduled maintenance activity includes the rebuilding and completion of needed repairs to various subsystems on the car. The quarter-life overhaul work for each of the 714 railcars is overseen by CTA personnel at the rail heavy maintenance facility in Skokie, IL.

Phase 1 work, which included priority items, occurred in 2019 and 2020 on all railcars. Phase 1 was completed in August of 2022. In 2021, CTA began the main Phase 2 work on the fleet, which includes the rebuilding of the railcar trucks, which in turn, includes rebuilding of the various subcomponents,

such as the wheel assemblies (gear box, wheels, calipers, traction motors, and axles), leveling actuators, track brakes, suspension springs, primary suspension pads and more. Other subsystems also will

have heavy maintenance or overhaul work performed, including: vehicle doors, seat inserts, propulsion, electrical, braking, hydraulics, communications, video, couplers and more. Phase 2 will have 168 cars

done at the end of Quarter 3 of 2022. Phase 2 work will take up to five years to complete on all 714 cars.

FastTracks Program: The goal of this targeted, multi-year program of track repairs and maintenance is to provide faster commutes and smoother rides for 'L' customers, improving the overall travel experience.

The FastTracks program has already repaired and upgraded rails, rail ties, and electrical power in multiple locations throughout the system. In fact, more than 43,000 feet of slow zones have been removed from across the Red, Blue, Brown and Green lines since the program began in 2018. Track and power improvements on the South and Main branches of the Green Line, as well as track work along the Brown Line, were completed in 2020. Improvements to the northbound tracks of the Red Line's State Street Subway and the Blue Line's Dearborn Subway were completed at the end of 2021. Blue Line electrical power upgrades at the Kedvale, Edmunds, and Sacramento substations are expected to be completed in 2022.

[Picture: FastTracks logo; white words with red arrows and a black background]

BUS IMPROVEMENTS

Bus Service Improvements: Throughout 2022, CTA continued to find ways to improve and expand bus service, which carries more than half of the CTA ridership. During the year, the agency introduced a number of new and permanent service improvements that not only further improve the connectivity of the regional public transit network, but also improve the quality of life and living throughout the City.

[Picture: CTA bus route 20 boarding passengers]

In February, the Chicago Transit Board approved the permanent adoption of three bus pilots that extended service on the #31 31st and #157 Streeterville/Taylor routes and realigned the #52 and #94 routes along Kedzie and California avenues. By making these changes permanent, the CTA was able to make bus travel more convenient and provide a stronger bus-rail system network with new connections.

To offer better access to one of the City's most treasured and beautiful assets, in March, the CTA announced expanded bus service to Chicago's lakefront two months earlier than usual. Typically, CTA's four bus routes serving the lakefront – the #35 31st/35th, #63 63rd, #72 North, and #78 Montrose routes – do not begin offering service until Memorial Day weekend, to coincide with the City's opening of beaches. CTA began providing the service earlier this year to accommodate those wanting to

enjoy the lakefront parks, trails and scenery during the spring months.

Further highlighting CTA's commitment to better serving areas of Chicago that have not been invested in historically was the reinstatement of the #X4 Cottage Grove Express bus route in August. Throughout the pandemic, the Cottage Grove bus route maintained consistently high levels of ridership, demonstrating the need for this vital service, which was discontinued in 2010 along with all other arterial express routes due to a significant funding shortfall at the time.

Bus Priority Zones*: Working in coordination with the Chicago Department of Transportation (CDOT), the Bus Priority Zone program began in 2019 with the implementation of eight bus priority projects on major bus corridors such as Chicago Avenue and 79th Street. Bus Priority Zones target improvements at pinch points that cause delays on major bus routes. Such improvements may include short stretches of designated bus-only lanes with pavement markings and signage along certain portions of a corridor to improve bus service during weekday rush periods or all-day, depending on the specific location. Additional improvements include: queue jump signals to give buses a head start in front of regular

traffic; optimizing the location of bus stops and updating stop infrastructure to improve the boarding process; and changes that support pedestrian safety and overall traffic flow among others.

In 2022, CTA awarded a task order to a consultant to assist with expanding implementation to additional corridors throughout the city.

[Picture: CTA bus route X4 waiting at a bus stop]

Traffic Signal Priority (TSP): TSP is a multi-year project aimed at modernizing traffic signals to make it possible to give an early or extended green light to buses that are behind schedule. The goal is to help increase overall bus service reliability and enhance the customer experience for those traveling on Ashland and Western avenues, as well as Jeffery Boulevard, which are served by some of the most heavily traveled routes in the system: #9 Ashland, #X9 Ashland Express, #49 Western, #X49 Western Express, #49B North Western and #J14 Jeffery Jump, respectively. Work on this multi-phased project began in 2014 and will continue through 2024. So far, Jeffrey Boulevard between 73rd Street and Anthony Avenue; Ashland Avenue between Cermak Road and 95th Street; and Western Avenue between Howard Street and 79th Street, have been equipped with TSP technologies. CTA is currently in the process of expanding the TSP network to the central and north portions of Ashland Avenue, from Cermak Road to Irving Park Road. Design work for this process will continue through 2023, with construction expected to start in 2024.

In 2022, CTA & CDOT received federal funding through the Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD) grant to implement the Chicago Centralized Transit Signal Priority Project (CCTSP) program. The goal of this initiative is to develop new TSP technology that will leverage existing transportation infrastructure in order to deploy a solution that can be more readily

replicated across the city and allow faster future expansion of the current TSP network. This multi-year testing is expected to begin in 2023.

Better Streets for Buses: In the Spring and Summer of 2022, CTA partnered with CDOT to execute a public outreach effort to guide a comprehensive, citywide plan for bus priority streets in Chicago called

Better Streets for Buses. The process engaged over 1200 individuals from across the city, and garnered thousands of comments on where bus priority street treatments should be implemented and what types of improvements riders want to see. CTA and CDOT will utilize those comments and additional analysis to develop a final version of the plan anticipated to be complete in early 2023, which will identify targeted corridors where bus enhancements are most appropriate based on public feedback, ridership, bus speeds, equitable geographic coverage, and other relevant factors. The Better Streets for Buses Plan will also include a toolbox of bus-priority street treatments that would be considered for application in these corridors, ranging from small adjustments of pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes.

[PRINTED PAGE 15]

South Halsted Bus Corridor Enhancement Project: The initial phase of the South Halsted Bus Corridor Enhancement project to improve bus speed and reliability on an 11-mile portion of South Halsted Street was completed in 2019. CTA is working in partnership with Pace to complete the federal environmental review process known as NEPA (National Environmental Policy Act) and finalize advanced conceptual designs for the proposed improvements.

Public meetings were held in January 2020 and May 2022 to solicit feedback on the proposed project. Based on public input obtained during the meetings and further study of the corridor, a recommended design has been selected to improve the customer experience and enhance mobility for customers traveling on the Far South Side and south suburbs. The project team, led by Pace, is also working to advance the project into Final Design and to identify opportunities to fund project construction.

Conversion to an All-Electric Fleet: Electrifying the CTA bus fleet is a complex and challenging undertaking, which includes much more than just replacing its current fleet of more than 1,800 buses. To support and maintain an all-electric bus fleet of this size, other vital upgrades and capital investments must be made to facilities and other supporting infrastructure, including charging equipment.

[Picture: New electric bus waiting at a bus stop]

To help guide the CTA in this multi-faceted endeavor, in February it unveiled the “Charging Forward: CTA Bus Electrification Planning Report,” the first-ever roadmap for full-electrification of CTA’s bus fleet, facilities and supporting infrastructure by the year 2040.

In addition to summarizing the findings of key analyses, the report also provides strategic recommendations on various facets of fleet conversion process, including guidance on which technologies to invest in; where to install charging infrastructure; how to sequence the electrification of garages and routes to ensure that the related facility upgrades are coordinated with other modernization needs to maximize cost effectiveness and overall system reliability; and an achievable transition timeline for meeting the 2040 deadline – while acknowledging external factors that impact the CTA’s electrification plans, such as current limited capacity of electric bus manufacturing and ability to increase the supply of reliable electric power to charging locations.

CTA can revise this plan if industry capacity to build electric buses increases, and more funding becomes available to purchase buses and make the necessary infrastructure and power upgrades.

It’s important to remember that by their very nature, buses help address air pollution by taking thousands of private automobiles off the road. Even on corridors with the most frequent bus routes, buses typically constitute less than 2 percent of all vehicles.

Further, buses are responsible for a very small portion of vehicle emissions and overall emissions throughout the City of Chicago. The newest CTA diesel buses are more fuel efficient and meet latest EPA emissions guidance, emitting 22% less CO_2; 64% less NO_x; and 91% less $PM_{2.5}$ (particulate matter) on a per-mile basis compared to the older buses they will replace.

Bus Vision Study: As part of the agency’s continuing efforts to provide service to best meet customer demand and ridership patterns, the CTA has embarked on a long-term Bus Vision study. The study—the first holistic look at the entire bus network since the late 1990s—is assessing all current bus routes, including: the start/endpoints as well as the specific street route; the frequency and span of service; the multiple stops along the route; and the connectivity to other transit and transportation services. A key component of this initiative is determining the best ways to provide equitable, accessible service to all parts of the city. The study is expected to be complete by early 2023.

Bus Purchases: CTA continues to make progress towards converting to an all-electric bus fleet. Following the successful in-service testing of six new protype, all-electric buses last spring, CTA authorized the production of the remaining order of 17 electric buses, all of which are expected to be in revenue service by end of year. These buses are part of a $33 million contract awarded to Proterra following a competitive procurement process. As part of this procurement, the CTA has also installed five electric quick-charging stations at the Navy Pier and Chicago/Austin bus turnarounds, as well as the Chicago Avenue garage. These overheads, cantilever- type chargers allow buses to “reload” while on their route, allowing the vehicles to return to service quickly. Electric buses can run between 75-120 miles on a single charge.

Building on these efforts, in August, the CTA was awarded a nearly $28.8 million grant by the Federal Transit Administration (FTA) to use towards the purchase of 10 fully accessible, all- electric buses, as well as to make upgrades to the Chicago Avenue Garage located in Humboldt Park, which was identified as the first location to be fully modernized. The bulk of the grant funds will be used towards the facility upgrades, which include new facility communication and safety improvements to accommodate the new vehicles. Improvements made using these funds will reduce greenhouse gas emissions, advance environmental justice, and create good-paying jobs while saving more than 8,270 tons of CO2 emissions within a historically disadvantaged community.

The conversion to an all-electric fleet is a process that takes years and occurs incrementally. More than just purchasing buses, this process requires a significant planning, engineering, design and construction of a whole new bus operations and maintenance scheme that includes a comprehensive system of charging infrastructure, both at garages and along routes. Further, CTA is also just one of hundreds of transit agencies around the world looking to convert its fleet to all electric and the industry currently cannot produce large quantities of electric buses at a time. Another factor further compounding the situation is the recent shortage of semiconductor chips. Each electric vehicle requires twice as many semiconductor chips as an Internal Combustion Engine vehicle.

Currently, though, CTA has more than 1,000 buses purchased in 2006 that are at or near the end of their useful life, plus another 200 buses that reached the end of their useful life in 2022. CTA must replace these buses immediately. Unfortunately, replacing all of these with all-electric buses is simply not an option.

[PRINTED PAGE 16]

Fortunately, a key component of the “Charging Forward” plan was to address the near-term needs of the agency and ensuring it can continue to provide service without devastating impacts to its customers. As planned, in 2021, CTA awarded a $334 million contract to Nova Bus for the purchase of up to 600 clean-diesel 40-foot buses, which will replace the aging 6400-Series Nova buses that are well over 20 years old. These new clean-diesel buses meet 2021 EPA emissions requirements and are more fuel efficient and have far less harmful emissions than other models in our fleet. CTA has received the base order of 20 electric buses in 2021-2022, as well as 3 of the remaining 25 options (22 buses still remain as options).

[Picture: Sign of CTA bus route 20 Madison with new tactile bus stop sign below; CTA Bus]

ACCESSIBILITY

All Stations Accessibility Program*: The CTA has made significant progress since releasing its first-ever blueprint to make the rail system 100 percent vertically accessible to people with disabilities over the next 20 years. Unveiled in 2018, the All Stations Accessibility Program (ASAP) Strategic Plan lays out the agency’s efforts to increase accessibility through the addition of elevators at 42 rail stations inaccessible by wheelchair. The ASAP plan also details future upgrades or replacements for 162 existing passenger elevators across the rail system. An ambitious plan that is dependent on federal, state and local funding, ASAP is also a tool that the CTA will use to build support for the resources needed to achieve its goals.

Phase One of the ASAP Strategic Plan calls for ADA accessible upgrades of eight rail stations and the replacement or rehabilitation of up to 40 existing station elevators. Four of the identified stations – Lawrence, Argyle, Berwyn and Bryn Mawr – are part of the Red and Purple Modernization (RPM) Phase One project, which is now underway. Design for the remaining four stations, Austin on the Green Line, California and Montrose on the Blue Line and State & Lake in the Loop are underway, as well as a 9th station at Racine on the Blue Line. Construction is anticipated for 2023 for these stations. Funding has always been the biggest hurdle in delivering the vision of making the entire CTA rail system accessible to those using mobility devices. As a result of CTA's advocacy and commitment to accessibility and to finding reliable funding sources, U.S. Senator Tammy Duckworth became a champion of this shared mission and authored legislation that led the federal government to announce its own "All Stations Accessibility Program" in 2021. This program will benefit all legacy transit agencies across the country, helping them make stations and facilities accessible. A total of $1.75 billion has been allocated to this discretionary grant program over a five-year period.

Having already secured funding for the eight (8) stations outlined in the first phase of the ASAP Strategic Plan, the CTA is now focused on applying for and securing funds for work outlined in future phases of the ASAP Plan.

Last year, CTA submitted a grant application for Surface Transportation Program (STP) funds to be used for the full design of accessibility improvements for the Irving Park Blue Line station. This year, CTA will also be applying for funds through the new federal ASAP funding program.

CTA continues to work towards obtaining the remaining funding from other federal, state, and local sources for elevator rehabilitation and other work outlined as part of CTA's ASAP Strategic Plan.

Tactile Bus Stop Signs*: To make public transportation easier to navigate for people with disabilities, in August CTA announced a new pilot to have more than 1,300 tactile signs installed along 12 bus routes to help make bus stop boarding locations easier to identify for riders who are blind or have low vision. The concept for this pilot is based on feedback CTA received from customers who are blind, low vision and DeafBlind and indicated they would often avoid taking public transit bus services – opting for paratransit or rail services – out of frustration from being unable to confidently locate a bus stop.

[Picture: New Tactile "Bus Stop" sign; the sign has white raised lettering on a blue background and also has word "Bus Stop" in braille.]

The initial protype sign, which was based on best practices from transit agencies across the country, was presented to a focus group with members from the disability community to review preliminary ideas for signage color, material, legibility, sizing, and other criteria for pilot implementation. Feedback from this focus group was used to finalize the signage design.

The signs being used as part of this pilot are 4" X 6.5"; feature the words "BUS STOP" in Braille and white raised type face on a blue background; are centered on the pole of the existing bus stop between 48" and 60" from ground level; and are positioned in the direction of travel of the approaching bus.

The signs, which are not required by the Americans with Disabilities Act (ADA), are the latest measure by CTA to create and test a practical solution to remove a barrier that blind and low vision riders encounter and help ensure they too have convenient access to affordable and reliable public transit services.

INNOVATION

In the 2022 Budget, CTA established its first ever office dedicated to innovation. The Innovation Office is responsible for developing an agencywide strategic, innovation plan; leading the implementation of new, modern fare collection systems and preparing for potentially disruptive mobility solutions like connected vehicles, micro-mobility services, and multi-modal integration. The Innovation Office works directly with other departments to provide policy leadership, research, and project management resources for innovative pilots, proof of concepts, and solution implementations.

Building on the "Meeting the Moment" Action Plan, the Innovation Office will also work agency-wide to embark on developing a long-term innovation strategy to transform CTA for success in a post-pandemic environment.

Digital Tools to Improve Customer Communication*: Improving the communication with our riders and their experience while riding CTA is a key focus of the Innovation Office in 2023. One of the first initiatives introduced as part of the "Meeting the Moment" Action Plan was the unveiling of a new, modernly designed website for CTA Bus TrackerSM. In August, the new CTA Bus Tracker was launched, featuring a mobile responsive webpage that allows customers to view bus arrival information and buses on route from any mobile device. Other features of the newly designed webpage include: Easier to access bus arrival information; a new navigation feature that allow users to pinch to zoom in and out on the map display for more detailed views; as well as the ability to find stops nearby using the device's GPS feature and also save favorite locations on the site, all without having to create an account. Behind the scenes, changes were made to modernize the codebase, which will help CTA and vendors iterate more quickly to improve tracking and prediction accuracy.

Launch of the new CTA Bus Tracker webpage was essential to helping lay the foundation for future upgrades and improvements to provide customers with a better and more reliable travel tool. The Innovation Office continues to work on enhancements to CTA's bus tracker and train tracker and will also work to develop a Chat with CTA feature to provide riders with more real-time information on service issues and provide customers the ability to easily report service quality issues, such as incidents of uncleanliness, damage, equipment requiring maintenance and more.

[Picture: CTA bus tracker information; 5917 Halsted Orange Line Station. 6:29 PM Show all routes. Bus 7948 is 8 minutes away for route 8 southbound to 79th. Bus 7998 is 8 minutes away for route 8 southbound to 79th. Bus 1339 is 11 minutes away for route 8 northbound to Waveland/Broadway. Bus 1333 is 21 minutes away for route 8 southbound to 79th. Bus 1252 is 28 minutes away for route 8 northbound to Waveland/Broadway. Bus 1320 is 27 minutes away for route 8 southbound to 79th. "Text "CTABUS 5917" to "4141" for stop times"]

Ventra 3.0*: The Innovation Office is planning a comprehensive upgrade of the Ventra system and transition to the brand-new, modern Ventra 3.0 platform in the next few years. This multi-year upgrade will move CTA, along with our transit partners at Pace and Metra, to a modern, open architecture platform that harnesses technology enhancements and fare system advancements from the past ten years. This overhaul is focused on improving the customer experience with fare collections and establishing a more modern, integrated, and seamless fare system. Along with upgrade of the Ventra fare payment system, the Innovation Office will also be modernizing the over 30-year-old farebox system, which collects cash fares on all CTA buses.

Connected Vehicle Pilot Project*: The Innovation Office is actively working on a Connected Vehicle Pilot Project to enhance the safety of our bus operators and riders with technology to navigate weather, road conditions, pedestrians, and work zones in a safe manner with advanced detection and warning equipment for the operators. Connected vehicles are an emerging technology solution that has the opportunity to enhance safety, improve operations, and achieve service efficiencies, and the Innovation team is exploring additional opportunities to test connected vehicle technology throughout the system. The Office is also exploring various technology deployment strategies to detect right-of-way intrusions along CTA's rail system. The goal of these technology solutions is to immediately detect intrusions on the right-of-way and take steps to remove the safety concern.

PUBLIC ART & ARCHITECTURE

CTA continued its efforts to further enhance the customer experience with the official unveiling of two new works of art by a world-renowned artist and an artist team. Serving as the finishing touch to station improvements made as part of the Your New Blue O'Hare Branch Modernization program, new works of art were commissioned for the Western and Addison stations.

[Picture: Art in rail station. Various windows panes are murals of flowers]

Replacing 40 clear glass window panels throughout the Addison stationhouse is the vibrant art glass installation known as, Constant Flow into Multitudes of Specific Form, by Francesco Simeti (Palermo, Italy). To create this ornate and organically lush scene, the artist combined illustrations of indigenous trees, plants, and wildflowers. Woven within the landscape are fragments of Louis Sullivan-designed architectural ornamentation in homage to the legendary architect's work in the vicinity of the Addison station. The title of this artwork is a phrase excerpted from A System of Architectural Ornament, the collection of Sullivan's masterpiece drawings and ideas, published as his final statement about the geometry underlying both natural and man-made forms.

[Picture: Multiple sculptures in front of Blue Line Addison station]

Now a permanent feature of the outdoor plaza at the Western stationhouse entrance, the artwork known as Remnants | Restos, was created by the Chicago-based artist team of Edra Soto and Dan Sullivan. Fabricated of cast concrete with blue terrazzo embellishments these functional sculptures “present recognizable architectural forms and shapes that celebrate the culture and heritage of the adjacent communities which include Bucktown, Wicker Park, and Humboldt Park” according to the artist team. To help improve the function of the outdoor space, in collaboration with the artist team, CTA also added in ground lighting in the plaza and relocated a bicycle rack.

Over the last decade, the CTA’s public art collection more than doubled to include nearly 90 permanent and 25 temporary works of art across all eight rail lines and multiple CTA facilities. This massive collection of public art has not only been created by many talented local artists, but also includes nationally and internationally acclaimed artists. The public art represents a wide range of pieces encompassing sculptures, mosaics, art glass and more.

SAFETY AND SECURITY

The safety and security of customers and employees is the top priority for the CTA. The Chicago Police Department (CPD) provides law enforcement for the CTA through a dedicated group of officers who are part of CPD’s Public Transportation Section, as well as with the support of district police. CPD works in close coordination with CTA’s Security Department each day using both historical and real-time information in directing patrols and resources to address the issue of crime on and near the system. Their efforts are supported by private security guards, as well as a network of more than 33,000 security cameras, the largest network of any U.S. transit agency.

[Picture: CPD Officer patrolling train platform as passengers board 95th Red Line train]

As part of efforts to provide a safer and more comfortable transit environment for both customers and employees, in early 2022, the CTA announced several new measures to help deter and address unruly behavior and incidents of crime.

Unarmed Security Guards*: Following the addition of more than 50 new security patrols last year at targeted locations throughout the system, in March plans were announced to double the 150 unarmed security guards scheduled to patrol the system each day and expand their coverage to include weekends. At present, there are approximately 300 unarmed guards scheduled to patrol the rail system through the day.

Unarmed K-9 Teams*: In August, CTA awarded an 18-month contract for up to 50 new unarmed guard canine teams to patrol the rail system. Each team consists of two unarmed guards and one canine. The K-9 teams add to the approximately 300 unarmed guards scheduled to patrol the rail system daily and are tasked with educating and reminding customers of the rules of conduct for traveling on CTA.

Chicago Police Department Officers*: Above and beyond the measures announced by the CTA, CPD has also announced the strategic deployment of additional police resources across CTA as needed. CPD and CTA have a longstanding, strong partnership and are fully committed to working together to prevent crime from happening and to identify and catch suspects when crime does occur.

[Picture: CPD Officers patrolling train platform Red Line train while passengers are waiting for train to arrive]

CPD Voluntary Special Employment Program (VSEP)*: To further supplement the resources provided by CPD Public Transportation Unit, in 2022, CTA extended its agreement with CPD for volunteer, off-duty officers to patrol CTA properties. Under the new three- year agreement, CTA will be provided additional sworn police officers who volunteer to police the CTA system on their days off and who will be supervised by fulltime, dedicated CPD supervisors. Through this extension, CTA increased pay for volunteer officers, who will be paid at a rate of one-and- half times the officer’s regular hourly rate.

Department of Homeland Security/Transit Security Grant Program*: The Transit Security Grant Program (TSGP) is one of the Department of Homeland Security’s initiatives that directly supports transportation infrastructure security activities. The CTA is a direct recipient of TSGP awards and utilizes funding to protect the traveling public and critical transit infrastructure from acts of terrorism. In 2022, the CTA was awarded $647,520 to fund related security initiatives and activities in collaboration with CPD.

CSA Video Screens*: Furthering efforts to enhance the security of CTA riders and employees, this year new 21-inch security camera monitors were installed in every Customer Service booths at all rail stations. This upgrade offers a live feed from the station's security cameras to support Customer Service Assistants in screening for activity throughout the station where they can carry out their assigned duties. The second phase of this project is in the planning stage and will include the installation of a new communications console featuring a touchscreen monitor enabling personnel to switch camera views, as well as having access to other station functions.

Upgraded Driver Barriers*: For more than a decade, the use of protective barriers for bus operators while operating buses has been one of the measures in place to help provide a safer work environment. behind the wheel. Each bus in the fleet is equipped with driver barrier shield, which is made of Lexan, a stronger and more resilient version of Plexiglas and able to withstand cracking and shattering from continuous or forceful impacts. As part of the "Meeting the Moment" Action Plan, which is reflective of employee feedback, plans are underway to retrofit the existing fleet with new, upgraded barriers that are sturdier and longer in length to provide improved coverage. Currently, 34 percent of the fleet is equipped with the new and improved barriers, with plans for in-house resources to retrofit the remaining portion. All new manufactured buses will come equipped with the new style driver barrier moving forward.

WORKFORCE DEVELOPMENT, COMMUNITY INVESTMENT, AND PROMOTING OPPORTUNITY

CTA's Workforce: The CTA is a significant local employer with nearly 10,000 employees from the Chicagoland area, with a large majority identifying as minority. The CTA is proud to have a dedicated diverse workforce that stepped up to meet the various pandemic-related challenges, including keeping the system running 24/7 for those who most depend on the essential service we provide. The CTA has taken multiple voluntary steps to support its employees during this unprecedented time.

Response to COVID-19: Early in the COVID-19 pandemic, CTA was among the first to quickly put in place proactive initiatives to keep employees safe. Among these were on-site temperature screenings at all work locations, on- site COVID-19 vaccination clinics, and the expansion of various benefits to ensure employees had access to healthcare for COVID-related illnesses. Additionally, CTA provided employees with access to medical professionals through a series of live virtual "Ask the Doctor" seminars to answer employees' COVID-19 related questions.

CTA also put in place a series of protective measures and adjustments to work locations to ensure employees have the healthiest possible work environment.

Likewise, CTA made certain that no employee went without pay because of time-off for illness, self-quarantine, or other COVID-related absence.

Hiring and Retention*: The transportation industry is in the midst of an unprecedented workforce shortage, to which the CTA is not immune. As a result, CTA has taken numerous steps and will continue to take action to address its workforce shortages resulting from a very competitive job market and extraordinarily high attrition rates since the start of the COVID-19 pandemic.

For instance, CTA now has in place an almost entirely online and on demand hiring process which helped greatly during the pandemic when social distancing was required but has also helped speed up the application process and improve the candidate experience.

Also notable is the CTA's ability to now hire full-time bus operators, not just part-timers, as a result of the new collective bargaining agreement between CTA and the ATU, which was approved in February. This was an important step to attract more applicants, and to be able to compete with other employers. As part of the new agreement, CTA also transitioned over 300 part-time bus operator positions to full-time. This, plus a 5% wage increase, tripled the size of CTA's new operator hiring classes.

CTA has also launched multiple recruiting campaigns throughout the year and hosted or attended over 50 job fairs in 2022. In October, CTA, in partnership with ATU Local 241, hosted a job fair for people interested in applying to be a bus operator or bus mechanic. More than 150 job seekers were in attendance. The job fair was designed to support and encourage attendees to complete various steps in the application process while at the event, including filling out the application, completing an assessment, being interviewed for a job.

To assist bus operator job candidates with getting their Commercial Learner's Permit (CLP), CTA partnered with Olive-Harvey College to offer a free CLP preparatory course and is covering the cost of the permit exam. Based on the initial success of the pilot program, CTA is continuing this initiative in 2023.

[PRINTED PAGE 20]

[Executive Summary]

[Picture: CTA employees assisting customers with filling out job forms on the computer]

As part of the "Meeting the Moment" Action Plan, to help the agency standout in a competitive workforce marketplace, CTA leadership is currently working with the union leadership to advance competitive hiring and retention strategies to recruit and retain frontline employees. CTA will also continue to pursue other innovative opportunities to increase hiring, reduce attrition, and address the industry-wide workforce shortage affecting the agency.

Second Chance Program*: Second Chance is a nationally recognized CTA program – one of the largest of its kind in the country – and has become a model in the industry for preparing those re-entering the workforce, including returning citizens and others with barriers to employment. This life-changing, holistic program provides training, educational opportunities, and support that help participants gain valuable work experience and get back on their feet. The CTA partners with various social services agencies to recruit program participants and provide them with a wide array of in-class education, hands-on training, and networking opportunities to further develop their skill set and enhance their future job prospects.

To date, more than 1,600 people have participated in this invaluable program and more than 480 program participants have secured permanent employment with the CTA, with several later promoted to management-level positions. Many others have secured permanent jobs elsewhere because of their successful experience at the CTA.

Promoting Educational Opportunities: The CTA provides career development opportunities through its multiple internship programs. Among those is the CTA's year-round and highly competitive college internship program, which attracts hundreds of applicants from across the country seeking opportunities for career development in a variety of fields, including bus and rail operations, engineering, safety and security, training and workforce development, diversity, and more. Over the past program year, the college internship program had 79 undergraduate- and graduate-level interns representing approximately three dozen colleges and universities. Of the 61 interns that participated in the 2022 Summer Term, 70.5 percent were minority, identifying as African American, Hispanic, Asian, or with two or more ethnic backgrounds.

One Summer Chicago/Chicago Youth Service Corp: Since 2016, CTA has also partnered with the City of Chicago's One Summer Chicago (OSC) program to offer hundreds of high school students meaningful and paid part-time employment opportunities. As the largest corporate partner in the program, the CTA offered 205 local high school freshman, sophomore, junior, and senior students a 7-week paid internship in 2022. Students in the 2022 OSC cohort represented nearly all neighborhoods within Chicago, with many residing in the city's South and West side neighborhoods. Additionally, 97.6 percent of this year's OSC interns identified as minority, with 73.7 percent identifying as African American, 16.6 percent as Hispanic, 4.8 percent as Asian, .5 percent as Native American/Alaskan, and 2 percent identifying with two or more ethnic backgrounds.

[Picture: One Summer Chicago interns at Brown Line/Red Line terminal. Two of them are holding a "Welcome Back" sign with other CTA information and three are standing in the stairwell]

[Picture: Two One Summer Chicago interns handing out brochures as passengers walk through CTA terminal]

Interns participated in a hybrid internship experience that included an innovative approach to the CTA's hallmark program model focusing on work experience, professional development, and mentorship from transportation industry leaders. Each week of the 2022 summer program, OSC interns took part in Routes to Success, a virtual eight course program – each course named after one of the CTA's iconic rail lines – Green Line: Route to the Workforce, Yellow Line: Route to Career Pathways, Blue Line: Route to Higher Education, Red Line: Route to Service, Purple Line: Route to Health and Wellness, Brown Line: Route to Financial Freedom, Orange Line: Route to Financial Literacy, and Pink Line: Route to Professional Development.

This year, the CTA continued its participation in the Chicago Youth Service Corps, a citywide initiative led by the Chicago Department of Family and Support Services, where Chicago youth earn money while supporting their neighborhoods and city. The OSC interns made a goal to plan and implement a service-learning project that is grounded in the CYSC guiding principles and related to community service, civic engagement, or social justice as a part of the Chicago Youth Service Corps programming. As a capstone project, in partnership with the CTA Facilities Maintenance Team, 50 CTA OSC interns executed the Clean and Green Beautification Service Project. They traveled to 7 CTA rail and bus terminal locations where they removed litter, cleared out plant beds, and replaced them with mulch. Interns worked together to revitalize and enhance the appearance of each station while creating a positive experience for CTA riders and their communities.

[PRINTED PAGE 21]

[Picture: One Summer Chicago interns in UIC – Halsted station. Two of them are holding masks for distribution and one is holding a “Welcome back!” sign with other CTA information]

During Capstone Week, interns worked with their cohort to develop and deliver a capstone presentation showcasing the research and knowledge gained from the program. Each cohort had the opportunity to share how the summer internship experience placed them on their Route to Success in their professional and personal lives.

The CTA is also committed to providing targeted programs that build internal talent and address future succession planning needs. In its annual learner engagement plan, CTA offers employees opportunities to participate in workshops, career coaching, developmental programs and more. Those developmental programs include Foundations for Management (an interactive 12-week program that offers training to entry-level employees in brand development, career planning, effective communication, resume writing, interviewing and more) and the Leadership Development Program (a 10-month program designed to assist a select group of high-performing M1-level managers to enhance their development of key leadership perspectives, strategies and skills). CTA partners with local and nationwide organizations - inclusive of colleges and universities - to offer customized training opportunities for personnel. External learning opportunities are also offered to employees, including participation in the American Public Transportation Association (APTA) Emerging Leaders Program and the APTA Leadership Program, local leadership development initiatives like the Civic Leadership Academy, participation in industry conferences, and individualized courses based on employees’ professional development goals.

DBE and SBE Outreach and Inclusion: As part of its Disadvantaged Business Enterprise (DBE) program, the CTA evaluates all its contracts for DBE opportunities and establishes DBE goals based on the availability of DBEs and the scope of the contract to ensure a minimum level of participation from DBE firms. The CTA also takes a proactive and innovative approach to maximize opportunities for disadvantaged and small businesses.

The CTA’s small and disadvantaged business development efforts include programs to certify companies as DBEs and Small Business Enterprises (SBEs), and educational events and resources to increase their chances of participation in CTA contracts.

CTA offers in-person and virtual outreach programming regarding contract opportunities and educational/technical assistance sessions. Among these are project-specific events to connect potential prime contractors and DBE firms to upcoming contract opportunities; the CTA’s Building Small Businesses Program, which helps small businesses access capital to build capacity; and the CTA’s Small Business Educational Series sessions, where industry leaders teach participants how to successfully secure contracts and how to prepare for, manage, and close out a project and/or contract.

Over the past several years, the CTA has taken additional steps to enhance its DBE program including establishing a DBE Advisory Committee, launching a mentor-protégé program, and breaking apart large contracts to create more opportunities for small businesses as prime contractors. As a result of the CTA’s various efforts to increase opportunities for DBEs, more than $79 million was awarded to DBEs in 2021 in prime and subcontracting opportunities, all of them minority- or women- owned businesses.

SBE Set-Aside Program: To help small businesses grow even further, the CTA established a Small Business Enterprise (SBE) program in 2016. Since then, the agency has set-aside numerous contracts for which only SBE-certified businesses can compete. This program is part of CTA’s approach to creating more prime contracting opportunities for SBEs.

In 2021 alone, the CTA awarded more than $22.8 million in prime contracts to SBE or DBE firms. This year, under the SBE program, the CTA awarded Maintenance-Level Construction (MAINCON) Program contracts totaling $8 million to a pool of certified small businesses.

Building Small Businesses (BSB) Program: In October 2019, the CTA, in partnership with the Red and Purple Modernization (RPM) Phase One design-build contractor, Walsh-Fluor, and LISC Chicago, launched the Building Small Businesses (BSB) Program. The BSB program was created as part of the $2.1 billion RPM Phase One project's commitment to engage new and more diverse participation on the CTA's largest capital project to date.

BSB's primary objective is to assist firms in securing enough funding to build financial capacity, so they can successfully bid on and perform CTA contract opportunities. Through the program, firms are connected with consultants who assess and present them with traditional and nontraditional options to gain access to capital, are invited to participate in technical and back office assistance and are presented with contracting opportunities on the RPM Phase One project and other CTA projects.

In response to the COVID-19 pandemic, the BSB team also assisted participating firms with completing and submitting their applications for CARES Act funding, including the Payroll Payment Protection (PPP) and Emergency Injury Disaster Loan (EIDL) programs. Combining the working capital and CARES Act funding, the Building Small Businesses program has assisted over 20 firms in securing over $5.56 million.

In July, CTA announced it was expanding the BSB program, which started as a pilot on the RPM project, to all major CTA contracting opportunities in order to assist small businesses in competing for those contracts, successfully completing the work and growing their capacity.

Small Business Educational Series: The CTA works diligently and makes every effort to ensure diversity in contracting and that its small business and DBE goals are met. To that end, the CTA offers various unique programs to prepare small businesses for opportunities. Among these is the CTA’s Small Business Educational Series, which focuses on providing training and assistance to cohorts of small businesses and DBEs, so they may compete for opportunities on upcoming, large-scale CTA construction projects. The series is hosted by the CTA and taught by experienced prime contractors who provide their insight on best practices, managing and understanding projects, project reporting and other subject areas. Due to the success of the program since 2017, the Small Business Educational Series has now been made a permanent part of CTA’s programming and is now offered on an annual basis.

[Picture: Community members at a SBE meeting]

Workforce Goals on Contracts: In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy, which amended the CTA’s existing purchasing policies and procedures to cement the practice of creating job opportunities through CTA contracts. This practice began in 2013, on the $425 million Red Line South Reconstruction project, with CTA requiring that a minimum percentage of the workforce on the project be disadvantaged/dislocated workers. CTA now regularly adds workforce goals for disadvantage/dislocated worker and union apprentices on all its major construction contracts. And, beginning with the RPM Phase One design-build contract, a goal for workers from economically disadvantaged communities was also added.

In 2019, the CTA partnered with the Chicago Cook Workforce Partnership and HIRE360 to further strengthen the participation of under-represented and disadvantaged populations in CTA’s RPM Phase One workforce through outreach, training, and placement. Through these partnerships, there is targeted focus on ensuring that CTA’s investments create job opportunities and career paths in construction for all the communities served by CTA. Following the success on RPM, CTA intends to expand this program to the rest of the capital projects in 2023.

EQUITY AND INCLUSION

DEI Partnerships: In 2022, CTA became a founding signatory to the American Public Transportation Association’s (APTA) Racial Equity Commitment Pilot Program. This two-year initiative seeks to provide member organizations, including CTA, with “a tangible roadmap for advancing racial equity within their organizations as part of a comprehensive DEI framework." The pilot program is in line with CTA's equity vision and goals and, to date, has provided resources for CTA staff to engage national peers on equity challenges and issues, including a peer-learning group.

CTA has also continued its collaboration with its equity partners—the Center for Neighborhood Technology (CNT) and TransitCenter—as part of ongoing, extensive work being done to develop a comprehensive DEI framework for the agency, including the creation of an equity working group and the development of guiding equity principles. As part of this initiative, CNT and TransitCenter worked with CTA through the past year to coordinate several rounds of information-gathering interviews with key agency personnel, including leadership staff, diversity-focused employees and representatives of employee resource groups, among others. They also conducted research and outreach regarding the DEI efforts and practices of CTA's peer agencies, which has provided them with the comparative data and background to continue to advise CTA as the project moves forward. This valuable collaboration will continue as CTA works to ensure that its ever-present, agency wide focus on equity remains at the forefront of the agency's culture.

"Common Grounds" Diversity Dialogues: In 2022, CTA continued to embrace its commitment to its core values of equity, diversity, inclusion, and racial justice. This year, CTA's Equal Employment Opportunity Division continued "Common Grounds"—a very successful, ongoing diversity dialogue and educational series for staff that presents informative and interactive learning opportunities on topics related to diversity, equity, inclusion and belonging and accessibility in the workplace. The 2022 discussion series has focused on issues of cultural competence, inequities in transit, and inclusivity.

Diversity and Inclusion Task Force: Established in 2018, the CTA's Diversity and Inclusion Task Force, in conjunction with the Human Resources Department, has continued to create educational, recognition, and celebratory events and opportunities to observe and honor the diversity of CTA employees during Black History Month, National Hispanic Heritage Month, Women's History Month, Asian American Pacific Islander Heritage Month, Pride Month and others. These celebrations include fireside chats with diverse leaders in the transportation industry, employee recognitions and spotlighting, and relevant educational content distributed via email, virtual seminars, and video screens throughout work locations.

Inclusive Recruiting: CTA partners with a variety of non-profit and professional organizations from various communities to recruit more applicants for CTA jobs from underrepresented communities. CTA also recently added a veteran recruiter dedicated to veteran outreach – which includes partnering with Recruit Military – attending hiring events hosted by the Army National Guard and assisting with CTA's Veteran Resource Group.

[Picture: Diversity Jobs Top Diversity Employer 2022; white, royal blue, and turquoise]

In 2022, CTA has once again received recognition from the Hispanic/Latino Professionals Association (HLPA) as one of America's Best Places to Work for Latinos, and again recognized as a Top Diversity Employer by DiversityJobs.Equity in Infrastructure Project: Last December, CTA was one of five founding "First Mover" agencies that helped launch the Equity in Infrastructure Project (EIP). EIP is a national initiative that seeks to improve public contracting practices throughout the transportation industry and create opportunities for Small Business Enterprises (SBEs), Disadvantaged Business Enterprises (DBEs) and other Historically Underutilized Businesses (HUBs) to build generational wealth and reduce the racial gap, in part by creating more prime, joint venture and equity opportunities for these firms. It was launched to secure commitments from public agencies, and other partners, to increase the number, size, and scope of contracts going to HUBs by facilitating access, and reducing barriers, to compete for business. It was created in anticipation of the Infrastructure Investment and Jobs Act, and to answer President Biden's call to leverage infrastructure spending to build wealth in underserved communities.

As an EIP "First Mover" agency, CTA is currently working with the Southeastern Pennsylvania Transportation Authority (SEPTA), another "First Mover," to create a small business certification reciprocity program between the two agencies. Through this program, SBEs and DBEs that are certified by either CTA or SEPTA will have the immediate opportunity to compete for work with the other agency without any need to get an additional certification. This program, once established, could serve as a model for other agencies to follow, and even a model for a national uniform and streamlined certification program across the country. This joint effort is among EIP's first of many collaborative projects to come that will help redefine how public transit agencies can work together to benefit and remove barriers for SBEs, DBEs, and other historically underutilized businesses.

Promotion of DEI in the Industry: Over the past year, there has been an unprecedented national demand for President Carter to speak to groups and organizations of all sizes on issues related to transit diversity, equity, inclusion, belonging and accessibility. These groups and events have included Lyft's Black History Month speaker series, a special address on equity in transit to the University of California at Berkeley, a keynote address before the Shared Use Mobility Center's 2022 National Shared Mobility Summit, and other equity-related engagements.

Most recently, following his recent election as APTA chairman, President Carter attended the organization's October 2022 national TRANSform convention, where he spoke to emerging transit leaders about various topics related to equity in transit. Before becoming the chairman of APTA, he served as a member of the organization's Diversity and Inclusion Council and the Diversity and Inclusion Steering Committee, sharing his perspective, advice and recommendations with national peers.

In the 2022 budget, CTA established a role dedicated to equity, outreach, and inclusion. For 2023, this role remains in place to build upon the CTA's DEI initiatives, advise on new DEI opportunities, and foster relationships and engage with internal and external stakeholders as the CTA continues to promote and further advance diversity, equity, and inclusion efforts.

MODERNIZATION INVESTMENT

Major Modernization Programs

Red Line Extension*: One of the most prominent examples of an investment designed to ensure diversity, equity and inclusion is the $3.6 billion Red Line Extension (RLE), which will connect the isolated Far South side community to the rest of the City, a variety of opportunities, and improve their overall mobility and quality of life. The proposed 5.6-mile extension from 95th to 130th streets, would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. A modern and efficient railcar storage yard and shop facility are also part of the project. The Red Line Extension will provide a much needed and long-awaited one-seat ride for Far South Side residents from 130th Street to downtown, reduce commute times, improve mobility and accessibility for transit-dependent residents, provide multi-modal connections, and foster economic development. The project will also provide viable linkages to affordable housing, jobs, services, and educational opportunities, thereby enhancing livability and neighborhood vitality.

[Picture: Conceptual rendering of 130th Street Red Line train station]

At the end of 2020, the RLE project entered the Project Development Phase of the FTA New Starts program, which is a necessary step to pursue federal funding for the project. Around the same time, the CTA also began a year-long process of developing a community-driven Transit Supportive Development (TSD) Plan for the project, which will look at economic development opportunities and transit-related activities for several miles along the entire length of the five-mile extension. The RLE TSD Plan complements the City's INVEST South/West program, as the proposed Michigan Red Line station would serve as the southern anchor for the Michigan Avenue corridor (between 111th and 115th streets) identified for economic development. Importantly, the TSD Plan will utilize an equitable TOD (eTOD) planning approach, which seeks to promote development without displacement and realize community-focused benefits such as affordable housing, local economic development, and environmental sustainability. The Transit Supportive Development Plan (TSD) is expected to be completed soon.

In the first quarter of 2022, CTA published a Supplemental Environmental Assessment (EA), which demonstrated that impacts from the project will not be damaging to the community and the project is cleared to proceed. When an EA demonstrates that a project will not have a significant effect on the environment, the process concludes with the FTA issuing a Finding of No Significant Impact (FONSI).

A major milestone was achieved on RLE, when the FTA and the CTA, in cooperation with the Federal Highway Administration (FHWA), published the combined Final Environmental Impact Statement (EIS)/Record of Decision (ROD) and Final Section 4(f) Evaluation for the RLE Project this past summer. Receiving a ROD is a significant achievement that paves the way for the CTA to advance to the next steps of the federal New Starts funding program for the RLE project.

Public and agency engagement and feedback have been vital to the development and refinement of the RLE Project since the publication of the Draft EIS in 2016 and the Supplemental EA in January 2022. Community input has been and will remain essential in helping shape this project and its path forward.

Although the proposed RLE project is still in development, there are plenty of prospects for robust DBE participation in the next steps of the project. Starting this year, CTA began hosting several meetings for local small and disadvantaged business enterprises (DBEs) to learn more about future contracting opportunities for the RLE project. This aligns with CTA's commitment to extend contracting opportunities to the communities it serves. During these initial outreach events, vendors interested in working on the project were provided with an update on the overall RLE project, an overview of future contracting opportunities, as well as guidance on how to become certified to do business with the CTA before those opportunities come.

The CTA continues to advance the RLE project through the awarding of critical third-party agreements with railroads, utilities and other government agencies, as well as the development of materials to support the federal grant application. The 2021-2025 Capital Improvement Program includes more than $327 million over the next five years for use in support of this vital project.

At this time, the earliest anticipated start of construction is 2025, with service expected to begin in 2029. The entire Red Line Extension project is dependent on available funding. CTA is pursuing a variety of funding options from federal, state and local sources. An important component of RLE funding is the creation of a Transit TIF dedicated solely to this project.

Just like the Transit TIF created for the Red and Purple Modernization (RPM) project, this funding will support improvements that will benefit the entire Red Line, as well as connections to the entire CTA bus and rail system.

Additionally, this project – along with many other CTA capital projects – stands to benefit from billions of new federal dollars earmarked for transportation projects as part of the Bipartisan Infrastructure Law passed earlier this year. This federal infrastructure funding bill represents an unprecedented investment in the nation's transportation infrastructure, including public transit.

Red and Purple Modernization (RPM) Phase One*: Work continued in 2022 on the $2.1 billion RPM project, the CTA's largest capital improvement project in the agency's history. The CTA's entire RPM program rebuilds, over multiple phases, the century-old North Red Line from Belmont station to Howard station, and the Purple Line from Belmont station to Linden station. The project will increase much-needed capacity in this corridor to accommodate riders and will deliver faster and smoother rides with less crowding and more frequent service. Future phases of RPM are in the planning stage.

Phase One includes three major components, including the construction of a Red-Purple Bypass north of Belmont station to modernize the 100-year-old Clark Junction where Red, Purple and Brown line trains intersected. The bypass was completed and put into service in November of 2021. Subsequently, CTA began demolishing and rebuilding the century-old Red and Purple Line structures north of Belmont. Phase One also includes reconstruction of the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations and adjacent track structures. The CTA in 2022 continued the construction of new northbound Red and Purple Line track structures, also known as "Stage A". In 2023, CTA will complete that work and begin "Stage B," which will rebuild the southbound tracks and the new stations. The third component of Phase One is the installation of a new signal system between Belmont and Howard stations, which is under way. The project is expected to be substantially completed in 2025.

Your New Blue*: Work on CTA's ambitious Your New Blue modernization of the O'Hare branch of the Blue Line is nearing completion as crews made significant progress in 2022 on the last major component of this program – the upgrade of the signal system along the western portion of the O'Hare branch.

[Picture: Your New Blue logo; shades of blue and white]

As part of this $207 million, multi-year project, CTA crews are replacing a nearly four-decade-old rail signal system, which was installed when the Blue Line was extended by eight miles from Jefferson Park to O'Hare in the early 1980s. As part of this project, crews are also replacing special trackwork and twelve existing interlockings to facilitate safe train movements and allow for increased operational flexibility and reduced maintenance. The signal system upgrade is expected to be completed this fall.

[Picture: CTA workers fixing tracks as a train goes by]

Complementing these efforts, CTA is making progress on improving the delivery of electrical power to the O'Hare branch. In 2022, demolition and excavation work began on the construction of two new substations located at Barry and Damen along the O'Hare branch, as well as a new breaker tie house facility near Canal Street. This $113 million project, along with the signal system upgrade project, will allow CTA to add more trains to meet increased demand and improving the reliability of service.

Blue Line Forest Park Branch Phase 1*: As part of "Rebuild Illinois," CTA received funding for the $178 million Forest Park Phase 1 plan, which will include track replacement from UIC-Halsted up to Illinois Medical District, traction power improvements to the Hermitage substation, construction of a new substation at Morgan Street, and significant updates to the Racine Blue Line station to ensure customer accessibility.

Design work was completed, and the projects are currently in the procurement phase, with expected construction in 2023.

All Stations Accessibility Program: One of the biggest hurdles in modernizing the CTA rail system to make it vertically accessible to everyone, another one of CTA's equity goals, has been funding. Until last year, there was no federal funding program for large, legacy transit systems like the CTA to pursue funding specifically for accessibility improvements. Thanks to the shared vision and commitment of CTA President Dorval Carter and U.S. Senator Tammy Duckworth, who authored the legislation, the federal government introduced the new "All Stations Accessibility Program" in 2021. Under this new federal discretionary grant program, a total of $1.75 billion will be allocated over the next five years allowing legacy transit agencies across the country to compete for funding to be used towards rail system accessibility improvements. CTA is currently and will continue to seek funding through this program, along with other federal, state and local funding sources that can be used towards meeting its goal of having the entire rail system vertically accessible by 2040.

Non-Revenue Maintenance Shop*: A new, 70,000 square-foot maintenance facility is being built as part of a $70 million project at the 63rd Lower Rail Yard. This new facility will house and provide space for

the maintenance of over 125 rail-mounted non-revenue vehicles and equipment used to maintain the entire rail system. Construction of this facility will allow for the relocation of non-revenue vehicles currently kept at the Skokie Heavy Maintenance Shop and make space for work associated with the quarter-life overhaul of the 5000-Series railcars. Following a competitive procurement process, a design-build contract was awarded for the construction of the new facility. The contractor has committed to DBE goals of 30.7 percent for design, and 27 percent for construction. Construction began in 2022 and is expected to be completed in the fourth quarter of 2023.

New Control Center and Training Facility*: Continuing the agency's efforts to modernize and improve operations and delivery of service, the CTA is planning a project to modernize two critical functions: Control Center operations, as well as Training and Instruction.

The existing Control Center, which opened in 1995 in the West Loop, is a critical facility from where all CTA bus and rail operations, and rail traction power and security functions are managed, as well as major events and incidents. However, the facility is outdated, in need of costly repairs, and has significant space constraints. As a result, the CTA is starting the planning for the building of a new state-of-art facility with more space, modern technology, and adequate meeting space during major events or emergencies.

Current training for all CTA front-line operating employees takes place at CTA facilities throughout the region that also have significant space limitations. It is the CTA's intention to start the planning for a centralized, modern training facility that includes the technologies, equipment and infrastructure needed to enhance the training experience for front-line employees through. The new training facility will be built adjacent to the new Control Center.

STATION PROJECTS

State/Lake Loop Elevated: In 2021, the Chicago Department of Transportation (CDOT) and CTA unveiled the preliminary design concepts for a completely rebuilt State/Lake Loop Elevated station – the latest marquee project among CTA's rail system modernization efforts. CDOT is leading the design and construction process.

The new State/Lake station will replace the more than 100-year-old existing structure with a modern, fully accessible rail facility with wider platforms and a host of customer amenities, built to 21st century design standards. Design includes two elevators and two escalators for the elevated station, as well as two elevators for the Redline subway, to make the station 100 percent accessible – marking a big step in CTA's All Stations Accessibility Plan, a blueprint to make all CTA train stations accessible.

The current State/Lake elevated station was originally built in 1895 and serves five of the CTA's eight rail lines. In 2019, it was the second-busiest station on the Loop 'L', with more than 3.7 million annual entries. The $200+ million project is an investment that will further modernize the system providing a first class, fully accessible transit hub in the heart of the Loop.

Damen Green Line: In 2019, the CTA broke ground for the new $60 million Green Line station at Damen Avenue and Lake Street. A fully accessible station, Damen will be the fourth new Chicago CTA station added or started since 2011 and will serve the Kinzie Industrial Corridor, the United Center, and surrounding residential areas on the Near West Side. This new station will also serve the Chicago Housing Authority's Villages of Westhaven complex, which has seen notable residential and commercial growth in recent years. Construction began in the third quarter of 2022. The station, which is being constructed by CDOT, will include art by Folayemi "Fo" Wilson of Chicago's blkHaUS studios.

Cottage Grove Green Line: The CTA continues its partnership with the Preservation of Affordable Housing (POAH) and other community organizations on design concepts to modernize the Cottage Grove Green Line station entrance, address several state-of-good repair needs, and make other station improvements. The $75 million upgrades planned for this station complement the City of Chicago's ideas for redevelopment around the station at 63rd Street and Cottage Grove Avenue, as part of ongoing redevelopment and renewal in the Woodlawn neighborhood.

43rd Green Line: In the next few years, the 43rd Green Line station is expected to receive station improvements that will enhance the customer experience. The scope represents a mix of state-of-good repair upgrades to the station components, as well as other station enhancements, which will improve access, safety, and convenience, and help maintain CTA's infrastructure. Improvements to the station will better integrate with surrounding environments, including stairs, platform, and canopy upgrades, new lighting, new ceiling, painting, and installation of artwork to improve aesthetics as a part of station finishes. The design phase is expected to begin in 2023.

Roosevelt Green/Orange & Red Lines: In 2023 CTA is expected to start design on a renovation project for the Roosevelt Stations on the Orange, Green and Red Lines. The project would make improvements to both the elevated and subway stations, as well as to the transfer tunnel that connects the two stations. Like the aforementioned 43rd Street station project on the Green Line, this project includes esthetic improvements and state-of-good repair upgrades to the station components to enhance the customer experience. Work will include facade, platform, and canopy upgrades, as well as new lighting, painting, elevator rehabs, and other station mezzanine improvements.

Bipartisan Infrastructure Law: New federal funding sources: With the record level of spending nationally on transit programs, CTA expects to see its annual allocation of federal formula funds to increase by over $100 million per year for each of the next five years through the Bipartisan Infrastructure Law (BIL). The BIL creates a new $1.75 billion discretionary grant program specifically for legacy transit agencies, like CTA, to help increase the number of accessible rail stations. Another $5.5 billion in funding is available for FTA's Low or No Emission Grant Program, which is the primary federal grant program for funding electric buses and charging infrastructure. Additionally, CTA is moving through the Federal Transit Administration's Capital Investment Grant Program (CIG) and expects to secure more than $1 billion for the Red Line Extension Project. This legislation provides the CIG program with $23 billion over the next 5 years. While the legislation doesn't provide specific funding for specific projects, the robust funding for the program provides a high level of confidence that once CTA completes the program's requirements, the requested level of funding will be available for RLE.

MARKETING AND COMMUNITY ENGAGEMENT

Throughout 2022, the CTA promoted ridership and touted the many improvements and investments the agency is making, while finding new ways to attract old and new customers, engage with them, and solicit feedback.

During the summer of 2021, part of an effort to encourage ridership and further boost the value of public transit, for the first time ever a promotional discount was offered on the most popular multi-ride passes $5 for a 1-day (down from $10), $15 for a 3-day (down from $20); $20 for a 7-day (down from $28). This seasonal promotion proved to be hugely successful, adding more than 10 million rides during the summer months alone. Due to the success of this program and to reflect the more flexible work

environment many employers have put in place, in November, the reduced fare pass prices were permanently adopted and expanded upon to include a discount on the 30-day unlimited ride pass to $75 (from $105), and the $0.25 transfer fee was eliminated.

Recognizing the need to continue to evolve in response to the pandemic recovery, in June, CTA partnered with sister transit agencies Metra and Pace to introduce a new fare product: the “Regional Connect Pass”. With the purchase of any unlimited ride Metra monthly pass, the Regional Connect Pass can be added for $30 and provide unlimited rides all month on CTA and Pace with no day or time restrictions. The new pass replaces two previous passes for Metra monthly pass holders: the Link-Up Pass, which for $55 a month provided rides on the CTA during weekday rush hours and on Pace at all times; and the PlusBus Pass, which for $30 a month provided unlimited rides only on Pace.

“Ask CTA” Customer Engagement Program: As part of “Meeting the Moment” Action Plan, the CTA launched a series of “Ask CTA” events, in which senior managers and HR representatives appeared at rail stations and bus terminals to answer customer questions, solicit customer feedback, and provide information about CTA employment opportunities.

So far, the CTA has held about two dozen events citywide. During those events, CTA representatives engaged with thousands of customers and received significant, helpful feedback, which is being used to help address issues and guide future planning.

Community Connection Bus: The Community Connection Bus is one of the CTA’s most visible and popular outreach initiatives, designed to connect with riders and members of the communities we serve, while also promoting the benefits of public transportation. From spring through fall, this specially designed bus travels the city – appearing at various music, sporting, cultural and neighborhood events – to serve as a brand ambassador for CTA by providing valuable information about our services, programs and projects.

Through the Community Connection Bus, the CTA was able to solicit feedback and strengthen community relationships with stakeholders, elected officials, and customers, while providing information about CTA bus and rail service, Ventra cards and CTA career opportunities.

This past summer, CTA was deployed the Community Connection Bus at some of the larger and more prominent events in Chicago, including Lollapalooza, Pitchfork Music Festival, and the Chicago Wintrust Crosstown Classic between the Chicago White Sox and Cubs. Those three events alone brought exposure of our bus and services to more than 485,000 attendees.

Free Rides on First Day of School: The “First Day, Free Rides” sponsorship program offers all Chicago students and their accompanying adult(s) a free ride on CTA buses and trains on the first day of the academic school year for the Chicago Public Schools (CPS). This year, the free rides were sponsored by Butcher Boys Cooking Oils.

A back-to-school tradition since 2011, this program encourages students (grades K-12) from public and private schools to establish good habits by getting to school each day. In 2019, the program provided approximately 106,000 free rides to students and their parents or guardians. Since the program’s debut ten years ago, more than 1.1 million free rides have been provided for Chicago area students.

For the rest of the academic school year, students can take advantage of discounted fares of 75 cents on school days, between 5:30 a.m. and 8:30 p.m. Beyond school hours, elementary students, ages 7-11, are eligible for reduced fares of $1.10 for a bus ride and $1.25 for a train ride. Students who are age 12 and older will continue to pay the full fare of $2.25 on buses and $2.50 on trains. Children ages 6 and younger ride free with a fare-paying customer.

Pride Train: To celebrate Pride Month, the CTA ran its Pride Train— adorned with the Pride rainbow colors—reflecting the dynamism and continuing evolution of the LGBTQIA+ community in Chicago and nationwide.

75th Anniversary Celebration: On Oct. 1, 2022, the CTA hosted a 75th anniversary celebration, marking the establishment of the agency as a governmental entity in 1947. The celebration drew thousands of visitors with rides on CTA's Heritage Fleet trains from the 1920s, 1960s and 1970s; and buses from the 1950s and 1960s. The event served as a reminder of the historical and iconic significance of the CTA in the growth and prosperity of the city and region over the decades, as well as of the important role it will play in the decades to come.

[Picture: CTA logo in the middle with the number seventy-five around the logo]

[PRINTED PAGE 27]
[2017-2025 Operating Budget Schedule]

[PRINTED PAGE 28 and 29]
[Table: Operating Budget Schedule $ in thousands]

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
Operating Expenses					
Labor	$ 1,044,859	$ 1,070,458	$ 1,093,922	$ 1,135,354	$ 1,155,509
Material	83,783	90,474	67,652	74,800	90,499
Fuel	28,757	32,079	40,396	37,125	30,779
Power	27,373	31,162	31,560	24,656	25,105
Provision for Injuries and Damages	3,167	5,000	7,500	22,000	31,680
Purchase of Security Services	17,041	17,502	14,920	19,976	15,680
Other Expenses					
Pension Obligation Bonds (Net)	104,469	105,526	103,378	105,735	105,986
Contractual Services	84,878	93,832	88,399	94,100	97,212
Utilities, Non-Capital Grant, Travel, Leases, Other	27,671	22,824	21,411	19,403	25,448
Other Debt Service	28,841	29,353	46,250	4,677	7,318
Other Expenses Total	245,860	251,535	259,438	223,916	235,964
Total Operating Expenses	$ 1,450,840	$ 1,498,210	$ 1,515,388	$ 1,537,826	$ 1,585,216
System-Generated Revenue					
Fare and Passes	$ 559,495	$ 588,791	$ 585,297	$ 232,830	$ 242,864
Reduced Fare Subsidy	14,606	13,876	14,606	14,829	14,606
Advertising, Charter & Concessions	34,379	37,844	38,987	20,898	26,687
Investment Income	3,119	3,483	3,822	1,221	261
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	33,279	48,339	49,465	39,286	40,240
System-Generated Revenue	$ 649,878	$ 697,333	$ 697,177	$ 314,063	$ 329,658
Public Funding					
Sales Tax I	$ 364,280	$ 379,617	$ 388,833	$ 336,135	$ 437,632
Sales Tax II	57,166	59,125	56,974	61,352	86,901
PTF II	64,762	65,519	67,915	63,929	78,046
RETT	62,021	71,518	62,373	51,023	71,118
PTF II on RETT	15,083	16,130	15,030	12,600	17,198
Non-Statutory Funding - PTF I	208,391	211,425	220,959	208,361	252,325
Non-Statutory Funding - Sales Tax I	630	-	-	910	-
ICE	6,129	6,019	6,127	5,624	7,175
Public Funding	$ 778,462	$ 809,352	$ 818,211	$ 739,933	$ 950,394
Federal Relief Funds	$ -	$ -	$ -	$ 483,829	$ 305,164
Total Operating Revenue	$ 1,428,340	$ 1,506,685	$ 1,515,388	$ 1,537,826	$ 1,585,216
Short-term Borrowing	$ 22,500	$ -	$ -	$ -	$ -
Balance	$ -	$ 8,475	$ -	$ -	$ -
Recovery Ratio*	55.48%	57.11%	56.26%	55.91%	47.10%
Required Recovery Ratio	54.75%	54.75%	54.75%	54.75%	54.75%

**Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes federal relief funds. The Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022 and 2023 due to the ongoing pandemic.*

Note: Totals may not add due to rounding

	2022 Budget	Amended 2022 Budget	2022 Forecast	Proposed 2023 Budget	2024 Plan	2025 Plan
Operating Expenses						
Labor	$ 1,241,207	$ 1,217,878	$ 1,136,357	$ 1,284,453	$ 1,329,409	$1,375,938
Material	102,578	102,279	106,450	114,673	119,260	124,031
Fuel	35,440	34,163	30,133	51,736	53,004	51,577
Power	36,480	34,274	22,079	32,517	38,890	46,568
Provision for Injuries and Damages	31,680	31,680	31,680	20,200	21,008	21,848
Purchase of Security Services	26,269	24,901	23,200	41,150	42,796	44,508
Other Expenses						
Pension Obligation Bonds (Net)	104,332	104,332	104,204	101,242	100,230	99,228
Contractual Services	134,666	134,666	117,380	152,153	158,239	164,569
Utilities, Non-Capital Grant, Travel, Leases, Other	24,462	19,758	18,195	22,502	24,753	27,228
Other Debt Service	9,682	9,682	9,326	6,923	15,896	17,860
Other Expenses Total	273,143	268,438	249,105	282,821	299,118	308,884
Total Operating Expenses	$ 1,746,797	$ 1,713,614	$ 1,599,003	$ 1,827,550	$ 1,903,485	$1,973,355
System-Generated Revenue						
Fare and Passes	$ 293,925	$ 293,271	$ 295,374	$ 315,552	$ 339,218	$ 364,660
Reduced Fare Subsidy	14,606	14,606	14,606	14,606	14,606	14,606
Advertising, Charter & Concessions	26,742	27,429	30,550	32,825	33,646	34,487
Investment Income	500	480	2,000	2,500	2,500	2,500
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenue	28,137	27,527	27,564	23,092	23,670	24,261
System-Generated Revenue	$ 368,910	$ 368,313	$ 375,094	$ 393,576	$ 418,640	$ 445,514
Public Funding						
Sales Tax I	$ 431,244	$ 459,205	$ 464,578	$ 478,429	$ 492,303	$ 511,011
Sales Tax II	51,655	61,478	67,701	67,338	66,438	66,256
PTF II	78,954	85,037	87,120	88,686	91,773	95,260
RETT	65,617	75,130	79,866	81,783	84,155	87,353
PTF II on RETT	16,393	18,770	19,954	20,416	21,039	21,838
Non-Statutory Funding - PTF I	256,761	275,441	279,798	283,968	293,880	305,048
Non-Statutory Funding - Sales Tax I	14,952	19,784	19,784	23,400	23,834	28,587
ICE	6,806	7,247	7,411	-	-	7,589
Public Funding	$ 922,382	$ 1,002,092	$ 1,026,213	$ 1,044,020	$ 1,073,422	$1,122,942
Federal Relief Funds	$ 455,505	$ 343,208	$ 197,696	$ 389,954	$ 411,423	$ 404,898
Total Operating Revenue	$ 1,746,797	$ 1,713,614	$ 1,599,003	$ 1,827,550	$ 1,903,485	$1,973,355
Short-term Borrowing	$ -	$ -	$ -	$ -	$ -	$ -
Balance	$ -	$ -	$ -	$ -	$ -	$ -
Recovery Ratio*	56.86%	54.78%	42.71%	50.09%	50.68%	50.13%
Required Recovery Ratio	54.75%	54.75%	42.00%	42.00%	42.00%	42.00%

**Recovery ratio is calculated by dividing System-Generated Revenue by Operating Expenses. The calculation includes (i) in-kind revenues and expenses for security provided by the City of Chicago, (ii) excludes security expenses, Pension Obligation Bond debt service, ICE grant and depreciation and (iii) includes a portion of senior free ride revenue and certain grant revenues. The recovery ratio calculation includes federal relief funds. The Illinois legislature granted temporary recovery ratio relief for fiscal years 2021, 2022 and 2023 due to the ongoing pandemic.*

Note: Totals may not add due to rounding

2022-2025 Consolidated Financial Overview

The Consolidated Financial section provides a comprehensive financial overview of the 2022 operating budget forecast, 2023 proposed budget, and 2024-2025 Financial Plan. This consolidated view provides visibility and understanding of the year-to-year progression of the financials and supporting details for each of the major expense categories. This section is organized as follows:

1. Consolidated Financial Overview
    a. 2022 Operating Budget Forecast
    b. 2023 Proposed Operating Budget
    c. 2024-2025 Financial Plan
2. Consolidated Operating Expenses
    a. Labor Expenses
    b. Material Expenses
    c. Purchase of Security Services
    d. Fuel & Power Expenses
    e. Other Expenses
3. Consolidated Operating Revenues
    a. System Fares
    b. System-generated Revenues
    c. Public Funding
    d. Ridership
    e. Recovery Ratio

2022 marks entry into the recovery phase from the COVID-19 pandemic. While COVID-19 continues to be part of our daily lives, there is a return to some level of pre-pandemic normalcy. The CTA has seen moderate increases in ridership as more employees have returned to the office, schools have returned to in-person learning and people are anxious to return to many of their activities curtailed during the early days of the pandemic. Despite these promising signs of recovery, the CTA, not unlike the public transportation sector in general, continues to be impacted by workforce issues and a slower return of riders than previously anticipated, changing demographics and other socio-economic challenges brought on by the pandemic. As the CTA faces this “new normal’ we continue to effectively manage our costs and implement revenue generation by offering fare products that support increased ridership.

In 2022, building upon the success of fare promotions initiated in the spring of 2021, the CTA overhauled its fare structure. In addition to permanently reducing the cost of 1-, 3-, 7-, and 30-day passes, the CTA partnered with Metra and Pace to offer a regional fare product providing riders with greater flexibility and affordability. Through August 2022, ridership was 52.0 percent of 2019 levels compared to 39.1 percent for the same time period in 2021. Farebox revenue was 48.9 percent of 2019 levels compared to 37.9 percent for the same time period in 2021. Despite compressed ridership levels, CTA continues to operate as much service as possible.

While fare revenue continues to be depressed, Public Funding has seen significant growth due to increased sales tax receipts. In addition, in 2021 the State restored the 5 percent cut to Public Transportation Funds (PTF). However, the State continues to impose the 50 percent reduction to the Reduced Fare Reimbursement and the 1.5 percent surcharge to the Sales Tax revenues. The Public Funding forecast for 2022 is $1,026.2 million, which is $103.8 million higher than the 2022 budget. The favorable increase in Public Funding is expected to continue in the near term, with 2023 Public Funding expected to be 13.2 percent higher than the 2022 budget.

Over the course of the last three years the federal government has provided relief funding to individuals and businesses impacted by the COVID-19 pandemic. There have been three emergency relief packages; Coronavirus Aid Relief and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The RTA region, which includes Northwest Indiana, Southeast Wisconsin, as well as the CTA, Metra, and Pace, received approximately $3.4 billion of federal relief funds. CTA was allocated $2,090.9 million in funds; $817.5 million in (CARES) Act funds, $361.3 million in (CRRSA) Act funds and $912.1 million in (ARP) Act funds. In March 2022, the CTA was awarded $118.4 million in ARP discretionary funds. The CTA was the only service board in the region eligible to apply for the additional ARP discretionary funding. In total, the CTA has received $2,209.3 million in federal relief funds, which are expected to be nearly exhausted in 2025. CTA is working with RTA, Metra, Pace, and other stakeholders as part of the long-range plan to identify potential funding solutions to close future budget gaps.

The table below provides an overview of the 2022 forecast, 2023 proposed budget, and 2024-2025 financial plan.

In Thousands	2022 Forecast	Proposed 2023 Budget	2024 Plan	2025 Plan
System Generated Revenue	$ 375,094	$ 393,576	$ 418,640	$ 445,514
Public Funding	$ 1,026,213	$ 1,044,020	$ 1,073,422	$ 1,122,942
Total Operating Revenue	$ 1,401,307	$ 1,437,596	$ 1,492,062	$ 1,568,456
Total Operating Expenses	$ 1,599,003	$ 1,827,550	$ 1,903,485	$ 1,973,355
Federal Relief Funds	$ 197,696	$ 389,954	$ 411,423	$ 404,898
Remaining Federal Relief Funds	$ 1,222,636	$ 832,682	$ 421,258	$ 16,360

2022 Operating Budget Forecast

The 2022 Operating Expense forecast is projected to be $1,599.0 million, which is $147.8 million or 8.5 percent lower than the 2022 budget and $13.8 million, or 0.9 percent higher than 2021 actuals.

The 2022 Operating Revenue forecast (excluding federal relief funds) is projected to be $1,401.3 million, an increase of $110.0 million or 8.5 percent over 2022 budget, and $121.3 million or 9.5 percent over 2021 actuals. System-generated Revenue accounts for 26.8 percent of Operating Revenue. Compared to the 2022 budget, the 2022 forecast is higher by $6.2 million or 1.7 percent and 13.8 percent higher than 2021 actuals. Fare and passes are 78.7 percent of system-generated revenue and are forecasted to be $1.4 million higher than 2022 budget and $52.5 million higher than 2021 actuals.

Public Funding 2022 forecast is 11.3 percent or $103.8 million higher than the 2022 budget and $75.8 million higher than 2021 actuals. Stronger sales tax receipts, including the addition of online sales tax receipts that began in 2021 is driving the increase in funding. The 2022 forecasted budget deficit of $197.7 million represents a significant improvement from the 2022 budget, originally estimated at $455.5 million. This represents an improvement of 56.6 percent. The CTA will utilize federal relief funds to close the budget gap in 2023.

2023 Proposed Operating Budget

The 2023 proposed operating budget of $1,827.6 million reflects the residual impact of the COVID-19 pandemic. There is an operating budget gap of $390.0 million, which will be closed by federal relief funds.

The 2023 budgeted operating expenses of $1,827.6 million is $80.8 million higher than the 2022 budget and $228.5 million higher than the 2022 forecast. Labor, fuel, and security services expenses are approximately 82.1 percent of the increase from 2022 forecast to 2023 budget.

While there are some areas where operating expenses are increasing, the CTA continues to implement cost containment measures such as:

- Locked in pricing for a percentage of estimated fuel consumption, providing CTA with a level of budget certainty
- Locked in power costs at historically low market prices, which provides budget certainty at attractive prices. From 2022 through 2024, the cumulative three-year savings are estimated at $70 million versus market pricing at the time of budgeting

- Aligned capital uses with capital funding sources

The 2023 budgeted operating revenue is $1.437.6 million, $146.3 million or 11.3 percent higher than 2022 budget and $36.3 million higher than the 2022 forecast. System-generated revenue is budgeted at $393.6 million for 2023, $24.7 million higher than 2022 budget and $18.5 million higher than 2022 forecast. Farebox revenue of $315.6 million is 7.4 percent higher than the 2022 budget and 6.8 percent or $20.2 million higher than 2022 forecast. The farebox revenue budget is 53.9 percent of pre-pandemic 2019 levels. 2023 Public Funding is budgeted at $1,044.0 million, an increase of $121.6 over 2022 budget and $17.8 million over 2022 forecast.

Federal relief funds of $390.0 million will be used to balance the budget. This represents a reduction of required funds of $88.4 million from the projected need from last year's 2023 plan.

2024-2025 Financial Plan

The two-year financial plan lays the groundwork for the Authority to continue its long-term goal of aligning our transit network with changing mobility patterns and ensuring the CTA is a first choice of travel for many riders in the region. The plan reflects a continued commitment to deliver reliable, affordable bus and rail transit service.

Operating expenses are estimated to be $1,903.5 million in 2024 and $1,973.4 million in 2025. Compared to the 2023 budget, operating expenses are expected to grow by $75.9 million or 4.2 percent in 2024 and by $69.9 million or 3.7 percent in 2025. Labor and Other Expenses are the primary drivers of increases in 2023-2024.

The two-year financial plan projects operating revenue will grow from $1,437.6 million in 2023 to $1,492.1 million in 2024, and to $1,568.5 million in 2025. The 2024 fare and passes revenue shows an increase of $23.7 million or 7.5 percent growth compared to 2023. In 2025 farebox revenue increases $25.4 million over 2024 or a 7.5 percent increase. Ridership levels are projected to be 62 percent and 67 percent in 2024 and 2025, respectively, compared to 2019. The projection for farebox revenue is 58 percent and 62 percent for 2024 and 2025 compared to 2019. Both ridership and farebox revenue are showing year over year growth.

Public funding is expected to increase by 2.8 percent in 2024 and 4.6 percent in 2025. The increases are driven primarily by higher projected sales tax receipts.

In both 2024 and 2025 the CTA will rely on federal relief funds to close the gap between revenues and expenses. In 2024, $411.4 million of funds will be used and $404.9 million in 2025. This will effectively exhaust all federal relief funds received by the CTA.

Consolidated Operating Expenses

This section discusses in detail each of the major expense categories for the 2022 Operating Budget Forecast, 2023 Proposed Budget and 2024-2025 Financial Plan:

[Stacked Bar Graph: 2022-2025 Consolidated Expense Overview in $ Millions]

Year	Labor	Other Expenses	Material	Fuel	Power	Purchase of Security Services	Provision for Injuries & Damages	Total Operating Expenses
2022 Forecast	$ 1,136.4	$ 249.1	$ 106.5	$ 30.1	$ 22.1	$ 23.2	$ 31.7	$ 1,599.0
2023 Proposed Budget	$ 1,284.5	$ 282.8	$ 114.7	$ 51.7	$ 32.5	$ 41.2	$ 20.2	$ 1,827.6
2024 Plan	$ 1,329.4	$ 299.1	$ 119.3	$ 53.0	$ 38.9	$ 42.8	$ 21.0	$ 1,903.5
2025 Plan	$ 1,375.9	$ 308.9	$ 124.0	$ 51.6	$ 46.6	$ 44.5	$ 21.8	$ 1,973.4

Totals may not add up due to rounding

Labor

Labor represents approximately 71 percent of total operating expenses. The 2022 labor expense is forecasted to be $1,136.4 million which is $104.9 million, or 8.4 percent, lower than the 2022 budget of $1,241.2 million. Compared to 2021 actuals, labor decreased $19.2 million. Labor is favorable due to an increased number of vacant positions through 2022.

The 2023 labor expense is budgeted to be approximately $1,284.5 million, which is a $43.2 million, or 3.5 percent, increase from the 2022 labor budget. The proposed labor budget assumes there are no

significant changes to service levels and includes approved contractual wage increases.

The 2023 labor budget is a $148.1 million, or 13.0 percent, increase from the 2022 forecast. Again, it assumes no significant changes to service levels and includes wage increases, as well as focusing on hiring and retention efforts to address workforce needs to meet the full scheduled service levels. The labor budget continues to include the assumption that extra cleaning of buses, trains and rail stations will be needed, and it includes additional positions as detailed in the Budgeted Positions section below.

Labor expenses are projected to increase 3.5 percent in 2024 and 2025, to $1,329.4 million and $1,375.9 million, respectively.

[Bar Graph: Labor Expenses in $ Millions]

Year	Labor
2022 Forecast	$ 1,136.4
2023 Proposed Budget	$ 1,284.5
2024 Plan	$ 1,329.4
2025 Plan	$ 1,375.9

Budgeted Positions

[Table: 2021-2023 Budgeted Positions]

Budgeted Positions			
	2021	2022	2023
Non-STO*	4,729	4,869	4,994
Bus STO**	3,711	3,708	3,707
Rail STO**	1,722	1,719	1,728
Total*	10,162	10,296	10,429

**Total includes Capital-funded positions.*
***Scheduled Transit Operations (STO) Full-Time Equivalents (FTE). 2021 and 2022 positions are restated due to updating the FTE formula, as the CTA transitions to a higher mix of full-time positions versus part- time positions.*

CTA’s 2023 labor budget reflects an increase of approximately 125 nonscheduled transit operations positions. Of the 125 new positions, 16 positions are funded by capital projects. This includes 3 positions for the Red Purple Modernization project, 10 for the Red Line Extension project, 2 for the Bus Engineering department's capital projects, and 1 to support recruitment efforts for CTA's capital projects.

The additional 109 positions funded by the operating budget support the Authority’s Meeting the Moment action plan’s five pillars; including delivering reliable and consistent service, enhancing safety and security for our riders, improving the customer experience at our facilities, upgrading our digital tools to improve rider communication and investing in our employees.

The positions are distributed as follows. The addition of 40 janitors and 10 laborers in the Rail Station Management department to further enhance cleaning at stations and on rail right-of-way. A total of 6 positions were added to the Safety and Security Department to provide additional coverage in the areas of transit system safety, construction safety, and security. In the Control Center, 5 Rail Controllers were added to provide proper coverage on shifts that run 24 hours per day, 7 days per week. The additional coverage was needed due to extra duties and responsibilities which ensure the safety of CTA's customers, employees, and equipment. Bus Operations added 2 positions to assist with managing and monitoring attendance related programs and policies. Rail Operations added 6 transportation managers in order to provide appropriate coverage on each route and to monitor rush hour service at peak load points systemwide. The additional coverage is needed in order to maintain service levels. The Human Resources department added 12 positions focused on recruiting, outreach, and marketing, as the CTA focuses on shoring up its workforce after higher attrition rates since the pandemic. Additionally, HR added another 2 positions to meet the increased workload related to benefits management and research due to the increased focus on recruitment and retention, as well as to support thousands of additional employees with their benefit inquiries, now that bargained-for employees have access to additional benefits as part of the new collective bargaining agreement. An additional 3 positions were added to the Training & Workforce Development department, focusing on the Second Chance program, safety training, and the development of curriculum and related procedures in response to additional trainings required. This department also added 12 bus instructors and 6 rail instructors, as the HR department increases its hiring of Bus and Rail STO positions, regulatory and other training programs are added, and to accommodate an increase in contracts requiring rail safety training. The Diversity department added 1 position related to certification and regulatory compliance, as the CTA has expanded its small business and disadvantaged business enterprise programs, and for additional contract compliance capacity given the increase in capital projects over the next several years. The Communications department added 1 position to provide more timely responses to customer inquiries and feedback received through email. The Planning department added 1 position to support ongoing bus planning initiatives intended to improve bus service. CTA's Law department added 1 position to better meet obligations under the Illinois Freedom of Information Act. Finally, 1 position was added to the Innovation department, to continue the CTA's focus on innovation and technology initiatives that seek to improve the customer experience.

The 2023 labor budget reflects an increase of approximately 8 scheduled transit operations ("STO") positions. The slight increase in positions is aligned with the slight increase in the budget for STO hours.

Pension Contributions

In 2008, the CTA became one of the first public entities in the State of Illinois to enact pension reform with the goal for the fund to meet at least 90 percent of its projected liabilities by 2059. The legislation has a three-part annual required contribution test. Each year, an actuary determines whether the CTA employer and employee contributions need to be increased due to several factors, including annual returns on investments and demographic data. The interim goal is to maintain a minimum 60 percent funding by 2039. The final requirement ensures that if the plan falls below 60 percent, contribution rates are adjusted to attain this funding level within 10 years. Any deviation from funding based on the annual required contributions could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

The CTA's employer contributions are comprised of two separate payments. The CTA issued $2 billion of pension obligation bonds (POBs) in conjunction with the pension reform and subsequently deposited the proceeds into the pension fund. The annual debt service payment for the POBs is approximately $156 million. In addition to those contributions, the CTA makes annual contributions to comply with statutory requirements. In 2009, this annual contribution was $36 million; however, the estimated annual amount is $175.3 million in 2023, a 25.0 percent increase from the projected 2022 amounts. Including debt service on the Pension Obligation Bonds, nearly 20 percent of CTA's budget is allocated to provide for pension contributions. The 2023 and all prior year increases are due to various factors, including investment returns and demographic data. Strong market returns in 2021 are the primary driver for no change in the contribution rate for 2023. If the fund does not meet its target rate of return of 8.25 percent annually, then contribution levels may be adjusted to meet the tests above.

The CTA's employer contributions are augmented by employee contributions, both of which have correspondingly increased due to the pension reform legislation. Contributions are deducted directly from employees' paychecks. As pension costs continue to increase due to investment underperformance and other factors, the CTA will have to enact cost savings or derive additional revenues to meet these requirements.

[Table: CTA Pension Contribution Rates (per 2008 Legislation)]

CTA Pension Contribution Rates (per 2008 Legislation)		
Year	Employee	CTA
2007	3.00%	6.00%
2008-2009	6.00%	12.00%
2010-2011	8.35%	16.70%
2012	8.65%	17.30%
2013-2016	10.13%	20.26%
2017	11.96%	23.92%
2018-2019	12.01%	24.02%
2020-2023	13.234%	26.647%

[Stacked Bar Graph: CTA Total Employer Pension Fund Contributions in $ Millions]

Year	Pension Obligation Bond Debt Service	Employer Statutory Contribution	Total
2009	$ 156	$ 36	$ 192
2010	$ 156	$ 57	$ 213
2011	$ 156	$ 60	$ 216
2012	$ 156	$ 63	$ 219
2013	$ 156	$ 79	$ 235
2014	$ 156	$ 82	$ 238
2015	$ 156	$ 83	$ 239
2016	$ 156	$ 84	$ 240
2017	$ 156	$ 104	$ 260
2018	$ 156	$ 117	$ 273
2019	$ 156	$ 122	$ 278
2020	$ 156	$ 136	$ 292
2021	$ 156	$ 137	$ 293
2022	$ 156	$ 140	$ 296
2023	$ 156	$ 175	$ 331

Material

Material spending for 2022 is forecasted to be $106.5 million, which is $3.9 million or 3.8 percent higher than the 2022 budget, and $16.0 million over 2021 actuals. The COVID-19 health pandemic continues to have an impact on the Authority's material expenses due to the ongoing need for personal protective equipment and cleaning supplies to ensure the safety of employees and customers. Moreover, the current inflation levels have also impacted material expenses significantly, making the cost of parts more expensive than anticipated. The 2022 expenses also reflect a continuation of strategic capital investments in the maintenance of CTA's bus fleet and rail cars, facilities, and infrastructure.

For 2023, material expenses represent 6.3 percent of the budget, at $114.7 million. This is $12.1 million higher than the 2022 budget and $8.2 million higher than the 2022 forecast. CTA's increase in material expenses for 2023 is primarily driven by the increased cost of goods and parts needed to maintain the fleet and infrastructure due to inflation, having no remaining warranties on most of the bus fleet, and the need for new overhaul work on buses and rail cars, as well as the continuing COVID-19 related expenses for personal protective equipment and cleaning supplies. Additionally, the CTA is subject to the supply chain issues and material shortages the global economy is facing and the corresponding upward pressure on prices. CTA will continue its proactive ongoing capital maintenance for infrastructure and the bus and rail fleet, which focuses on high-failure parts for railcars and major component systems related to buses. These ongoing targeted capital campaigns aim to maintain and improve service to customers by proactively replacing components that are the top causes of mechanical delays to CTA's bus and rail fleet. Additionally, these targeted programs provide CTA a mechanism to better manage the level of material expenditures.

The financial plan projects material expenses to be $119.3 million in 2024, and $124.0 million in 2025, growing 4.0 percent annually for 2024-2025. These figures reflect the expected increased costs to maintain CTA's bus and rail fleet.

Fuel & Power

CTA is forecasted to spend $30.1 million on diesel fuel for buses in 2022. This is down $0.6 million, or 2.1 percent from 2021, when the annual spending on diesel fuel was $30.8 million. The 2022 forecast is $5.3 million, or 15 percent, below the 2022 budgeted expense of $35.4 million. Fuel consumption for 2022 was budgeted at 16.6 million gallons, while the forecast total is 14.8 million gallons, or 13 percent less than budgeted. Gallon consumption increased by 3 percent from 2021 (actual) to 2022 (forecast) as bus ridership continued to rebound gradually through the year; additional passenger weight on buses results in greater fuel usage. CTA's diesel fuel expenses remained relatively low in 2022, despite national and global spikes in fuel prices, because CTA was able to lock in favorable pricing for the majority of its 2022 fuel supply back when markets dipped at the beginning of the pandemic in Spring 2020.

CTA is budgeting diesel fuel expenditures for the bus fleet to be $51.7 million in 2023. This budget is $16.3 million, or 46 percent higher than the 2022 budget of $35.4 million, and $21.6 million higher than the $30.1 million 2022 forecast diesel spend. The 2023 budget assumes CTA will consume 16.5 million gallons of diesel fuel, a slightly lower volume than the 2022 budget. CTA conducted a procurement process for a new diesel supply contract in mid-2021 and executed the new contract in October 2021. The contract covers a base term of three years of fuel supply – 2023 through 2025 – and includes two additional option years – 2026 and 2027. While CTA continued its practice of fixed-price purchasing for 2023, locking in 75 percent of expected consumption in advance, the significant increase in CTA fuel expenses next year reflects the past year's steady climb in diesel market pricing due to geopolitical factors, constrained supply, and high global demand. Combined with spot market pricing for the remaining 25 percent of expected consumption, CTA's 2023 budgeted unit price of diesel is $3.14 per gallon versus the 2022 budgeted unit price of $2.13 per gallon.

The Two-Year Financial Plan projects diesel fuel costs to be $53.0 million in 2024 and $51.6 million in 2025. This plan assumes the continuation of CTA's strategic fixed-price purchasing policy and a flat projection for fuel consumption levels as ridership continues to increase while bus fleet efficiency improves with the replacement of CTA's oldest diesel buses and deployment of new electric buses. At the time of budgeting, CTA has locked in 50 percent and 40 percent of projected fuel consumption respectively for 2024 and 2025. CTA will continue to monitor the diesel market and purchase fixed-price fuel supply at favorable points in time in advance of delivery. This strategy provides budgeting certainty in addition to anticipated cost advantages.

The 2022 forecasted expenditure for CTA's traction (rail system) electric power is $22.1 million. This is $14.4 million, or 39.5 percent, less than the 2022 budgeted expense. The 2022 forecast expense is down $3.0

[Bar Graph: Material Expenses in $ Millions]

Year	Material Expenses
2022 Forecast	$ 6.5
2023 Proposed Budget	$ 14.7
2024 Plan	$ 119.3
2025 Plan	$ 124.0

million, or 12.1 percent, versus 2021 actual spending of $25.1 million. This decrease is due to a drop in electricity consumption as ridership density is more spread out throughout the day and a significant reduction in CTA's ComEd bills due to credits from the Carbon-Free Energy Resource Adjustment established in the Illinois Climate and Equitable Jobs Act (CEJA). CTA has a flat, fixed rate on its electricity supply for 2020 through 2024, which helps provide budget certainty and insulate CTA from significant market volatility. As of the time of budgeting, CTA's fixed rate on 2022 electricity supply is estimated to save nearly $26.8 million versus market pricing for the year. In mid-2021, CTA began running 10 prototypes of its latest model of rail cars, the 7000-Series, which feature regenerative braking: the energy generated from trains braking feeds back into the third rail and is then consumed by other accelerating trains. This feature is estimated to lower electricity consumption by more than 10 percent system-wide, and its impact will increase as CTA continues to replace the oldest rail cars in the fleet.

For 2023, CTA is budgeting $32.5 million in expenses for traction (rail system) electric power. The 2023 budget is $4.0 million, or 10.9 percent, lower than the 2022 budget of $36.5 million, although $10.4 million more than the 2022 forecast of $22.1 million. The 2023 budget assumes CTA will consume 440 million kilowatt-hours of electricity, essentially the same as the 2022 budget. This is based on a weather scenario in line with the average from the last 10 years. CTA's flat fixed rate on electricity supply contributes significantly to the relatively low traction power expense budgeted for 2023, as does the continuation of ComEd bill credits from the Carbon-Free Energy Resource Adjustment noted above.

The proposed Two-Year Financial Plan projects CTA's traction power expenses to be $38.9 million in 2024 and $46.6 million in 2025. During this period, CTA projects consumption levels to be flat year-to-year. While CTA will see continued savings from its fixed-price contract for electric power supply through 2024, the increased traction power expense in 2025 reflects costs under a new contract, which is anticipated to incorporate significantly higher pricing seen in forward markets now.

ComEd rates are also expected to continue rising as charges for utility incentive programs – such as energy efficiency, renewable energy, and beneficial electrification – add to base costs for electricity distribution.

[Stacked Bar Graph: Fuel and Power Expenses in $ Millions]

Source	2022 Forecast	2023 Proposed Budget	2024 Plan	2025 Plan
Fuel	$ 30.1	$ 51.7	$ 53.0	$ 51.6
Power	$ 22.1	$ 32.5	$ 38.9	$ 46.6
Total	$ 52.2	$ 84.3	$ 91.9	$ 98.1

Purchase of Security Services

The budget for the purchase of security services consists of expenditures for intergovernmental agreements with officers from the Evanston, Oak Park, Forest Park and Chicago police departments, as well as contracts with other private security firms. The Public Transportation Unit of the Chicago Police Department also provides services during its regular patrols at no expense to CTA.

Expenses for 2022 are forecasted to be $23.2 million, which is 11.7 percent under budget for the year, but 48.0 percent over 2021 actual expenses. The increase compared to the 2021 actual expenses is driven by the addition of new private security firms to help improve the safety and security of CTA users across the system. Additionally, CTA recently incorporated again the use of K-9 units and signed a new intergovernmental agreement (IGA) with CPD to increase the number of officers patrolling the system. For 2023, the CTA's security services are budgeted at $41.2 million. This represents a $14.9 million increase, or 56.6 percent, over the 2022 budget; and a $18.0 million increase, or 77.4 percent, compared to the 2022 forecast. The increase reflects the fully ramped up cost of the additional contracted security services and IGA for the rail system and facilities, as well as, expected wage increases.

For the 2-Year Financial Plan, purchase of security services is projected to be $42.8 million in 2024 and $44.5 million in 2025. The annual growth rate is projected to be 4 percent for 2024 and 2025, due to annual contractual increases with private security firms.

[Bar Graph: Security Services Expenses in $ Millions]

Year	Security Services Expenses
2022 Forecast	$ 23.2
2023 Proposed Budget	$ 41.2
2024 Plan	$ 42.8
2025 Plan	$ 44.5

Provision for Injuries and Damages

This budget item represents expenses for claims and litigation for incidents that occur on CTA property and those incidents involving CTA vehicles. The budget is determined by the CTA's actuaries based on actual claims history and future projections. The 2022 forecast is $31.7 million. Expenses are projected to decline to $20.2 million in 2023 based on historical loss and payout history. Expense is projected to increase 4.0 percent in 2024 and 2025, respectively.

[Bar Graph: Provision for Injuries and Damages Expenses in $ Millions]

Year	Provision for Injuries & Damages Expenses
2022 Forecast	$ 31.7
2023 Proposed Budget	$ 20.2
2024 Plan	$ 21.0
2025 Plan	$ 21.8

Other Expenses

The Other Expenses category includes expenses such as contractual services, utilities, legal fees, advertising, bank fees, debt service for TIFIA loans and outstanding pension obligation bonds, consulting services and other miscellaneous expenses. Other Expenses are forecasted to end 2022 at $249.1 million, which is $24.0 million, or 8.8 percent, lower than budget, but $13.1 million, or 5.6 percent, higher than 2021 actuals. The lower forecasted expenditures are due to lower than budgeted expenses in contractual services, utilities, non-capital grant, travel, leases, and other general expenses categories.

In the 2023, Other Expenses are budgeted to be $282.8 million, an increase of $9.7 million, or 3.5 percent, compared to the 2022 budget, and an increase of $33.7 million compared to the 2022 forecast. The increase is primarily due to increases in contractual services and utilities.

[PRINTED PAGE 36]
[Operating Budget]

For the 2-Year Financial Plan, Other Expenses are projected to be $299.1 million in 2024 and $308.9 million in 2025. The increase for 2023-2024 is primarily driven by increased debt service for the TIFIA loans and a 4 percent increase on contractual services.

Consolidated Operating Revenues

The following Consolidated Operating Revenues section will present the 2022 Operating Budget Forecast, 2023 Proposed Budget and 2024-2025 Financial Plan for each of the major revenue categories:

[Stacked Bar Graph: 2022-2025 Consolidated Operating Revenue in $ Millions]

Year	Fares & Passes	Public Funding	Federal Relief	Advertising, Charters & Concessions	Reduced Fare Subsidy	Investment Income	Statutory Required Contributions	Other Revenue	Total Operating Revenue
2022 Forecast	$295.4	$1,026.2	$197.7	$30.6	$14.6	$2.0	$5.0	$27.6	$1,599.1
2023 Proposed Budget	$315.6	$1,044.0	$390.0	$32.8	$14.6	$2.5	$5.0	$23.1	$1,827.6
2024 Plan	$339.2	$1,073.4	$411.4	$33.6	$14.6	$2.5	$5.0	$23.7	$1,903.4
2025 Plan	$364.7	$1,122.9	$404.9	$34.5	$14.6	$2.5	$5.0	$24.3	$1,973.4

Totals may not add up due to rounding

System-Generated Revenue

System-generated revenues for 2022 are forecasted to be $375.1 million or $6.2 million higher than the 2022 budget of $368.9 million and $45.4 million higher than the 2021 actual revenue. The higher 2022 forecast compared to the 2022 budget is driven by higher than expected farebox revenue, advertising revenues, as well as higher investment income.

For 2023, system-generated revenues are budgeted to be $393.6 million, an increase of $24.7 million, or 6.7 percent, compared to the 2022 budget and an increase of $18.5 million, or 4.9 percent, compared the 2022 forecast. For the 2-Year Financial Plan, system-generated revenues are forecasted to increase to $418.6 million in 2024 and to $445.5 million in 2025, an increase of 6.4 percent in each year.

During the spring of 2021, in response to changes in ridership habits, the CTA implemented reduced fare promotions on its pass products to attract new riders and encourage continued ridership amongst existing riders. The promotional fare reduction on 7-day, 3-day and 1-day passes became permanent in November of 2021. At that time, CTA also reduced the 30-day pass price and eliminated transfer fees. In July of 2022, the Regional Connect Pass was introduced. This new fare product is the result of a partnership between CTA, Metra and Pace. The Regional Connect Pass cost is $30 and is sold to holders of an unlimited ride Metra monthly pass. The Regional Connect Pass will provide unlimited rides all month on CTA and Pace with no day or time restrictions. The new pass replaces two separate passes previously available to Metra monthly pass holders: the Link-Up Pass, which for $55 a month provided rides on the CTA during weekday rush hours and on Pace at all times; and the PlusBus Pass, which for $30 a month provided unlimited rides only on Pace. The Regional Connect Pass is an example of CTA's commitment to providing affordable and flexible options to riders in the region. In 2023, CTA and Pace will continue to streamline passes for seamless travel. CTA will eliminate the $25 7-day CTA and Pace pass and riders will be able to use the $20 7-day CTA pass on Pace as well. CTA will also expand the existing 1- and 3-day passes to include Pace rides.

Fare and pass revenues are forecasted to be $295.4 million for 2022 which is $1.4 million higher than the 2022 budget and $52.5 million, or 21.6 percent, higher than the 2021 actual. Farebox revenues continue to be impacted by the COVID-19 pandemic. As we continue in the recovery phase from the pandemic, the impact to revenue is more a result of a shift to continued work from home and hybrid return to office policies.

Through August 2022, farebox revenues increased 28.9 percent compared to the same time period in 2021. The fare changes discussed above have been instrumental in driving increased return of ridership and positively impacting farebox revenues:

Specifically, short-term fare products such as the 1-,3- and 7- day passes have shown significant growth over 2021. Through August 2022 1-day pass revenue increased 132 percent, 3-day pass revenue increased 47 percent and 7-day pass revenue increased 35percent. Additionally, 30-day pass revenue has also increased by 26percent. While farebox revenues have begun to improve, they remain substantially below 2019 pre-pandemic levels.

For 2023, revenue from fares and passes is budgeted to be $315.6 million, which is $21.7 million, or 7.4 percent, higher than the 2022 budget and $20.2 million or 6.8 percent higher than the 2022 forecast. The increase in farebox revenue is due to higher projected ridership as people are returning to the office, in-person learning has resumed, and the local economy continues to reopen as COVID-19 restrictions that were in place for most of 2020-2021 have been removed. CTA has seen its highest post-pandemic ridership days in September 2022 as schools, work, and other travel returned at a higher rate than previous year. For the Two-Year Financial Plan, from a base of $315.6 million in 2023, fare and pass revenue are projected to increase by $23.7 million to $339.2 million in 2024 and by $25.4 million to $364.7 million in 2025. There is the expectation that system ridership will continue to increase as we continue through the recovery phase from the COVID-19 pandemic. A detailed fare chart is included in the Operating Funding Summary.

[Bar Graph: Farebox Revenue Overview in $ Millions]

Year	Fares & Passes
2017	$559.5
2018	$588.8
2019	$583.5
2020	$221.5
2021	$242.9
2022 Forecast	$295.4
2023 Proposed Budget	$315.6
2024 Plan	$339.2
2025 Plan	$364.7

Reduced fare subsidy revenue is the State of Illinois' reimbursement to the CTA, Metra and Pace for discounted and free fares given to seniors and people with disabilities participating in the State's Circuit Breaker Program. Pre-pandemic, the CTA provided nearly 100 million free and reduced-fare trips annually to qualified riders based on federal, state, or local mandates. This reduced-fare subsidy only covers a portion of the more than $100 million in actual free and reduced rides provided by the CTA annually. The Illinois General Assembly provides partial support to local transit agencies for this mandate, with the reduced fare subsidy. Consistent with guidance from the RTA, the 2023 proposed budget assumes the reduced fare subsidy cut will continue next year, resulting in reimbursement of $14.6 million for 2022, a 48.4 percent reduction in the historic funding for this program. The 2-Year Financial Plan assumes the subsidy will continue to be appropriated at the reduced level of $14.6 million in 2024 and 2025.

Advertising, charters, and concessions revenues include advertisements on buses, trains and stations, income from concessions, and other nonfarebox revenue. The COVID-19 pandemic substantially reduced demand for digital and billboard advertising throughout the bus and rail system. As ridership continues to return through 2023, advertising demand is projected to increase as well, and the CTA will work with its advertising partners to increase revenue through expanded digital advertising opportunities.

Advertising, charters, and concessions revenues for 2022 are forecasted to be slightly over $30.6 million, which is $3.8 million higher than the 2022 budget. The 2023 budget is $32.8 million, which is $6.1 million higher than the 2022 budget and $2.3 million higher than the 2022 forecast. For the Two-Year Financial Plan, revenue from advertising, charters, and concessions is expected to grow by $0.8 million in 2024 and 2025 to $33.6 million and to $34.5 million, respectively.

Investment income is revenue generated from interest on cash balances held at financial institutions. Low interest rates mean CTA's conservative cash investments will yield less income, while higher interest rates will yield more income.

Interest income for 2022 is forecasted to be $2.0 million, which is $1.5 million higher than budget due to higher market interest rates. For 2023 investment income is budgeted at $2.5 million, which is $2.0 million higher than the 2022 budget and $0.5 million higher than 2022 forecast. For the Two-Year Financial Plan, investment income is expected to remain flat, generating $2.5 million in 2024 and $2.5 million in 2025, respectively. Statutory Required Contributions as required by the Regional Transportation Authority Act requires the City of Chicago to contribute $3.0 million and Cook County to contribute $2.0 million annually toward CTA operations and are forecasted to remain unchanged for each year within this Consolidated Financial Overview.

Other Revenue includes, non-capital grants, park and ride revenue, rental revenue, third-party contractor reimbursements, and filming fees, among other revenue sources.

For 2022, other revenue is forecasted to be $27.6 million or $0.6 million lower than the 2022 budget due to lower rental, and non-capital grant revenue. For 2023, other revenue is budgeted at $23.1 million, or $4.5 million lower than the 2022 forecast. The decline is primarily the result of a lower non-capital grant award. For the 2-Year Financial Plan, Other Revenue is expected to grow by $0.6 million in 2024 to $23.7 million and by $0.6 million to $24.3 million in 2025 due to efforts to increase nonfarebox revenues. The plan projects increased miscellaneous revenues, slight growth in rental properties and park-and-ride revenues, fees from filming, non-capital grants from the federal government and other sources.

Public Funding

Budgeted public funding available for CTA operations is established by the RTA and is based on the RTA's revenue projection for the year and the approved funding marks of the RTA Board. Public funding has three sources authorized under state statutes passed in 1983 and 2008: sales tax revenue, public transportation funds (PTF), and the real estate transfer tax (RETT). The Public Funding estimates are net of the 1.5 percent surcharge the State withholds on Sales Tax revenues. A diagram of public funding received by RTA and the way in which it is allocated among the three Service Boards is included in the Operating Funding Summary.

For 2022, the RTA is forecasting public funding to be $1,026.2 million, which is $103.8 million or 11.3 percent higher than the 2022 budget and $75.8 million higher than 2021 actuals, driven by higher than projected sales tax, including collections for online sales, higher RETT receipts and the elimination of the 5 percent PTF cut.

For 2023, public funding is projected by the RTA to be $1,044.0 million which is $17.8 million, or 1.7 percent higher than the 2022 forecast and $75.8 million or 8.0 percent higher than 2021 actuals.

For the Two-Year Financial Plan, the RTA public funding marks for CTA are projected to increase by 2.8 percent in 2024 and 4.6 percent in 2025. The potential recessionary influences can place downward pressure on these growth assumptions.

[Stacked Bar Graph: 2022-2025 Consolidated Public Funding in $ Millions]

Year	Sales Tax I	Non-Statutory Funding - PTF I	PTF II	RETT	Sales Tax II	PTF II on RETT	Non-Statutory Funding - Sales Tax I	ICE	Total
2022 Forecast	$464.6	$279.8	$87.1	$79.9	$67.7	$20.0	$19.8	$7.4	$1,026.2
2023 Proposed Budget	$478.4	$284.0	$88.7	$81.8	$67.3	$20.4	$23.4	$0.0	$1,044.0
2024 Plan	$492.3	$293.9	$91.8	$84.2	$66.4	$21.0	$23.8	$0.0	$1,073.4
2025 Plan	$511.0	$305.0	$95.3	$87.4	$66.3	$21.8	$28.6	$7.6	$1,122.9

Federal Relief Funding

The CTA has received emergency federal financial assistance during the COVID-19 pandemic for eligible operating expenses to prevent, prepare for, and respond to COVID-19, as well as maintaining essential transit services, from four separate pieces of legislation during 2020-2022:

1. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, providing $25 billion in assistance to public transit agencies across the country, of which the CTA was allocated $817.5 million.

2. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law, providing $14 billion in assistance to public transit agencies across the country, of which the CTA was allocated $361.3 million.

3. On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law, providing $30.5 billion in assistance to public transit agencies across the country, of which CTA was allocated $912.1 million.

4. On March 7, 2022, CTA was awarded $118.4 million in ARP discretionary funding. The CTA was the only regional service board eligible to apply for these additional funds.

CTA has been allocated $2,209.3 of the total regional allocation of $3,421.4M. This represents 65 percent of federal relief funds, while the CTA provides 80 percent of service to the region. The CTA has used federal funding from these sources to help offset the decline in revenues and to continue funding operating expenses. CTA expects that the federal relief funds will last through 2025.

Ridership

Transit ridership locally and nationally continues to lag pre-pandemic levels. There has been a definitive shift in how and when people use public transit. A significant portion of the population continues to work from home and those who have returned to the office are doing so with less frequency. Peak travel periods have expanded beyond the standard AM/PM rush. Despite higher gas prices, there appears to be minimal impact to ridership. A return to in-person learning has increased the student segment of riders. Alternative modes of transportation, such as ride sharing services, are also continuing to impact ridership. Additional societal issues, such as workforce shortages and crime, are also impacting transit ridership. The CTA has acknowledged these concerns and is aggressively addressing these issues through recruitment efforts and increased security resources.

For 2023, the CTA expects that system ridership will increase by 22.3 million rides to 263.0 million rides in comparison to the 2022 forecast of 240.7 million rides. Bus ridership is expected to increase by 7.1 million rides to 144.9 million rides in 2023, while rail ridership is expected to Increase by 15.2 million rides to 118.1 million rides. The projected increase is impacted by the simplified fare structure as well as the continued return to a “new normal” in 2023. Weekday ridership recently hit 900,000 rides for the first time since February 2020. If local economic recovery efforts are halted or reversed, ridership could be negatively impacted. Prior to the COVID-19 health pandemic, CTA system ridership was at a 20-year high in 2012, and rail ridership had reached its highest point in at least 50 years in 2015. However, bus and rail ridership have decreased since then and CTA ridership was down again in 2019, falling 2.4 percent compared to 2018.

Ridership levels in cities across the country are experiencing similar trends. For the second quarter in 2022, ridership increased 36.4 percent from 2021.

[Stacked Bar Graph: CTA Ridership in $ Millions]

Year	Bus	Rail	Total
2012	314.4	231.2	545.6
2013	300.1	229.1	529.2
2014	276.1	238.1	514.2
2015	274.3	241.7	516.0
2016	259.1	238.6	497.7
2017	249.2	230.2	479.4
2018	242.2	225.9	468.1
2019	237.3	218.5	455.7
2020	121.5	76.0	197.5
2021	117.4	78.6	196.0
2022 Forecast	137.8	102.9	240.7
2023 Budget	144.9	118.1	263.0

Recovery Ratio

The recovery ratio measures the percentage of expenses a Service Board must pay against the revenue that it generates. System-generated revenues, operating expenses, and certain statutory exclusions are used in the calculation. The RTA Act requires the region to fund 50 percent of its expenses through revenues generated by the three Service Boards: CTA, Metra, and Pace. Historically, the CTA's required recovery ratio has been set at 54.75 percent. The Illinois State Legislature granted a reduction in recovery ratio for 2021, 2022 and 2023. RTA has set the required recovery ratio for CTA at 42.0 percent for 2023 and will also apply it for 2024 and 2025 planning periods.

[Bar Graph: Recovery Ratio in Percentage]

Year	Recovery Ratio
2022 Forecast	42.71%
2023 Proposed Budget	50.09%
2024 Plan	50.68%
2025 Plan	50.13%

[PRINTED PAGE 39]
[Operating Funding Summary]

Funding for CTA operations is derived from three primary sources: system generated revenue from fares and other sources; public funding, through the Regional Transportation Authority (RTA); and federal relief funding through the Federal Transit Administration (FTA). For 2023, the total budgeted revenue is projected to be $1,827.6 million, with system generated revenue contributing 21.6 percent or $393.6 million, public funding contributing 57.1 percent or $1,044.0 million, and federal relief funding accounting for 21.3 percent or $390.0 million.

In the five years preceding the pandemic, system-generated revenue funded roughly 47 percent of operating revenue and public funding contributed the remaining 53 percent. During the height of the pandemic, in 2020-2021, the system-generated revenue contribution dropped to 20 percent, public funding increased to 59 percent, and federal relief funding comprised 21 percent.

[Bar Graph: Operating Funding Sources in Percentage]

Funding Source	Pre-Pandemic 2015-2019 Avg	Pandemic 2020-2021	2022 Forecast	2023 Budget
System-Generated Revenue	47%	20%	23%	22%
Federal Relief Funds	0%	21%	12%	21%
Public Funding	53%	59%	64%	57%

While actual public funding dollars will increase in 2023, the rate of increase is significantly less than during the pandemic timeframe, which results in an increase in the federal relief funds as a percentage of operating funds.

System-Generated Revenues

[Pie Chart: 2023 Total Operating Revenue in Millions]

Revenue Type	Amount	Percent
Public Funding	$ 1,044.0	57.1%
Fares and Passes	$ 315.6	17.3%
Advertising, Charters, and Concessions	$ 32.8	1.8%
Investment Income	$ 2.5	0.1%
Total	$ 390.0	21.3%
Reduced Fare Subsidy	$ 14.6	0.8%
Statutory Required Contributions	$ 5.0	0.3%
All Other Revenue	$ 23.1	1.3%
Total Operating Revenue	$ 1,828	100.0%

System-generated revenue is collected from fare and pass sales, subsidies for free and reduced fare riders, advertising, investment income, statutory required contributions from local governments by provision of the RTA Act, and other revenues. For 2023, system-generated revenue is budgeted at $393.6 million which is $24.7 million or 6.7 percent higher than the 2022 budget and $18.5 million or 4.9 percent higher than the 2022 forecast. The year over year projected increase in total system-generated revenue is attributed primarily to increased ridership as we continue to recover from the pandemic.

Fares and Passes

The largest portion of system-generated revenue is fare and pass revenue, which includes cash fares, full and reduced fare cards, 30-day full fare and reduced fare passes, along with one-, three- and seven-day passes, single ride tickets, CTA's U-Pass Program, bulk pass sales, and the Regional Connect pass. Fare and pass revenue for 2023 is budgeted at $315.6 million, which is $20.2 million higher than the 2022 forecast due to higher projected ridership and the success of the reduced fares on pass products implemented in 2021.

Comparing the time period of March 2022 - August 2022 to the same period in 2020 and 2021, the height of the pandemic, farebox revenues have increased 85.1 percent over 2020 and 26.3 percent over 2021. The fare changes highlighted below are instrumental in driving increased return of ridership and positively impacting fare revenues:

- Streamlined Pay-Per-Use base fares by removing the $0.25 transfer fare for full fare Ventra Card/PAYG and $0.15 transfer fare for reduced/student fare Ventra Card between CTA services.
- Made permanent the popular 1-Day, 3-Day, and 7-Day pass promotions that debuted Memorial Day Weekend 2021 to support the City's "Open Chicago" initiative to bring back events, festivals, dining, and other indoor and outdoor activities.
- 1-Day pass price reduced from $10 to $5 o 3-Day pass price reduced from $20 to $15
- 7-Day Pass price reduced from $28 to $20 (with a $5 premium for a CTA/Pace pass)
- Lowered Full Fare 30-Day Pass price from $105 to $75 and Reduced Fare 30-Day pass cost from $50 to $35.
- Introduced Regional Connect Pass for $30, enhancing regional connectivity as an add-on available to Metra monthly ticket holders for unlimited rides on CTA and Pace at all times (replacing Metra Link-Up and Pace PlusBus Passes starting July 1, 2022).
- Continuing the partnership with Pace, in 2023 the 1- and 3-Day passes will be eligible for Pace rides. In addition, the $20 7-Day pass will also be eligible for Pace rides, eliminating the $5 premium.

[Table: Current and Proposed Fare Structure]

	Current Structure (eff.1/7/18)	**Proposed Structure (eff.11/21/2021)**
CTA Regular Fare Types		
Full Fare Bus [1]	$2.25	unchanged
Full Fare Rail [1]	$2.50	unchanged
Full Fare Cash (Bus only; no transfers)	$2.50	unchanged
PAYG [2]	$2.50	$2.25 bus/$2.50 rail
Transfer	$0.25	$0.00
Single Ride Ticket [3]	$3.00	unchanged
CTA 1-Day/24-Hour Pass	$10	$5
CTA 3-Day/72-Hour Pass	$20	$15
CTA 7-Day Pass	$28	$20
CTA/Pace 7-Day Pass [4]	$33	$25
CTA/Pace 30-Day Pass	$105	$75
Metra Link-Up [5]	$55	$30 (early 2022)
O'Hare Station Fare [6]	$5.00	unchanged
Reduced Fare Types [7]		
Reduced Fare Bus	$1.10	unchanged
Reduced Fare Rail	$1.25	unchanged
Reduced Fare Cash (Bus Only; no transfers)	$1.25	unchanged
Transfer	$0.15	$0.00
CTA/Pace 30-Day Reduced Pass	$50	$35
O'Hare Station Fare	$1.25	unchanged
Student Fare		
Bus & Rail Student Permit Fare	$0.75	unchanged
Transfer	$0.15	$0.00
Student Fare Cash (Bus Only)	$0.75	unchanged
#128 Soldier Field Express		
All Roundtrips	$5.00	unchanged
	$2.50 reduced fare	unchanged

PRINTED PAGE 40]

[Operating Funding Summary]

[Table: Notes to the Fare Table]

[1] Fares paid with Ventra Transit Account Value

[2] PAYG - Pay as you go fare for bus and rail except at O'Hare Blue Line Station using personal bank card or phone

[3] Single Ride Ticket fare includes transfer for bus and rail.
[4] The price of the pass reflects a $5 Pace shared pass surcharge on the CTA 7-Day Pass price
[5] Proposal would lower the price and change business rules to allow riding in peak as well as off-peak hours in early 2022 pending approval from all service boards
[6] O'Hare Employees pay the regular rail base fare at O'Hare Blue Line Station
[7] CTA offers reduced fares via RTA Reduced Fare Permits to Seniors as required by 49 CFR Part 609 and free rides to eligible Seniors as required by 70 ILCS 3605/51(b). Similarly, CTA offers reduced fare to Persons with Disabilities as required by 49 CFR Part 609 and free rides to eligible Persons with Disabilities as required by 70 ILCS 3605/52. In additional, CTA also offers reduced fares to children age 7-11.

The fare structure overhaul demonstrates CTA's and Mayor Lightfoot's commitment to transit affordability and equity, especially for our bus riders, as we recover from the devastating impacts of the COVID-19 pandemic and move into a "new normal." More than a quarter of Chicago households do not own a car, and the equity impact of transit service and fares is felt more strongly in Chicago's historically underinvested South and West side neighborhoods. This budget will ensure that CTA remains the most affordable travel option in Chicago.

The President's 2023 proposed budget preserves overall service levels. The CTA will continue to focus on providing reliable and consistent bus and rail service, which is critical to Chicago's continued recovery from the pandemic. Moreover, CTA and Pace will consolidate 1-Day, 3-Day, 7-Day and 30-Day Passes as shared passes to further demonstrate our commitment to seamless regional travel between our services.

Reduced Fare Subsidy

This funding represents the reimbursement of revenues foregone by the Service Boards due to providing reduced and free fares to senior citizens and riders with disabilities, as mandated by federal and state law. The funding is subject to the terms of the grant agreement, state statute, and annual state appropriation, and is allocated to the Service Boards based on qualifying passenger trips taken during the grant year. It is assumed that the $14.6 million subsidy will continue in 2023, which is about half the historical level.

Advertising, Charters and Concessions

Advertising, charters, and concessions revenue for 2023 is budgeted to be $32.8 million. This revenue is generated through advertisement on buses, rail cars and in rail stations. This projection also includes revenue from concessions within rail stations and revenue from Special Contract Guarantees, which are agreements for transportation services for the University of Chicago and other employers and schools.

Investment Income

Investment income for 2023 is projected to be $2.5 million. The Federal Open Market Committee (FOMC) seeks to achieve maximum employment and to maintain inflation at the rate of 2.0 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 3.0 to 3.25 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2.0 percent objective.

[Table: Investment Income in Millions; Federal Fund Rates in Percentages]

Year	Investment Income (in millions)	Federal Funds Rate (at year end)
2019	$2.50	1.75-2.00%
2020	$3.00	0.10%
2021	$0.30	0.08%
2022 Forecast	$2.00	4.40%
2023 Budget	$2.50	4.60%

Statutory Required Contributions

The RTA Act requires the City of Chicago and Cook County to annually contribute $3 million and $2 million, respectively, towards CTA operations.

All Other Revenue

All Other Revenue is projected to be $23.1 million in 2023. Revenues in this category include safety and security grants, parking fees, rental revenue, third-party contractor reimbursements and filming fees. Parking revenues include Park & Ride Facilities, under 'L' parking rentals and long-term parking agreements.

Public Funding

Most of the CTA's public funding for operating and capital needs is passed through the RTA. Under the RTA Act, as amended in 2008, some of the funds are allocated to the Service Boards based on a set formula; other funds are allocated based on the RTA's discretion with sources and allocations outlined below.

Sales Tax Revenue per 1983 Formula

RTA Sales Tax is the primary source of operating revenue for the RTA and the three Service Boards. The tax is authorized by Illinois statute, imposed in the six-county RTA region of northeastern Illinois, and collected by the state. The sales tax includes a one percent tax on sales in both the City of Chicago and Cook County, along with a 0.25 percent tax on sales in the collar counties of DuPage, Kane, Lake, McHenry and Will. The one percent sales tax in Cook County is comprised of one percent on food and drugs and 0.75 percent on all other sales, with the state then providing a "replacement" amount to the RTA equivalent to 0.25 percent of all other sales. Proceeds from the RTA Sales Tax are distributed to the CTA, Metra, and Pace, primarily to fund operating costs not recovered through the farebox. The RTA retains 15 percent of the total sales tax and passes the remaining 85 percent to the Service Boards according to the Operating Funding Allocation Chart found later in this section. The SFY 2023 budget passed in June 2022 continues the 1.5 percent surcharge levied on sales tax receipts.

[Table: RTA Sales Tax Revenue in Percentages]

Sales Tax Revenue Percentage by County			
	Chicago	Suburban Cook	Collar
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	100%	100%	100%

[Table: Sales Tax I – FY23 Sales Tax Revenue in Thousands]

Sales Tax Revenue (in thousands)				
	Chicago	Suburban Cook County	Collar Counties	Total
CTA	$ 330,860	$ 147,569	$ -	$ 478,429
Metra	-	$ 270,544	$ 107,261	$ 377,805
Pace	-	$ 73,785	$ 45,969	$ 119,754
RTA	$ 58,387	$ 86,805	$ 27,041	$ 172,233
Total:	$ 389,247	$ 578,703	$ 180,271	$ 1,148,221

Totals may not add up due to rounding

[PRINTED PAGE 41]
[Operating Funding Summary]

Public Transportation Fund

As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund or Road Fund, as applicable, an amount equal to 25 percent of the RTA sales tax collections (or gasoline or parking taxes, if imposed by the RTA). The Treasurer transfers this amount to a special fund, the Public Transportation Fund (PTF), and then remits it to the RTA monthly. This fund is a continuing appropriation to the RTA. The State began cutting PTF funds by 10 percent in SFY 2018 and reduced the cut to 5 percent in SFY 2019 and through SFY 2021. In SFY 2022, the state fully restored PTF.

The RTA uses these funds at its discretion to fund the needs of the Service Boards, RTA operations, debt service and capital investment.

State Assistance

The RTA Act provides supplemental state funding in the forms of additional state assistance and additional financial assistance (collectively, “State Assistance”) to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. The funding equals debt service amounts paid to bondholders of the SCIP bonds issued by the RTA, plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned by the RTA on the proceeds of SCIP bonds. The RTA Act limits the amount of State Assistance available to the RTA to the lesser of the debt service or $55 million. Remittance requires an annual appropriation made by the State of Illinois.

2008 Legislation

The 2008 state funding package increased the percentage of state sales tax dedicated to mass transit and gave authority to the City of Chicago to increase the Real Estate Transfer Tax (RETT) to support the CTA. In addition, the legislation also included pension reforms that will increase the funded ratio of the CTA’s pension to 90 percent by 2059.

Innovation, Coordination, and Enhancement (ICE) Program

The ICE program is an RTA funded program established as part of the 2008 Mass Transit Reform Legislation. It provides operating and capital assistance to enhance the coordination and integration of public transportation and to develop and Implement innovations to improve the quality and delivery of public transportation. Projects funded through this program advance the vision and goals of the RTA Act by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation, and technology. CTA plans to utilize all ICE funds in 2022 toward operating costs. Beginning with the 2023 budget year, ICE funding will be distributed after exact amounts are known and grant agreements have been executed for approved operating or capital projects. Therefore, 2023 and 2024 ICE amounts are zero and the estimated 2023 ICE amount is shown in 2025.

[Table: 2023 Public Funding Allocation Charts in Thousands]

2023 Service Board Funding	RTA	CTA	Metra	Pace -Mainline	Pace - Paratransit	Total
Sales Tax I & PTF I	$461,997	$478,429	$377,805	$119,754	$0	$1,437,984
Sales Tax II & PTF II	$0	$156,025	$126,770	$42,257	$217,544	$542,596
RTA Non-Statutory	-$338,513	$307,368	$19,012	$12,133	$0	$0
Real Estate Transfer Tax (25% PTF)	$0	$20,416	$0	$0	$0	$20,416
RTA Suburban Community Mobility Funds	$0	$0	$0	$31,621	$0	$31,621
RTA South Suburban Job Access Fund	-$7,500			$7,500		$0
						$0
State Funding for ADA	$0	$0	$0	$0	$8,395	$8,395
RTA Agency Revenue	$13,211	$0	$0	$0	$0	$13,211
State Financial Assistance (ASA/AFA)	$115,189	$0	$0	$0	$0	$115,189
Total RTA Funds	$244,384	$962,238	$523,587	$213,264	$225,939	$2,169,412
Real Estate Transfer Tax (City of Chicago)	$0	$81,783	$0	$0	$0	$81,783
Total Funds	$244,384	$1,044,021	$523,587	$213,264	$225,939	$2,251,195
ICE Funding/State ADA funding*	$15,811	$0	$0	$0	$0	$15,811
State Reduced Fare Reimbursement**	$0	$14,606	$1,618	$1,346	$0	$17,570
Percentage of Total Public Funds	10.9%	46.4%	23.3%	9.5%	10.0%	100.0%

**Includes ICE funding to be distributed to the Service Boards in 2025*

***State Reduced Fare Reimbursement is included in the table but is counted as system-generated revenue and excluded from public funding totals*

Totals may not add up due to rounding

[PRINTED PAGE 42]
[Operating Funding Summary]

[Table: 2023 Public Funding Allocation Charts in Thousands. Graphic description of how funds flow to CTA and other transit agencies based on 1983 Formula and 2008 Legislation]

[Table: FY23 Funding by Service Board]

FY23 Funding by Service Board		
CTA	$ 1,044,021	45.0%
Metra	$ 523,587	22.7%
Pace - Mainline	$ 213,264	9.3%
Pace - Paratransit	$ 225,939	10.6%
RTA*	$ 260,194	12.5%
Total	$ 2,267,005	100.0%

** Includes ICE Funding to be distributed to Service Boards in 2025*
Totals may not add up due to rounding

Federal Assistance (Federal Transit Administration)

The CTA, Metra, Pace, and the RTA are the region's designated recipients of federal operating and capital financial assistance. While the FTA eliminated recurring operating assistance in 1998, emergency financial assistance has been provided during the COVID-19 pandemic for eligible operating and capital expenses to prevent, prepare for, and respond to COVID-19, as well as for maintaining essential transit services. This assistance was provided through three separate pieces of legislation during 2020-2021:

1. On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law, providing $25 billion in assistance to public transit agencies across the country, of which the CTA was allocated $817.5 million.
2. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was signed into law, providing $14 billion in assistance to public transit agencies across the country, of which the CTA was allocated $361.3 million.
3. On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law, providing $30.5 billion in assistance to public transit agencies across the country, of which the CTA was allocated $912.1 million.

Additionally, on March 7, 2022, CTA was awarded $118.4 million in ARP discretionary funding. The CTA was the only regional service board eligible to apply for these additional funds.

In total, the CTA has received $2,230.9 million in federal relief funds, which are expected to be nearly exhausted in 2025.

Fund Balance - Unrestricted Net Position

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget must balance regarding anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits. In addition to a structurally balanced budget, as part of the annual budget and as recommended by the Government Finance Officers Association (GFOA), unrestricted net position is reported in this book.

Unrestricted net position is reported in compliance with generally accepted accounting principles (GAAP) and represents the portion of net position that is neither restricted nor invested in capital assets net of related debt.

[PRINTED PAGE 43]
[Operating Funding Summary]

The unrestricted net position represents the long-term accumulation of non-cash transactions which are excluded from the annual budget. These amounts include, but are not limited to, provision for injuries and damages more than (or under) budget, depreciation expense, pension expense more than pension contributions, actuarial adjustments, interest expense, and capital contributions. The unrestricted net position is an accounting concept and is separate from annual budgeted revenues and expenses.

[Table: 2019-2025 Fund Balance: Unrestricted Net Position in Thousands]

	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget	2024 Plan	2025 Plan
Total Operating Expenses	$1,515,388	$1,537,826	$1,585,216	$1,599,003	$1,827,550	$1,903,485	$1,973,355
Total System Generated Revenue	$697,177	$314,064	$329,658	$375,094	$393,576	$418,640	$445,514
Funding Requirement	$818,211	$1,223,762	$1,255,558	$1,223,909	$1,433,974	$1,484,845	$1,527,840
Public Funding	$818,211	$739,933	$950,394	$1,026,213	$1,044,020	$1,073,423	$1,122,942
FTA Operating Assistance	$0	$483,829	$305,164	$197,696	$389,954	$411,422	$404,898
Short-term Borrowing	$0	$0	$0	$0	$0	$0	$0
Net Operating Results (PBV)	$0	$0	$0	$0	$0	$0	$0
Fund Balance - unrestricted net position:							
Beginning Balance	-$3,354,874	-$3,332,476	-$3,318,615	-$3,278,682	-$3,279,532	-$3,280,293	-$3,281,323
Net operating results (PBV)	$0	$0	$0	$0	$0	$0	$0
Less other obligations	$32,167	$14,184	$40,813	$0	$0	$0	$0
Less capital expended from net position (PBV)	-$9,769	-$323	-$880	-$850	-$761	-$1,030	-$709
Ending Balance	-$3,332,476	-$3,318,615	-$3,278,682	-$3,279,532	-$3,280,293	-$3,281,323	-$3,282,032

[PRINTED PAGE 45]
[Performance Management]

Performance Management

Performance Management (PM) is the CTA's centralized reporting and performance tracking department. PM compiles and connects data from disparate data sources to create visualized analyses and data tracking capabilities, relying on automated processes. The information is then disseminated throughout the organization using data visualization and dashboarding tools. The processes have been upgraded over the past few years to enable the CTA to utilize state-of-the-art technology to improve and streamline operational processes all of which are designed to increase system efficiency, enhance the customer experience, foster employee accountability, and inform the targeting of resources and public campaigns.

PM has created outcome-oriented measures, along with accompanying targets, to monitor performance. Each department is responsible for focusing its resources on meeting these targets and adhering to the following strategic goals: Safety, Customer Experience and Workforce Development. The figure below details the five criteria PM uses to meet those goals:

[Graphic: Figure describing the 5-criterion listed above. Safe: Minimizing accidents for customers and employees; On-Time: Reducing system delays and minimizing disruptions; Efficient: Boosting performance and providing safe and reliable transit; Clean: Improving the cleanliness of vehicles and stations; Courteous: Maintaining the highest standard of customer service]

PM continuously develops and monitors a range of metrics and targets with each department to improve operations and efficiency. A scorecard of monthly performance measures is published on a regular basis at transitchicago.com/performance. A selection of key representative metrics for major operational departments is provided here.

Bus Operations

Big Gap Intervals

Bus Operations continually monitors the reliability of service with a variety of measures, including big gaps. A big gap is defined as a bus interval (time between two buses at a bus stop) that is double the scheduled interval and greater than 15 minutes.

[TABLE: % of Bus Bug Gap Intervals]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	3.3%	3.4%	n/a	n/a	3.9%	4.3%	4.1%	4.3%	4.5%	4.2%	4.1%	4.2%
2020	n/a	n/a	5.3%	10.2%	10.4%	11.5%	7.3%	7.7%	6.2%	6.0%	7.0%	6.8%
2021	6.8%	8.7%	7.3%	8.7%	9.9%	9.0%	10.0%	9.7%	10.7%	11.4%	10.6%	12.2%
2022	13.4%	12.2%	11.0%	11.4%	14.2%	13.3%						

N/A: For specific months, the Automatic Voice Annunciation System (AVAS) was not functioning correctly and is listed with "N/A"*

Rail Operations

Rail Delays of 10 Minutes or More

Rail Operations tracks several metrics to ensure the service experienced by customers is reliable. One important measure to monitor is the number of major rail delays assigned (≥ 10 minutes), which can significantly disrupt system operations and rider experience. These are delays which are caused by CTA personnel actions and activities, equipment failures and track, power and signal issues. Thus, assigned rail delays are those for which the CTA bears culpability and could have potentially been avoided.

[Line Graph: Rail Delays of 10 Minutes or More]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	171	119	106	75	99	108	109	99	107	83	92	74
2020	94	89	52	69	76	88	90	78	65	97	70	72
2021	65	137	89	74	91	106	87	83	80	99	64	85
2022	114	84	89	87	112	98						

Bus Maintenance

Miles Between Bus Service Disruptions Due to Equipment

Bus Maintenance is responsible for the maintenance of the CTA bus fleet, including both mechanical maintenance and regular cleaning of bus interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for bus maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards.

Because the age of a vehicle impacts its performance, the CTA bus fleet is broken down into several "series" of buses purchased between 2000

and 2019. The first graph below shows system-wide performance, while the second graph contains data by series.

[Line Graph: Miles Between Bus Service Disruptions Due to Equipment]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	5,143	5,193	6,462	6,432	5,319	5,808	5,266	5,529	4,981	5,470	5,134	5,341
2020	4,869	4,900	5,599	6,189	4,776	4,735	4,864	4,515	5,104	6,094	6,750	6,253
2021	5,853	4,461	5,954	6,700	6,084	5,572	5,403	5,421	6,299	4,993	5,516	6,822
2022	5,464	5,459	6,161	5,231	4,552	4,237						

[Line Graph: Miles Between Bus Service Disruptions Due to Series]

Date	1000 Series	4000 Series	4300 Series	7900 Series
Jan-19	5,002	4,366	4,053	5,820
Feb-19	5,070	2,870	3,996	7,930
Mar-19	6,176	4,441	5,212	8,327
Apr-19	5,742	6,063	6,127	6,682
May-19	4,906	4,267	3,941	5,975
Jun-19	5,135	4,144	3,446	7,761
Jul-19	4,860	4,986	4,952	6,126
Aug-19	5,220	4,664	5,884	6,380
Sep-19	5,348	4,185	4,048	4,754
Oct-19	5,223	4,289	5,458	6,006
Nov-19	5,040	4,550	4,522	5,556
Dec-19	5,026	6,603	5,221	5,980
Jan-20	4,815	4,077	5,175	6,004
Feb-20	5,021	4,309	3,850	4,677
Mar-20	5,696	5,407	6,139	4,777
Apr-20	7,123	6,385	6,624	4,208
May-20	5,544	3,451	4,163	3,502
Jun-20	4,897	4,006	4,299	4,287
Jul-20	5,066	3,680	3,774	5,220
Aug-20	5,135	3,128	3,721	6,091
Sep-20	6,050	3,762	4,444	5,193
Oct-20	6,421	4,508	6,792	6,987
Nov-20	6,182	4,989	7,345	7,386
Dec-20	6,699	4,415	5,515	6,640
Jan-21	6,464	3,391	4,200	6,844
Feb-21	4,716	2,983	2,337	5,528
Mar-21	6,473	3,270	4,610	7,163
Apr-21	7,089	3,716	4,467	8,552
May-21	6,201	4,490	4,211	6,890
Jun-21	6,239	2,886	3,869	6,780
Jul-21	5,924	2,835	3,118	6,303
Aug-21	6,085	3,109	3,089	7,471
Sep-21	6,558	3,944	6,029	7,238
Oct-21	5,350	3,810	2,916	6,275
Nov-21	6,228	3,162	3,783	6,077
Dec-21	6,956	4,221	5,351	8,023
Jan-22	6,069	2,870	4,042	6,381
Feb-22	5,474	3,672	3,651	5,671
Mar-22	6,251	3,356	3,729	6,110
Apr-22	5,518	3,465	3,326	6,365
May-22	4,593	3,137	4,133	5,743
Jun-22	4,705	2,828	2,686	4,895

The 6400 and 600 series fleets are not included due to low number of defects and not consistent use in service

Vehicle Unavailability and Age of Fleet

Age is a key component in the amount of resources needed to keep a vehicle in service. As the fleet ages, the number of defects rise, causing units to be held out of service. Quarter, Mid-, and 3/4 life overhauls are necessary to ensure the full useful life of a vehicle, but funding may impact the level of those overhauls.

[Table: Age of Bus Sub fleets by Series]

Series	# of Buses	Age
6400 ('00)	103	20.6
1000 ('06)	1,030	14.8
4000* ('08)	208	13.3
4300* ('12)	100	9.3
7900* ('15)	521	5.8
600 ('20)	9	1.0

Series listed with first purchasing year in parentheses. Average ages in years through June 2022. 60' buses are denoted with an asterisk (*), all other Series are 40'. Series not in revenue service on a consistent basis are excluded.

[Line Graph: Bus Unavailability by Series]

Date	1000 Series	4000 Series	4300 Series	7900 Series
Jan-19	11.7%	28.1%	21.7%	12.3%
Feb-19	11.5%	27.9%	23.5%	14.3%
Mar-19	12.1%	22.7%	21.3%	11.8%
Apr-19	12.1%	22.5%	19.5%	12.8%
May-19	12.6%	20.8%	22.5%	11.3%
Jun-19	12.4%	19.7%	23.2%	10.7%
Jul-19	13.0%	20.5%	23.9%	12.1%
Aug-19	12.1%	21.3%	24.5%	13.2%
Sep-19	11.4%	21.5%	21.9%	13.3%
Oct-19	10.8%	23.3%	26.8%	13.3%
Nov-19	10.6%	23.1%	24.3%	13.2%
Dec-19	11.2%	22.6%	21.9%	14.0%
Jan-20	11.4%	22.3%	21.6%	11.9%
Feb-20	10.3%	24.1%	22.0%	12.4%
Mar-20	11.3%	19.4%	23.9%	14.5%
Apr-20	11.2%	18.6%	22.4%	17.3%
May-20	11.4%	25.5%	22.5%	17.2%
Jun-20	13.1%	26.0%	26.9%	15.6%
Jul-20	14.8%	27.3%	27.4%	15.8%
Aug-20	12.0%	26.9%	23.1%	13.9%
Sep-20	12.3%	25.3%	25.0%	14.2%
Oct-20	13.4%	25.5%	22.5%	14.0%
Nov-20	11.6%	29.2%	24.0%	12.7%
Dec-20	10.8%	30.6%	25.5%	12.9%
Jan-21	12.0%	32.7%	26.1%	12.5%
Feb-21	12.5%	31.2%	34.4%	15.1%
Mar-21	12.9%	32.1%	32.3%	14.2%
Apr-21	12.5%	32.9%	39.7%	14.4%
May-21	13.9%	32.3%	29.0%	13.9%
Jun-21	13.6%	31.5%	33.5%	14.7%
Jul-21	15.7%	31.0%	31.2%	13.3%
Aug-21	15.3%	28.9%	26.8%	11.6%
Sep-21	14.5%	30.2%	28.4%	10.8%
Oct-21	14.4%	32.4%	25.4%	11.0%
Nov-21	14.0%	33.5%	26.5%	11.9%
Dec-21	14.2%	32.1%	20.9%	10.2%
Jan-22	14.8%	33.9%	25.4%	11.1%
Feb-22	15.4%	29.6%	29.7%	13.8%
Mar-22	14.5%	31.9%	22.5%	14.8%
Apr-22	15.7%	31.2%	26.4%	13.1%
May-22	18.1%	40.0%	30.3%	13.4%
Jun-22	18.7%	37.9%	41.5%	14.9%

The 6400 and 600 series fleets are not included due to low number of defects and not consistent use in service

Rail Maintenance

Mean Miles between Reported Rail Vehicle Defects

Rail Maintenance is responsible for the maintenance of the CTA rail fleet, including both mechanical maintenance and regular cleaning of rail interiors and exteriors. Tracking the mean distance between defects is an essential monitoring mechanism for rail maintenance performance, while cleaning performance is tracked for adherence to schedule and quality standards. The age of a vehicle impacts its performance. The CTA rail fleet is comprised of 3 "series" of railcars purchased between 1981 and 2015. Performance of the various sub-fleets is broken out below.

[Line Graph: Mean Miles between Reported Rail Vehicle Defects]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	6,114	6,583	9,222	10,409	7,817	8,534	7,869	8,387	8,841	7,885	8,786	10,272
2020	8,956	9,468	12,680	12,231	9,016	7,817	7,592	8,093	7,852	8,310	9,797	10,808
2021	10,125	4,971	9,429	10,856	8,392	6,595	7,703	7,073	9,028	8,049	9,495	9,496
2022	6,269	8,394	8,242	7,744	6,634	5,915						

The age of a railcar is also a key factor in the amount of resources needed to keep a vehicle in service. As the fleet ages, the number of defects rise, causing units to be held out of service. Quarter, Mid-, and 3/4 life overhauls are necessary to ensure the full useful life of a vehicle, but funding may impact the level of those overhauls.

[Line Graph: Mean Miles between Reported Rail Vehicle Defects by Series]

Date	2600 Series	3200 Series	5000 Series
Jan-19	4,270	6,569	7,963
Feb-19	4,769	8,192	8,324
Mar-19	6,730	11,289	11,191
Apr-19	7,462	9,977	13,299
May-19	5,815	9,761	9,164
Jun-19	5,789	8,649	11,834
Jul-19	5,395	9,170	10,286
Aug-19	6,706	9,600	9,290
Sep-19	7,188	7,233	10,788
Oct-19	6,014	8,956	9,259
Nov-19	6,645	7,868	11,688
Dec-19	7,051	12,993	13,018
Jan-20	6,760	9,197	10,790
Feb-20	6,350	8,615	13,836
Mar-20	6,880	11,934	14,017
Apr-20	8,089	9,638	12,246
May-20	6,256	8,209	12,933
Jun-20	6,005	8,537	9,213
Jul-20	5,706	7,143	9,161
Aug-20	6,084	6,558	11,120
Sep-20	5,184	7,384	11,836
Oct-20	6,679	8,503	12,947
Nov-20	6,247	9,448	14,263
Dec-20	7,403	15,073	12,758
Jan-21	7,467	11,388	12,878
Feb-21	3,075	4,611	7,406
Mar-21	7,497	8,072	12,105
Apr-21	6,465	16,196	13,477
May-21	5,962	7,319	11,114
Jun-21	4,877	6,211	8,148
Jul-21	5,837	5,682	10,882
Aug-21	5,452	5,767	9,217
Sep-21	5,479	8,830	14,080
Oct-21	5,872	6,984	10,947

Nov-21	5,895	8,730	14,658
Dec-21	6,670	9,310	12,032
Jan-22	4,411	6,470	7,815
Feb-22	5,364	8,612	11,834
Mar-22	5,661	7,751	11,158
Apr-22	5,668	7,353	10,299
May-22	5,203	5,392	8,806
Jun-22	4,408	4,722	8,299

Vehicle Unavailability and Age of Fleet

Each rail terminal has a different distribution of series in its fleet so Vehicle Unavailability is tracked for each series to ensure that peak level of service can be met.

[Table: Age of Rail Sub fleets by Series]

Series	# Of Cars	Age
2600 (1981)	502	37.7
3200 (1992)	257	29.2
5000 (2009)	714	8.7

Series listed with first purchasing year in parentheses. Average ages in years through June 2022.

[Line Graph: Railcar Unavailability by Series]

Date	2600 Series	3200 Series	5000 Series
Jan-19	11.5%	10.2%	9.4%
Feb-19	12.8%	9.2%	10.6%
Mar-19	11.2%	5.6%	8.7%
Apr-19	9.7%	6.0%	7.6%
May-19	9.7%	5.4%	9.6%
Jun-19	9.2%	6.0%	8.8%
Jul-19	8.0%	5.8%	7.9%
Aug-19	7.6%	5.7%	8.4%
Sep-19	9.5%	6.8%	9.9%
Oct-19	10.8%	8.6%	9.5%
Nov-19	12.2%	7.3%	11.6%
Dec-19	11.1%	5.9%	7.8%
Jan-20	10.4%	7.2%	6.6%
Feb-20	11.5%	8.6%	6.7%
Mar-20	10.8%	8.2%	6.0%
Apr-20	9.1%	8.6%	4.3%
May-20	9.4%	6.6%	5.0%
Jun-20	8.9%	4.7%	6.0%
Jul-20	10.5%	4.4%	6.4%
Aug-20	10.5%	6.0%	5.0%
Sep-20	10.5%	8.5%	4.9%
Oct-20	8.3%	7.8%	4.8%
Nov-20	11.9%	9.2%	4.5%
Dec-20	11.3%	7.7%	5.2%
Jan-21	9.4%	8.3%	7.5%
Feb-21	17.4%	13.3%	7.6%
Mar-21	14.1%	7.5%	7.8%
Apr-21	12.0%	8.8%	5.9%
May-21	10.2%	8.4%	7.2%
Jun-21	12.4%	8.0%	8.2%

Jul-21	14.5%	8.2%	6.5%
Aug-21	14.2%	7.5%	8.3%
Sep-21	14.7%	8.4%	7.0%
Oct-21	14.6%	6.9%	7.8%
Nov-21	12.3%	7.9%	6.6%
Dec-21	12.0%	8.1%	7.3%
Jan-22	13.3%	7.9%	7.8%
Feb-22	11.8%	9.2%	5.7%
Mar-22	10.3%	7.9%	5.4%
Apr-22	8.9%	9.9%	7.9%
May-22	10.7%	13.4%	6.9%
Jun-22	11.2%	9.9%	8.1%

Power & Way

Slow Zone Mileage

Power & Way Maintenance is responsible for inspecting and maintaining CTA's rail infrastructure, including track, structures, signal, and power systems. The percentage of the rail system under "slow zones" is a broad health metric of how much of the system is operating with performance restrictions to maintain safe and reliable operations.

[Table: Rail System Slow Zones]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	10.8%	11.8%	11.7%	12.1%	12.3%	12.1%	14.2%	13.0%	12.6%	12.9%	13.0%	13.1%
2020	13.1%	13.3%	12.9%	12.6%	12.8%	12.8%	11.7%	12.0%	12.4%	11.9%	11.9%	12.7%
2021	12.1%	11.9%	12.4%	13.0%	14.3%	14.8%	14.9%	15.5%	15.6%	15.8%	16.4%	16.4%
2022	15.6%	15.6%	15.6%	16.2%	16.3%	16.7%						

Additional Metrics

Bus Crowding (Average Peak Bus Passenger Load)

Throughout the pandemic, the CTA maintained the highest level of service to minimize crowding and allow riders to spread out on buses, trains, and station platforms. PM has tracked the peak number of riders on each bus every day to ensure customer and employee safety. With the start of the pandemic, new capacity limits were implemented to keep passengers safe and socially distanced. In June 2021, capacity limits returned to pre-pandemic levels, but bus crowding has remained lower than pre-pandemic.

[Bar Graph: Bus Crowding]

Date	Average Passenger Load	Pre- or Post- COVID
Jan-19	19.3	Pre
Feb-19	20.9	Pre
Mar-19	20.8	Pre
Apr-19	20.8	Pre
May-19	21.5	Pre
Jun-19	21.2	Pre
Jul-19	20.8	Pre
Aug-19	20.8	Pre
Sep-19	22.5	Pre
Oct-19	22.1	Pre
Nov-19	20.8	Pre
Dec-19	19.4	Pre
Jan-20	20.2	Pre
Feb-20	21.1	Pre
Mar-20	13.5	Post
Apr-20	8.9	Post

May-20	10.0	Post
Jun-20	10.9	Post
Jul-20	10.8	Post
Aug-20	11.0	Post
Sep-20	10.9	Post
Oct-20	10.7	Post
Nov-20	10.0	Post
Dec-20	9.5	Post
Jan-21	9.2	Post
Feb-21	9.8	Post
Mar-21	10.7	Post
Apr-21	11.4	Post
May-21	12.1	Post
Jun-21	12.7	Post
Jul-21	13.4	Post
Aug-21	13.7	Post
Sep-21	15.7	Post
Oct-21	15.4	Post
Nov-21	14.6	Post
Dec-21	14.1	Post
Jan-22	12.4	Post
Feb-22	14.2	Post
Mar-22	15.3	Post
Apr-22	15.5	Post
May-22	16.5	Post
Jun-22	16.4	Post

Bus Operator Workforce and Hiring

The pandemic has brought new challenges related to hiring and employee retention. To combat these challenges, under a newly renegotiated ATU contract approved in February 2022, the CTA began directly recruiting and hiring full-time bus operators for the first time. Prior to this change, CTA hired part-time bus operators who had to wait until the opportunity to transition to full-time bus operators became available. Beginning in 2021, with the onset of the Great Resignation, interest in the part-time bus operator position fell and bus operator attrition increased leading to lower overall staffing levels. CTA is addressing this with a variety of initiatives, including an enhanced and streamlined job applicant experience so applicants can complete all necessary steps on their cellphone and a pilot commercial learner's permit program.

[Stacked Bar Graph: Bus Operator Active Headcount]

Date	Full-Time Permanent	Part-Time Temporary
Jan-19	3,295	843
Feb-19	3,314	833
Mar-19	3,277	840
Apr-19	3,241	858
May-19	3,245	834
Jun-19	3,238	846
Jul-19	3,272	813
Aug-19	3,281	772
Sep-19	3,282	779
Oct-19	3,298	766
Nov-19	3,288	791
Dec-19	3,298	761
Jan-20	3,258	789
Feb-20	3,246	782
Mar-20	3,277	763

Apr-20	3,275	788
May-20	3,239	786
Jun-20	3,214	774
Jul-20	3,168	767
Aug-20	3,146	756
Sep-20	3,126	754
Oct-20	3,083	739
Nov-20	3,056	740
Dec-20	3,052	731
Jan-21	3,043	725
Feb-21	3,023	730
Mar-21	3,010	728
Apr-21	3,017	697
May-21	3,036	684
Jun-21	3,124	606
Jul-21	3,133	578
Aug-21	3,148	520
Sep-21	3,091	521
Oct-21	3,086	474
Nov-21	3,034	478
Dec-21	3,010	475
Jan-22	2,983	476
Feb-22	2,947	478
Mar-22	2,902	445
Apr-22	2,908	392
May-22	3,129	124
Jun-22	3,153	113

[Stacked Bar Graph: Bus Operator Hiring & Attrition]

Date	Attrition	Hiring
Jan-19	-52	53
Feb-19	-46	30
Mar-19	-70	30
Apr-19	-62	56
May-19	-38	37
Jun-19	-44	43
Jul-19	-50	28
Aug-19	-38	35
Sep-19	-30	37
Oct-19	-39	39
Nov-19	-35	10
Dec-19	-51	44
Jan-20	-56	48
Feb-20	-55	48
Mar-20	-26	34
Apr-20	-33	
May-20	-42	
Jun-20	-40	
Jul-20	-32	
Aug-20	-37	9
Sep-20	-50	5
Oct-20	-32	15
Nov-20	-39	19
Dec-20	-51	16

Jan-21	-53	28
Feb-21	-45	27
Mar-21	-59	46
Apr-21	-38	45
May-21	-44	38
Jun-21	-54	32
Jul-21	-59	20
Aug-21	-63	18
Sep-21	-48	9
Oct-21	-82	18
Nov-21	-52	16
Dec-21	-42	10
Jan-22	-62	21
Feb-22	-88	14
Mar-22	-89	16
Apr-22	-78	16
May-22	-58	50
Jun-22	-78	41

Bus Delivered Service Hours

Bus Operations continually monitors the reliability of service with a variety of measures, including delivered service. Bus Operations measures the number of hours of service provided across the system to capture the effect of cancelled service on riders. The main cause of undelivered service is lower staffing levels and increased workforce unavailability.

[Bar Graph: Bus Delivered Hours]

Date	Bus Delivered Hours	Pre- or Post- COVID
Jan-19	415,010.7	Pre
Feb-19	377,397.8	Pre
Mar-19	411,210.9	Pre
Apr-19	407,944.5	Pre
May-19	415,303.6	Pre
Jun-19	393,810.5	Pre
Jul-19	414,014.8	Pre
Aug-19	416,046.0	Pre
Sep-19	445,607.9	Pre
Oct-19	481,815.7	Pre
Nov-19	446,776.9	Pre
Dec-19	443,864.3	Pre
Jan-20	415,006.3	Pre
Feb-20	386,017.4	Pre
Mar-20	397,427.6	Post
Apr-20	347,072.8	Post
May-20	342,051.7	Post
Jun-20	358,505.7	Post
Jul-20	375,249.9	Post
Aug-20	368,194.0	Post
Sep-20	367,316.3	Post
Oct-20	385,115.4	Post
Nov-20	355,159.7	Post
Dec-20	380,925.1	Post
Jan-21	374,083.8	Post
Feb-21	338,577.9	Post
Mar-21	389,135.0	Post
Apr-21	361,845.6	Post
May-21	350,264.1	Post

Jun-21	361,959.9	Post
Jul-21	367,753.3	Post
Aug-21	368,062.3	Post
Sep-21	349,497.0	Post
Oct-21	353,028.4	Post
Nov-21	346,255.5	Post
Dec-21	338,983.5	Post
Jan-22	333,602.0	Post
Feb-22	316,334.3	Post
Mar-22	359,289.5	Post
Apr-22	336,949.5	Post
May-22	331,268.9	Post
Jun-22	328,764.0	Post

[PRINTED PAGE 48]
[Operating Statistics]

The following is a snapshot of key operating statistics for the following time periods: 2018 through 2021 actual, 2022 forecast, and 2023 budget.

[Stacked Bar Graph: Total Operating Expenses – Rail in Millions]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Scheduled Transportation Expense	$ 172.4	$ 178.4	$ 120.0	$ 116.8	$ 124.4	$ 136.9
Terminal Maintenance Expense	$ 55.8	$ 50.1	$ 50.6	$ 55.1	$ 59.5	$ 63.8
Support Expense	$ 48.3	$ 48.9	$ 50.2	$ 49.9	$ 50.3	$ 52.5
Heavy Maintenance Expense	$ 18.3	$ 17.7	$ 17.3	$ 18.8	$ 24.8	$ 31.9
Rail Car Appearance Expense	$ 14.7	$ 15.3	$ 18.6	$ 19.1	$ 19.6	$ 23.3
Other Expenses	$ 11.1	$ 10.8	$ 11.2	$ 12.0	$ 13.4	$ 15.4
Total Operating Expense - Rail	$ 320.6	$ 321.2	$ 267.9	$ 271.6	$ 291.9	$ 323.7

Totals may not add up due to rounding

[Stacked Bar Graph: Total Operating Expenses – Bus in Millions]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Scheduled Transportation Expense	$ 413.8	$ 418.7	$ 403.6	$ 390.5	$ 408.5	$ 473.6
Garage Maintenance Expense	$ 127.5	$ 136.1	$ 134.2	$ 134.9	$ 141.0	$ 173.1
Support Expense	$ 22.2	$ 23.0	$ 23.2	$ 23.1	$ 24.8	$ 26.4
Heavy Maintenance Expense	$ 34.7	$ 23.3	$ 25.3	$ 26.5	$ 33.7	$ 40.0
Other Expenses	$ 32.2	$ 32.3	$ 31.4	$ 32.0	$ 29.8	$ 26.6
Total Operating Expense - Bus	$ 630.5	$ 633.4	$ 617.7	$ 607.0	$ 637.7	$ 739.7

Totals may not add up due to rounding

[PRINTED PAGE 49]
[Operating Statistics]

[Table: Annual Miles and Hours for Bus and Rail]

Metric	Mode	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Annual Revenue Miles	Bus	52,314,606	52,816,557	49,278,477	46,999,961	50,034,872	50,028,191
	Rail	73,461,555	73,574,040	69,510,641	72,369,642	73,943,341	74,442,986
Annual Revenue Hours	Bus	5,794,197	5,814,122	5,423,534	5,156,899	5,501,858	5,501,123
	Rail	4,068,066	4,065,132	3,855,798	4,032,851	4,102,505	4,130,226
Vehicles Operated in Maximum Service	Bus	1,569	1,566	1,555	1,509	1,502	1,502
	Rail	1,142	1,164	1,148	1,168	1,160	1,160
Average Age of Vehicles (Years)	Bus	9.3	10	11	12	11.7	11.9
	Rail	18	19	20	21	22	21

[Stacked Bar Graph: Annual System Ridership (Unlinked Trips in Millions)]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Bus Ridership	242.2	237.3	121.4	117.4	137.8	144.9
Rail Ridership	225.9	218.5	76.0	78.6	102.9	118.1
Total	468.1	455.7	197.5	196.0	240.7	263.0

Totals may not add up due to rounding

[Bar Graph: Average Daily Ridership (Unlinked Trips in Thousands)]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Avg. Daily Weekday	1,507.3	1,468.7	623.2	601.8	749.8	823.6
Avg. Daily Saturday	884.8	855.3	397.9	447.7	514.2	560.1
Avg. Daily Sunday	650.0	633.5	297.7	336.3	390.3	417.8

[Stacked Bar Graph: Average Fare & Public Funding Per Trip]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Avg. Fare per Trip	$ 1.26	$ 1.29	$ 1.18	$ 1.24	$ 1.19	$ 1.20
Public Funding per Trip	$ 1.73	$ 1.35	$ 6.20	$ 6.58	$ 5.09	$ 3.97

[Stacked Bar Graph: Fuel & Power Expenses in Millions]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Budget
Fuel Expense	$ 32.1	$ 40.4	$ 37.1	$ 30.8	$ 30.1	$ 51.7
Power Expense	$ 31.2	$ 31.6	$ 24.7	$ 25.1	$ 25.4	$ 32.5

2020-2022 Public Funding includes Federal Stimulus Funds.

Peer Comparison

To illustrate the CTA's performance in relation to its peers, the following performance analysis utilizes the 2020 National Transit Database (NTD)*. The selection of similar transit agencies is based on the size of the urban area served, the urban characteristics of the service area, and the size of the transit system. A comparative analysis on agency performance is noted in the following page.

The comparison group includes:

MBTA   Massachusetts Bay Transportation Authority

NYCT   New York City Transit

SEPTA   Southeastern Pennsylvania Transportation Authority

WMATA   Washington Metropolitan Area Transit Authority

MARTA   Metropolitan Atlanta Rapid Transit Authority

LACMTA   Los Angeles County Metropolitan Transportation Authority

Please note that there is a difference in reporting years that affect how much of the data is impacted by the COVID-19 pandemic:

The following agencies reported data for January 1, 2020 – December 31, 2020: CTA, NYCT.

The following agencies reported data for July 1, 2019 – June 30, 2020: LACMTA, MARTA, MBTA, SEPTA, WMATA.

[Table: Peer Agency Profiles]

Agency	City	Service Population	Service Area (sq. mi)	Fleet Size (Operated)	Fleet Size (Available)
CTA	Chicago	3,208,000	310	2,703	3,493
MBTA	Boston	3,109,000	3,244	2,428	3,558
NYCT	New York	8,337,000	321	10,427	12,091
SEPTA	Philadelphia	3,432,000	839	2,406	2,931
WMATA	Washington D.C.	3,720,000	950	3,304	4,405
MARTA	Atlanta	2,021,000	938	943	1,364
LACMTA	Los Angeles	8,622,000	1,469	3,482	4,922

[Table: Peer Agency Fare Structure]

CITY (Agency)	Bus Fare	Express Bus Fare	Rail Fare	30-Day/Monthly Pass Cost	Reduced Fare (Senior/Disabled)
CTA	$2.25	---	$2.50	$75	$1.10 - Bus $1.25 - Rail
MARTA	$2.50	---	$2.50	$95	$1.00
NYCT	$2.75	$6.75	$2.75	$127	$1.35
SEPTA	$2.00 [1]	---	$2.00 [1]	$96	Senior: Free Disabled: $1.25
MBTA	$1.70	$4 (Inner) $5.25 (Outer)	$2.40	$90.00	$0.85 – Bus $1.10 – Rail
WMATA	$2.00	$4.25 Regular $2.10 Senior/Disabled	$2.00 - $6.00 [2]	$72.00- $216.00	$1.00
LACMTA	$1.75	$2.50 Regular $1.35 Senior/Disabled	$1.75	$100[3]	$0.75 Rush Hours; $0.35 Non-Rush Hours

1 Zone charge may apply. Transfer charge $1.
2 The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from $2.25 to $6.00 (weekday opening-9:00 a.m.
and 3:00-7:00 p.m., based on the starting time of the trip).
3 LACMTA offered 50% off the 30-day pass from January 1, 2022, through December 31, 2022.

[Table: Comparative Characteristics by Mode*]

	Heavy Rail			Urban Bus		
Agency	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips
CTA	$632	69.5	76	$804	49.3	121.4
MBTA	$324	22.2	115.7	$471	19.7	80.9
NYCT	$4,937	324.8	1,112.70	$2,608	80.1	403.2
SEPTA	$201	16.1	71.1	$648	37.9	118.8
WMATA	$1,154	79.8	174.5	$696	30.4	95.8
MARTA	$207	20.4	45.3	$241	28.3	44.6
LACMTA	$152	6.8	33.7	$1,164	59.8	211.9

**Numbers in millions unless otherwise noted*
**NTD Data can be found at Federal Transit Administration (dot.gov)*

[PRINTED PAGE 51]
[Comparative Performance Analysis]

Please note the differing scales between Heavy Rail and Urban Bus metrics.

Heavy Rail

[Bar Graph: Operating Expense per Vehicle Revenue Mile]

Agency	Amount
LACMTA	$ 22.40
NYCT	$ 15.20
MBTA	$ 14.59
WMATA	$ 14.45
SEPTA	$ 12.47
MARTA	$ 10.12
CTA	$ 9.10

Peer Average: $14.05

[Bar Graph: Operating Expense per Unlinked Trip]

Agency	Amount
MBTA	$ 2.80
SEPTA	$ 2.82
NYCT	$ 4.44
LACMTA	$ 4.52
MARTA	$ 4.56
WMATA	$ 6.61
CTA	$ 8.32

Peer Average: $4.87

[Bar Graph: Miles Between Major Mechanical Failures in 1,000s]

Agency	Amount
MARTA	26
MBTA	48
LACMTA	76
NYCT	146
CTA	188
WMATA	307
SEPTA	1,006

Peer Average: 257

[Bar Graph: Fare Recovery Ratio*]

Agency	Percent
MBTA	55%
SEPTA	43%
WMATA	35%
NYCT	33%
MARTA	31%
CTA	16%
LACMTA	13%

Peer Average: 32%

Urban Bus

[Bar Graph: Operating Expense per Vehicle Revenue Mile]

Agency	Amount
MARTA	$ 8.51
CTA	$ 16.32
SEPTA	$ 17.11
LACMTA	$ 19.47
WMATA	$ 22.90
MBTA	$ 23.91
NYCT	$ 32.55

Peer Average: $20.11

[Bar Graph: Operating Expense per Unlinked Trip]

Agency	Amount
MARTA	$ 5.40
SEPTA	$ 5.46
LACMTA	$ 5.49
MBTA	$ 5.83
NYCT	$ 6.47
CTA	$ 6.62
WMATA	$ 7.27

Peer Average: $6.08

[Bar Graph: Miles Between Major Mechanical Failures in 1,000s]

Agency	Amount
MARTA	3
CTA	5
LACMTA	8
SEPTA	9
WMATA	9
NYCT	13
MBTA	37

Peer Average: 12

[Bar Graph: Fare Recovery Ratio*]

Agency	Percent
SEPTA	20%
CTA	17%
MBTA	16%
MARTA	15%
NYCT	14%
WMATA	12%
LACMTA	11%

Peer Average: 15%

Sustainability Initiatives

Sustainable Transportation and Climate Impact

Public transit is the backbone of a sustainable region: it delivers critical social, economic, and environmental benefits for all individuals, businesses, and institutions in the area. CTA is proud to serve the Chicago region with public transit rail and bus services that provide quality, affordable mobility with lower environmental impact than other modes of motorized transportation.

CTA service enables area residents and visitors to access jobs, education, healthcare, airports, and other needs and amenities throughout the region. CTA's railcars and buses are shared-use vehicles that serve to reduce traffic congestion – largely from single occupancy vehicles – in addition to encouraging compact development, conserving energy, and improving air quality through decreased vehicle emissions.

The region's population benefits by experiencing faster commuting times, more affordable transportation options, and lower rates of chronic illnesses and respiratory diseases due to lower vehicle emissions.

2022-2023 Key Sustainability Initiatives

- Release and early implementation of the 2022 Chicago Climate Action Plan
- Release and early implementation of "Charging Forward," CTA's plan for bus fleet electrification by 2040
- Bus garage modernization and charging infrastructure installation at Chicago Garage and 103rd Street Garage, funded by FTA Low or No Emission Vehicles grants
- Ongoing integration and passenger service deployment of 25 electric buses in CTA's fleet
- Initiating purchase orders and a new procurement for additional grant-funded electric buses
- Introducing new 7000-Series railcars into passenger service at scale
- Reducing electricity use by installing efficient lighting at garages, rail shops, rail stations, and in subway tunnels
- Reducing natural gas use by upgrading boiler systems and building controls at garages and other maintenance facilities
- Procuring a developer for renewable energy generation projects on CTA properties

Public transit offers both direct and indirect environmental benefits. The direct benefit is the reduction in energy consumption achieved by aggregating riders in a single, shared vehicle, rather than in numerous personal vehicles. Less energy consumption – whether electricity, diesel, or gasoline – means less primary fuel is consumed and, therefore, less pollution is emitted to the air. This results in lower levels of pollutants that affect local air quality: carbon monoxide, lead, ground-level ozone, particulate matter, nitrogen dioxide, and sulfur dioxide. Globally, this decreases the emissions of carbon dioxide, the greenhouse gas that is primarily responsible for climate change. Relative to the gasoline and diesel cars that they predominantly displace, CTA's railcars provide the added benefit of running on electricity. Use of electricity produces no emissions in Chicago itself, and electric-powered engines are more pollution-efficient overall compared to fossil fuel-powered engines. The electrification of CTA's bus fleet is providing the same direct and indirect environmental benefits that the electric rail already provides today.

The indirect environmental benefits of CTA's transit service are the traffic congestion relief that it provides and the compact development patterns that it supports. These benefits are especially pronounced in Chicago's dense urban area, where arterial roads have traffic congestion nearly all hours of the day, causing motorists to slow down or even idle in traffic and consume much more fuel than they would otherwise. Transit-oriented development policies, including those established by Mayor Lori Lightfoot, further leverage the environmental, low-cost, speed, and convenience benefits of public transit by creating incentives to develop residential and commercial properties where occupants can easily get around without a personal car. The resulting density also increases the vibrancy and economic sustainability of these communities.

On April 22, Earth Day, Mayor Lightfoot announced the 2022 Chicago Action Plan, which establishes a goal of reducing Chicago's greenhouse gas emissions by 62% by 2040. The Plan recognizes the important role of public transit in helping to accomplish this goal. One of the five pillars of the Plan is to "deliver a robust zero-emission mobility network that connects communities and improves air quality." CTA worked closely with Mayor's Office staff to establish action steps toward this goal, including increasing CTA ridership, electrifying CTA's bus fleet, ensuing accessibility throughout CTA's system, and facilitating seamless transfers between CTA and other transportation modes and providers. CTA's system improvement projects – including the Red Line Extension, Red Purple Modernization, All Stations

Accessibility Program, Refresh & Renew Program, and Bus Fleet Electrification – all contribute to the efficiency, resilience, and value of Chicago's transit services.

[Picture: Cover of 2022 CAP Chicago Climate Action Plan with multiple small photos which include 1) Bicyclist passing a CTA Bus; 2) Working on electrical lines; 3) CTA Train going through underpass; 4) Pumpkin Patch; 5) Streets & Sanitation employee sitting in a truck; 6) Farmer in the field; 7) Hazard side that says "Slow Down"; and 8) Open field of trees]

In addition to defining action steps to achieve emissions reductions, the 2022 Chicago Climate Action Plan addresses adaptation approaches and planning for resilience. CTA integrates resilience considerations in multiple phases of infrastructure planning and design, for example, when establishing standard design criteria for common facility types (e.g., rail stations or bus garages), or writing procurement specifications for equipment (e.g., building mechanical systems or high-voltage electrical equipment serving the rail system). Plans and designs must account for anticipated extreme weather events – such as a winter polar vortex, summer heat wave, or flooding rainstorm – when guiding construction methods and the selection of materials and equipment. Examples include the construction of barriers around street-level entrances to subways to prevent stormwater infiltration and damage, and selection of cabling with greater heat resistance ratings to convey power to the electrified third rail. Resilience planning is integrated into CTA operations, too, such as the development of detours or alternative routes for buses that operate on flood-prone roadways.

Clean Vehicles and Efficient Operations: Bus System

In February 2022, CTA published "Charging Forward," a comprehensive plan that lays out a roadmap for the electrification of CTA's entire bus system by the year 2040, consistent with the goal established by the Chicago City Council. Analyses for Charging Forward estimate that full fleet electrification will reduce CO2 and other greenhouse gas emissions from CTA buses by 73%, and total NOx emissions from buses by 98%. CO2 and other greenhouse gas emissions contribute to global climate change, whereas NOx emissions affect local air quality. In addition to reducing emissions, electrifying CTA's bus system will provide access to

electric vehicles for CTA customers who cannot afford to, or choose not to, own a personal automobile. It will also reduce CTA's expenditure on energy for the bus fleet due to the lower cost of electricity compared to diesel fuel. More broadly, it will establish CTA as a leader in transportation electrification, serving as an example to other transit agencies and heavy-duty fleet operators across Illinois and the country.

As detailed in Charging Forward, the scope of electrifying CTA's bus system reaches far beyond the replacement of diesel buses with electric buses. It also requires:

- modernizing and upgrading CTA's seven bus garages and its heavy maintenance facility for buses;
- increasing ComEd's electric service to the garages;
- installing charging infrastructure at the garages and likely at additional on-route charging locations;
- potentially constructing a new, all-electric bus garage;
- training bus operators, bus maintenance personnel, and electricians to operate and maintain the electric buses and charging equipment;
- modifying current bus operations and maintenance practices in the garages to accommodate the needs of electric buses; and
- securing funding sources to support all of the transition steps described above.

While electrifying a fleet of more than 1,800 buses is certainly a monumental undertaking, Charging Forward breaks down the transition period by year, setting forth potential timelines for electric bus purchases and for the sequence of garage upgrades and charger installations. Based on a detailed analysis of the Chicago Department of Public Health's Air Quality and Health Index, plus federal data on low-income and minority community locations, CTA's planned sequence of garage upgrades and electric bus route deployments prioritizes areas that experience a disproportionate share of the urban pollution burden. This equity-focused approach, combined with the practical consideration of current bus facility conditions, yields two CTA garages that will be first in the electrification sequence: Chicago Garage, located between the Austin and Humboldt Park neighborhoods on Chicago's West Side, and 103rd Street Garage, located near the Pullman neighborhood on Chicago's Far South Side.

In mid-August, CTA received an award of nearly $29 million from the Federal Transit Administration's (FTA) Low or No Emission Vehicles Grant Program. CTA will use the funding to accomplish the first extensive garage upgrade under the electric bus program: modernizing the electrical, communications, and safety systems at Chicago Garage to be able to store, maintain, and charge electric buses at scale. The grant award will also cover the majority of the incremental cost of purchasing 10 new electric buses (rather than diesel buses).

CTA's 2022 "Low No" grant follows an award of about $7 million from the same program in 2021. The 2021 grant provides funding for the installation of six slow chargers and six new electric buses located at 103rd Street Garage. Including these two "Low No" grants, CTA has received a total of nearly $160 million toward the electric bus program; other significant funding awards have come from the Congestion Mitigation and Air Quality (CMAQ) Improvement Program, the Illinois Environmental Protection Agency's "Driving A Cleaner Illinois" Program, and the Diesel Emissions Reductions Act (DERA) Grant Program.

CTA is continuing to operate and grow its electric bus fleet and charging infrastructure as it conducts more detailed follow-on studies to the Charging Forward plan. At the time of budgeting, CTA has a total of 25 electric buses in the fleet: 13 in service on the Chicago Avenue bus route #66, eight onsite getting tested and prepared for service (anticipated to enter service in Q4 of 2022), two in use for training bus operators; and two awaiting repairs before returning to service. The electric buses in service on Chicago Avenue primarily utilize on-route, high-powered, overhead chargers: two installed at the eastern terminal of the route at Navy Pier, and two installed at the western terminal of the route at the intersection of Chicago Avenue and Austin Boulevard. These buses are based at the Chicago Garage; they also utilize a fast-charger and a slow charger installed in the garage, to top off their batteries upon returning from service.

[Picture: CTA electric bus charges using the high-powered, overhead charger at the Navy Pier bus-turnaround]

Integrating the electric buses into CTA's day-to-day fleet operations and maintenance practices requires close coordination across the agency's departments, continuous performance monitoring of the buses and charging equipment, and recurring training for bus operators and maintenance staff. For example:

- CTA Service Planning determines schedules that the buses can reliably run given their battery range and charging patterns.
- CTA Bus Engineering troubleshoots any fault codes that occur when buses connect to chargers and monitors energy use as it varies with outdoor temperatures.
- CTA Bus Maintenance ensures that maintenance staff receive hands-on training and comprehensive training materials from the electric bus manufacturer, especially related to safety practices for the high-voltage systems on the vehicles.
- CTA Training & Workforce Development designs and manages training programs for hundreds of bus operators, with a focus on achieving the precise positioning required for an electric bus to align with an overhead charger.

These are a few examples of the numerous ways in which CTA is learning, adapting, and continuously improving the operations around electric buses to be able to achieve the 2040 goal for full fleet electrification.

As the electric bus fleet grows, CTA also remains focused on maintaining the current diesel fleet to be as fuel-efficient as possible. CTA anticipates starting overhauls of up to 100 articulated 60-foot buses – about one-third hybrid and two-thirds diesel – in the first half of next year. From the summer of 2022 and through early 2023, CTA expects to complete the retirement of its oldest and least efficient diesel buses: the 6400-Series, model year 2000 Nova buses. Retirement of the 6400-Series and the next oldest buses – the 1000-Series, model year 2006 New Flyer buses – is enabled by CTA's purchase of new 7900-Series, model year 2022 Nova buses. Although these new Nova buses have diesel propulsion systems, they are more fuel efficient, lower emitting, and more reliable than the older buses that they are replacing.

[PRINTED PAGE 55]
[Sustainability Initiatives]

[Table: CTA Bus Fuel Efficiency]

Year	Bus Miles Traveled per Gallon of Diesel Fuel
2017 Actual	3.51
2018 Actual	3.45
2019 Actual	3.38
2020 Actual	3.37
2021 Actual	3.48
2022 Forecast	3.29

CTA's main metric for bus energy efficiency, measured as miles traveled per gallon of diesel fuel (table above), shows an improvement in efficiency for 2021 followed by a forecast decline in 2022. As ridership recovered through 2022, buses transported a heavier passenger load, which requires more fuel use. With the pandemic easing and people driving more, the increased traffic congestion also results in lower fuel efficiency. Another contributing factor to the decline is likely the continued aging of the bus fleet, prior to the overhauls and replacements described above. Older, less efficient buses were also called up to run more often this past year as special events – such as festivals and concerts – resumed.

In addition to operating a fleet over 1,800 transit buses, CTA also operates a fleet of more than 600 support vehicles, ranging in size from passenger sedans to heavy-duty trucks. Today, the support fleet includes one fully electric vehicle and 13 hybrid electric vehicles: two sedans, nine SUVs, and two cargo vans retrofitted with hybrid drivetrains. CTA is investigating the possibility of leasing fully electric vans and installing associated charging stations in 2023. CTA support vehicles currently fuel at City of Chicago fueling facilities, which represents an opportunity for a future partnership to install and utilize charging infrastructure for both City and CTA light-duty fleet vehicle use.

Clean Vehicles and Efficient Operations: Rail System

Spurred by the environmental benefits of electric mobility, manufacturers, engineers, policy makers, and investors throughout the global transportation industry are racing to develop electric versions of all types of vehicles. The Chicago region is fortunate to have had a sustainable, all-electric transportation system in place for over 75 years: CTA's rail system. The efficiency of CTA's rail system depends largely on the efficiency of its railcars. The upcoming replacement and overhaul of more than two-thirds of CTA's railcar fleet will help ensure that the rail system continues to provide an affordable, convenient, low-carbon mobility option for Chicago-area residents and visitors for decades more to come.

[Picture: A 7000-Series prototype train in passenger service on the Blue Line]

CTA began testing the newest model in its railcar fleet – the 7000-Series – with 10 prototype cars in the spring of 2021. Testing continued through 2021 and into 2022, with eight additional new cars introduced more recently. At the time of budgeting, 18 test railcars are operating on the Blue Line; six more have been delivered to CTA and are undergoing preservice assessment. CTA's full order of the 7000-Series is 400 railcars. Once testing is complete, likely later in Q4 2022, CTA expects to take delivery of 10 new railcars per month until the order is complete. The new 7000-Series railcars will replace the oldest and least efficient railcars currently operating in CTA's fleet.

CTA is also in the process of completing quarter-life overhauls of its second-newest model of railcars, the 5000-Series, which first entered service in 2014. To date, CTA has completed overhauling 164 of the 714 railcars in the 5000-Series. This process involves rebuilding and refurbishing major functional systems of the cars, including brakes, motors, suspension, propulsion system components, interior-seat inserts, and door system components. The overhauled cars operate more efficiently and reliably, and their refreshed interiors improve the customer experience.

Both the 5000-Series and 7000-Series railcars are equipped with AC (alternating current) propulsion systems, whereas CTA's older models of railcars have DC (direct current) propulsion systems. The newer cars' propulsion systems provide a smoother, quieter ride, and also enable regenerative braking, where a train can send electricity back into the third rail as it brakes. The recaptured energy can then power other trains that are accelerating on the track at the same time; it can also provide power for other trains' heating and cooling systems. CTA's past testing and modeling studies indicate that railcars with regenerative braking reduce overall rail-system energy consumption by at least 10 percent. The new railcars also have other energy-saving features such as LED lights and advanced controls for the air comfort systems. Once all of the 7000-Series railcars in the current order are in service, over 70 percent of CTA's railcar fleet will have these energy-saving features.

Parallel to the miles-per-gallon metric for buses, the energy efficiency of trains is measured in rail miles traveled per megawatt-hour of electricity. The table below indicates that trains ran more efficiently during the depths of the COVID-19 pandemic (2020 and 2021) and are projected to show lower efficiency in 2022. The greater energy efficiency during the pandemic is likely due to the reduced passenger weight from lower ridership; correspondingly, the return of riders in 2022 and increased passenger weight results in reduced efficiency. Other factors that affect efficiency are extreme weather, which requires additional power for heating/cooling, and aging of the railcar fleet, with cars running less efficiently as equipment components gain more years in use. The scaleup of the 7000-Series fleet and overhauled 5000-Series railcars is expected to yield energy efficiency gains in the near term.

[Table: CTA Rail Energy Efficiency]

Year	Rail Miles Traveled per Megawatt-Hour of Electricity
2017 Actual	179
2018 Actual	168
2019 Actual	168
2020 Actual	175
2021 Actual	175
2022 Forecast	167

The efficiency of CTA's rail system also depends on the efficiency of the infrastructure that conveys power from the grid to the third rail: the power substations, rectifiers, switchgear, cables, and other electrical equipment. In the spring of 2022, CTA concluded a comprehensive study, scenario simulation, and assessment of the rail system's power infrastructure. The study initially covered the Blue Line, followed by an in depth focus on the future Red Line Extension, and lastly expanded to examine all eight rail lines throughout the system. The Red Line Extension

portion analyzed how CTA should optimally locate and size the new rail power substations to serve the new Red Line track from 95th Street south to 130th Street. The results of this study have informed CTA's planning and designs for substation upgrades and enhancements. These investments ensure the continued resiliency of CTA's train service to local power outages, equipment issues, and other potential disruptions.

Energy Efficiency and Sustainability in Facilities

While CTA facilities use about one-third as much electricity as CTA's rail system, the environmental impact and expense of this energy use – plus the facilities' natural gas use – make CTA's buildings an important focus for energy efficiency measures. These measures can provide the additional benefits of creating safer, more comfortable, and more welcoming environments for CTA customers and employees alike.

Over the past 18 months, CTA has completed about 20 natural gas energy efficiency projects with technical assistance and financial incentives from Peoples Gas. These projects range from comprehensive building energy audits to boiler tune-ups, pipe insulation, and replacements of steam traps and valves throughout boiler systems. Projects have touched nearly every CTA bus garage plus CTA's West Shops and Beverly maintenance facilities. An analysis of the equipment upgrades by Peoples Gas estimates that these efficiency projects will save over 150,000 therms annually, yielding a projected cost reduction of more than $100,000 for CTA each year.

CTA completed lighting upgrades at two major maintenance facilities this past year: the 77th Street Bus Garage and the Des Plaines Rail Shop (at the Forest Park terminal of the Blue Line). Combined, these projects are projected to reduce CTA's electricity costs by more than $30,000 per year. They also earned a total of about $22,000 in project rebates from ComEd. The improved lighting makes work conditions brighter and safer for CTA bus and rail maintenance personnel.

[Picture: Before and after; High-efficiency light fixtures installed at the Des Plaines Rail Shop]

In addition to receiving rebates on efficient light fixtures, CTA has received about $49,000 in total discounts on more than 14,700 efficient lights purchased through ComEd's Instant Discount Program in partnership with CTA's lighting vendors. Many of these new lights have been installed through CTA's Refresh & Renew Program at rail stations; nearly 30 stations are being revitalized in 2022. Station lighting upgrades provide brighter, safer spaces for CTA customers, especially at night. Other locations receiving discounted lighting upgrades in 2022 include the subway tunnels, exterior walls of rail stations, and the North Park Garage.

[Picture: Before and after; Lighting upgrade in the pedway at the Sox-35th Red Line Station]

CTA is proud to have its Headquarters Office – 567 West Lake Street in Chicago – located in a building that is certified LEED Gold by the U.S. Green Building Council. The building's many sustainable features include a vegetated "green" roof; energy efficient lighting, heating, cooling, ventilation, and data storage systems; and motion-automated, low-flow water fixtures. The building participates in a Demand Response program that calls on energy customers to lower their electricity use during times of critical stress or high demand on the power grid. In exchange for reducing electricity use when called upon, CTA receives annual payments based on its amount of energy reduction. The building also provides easy access to transit, with adjacent stops on CTA's Green Line, multiple bus routes, and the Ogilvie Transportation Station for Metra's commuter rail lines. This accessibility enables more CTA employees to commute to work via a combination of transit, biking, and walking, rather than in personal cars.

Throughout the Headquarters Office, CTA employees utilize desk-side and break-room bins for recycling paper, plastic, and glass; building management also recycles corrugated cardboard from deliveries. Multifunction printer/copier/scanner devices on all floors default to double sided printing, require a log-in to release queued print jobs, and enter "sleep" mode when not in use – all features that help conserve paper and energy. CTA is also committed to the recycling and reuse of resources at the bus garages. All retired bus chassis, frames, and metal parts get dismantled into scrap metal for recycling by a third-party vendor. All motor oil and coolants from bus maintenance work is picked up by CTA's vendors and processed for reuse. The bus wash systems in the garages – which look and function like giant, drive-through car washes – all capture the dirty, soapy water, and then filter it and clean it for reuse through the system again.

Energy Management

A key component of CTA's energy cost management approach is the establishment of energy supply contracts through competitive bidding processes. While CTA relies on its utilities – ComEd, Peoples Gas, and Nicor Gas – for the delivery of electricity and natural gas, it purchases the actual energy commodities through separate contracts for traction (rail system) power, non-traction (facilities) power, and natural gas. CTA's diesel fuel vendor provides the fuel itself and provides the fuel delivery service through a subcontractor.

Over the past year, CTA established a new contract for diesel fuel purchase and delivery and began the purchase period under a new contract for natural gas. (Note that CTA's current electricity supply contracts remain in place through the end of 2024.) The new diesel contract, awarded in October 2021, enabled CTA to buy diesel fuel in advance for delivery in years 2023, 2024, and 2025, with options to extend through 2027. Through this contract, CTA makes periodic purchases at times when pricing is favorable. The ability to make

purchases in advance helps protect CTA from volatile market swings and provides predictability for budgeting purposes.

CTA's new natural gas contract was awarded in May 2021 and locked in pricing on natural gas purchases starting May 2022. Like the fuel contract, the natural gas contract is for three years followed by options to extend for two more years. This contract provides a fixed price for the amount of natural gas usage that CTA forecasted on a monthly basis during the contract term. If CTA's usage varies by more than 10 percent, that overuse or underuse will be charged based on the current market price. Natural gas prices have risen dramatically since CTA executed the natural gas contract: compared to current market pricing, CTA's fixed price is estimated to save near $2 million annually in natural gas costs.

In addition to managing energy costs through supply contracts, CTA also analyzes and seeks opportunities to leverage energy policy to reduce energy costs. Over the past year and into 2023, CTA is participating in a docket proceeding at the Illinois Commerce Commission (ICC) through which Illinois' largest electric utilities – ComEd and Ameren Illinois – must establish "Beneficial Electrification Plans." The utilities' Beneficial Electrification Plans are a requirement under the Climate and Equitable Jobs Act (CEJA) that was signed into Illinois law by Governor Pritzker in September 2021. ComEd's proposed plan includes incentives toward the purchase of electric transit buses and charging infrastructure, among many other programs. CTA is actively involved in the process to shape this plan, as it could create funding streams to support the charging infrastructure and electrical upgrades needed to serve electric buses at CTA's bus garages, especially in environmental justice communities.

Illinois' CEJA legislation and the recently passed federal Inflation Reduction Act (IRA) both provide funding incentives toward the development of renewable energy generation. With this expanded availability of incentives, CTA and its third-party property manager, JLL, are resuming an initiative in 2023 to procure a developer for renewable energy generation projects on CTA properties. Such projects would most commonly be rooftop solar arrays and could also include other technologies such as ground-mounted solar arrays, geothermal heat pumps, and batteries or other types of energy storage systems. CTA is exploring the potential for renewable energy and energy storage systems to help provide resilience for electric bus charging infrastructure at bus garages in the future.

Five-Year Capital Improvement Program

"I am thrilled to see the Red Line Extension project move one step closer to becoming a reality," said Chicago Mayor Lori E. Lightfoot. "This transformative project will improve the lives of South Side residents and their communities who will be able to access all that our city has to offer with ease. My administration is committed to investing in economic vibrancy and opportunity through projects like this throughout our city, but especially on our South and West Sides"

-Mayor Lori Lightfoot, August 15, 2022

The $3.4 billion Five-Year Capital Improvement Program (CIP) is the CTA's plan to renew and expand its transit systems through preservation of scarce capital resources and maximizing available capital investments. The plan promotes equity throughout CTA's transit systems and advances the public transit industry's important role in combatting climate change. This CIP will advance modernization and improvements systemwide, with an emphasis on customer experience and safety, environmental sustainability, accessibility of rail stations, electrifying the bus system, deploying innovative technologies and rolling stock, advancing state of good repair (SOGR) initiatives for transit stations and rolling stock, and system expansion projects. These efforts will allow the region's transit riders to continue to have access to an affordable, world class, public transportation system, which is a critical link for increasing economic vitality throughout the city and region.

Funding for this CIP anticipates $3.4 billion in commitments from various federal, state, and local sources, including the following:

- A total of $2.4 billion in federal formula and discretionary funds, including Core Capacity funds and various other competitive grant opportunities. Federal formula funds are provided annually to the CTA and are distributed to Urbanized Areas based on population and transit metrics; CTA's formula allocation totals $2.3 billion.
- A total of up to $145 million in discretionary funds. The actual amounts expected for the CTA will be determined by project applications and awards. CTA will seek project funding from various competitive grant programs, including FTA sources such as All Station Accessibility, Low or No Emission Vehicles, Bus and Bus Facilities, and Capital Investment Grant New Start funds for the Red Line Extension. Project awards are anticipated to contribute significant funding in each fiscal year of the CIP going forward.
- State of Illinois "Rebuild Illinois" program – funded by proceeds from transportation bond issuances and motor fuel tax receipts. By the end of FY21, CTA has been granted its share of bond proceeds, while the Motor Fuel Tax Receipts (State PayGo) program will provide approximately $140 million in recurring annual funding, totaling $690.3 million over five years, dedicated to meeting deferred capital maintenance needs.
- Local funding sources including the issuance of approximately $326.4 million in CTA bonds.

As a result of the ongoing COVID-19 pandemic, ridership on the CTA and throughout the nation has been severely affected by capacity restrictions that initially limited transit uses to essential trips through mid-2021. Ridership has improved as the local economy has reopened, but it remains substantially below pre-COVID-19 levels. As of August 2022, system ridership is approximately 58 percent of the ridership levels reported in June 2019 prior to the pandemic, with weekday rides averaging over 800,000. In light of decreased ridership and associated fare revenues, the investments outlined in this CIP will reduce operating costs in some areas and avoid or slow escalating costs in others, allowing the CTA to leverage its limited operating and capital funds to further improve the transit system.

All anticipated available funding sources supporting the $3.4 billion FY2022-2026 CIP are detailed in the following charts.

[Table: CHICAGO TRANSIT AUTHORITY FY 2023-2027 CIP Preliminary Marks $ in thousands]

CHICAGO TRANSIT AUTHORITY

FY 2023-2027 CIP Preliminary Marks ($ in thousands)

Sources of Funds	2023	2024	2025	2026	2027	TOTAL
5307 Urbanized Formula	$170,686	$175,158	$192,039	$196,935	$201,543	$936,361
5337 State of Good Repair	247,113	252,550	256,919	262,468	267,613	1,286,663
5339 Bus and Bus Facilities Formula	13,065	13,579	13,996	14,521	15,028	70,189
Subtotal FTA	$430,864	$441,287	$462,954	$473,925	$484,183	$2,293,213
CMAQ	38,694	-	-	74,255	-	112,949
5303 UWP Planning	420	420	420	420	420	2,100
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000
Other Federal	$45,114	$6,420	$6,420	$80,675	$6,420	$145,049
AVAILABLE FEDERAL	$475,978	$447,707	$469,374	$554,600	$490,603	$2,438,262
State Transit Motor Fuel (PAYGO)	141,875	141,875	135,519	135,519	135,519	690,307
CTA Bond	171,380	77,500	77,500	-	-	326,380
Subtotal Local	$313,255	$219,375	$213,019	$135,519	$135,519	$1,016,687
AVAILABLE LOCAL	$313,255	$219,375	$213,019	$135,519	$135,519	$1,016,687
New Funding Available	$789,232	$667,082	$682,393	$690,119	$626,122	$3,454,949
CTA Share for Competitive Grants	105	105	105	105	105	525
TOTAL Programmed Funds	$789,337	$667,187	$682,498	$690,224	$626,227	$3,455,474

[Pie Chart: Total 5 Year CIP Budget $3.4 Billion]

Sources of Funds	Percentage
5337 State of Good Repair	37.2%
5339 Bus and Bus Facilities Formula	2.0%
State Transit Motor Fuel (PayGo)	20.0%
CTA Bond	9.4%
CMAQ	3.3%
CTA Share for Competitive Grants	0.02%
UWP Planning	0.1%
Transit Security Grant Program (DHS)	0.9%
5307 Urbanized Formula	27.1%

[Table: Description of FY 2023 – 2027 CIP Funding Marks Sources]

Description of FY 2023 - 2027 CIP Funding Marks (Sources)					
	Entity	Apportionment	Period	Program/Grant	Description / Eligible Activities
FEDERAL	Infrastructure Investment and Jobs Act (IIJA)	URBANIZED AREA (UZA) FORMULA	FY2023 - 2027	5307 Urbanized Formula	Planning, engineering, design & evaluation of transit projects and other technical transportation-related studies; bus replacement, bus overhaul, bus rebuild, crime prevention/security equip. and construction of maintenance and passenger facilities; capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some ADA complementary paratransit service costs are considered capital costs.
				5337 State of Good Repair	Directed toward maintenance of a fixed guideway or a high intensity motorbus system to provide for a state of good repair, including projects to replace and rehabilitate: rolling stock, track, equipment and structure, signal and communication, power generation, stations and terminals, security, and maintenance facilities.
				5339 Bus and Bus Facilities Formula	Replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.
		DISCRETIONARY		Major FTA Discretionary Programs	The new federal transit five-year transportation program offers a number of new or larger discretionary funding opportunities for transit agencies that advance equitable public transportation. These funds will be offered each year through a competitive project application process. Project funding awards will be provided for corridor-based capital investments in existing or new fixed guideway systems, transitioning bus system to zero emission technologies, upgrading rail legacy systems, like CTA, for people with disabilities, modernization of facilities and vehicles, and workforce development. Each fiscal budget year CTA anticipates awards from a number of these program and will place in capital plan with notice of award. See Discretionary Grant Section for description of programs.
				CMAQ	See Discretionary Grant Section
				5303 UWP Planning	Develop transportation plans and programs, plan, design and evaluate a public transportation project, and conduct technical studies related to public transportation.
	Homeland Security Act			Transit Security Grant (DHS)	See Discretionary Grant Section
LOCAL	CTA Board	N/A		CTA Bond	CTA's bond financing program enables CTA to advance key projects that have touched all elements of CTA system in the absence of a State program. Key projects include: the North Main Line Red and Purple Modernization Project (RPM), the O'Hare Blue Line improvements, Rail Yards Improvements, the proposed Red Line Extension, the purchase of up to 846 new railcars, and the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet. Program also provides for system modernization that includes rail track renewal targeting slow zones, lighting and station platform upgrades, and camera system modernization.
	RTA	Legislative Enactment with Working Agreements		RTA Bond	RTA issued bonds on behalf of the service boards for capital investments. While no bonds are expected to be issued, CTA expects to receive its 50 percent historical share of the proceeds of an issuance if it occurs.
STATE	ILLINOIS		2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation enacted in June 2019, program funds are generated from two sources: Multi-Modal Bonding Series that are backed by vehicle registration and title fees; and the 2019 increase in the State's Motor Fuel Tax (MFT) of $0.19 per gallon. While the bonding series provide a one-time infusion of State funds over a six-year plan, the State MFT provides a transformative funding source to the CTA that is to be a permanent recurring source of funds to the CTA, Metra, and Pace. Funds are dedicated towards the investments in the State of Good Repair.

Federal Funding

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA provides $108.2 billion for public transportation across the nation over the next five years (FY 2022 through FY 2026) – the largest federal investment in public transportation in the nation's history. This is an approximately 75 percent increase in funding authorization for public transit when compared to previous federal transit program (FAST Act) levels. Included in the new federal transit funding program are funds allocated to the Chicago Urbanized Area that CTA traditionally receives each year. CTA's allocation of these formula funds represents an approximately 37 percent increase over previous authorized levels.

In addition, the federal IIJA law provides for new and expanded discretionary programs that are available for eligible projects associated with low or no emissions vehicles, buses and bus facilities, accessibility of transit facilities, and other major capital investments. CTA anticipates receiving substantial amounts of grant funding over the next five years from these transit discretionary programs, which will allow for the CTA to begin the transition to an all-electric bus system, to make the next series of rail stations fully accessible, and to plan for funding to expand the Red Line going south from 95th to 130th Street. The United States Department of Transportation (USDOT) is also providing increased levels of road highway funding to the State and regional Metropolitan Planning Organization (MPO) each year that is directed toward reducing transportation emissions, improving traffic congestion and air quality, and awarding block grant funding that promotes flexibility in use by the region. A determined share of regional allocated program funds is traditionally provided for transit capital projects. Project funding will be awarded on a project application basis.

State Funding

In June 2019, Governor Pritzker signed a historic, bipartisan bill giving Illinois its first capital plan in nearly a decade – and the most robust in state history. The Rebuild Illinois capital plan will invest $33.2 billion in transportation improvements across the state over six years.

The Regional Transportation Authority (RTA) receives funding from two revenue sources including:

1. A one-time investment of $2.7 billion in state bond proceeds funded by vehicle registration and title fees and sales tax on motor fuel. Through FY 2021, CTA has been granted its entire share of proceeds from this bond program, and therefore no State Bond proceeds are funded in the current CTA five-year plan. The current transportation bond program is authorized through FY 2024, so the next bond authorization is due in FY 2025. The new bond program will need to be enacted into law by the Illinois General Assembly.

2. An investment of $227 million annually for the region, in State PayGo proceeds funded by a $0.19 per gallon increase in the State's motor fuel tax (MFT), providing a recurring funding source to meet some of the region's SOGR needs going forward.

With the final grant award of Rebuild Illinois State Bond funds in FY21, CTA has received its full share of proceeds totaling $1.24 billion. These funds are invested in projects that have or will be started and completed over the next five years based on project need. Granted funds are invested in the renewal and/or overhaul of the CTA's revenue fleet, maintenance facilities, rail line and stations, and rail power substations. Funding agreements made between the Service Boards and RTA call for CTA to receive $142 million of PayGo proceeds annually through 2024 and $135.5 million in 2025 to 2027. As of July 1st, the State of Illinois has suspended the inflation adjustment to the MFT through 2022, and it is yet to be determined whether this will have a negative impact on the amount of funds generated going forward.

PayGo will provide a recurring funding stream that will allow the CTA to further invest in the acquisition and maintenance of its capital assets (buses, railcars, track and structure, and facilities), as well as make upgrades to the existing fare equipment.

The following chart details the sources, recipients, and uses for the two state funding programs:

[PRINTED PAGE 62]

[Capital Improvement Program]

[Flow Chart: Annual Pay-As-You-Go [1] Est. first year $1.26 Billion. Annual Pay-As-You-Go Estimated first year $1.26 Billion; $0.19 per gallon increase in state's motor fuel tax (indexed to CPI) appropriated. Highway Account gets $1.01B or 80% and Mass Transit gets $253 Million or 20%. Out of the Mass Transit potion, Other IDOT gets $25.3 million or 10%, and RTA gets $227 million or 90%. RTA allocation of $227 million to Service Boards; Pace $11.4 million, Metra $73.8 million, and CTA $141.9 million]

[Flow Chart: Bond Program [2] Est. $2.7 Billion program for RTA. Estimated $2.7 Billion program for RTA; Registration fee increase, Electric vehicle registration fee increase, Title fee increase. $470 million is Legislatively Earmarked, while $2.23 billion is Non-Earmarked]. The $2.23 Non-Earmarked is allocated to Service Boards, Pace $0.06 billion, Metra $1.08 billion and CTA $1.10 billion. The $470 million legislatively earmarked is allocated; Capital Upgrade (Pace) $220 million, Kendall County Rail Extension (Metra) $100 million, Harvey Transp. Center Improvements (Metra) $8 million, Cottage Grove station repairs (CTA) $60 million, Blue Line O'Hare tactical traction power (CTA) $50 million, Blue Line O'Hare improvements (CTA) $31.5 million]

1 Pay-As-You-Go amounts are based on a first-year funding estimate and reflect annual recurring funding.

2 State Bond program amounts are based on the entire amount to be issued and distributed over a six-year period.

**State funding percentage splits negotiated between the RTA and Service Boards are shown for 2023 and 2024. Post 2024 percentage splits will be adjusted based on RTA Performance-Based Capital Allocation Structure. (May not add up to total due to rounding)*

CTA plans to invest the annual allocation of State PayGo funds to meet deferred maintenance and replacement needs for the revenue fleet, facilities, infrastructure, and fare equipment, and to support anticipated federal discretionary grants to secure the necessary local match for project awards. Investments will be directed toward assets that include, but are not limited to, the following:

- Capital state of good repair maintenance program, where work is designed to prevent and correct major mechanical, electrical, and structural problems on a plan basis. This maintenance work and the planned overhaul and rehabilitation of select assets will help maintain the current state of transit system operations. Programs are funded for the revenue fleet, track, structure, and power.
- Bus fleet to address buses that are due for retirement in the next five years.
- Overhauls for a select number of 1000-Series buses, now over 15 years old on average, to extend life until new vehicles can be procured.
- Overhauls for the 5000-Series railcars (over 50 percent of rail revenue fleet).
- Costs associated with the development, maintenance, repair, and replacement of the open fare payment system including media, equipment, and software.
- Local funding contributions to invest in projects that electrify the bus system, make stations accessible, and reconstruct and rehabilitate rail lines.

The following chart identifies the State funded projects and initiatives that are programmed in the FY23-27 Capital Plan.

[PRINTED PAGE 63]
[Capital Improvement Program]

[Pie Chart: State Capital Program PayGo]

State Capital Program Allocation	Amount
Capital Maintenance	$490M
5000 Series Rail Car Qtr. Ovrhl (714)	$54M
Replace Buses	$54M
FTA Discretionary Awards Match	$40M
Existing Fare Equip. (Upgrades)	$30M
Purchase New 7000 Series Cars	$23M

RTA Performance Based Capital Programming – New Capital Allocation Structure

On July 15, 2021, RTA approved a new methodology to allocate capital funding. The new Performance-Based Capital Allocation structure was used beginning with the 2022 budget process to distribute 2025 and 2026 Federal Formula (5307/5340, 5337 and 5339 funds) and State PayGo capital funds to the Service Boards as part of the Five-Year Capital Program funding amounts. Additionally, starting in FY 2026, funds may be withheld based on performance metrics outlined in the second guiding principle below. If a Service Board does not meet the requirements, funds will be held in reserve for future distribution. RTA and the Service Boards have not yet developed the methodology to distribute such funds. The new capital allocation structure is intended to ensure that the RTA is systematically investing its capital funding consistently with the region's agreed upon principles, goals, and priorities. It expands on existing work to ensure that investment decisions are driven by data and need, while furthering the region's policy goals.

The new Capital Allocation Structure is guided by three principles:

1. Addressing Capital Reinvestment Needs of the region by allocating funds to the three Service Boards based on their respective proportions of the funds needed to bring all assets into a State of Good Repair (SOGR) in 20 years.

FY 2025 and 2026 allocations are based on the 20-Year need to achieve SGR as provided in RTA's 2016 Capital Asset Condition Assessment report, where Service Boards' portions of regional SOGR needs are 59.7 percent CTA, 32.8 percent Metra, and 7.5 percent Pace. In 2022, RTA updated the Revenue Vehicle and Equipment assets classes using data posted by the Service Boards to the National Transit Database (NTD) and combined it with remaining asset data. This update will result in a revised regional 20-year SOGR needs allocation where CTA's share remains at 59.7 percent, while Metra's 33.2 percent and Pace's 7.1 percent shares are revised. This allocation will be used for the FY 2027 program.

Half of the annual regional allocation of Federal Formula and State PayGo funds will be distributed based on the SOGR percentages, while the remaining half will be allocated based on Capital Expenditure Performance metrics as described below in item #2.

2. Incentivizing Capital Expenditure Performance by applying performance targets to capital program delivery. Metrics to be used to measure expenditure performance are Average Age of Funds and Percent of Available Funds Spent in the Current Year, each with its own target:

   a. Average Age of Funds - this measure monitors aging of the entire grant portfolio to ensure that, on average, no funds are getting too old. With the intent of spending all funds within the five-year capital program, the target for this metric is an average age of 2.5 years.

   b. Percent of Available Funds Spent in Current Year – this measure helps to ensure that expenditures are occurring each year commensurate with the capital program size. The target for this metric is for 20 percent of funds to be spent in each year of the five-year capital program.

Both measures will be calculated based on the average of the three previous years, and the withholding of funds where targets are not achieved can be no more than 20 percent of the total allocation of Federal Formula and State PayGo each year.

3. Advancing Policy Priorities by ensuring that the entire regional five-year capital program advances regional goals, and that special emphasis is placed in areas of immediate importance to the agencies. Specifically, each Service Board is required to program 20 percent of annual allocated funds on projects that meet either the Core Requirement of Achieve Full Accessibility or Improve Equity.

Regional Transportation Authority Funding

The RTA's capacity to issue bonds for the Service Boards is restricted by statutory requirements on the amount of bonding capacity. Specifically, debt service on the bonds is limited to 40 percent of the average annual sales tax receipts (over the last two years). As bonding capacity is made available from the retirement of existing capital debt obligations, RTA's policy is to issue new long-term capital debt, of which the proceeds are meant to fund capital projects for each of the three Service Boards. Going forward in 2023, RTA will continue to retire general debt obligations and is expected to have sufficient capacity to issue bonds for capital projects for planned 2023 bond issuance. Traditionally, RTA Bond funds are allocated as follows: 50 percent will go to CTA, 45 percent to Metra, and 5 percent to Pace. Debt service for these bonds will be sourced from non-statutory Sales Tax I revenue.

RTA bonds are not included in the CIP. However, the CTA understands that if RTA issues bonds in the future, CTA will receive its 50 percent historical RTA bond allocation. The bond proceeds will be used for capital projects such as the purchase of new railcars and buses, as well as improvements to track and infrastructure.

CTA Bonds

CTA Capital Bonds are financed with grant and sales tax receipts. Since FY04, over $3.1 billion in bond proceeds have provided funding for critical capital projects systemwide. CTA's Bond Program is a direct result of a State of Good Repair (SOGR) backlog of over $14 billion and the unpredictable nature of previous state funding. Planned FY23-27 bond issuances include:

- $16.9 million to advance key projects that touch all elements of the

CTA system;

- $309.4 million to provide the 30 percent non-Federal Capital Investment Grant match commitment needed for the Red Line

Extension.

CTA's bond financing program continues to be a strategically important supplement to the federal, state, and local programs. Tax-exempt bond financing offers an efficient and cost-effective way to supplement federal funding and accelerate critical projects. By constructing projects on an expedited schedule, CTA can reduce costs, improve service, and promote system ridership.

Capital Program Development Process

CTA maintains a rolling five-Year CIP that represents CTA's capital investment priorities for the next five years based on anticipated available funding. CTA's President and Chief Financial Officer present CIP revisions based on information provided through CTA's decision support processes to the Chicago Transit Board for consideration and approval.

CIP development follows an annual update, review, and approval cycle in conjunction with the overall budget process. The typical timing of key steps in this process is summarized in the following table:

[Table: CIP Process]

Apr-Jun	Solicitation of new projects – CTA Capital Finance requests project proposals and justification from all CTA business units
Jul	Evaluation of project proposals and senior management review (see "Capital Investment Decision Process" section below)
Aug	Development of draft, fiscally constrained, capital program and budget document based on senior management guidance and preliminary funding marks from RTA
Sep	Final CIP developed after RTA issues funding marks for five-year program
Oct	Proposed CTA Capital and Operating Budgets released for public comment
Nov	Public Hearing and Board Consideration/Approval of CTA Budget
Dec	RTA Board Consideration/Approval of Regional Budgets
Feb	RTA and CTA submit the approved capital programs to the Chicago Metropolitan Agency for Planning (CMAP) for incorporation into the Regional Transportation Plan.

In addition to this annual budget process, CTA's capital program is continuously managed via processes such as the following:

- Review progress, status, funding sufficiency, Disadvantaged Business Enterprise (DBE) participation, and other outstanding issues on active projects through monthly and/or quarterly meetings with departments.
- Present quarterly CIP updates to the Chicago Transit Board and RTA as necessary due to changes in project requirements or funding availability.
- Apply for, obtain, and monitor compliance with various capital grant funding sources.
- Ensure all reporting requirements for grant-funded capital projects are met.

Capital Projects Solicitation ("Call for Projects")

CTA's Capital Finance department conducts an annual solicitation process to request new and revised capital project proposals from CTA departments. The solicitation is conducted and compiled using a database and standard forms, which facilitate consistent analysis and evaluation of funding requests across projects and departments. Capital requests are submitted using a standardized Request Form, with supporting documentation and information to inform an evaluation rubric and a State of Good Repair questionnaire. The Request Form collects high-level information about the capital need (e.g., asset category, location, estimated costs, departmental sponsorship) as well as descriptions of project objectives and other means of project justification.

The evaluation rubric reflects the factors identified in CTA's Transit Asset Management (TAM) Policy Statement by project requestors.

CTA's primary capital project evaluation factors are:

- Safety and Security
- Customer Service
- Accessibility
- Operations and Maintenance

Additional key considerations include:

- Risk avoidance/mitigation
- Regulatory compliance
- Construction and Staging

For projects that involve replacing or renewing existing assets, the SOGR questionnaire is used to collect information on asset condition and whether the proposed project impacts accessibility or identifiable safety risks. The graphics shown on this page summarize all capital needs identified in the 2023-27 project call.

System-wide identified capital investment needs total $30 billion. Of those identified needs, $5.1 billion are funded, while the remaining $24.9 billion are unfunded. The largest category of investment needs is Rail Infrastructure renewal and modernization, with major needs also identified for revenue vehicles.

[Table: Capital Investment Needs]

Category	Total Needs	Funding
Infrastructure	$11.40B	
Red-Purple Modernization	$6.48B	
Red Line Extension	$3.60B	
Railcars	$3.18B	
Facilities	$2.94B	
Buses	$1.15B	
Stations	$880.62M	
Comms/IT	$208.88M	
Non-Revenue	$118.09M	
Other	$39.15M	
Total	$30.00B	

Capital Investment Decision Process

CTA's estimated baseline capital funding needed to maintain the condition of its existing asset base is roughly $1 billion per year. In addition, CTA estimates a current backlog of over $14 billion in overdue replacements. Historically, the amount of available capital funding has fallen short of the amount required to reduce or eliminate the backlog.

[PRINTED PAGE 65]
[Capital Improvement Program]

The addition of the State of Illinois "Rebuild Illinois" funds has limited the backlog funding gap, and now with the newly enacted federal infrastructure program, CTA expects to make further progress in addressing SOGR needs. Capital investment decisions nonetheless require trade-offs in the allocation of funding among various state of good repair needs and among strategic goals. CTA deploys several processes and tools to ensure that key decision-makers have meaningful information to guide when and where to invest capital funding. The information and process flows are illustrated in the following table:

[Flow Chart: Strategic Decision Support]

Level 1a – Decision Support Processes

Capital Project Solicitation – Annual agency wide call for projects. Obtains scope, cost and evaluation factors

Analysis and Modeling – TAM asset inventory, condition, useful life projections. Ridership and service level projections

Strategic Considerations – Accessibility, Capacity and Security

Level 1b – Decision Support Processes

Identify major predictable specific revenue fleet investment needs (replacements and overhauls)

Establish programmatic funding for major asset classes for State of Good Repair work to maintain aging assets

Identify and describe major plans, projects, packages of projects and constructability considerations

Level 2 - CIP Development, the CTA President (the TAM Accountable Executive) and Chief Financial Officer propose revisions to CTA's 5 year CIP based on:

New or changed project needs identified through Decision Support Processes and/or ongoing project scope refinement

Changes to expected funding sources, both amounts and years

Revised allocations by funding source and year

[Flowchart 2: Tactical Decision Support]

Level 1a – Decision Support Processes

Performance Management – Daily, Monthly and Quarterly review of metrics by operating unit

Inspections and Maintenance –

Scheduled inspections of assets performed by the asset owners

Review of defect and breakdown data from EAM systems

Level 1b – Decision Support Processes

Identify specific locations and/or scope for near term work plans using programmatic SGR funds. For example, Infrastructure, Facilities and Vehicle campaigns

Accountable asset owners maintain flexibility to address critical risks to safety or reliability

Level 2 - CTA 5 year Capital Improvement Plan

Reflects CTA's funded investment priorities, by year, based on expected capital funds availability

[Bar Graph: Total Identified Needs by Project Type]

Use of Funds	Amount
SGR	$11.81bn
Expansion	$9.88bn
Modernization	$8.33bn

[Horizontal Stacked Bar Graph: Funded vs. Unfunded Needs by Asset]

Asset	Funded	Unfunded
Railcars	$310M	$2.6B
Track & Structure	$1.5B	$12B
Signals and Power	$351M	$3.5B
Stations	$1.3B	$688M
Buses	$539M	$539M
Facilities	$326M	$4.2B
Other	$79M	$769M

[Table: Rail Infrastructure Needs]

Location	Power	Signals	Stations	Structures	Subways	Track	Total
North Red/Purple			$35.2M			$4,315M	$4,350M
Red Line Extension						$3,547M	$3,547M
Blue Line - Forest Park	$130M		$7.40M			$1,002M	$1,139M
Green Line - South		$388M	$12.0M	$138M		$354M	$891M
Downtown Subways		$197M	$41.3M		$315M	$239M	$792M
Green Line - West	$171M	$319M	$2.50M	$46.0M		$190M	$729M
Red Line - North Main	$105M		<$1.00M	$142M		$303M	$551M
Blue Line - O'Hare	$69.2M		$132M		$46.9M	$261M	$509M
Yellow Line	$33.9M	$218M				$150M	$402M
Purple Line	$3.81M	$188M	$3.00M			$206M	$400M
Red Line - Dan Ryan	$76.1M				$46.9M	$146M	$269M
Orange Line			<$1.00M			$268M	$269M
Loop	$30.0M		$212M				$242M
Brown Line			<$1.00M	$100M		$32.4M	$133M
Pink Line		$29.6M				$3.53M	$33.2M
Total	$619M	$1,339M	$447M		$409M	$11,016M	$14,256M

Please note that RPM Phase One investments are allocated to their respective asset types. Funded totals include prior year funds for projects in progress and proposed FY23-27 funds.

All Stations Accessibility Program (ASAP)

As of June 2022, 103 of 145 stations are currently accessible. Nine stations will be upgraded under ASAP Phase 1, and five additional stations will be upgraded under Phase 2. There are also systemwide elevator replacements occurring throughout the phases.

Phase 1:

- Blue Line: Montrose, California, Racine
- Green Line: Austin
- Loop: State/Lake
- Red Line: Argyle, Bryn Mawr, Berwyn, Lawrence

Phase 2 (Schedule Design and Future Construction):

- Blue Line: Irving Park, Belmont, Grand & Division
- Green Line: Oak Park & Ridgeland

Fleet Management Plans

CTA has developed FTA-compliant Bus and Rail Fleet Management Plans (FMPs) to guide major capital investments in the revenue vehicle fleet. The FMPs are essential to the capital programming process as they:

- Estimate the required fleet size over the next 10 years based on projected ridership, service levels, and maintenance programs.
- Identify the target timeline and sizes of major vehicle purchases and retirements, i.e., the optimal number of vehicles that should be purchased, retired, or overhauled each year over the next 10 years.
- Identify constraints or deficiencies in maintenance and operating facilities that may hinder future operations.

The current Bus Fleet Management Plan (covering the period 2019-2033) identifies the following purchases and maintenance activities necessary to maintain a fleet of approximately 1,900 buses in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 457 new 40’ buses between 2023-2026 to replace 40’ buses that have exceeded their 14-year useful life.
- The purchase of up to 140 new 60’ buses between 2023-2026 to replace 60’ buses have exceeded their 14-year useful life.
- The purchase of up to 700 new buses between 2027-2033 to replace 40’ buses that have exceeded their 14-year useful life.
- The purchase of up to 170 new 60’ buses between 2027-2029 to replace 60’ buses that have exceeded their 14-year useful life.
- Mid-life overhauls on up to 215 existing buses between 2023-2024 to ensure newer buses provide reliable service for their full-service life.
- Life-extending overhauls on up to 608 buses between 2023-2024 to extend their service life by four years and space out fleet replacements.

The current 2019-2033 Rail Fleet Management Plan identifies the following purchases and overhauls necessary to maintain a fleet in a state of good repair with sufficient capacity to meet expected service levels:

- The purchase of up to 846 new railcars (the 7000-Series) between 2021-2029 to replace railcars that have exceeded their expected useful life and increase the size of the fleet by up to 230 railcars to accommodate expected ridership and service growth upon completion of the RPM Phase One project, planned construction of the Red Line Extension, and future service increases across multiple rail lines. The purchase of additional railcars beyond the 400-car base order is dependent on execution of option years.
- Continue performing quarter-life overhauls on the 714 cars of the 5000-Series through 2026.
- A life extension overhaul for 100 cars of the 3200-Series is planned in 2026.

Strategic Initiatives

Capital investment is also informed by long-term strategic analyses and several strategic investment plans have been developed, such as:

- The All-Stations Accessibility Program (ASAP), a roadmap to achieve 100 percent ADA accessibility across the rail system.
- System expansions and major improvements to rail and bus service, including the Red Line Extension project.
- Transition to an all-electric bus fleet by 2040, as described in CTA’s Charging Forward report.
- Core Capacity Modernization studies to mitigate constraints on future ridership growth and identify projects/programs to address.

Strategic Planning documents that address these initiatives are available on the CTA and RTA websites.

Alignment with Regional Goals

CTA’s capital program exists within a regional context. Major projects are also considered with respect to their alignment with the RTA’s Regional Transit Strategic Plan, Invest in Transit, and with CMAP’s 30-year comprehensive regional plan, ON TO 2050.

The RTA Strategic Plan serves as a bridge between the five-year CIP and the long-range regional plan. Invest in Transit documents CTA’s ten-year priority program of major projects, both funded and unfunded, and serves as a guide to projects to be considered for programming as new funding becomes available.

The RTA is now developing the region's next strategic transit plan, the successor to Invest in Transit. Three tracks, which focus on funding, planning, and transparent and collaborative engagement, will advance simultaneously to help articulate a strategic vision that will be considered by the RTA Board for adoption in early 2023.

Funding Considerations and Fiscal Constraints

The magnitude of CTA's capital investment needs – well over $20 billion over the next 10 years, as identified by the above decision support processes – far exceeds available funding. The exact amounts of funding available each year from each funding source are also considered in project sequencing and incorporation into the final proposed five-year CIP. Different capital funding sources have different restrictions on how they may be used; grant funds awarded for specific projects are often non-fungible. The final CIP may sometimes fund and execute a lower ranking project before a higher-ranking project based on funding availability.

Due to the need to always ensure service can operate safely and reliably in an inconsistent funding environment, CTA uses programmatic capital funding allocations in the CIP for the maintenance and renewal of certain asset classes. This approach helps to ensure that sufficient capital funding is available to address urgent targeted capital renewal needs as they arise.

Uses of Funds by Asset Category

Projects are funded under the seven asset categories in CTA's proposed FY2023-2027 capital plan. Rail system projects receive a significantly larger portion of the proposed capital program funding than bus projects, primarily due to the need to maintain an exclusive right-of-way for rail, while buses operate on streets maintained by other units of government.

The capital projects proposed for FY23-27 are intended to address CTA's most critical needs for the bus and rail system, customer facilities, and systemwide support. CTA's major projects planned or underway during this period include: the Red Line Extension from 95th to 130th, design and construction for the next series of rail stations to be made accessible as part of the CTA's All Stations Accessibility Plan (ASAP), rehabilitation of Western (Brown) Station, upgrades to Loyola (Red) station, replacing aged elevators and escalators throughout the system, engineering assessments and design plans for the conversion of the bus system infrastructure to be fully electric, initial construction for bus facilities conversion, making necessary upgrades to rail maintenance facilities, targeted improvements to CTA's rail heavy maintenance shop that will provide additional capacity to overhaul railcars, the purchase of up to 846 new railcars and over 600 new buses including additional electric buses, the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet, and the replacement of over-age heavy duty vehicles and shop equipment that is used to support and maintain transit operations.

The following tables show the proposed FY23-27 Capital Improvement Program by category:

[Pie Chart: FY 2023-2027 CIP by Asset]

Asset	Amount
Systemwide Misc.	$ 1,440,405
Rail Rolling Stock	$ 504,205
Bus Rolling Stock	$ 622,810
Systemwide Facilities	$ 302,787
P&W Signal, Communication and Track, & Structure	$ 245,786
Modernization, Expansion & Improvements	$ 339,481

[Table: FY 2023-2027 CIP by Asset Category in thousands]

FY23-27 CIP by Asset Category
(in thousands)

	Title	2023	FY24-27	5Yr. Funding
Bus Projects	**Rolling Stock**			
	Bus Maintenance	$36,000	$144,000	$180,000
	Perform Mid-Life Bus Overhaul	19,141	80,889	100,030
	Replace Buses	112,991	229,789	342,780
	Sub-Total	**$168,132**	**$454,678**	**$622,810**
Rail Projects	**Modernization, Expansion & Improvements**			
	Red Line Extension	154,481	185,000	339,481
	Sub-Total	**$154,481**	**$185,000**	**$339,481**
	Power & Way Electrical, Signal & Communication			
	Replace/Upgrade Power Distribution and Signals	$2,126	$0	$2,126
	Sub-Total	**$2,126**	**$0**	**$2,126**
	Power & Way, Track & Structure			
	Infrastructure Safety & Renewal Program	$45,504	$198,157	$243,661
	Sub-Total	**$45,504**	**$198,157**	**$243,661**
	Rolling Stock			
	Perform Rail Car Overhaul	$26,999	$189,329	$216,328
	Rail Car Maintenance	0	60,000	60,000
	Purchase Rail Cars	40,030	187,847	227,877
	Sub-Total	**$67,029**	**$437,176**	**$504,205**
Systemwide Projects	**Miscellaneous**			
	Information Technology	$1,700	$16,400	$18,100
	Equipment and Non-Revenue Vehicles Replacement	$26,825	$33,450	$60,275
	Farebox Replacement	6,154	23,811	29,965
	Rehabilitate Rail Stations	$3,000	$9,000	$12,000
	All Station Accessibility Program	11,376	95,940	107,316
	Loyola Station Replace Stairs and Elevator	$2,500	$0	$2,500
	Western Station - Brown Line	13,200	0	13,200
	Park & Ride Improvements	$1,500	$0	$1,500
	Implement Security & Communication Projects	8,000	55,569	63,569
	Subway Life Safety	$0	$18,000	$18,000
	Capital Improvement Program Management	9,286	77,837	87,123
	Bond Repayment, Interest Cost, & Finance Cost	$197,096	$814,561	$1,011,657
	Bus Slow Zone Elimination Program	15,200	0	15,200
	Sub-Total	**$295,837**	**$1,144,568**	**$1,440,405**
	Support Facilities & Equipment			
	Improve Facilities - Systemwide	$44,639	$148,558	$193,197
	Electric Bus Facilities Engineering/Construction	11,590	98,000	109,590
	Sub-Total	**$56,229**	**$246,558**	**$302,787**
	Capital Project Total	**$789,337**	**$2,666,136**	**$3,455,474**
	CTA Share for Competitive Grants	-$105	-$420	-$525
	Marks	**$789,337**	**$2,666,136**	**$3,455,474**
	Marks/Variance	**0**	**0**	**0**

Bus Rolling Stock Projects

CTA has a large bus fleet consisting of over 1,800 buses operating on

127 routes and is committed to providing its customers with high quality bus service. The system's success depends in part on CTA's ability to renew, maintain, and operate its bus fleet in a state of good repair.

The Bus Overhaul and Maintenance programs are intended to attain the full useful life of buses by performing scheduled tasks that result in decreased equipment downtime and unscheduled maintenance. Unscheduled maintenance occurs when buses fail in service, disrupting operations, inconveniencing customers, and increasing operating costs.

The Bus Replacement program provides for engineering, purchase, and inspection of fully accessible buses. All bus procurements include spare parts and post-delivery monitoring of performance and technical support for problem resolution during the warranty period. Funding for these projects will provide for an ongoing capital maintenance program that consists of tasks necessary to keep buses in service through inspection, detection, and prevention of anticipated failure. Routine bus overhauls and upgrades will minimize increases in operating costs associated with the maintenance of older, obsolete equipment, and allow for more reliable service to be provided. Newer buses have lower operating costs, ensure reliable service, reinforce CTA's commitment to quality bus service.

[Pie Chart: FY23-27 Allocation for Bus Rolling Stock $623M]

Allocation	Percentage
Replace Buses	55%
Bus Maintenance	29%
Bus Overhaul	16%

- Bus Maintenance $180M – CTA plans to correct critical defects and deficiencies on the bus fleet discovered during the inspection. The scheduled maintenance program consists of planned preventive maintenance work to maintain optimal bus performance. While major overhaul work is performed on a mid-life cycle basis, additional focused work is required at certain intervals over the life of the bus, outside of the overhaul. Major systems that must be maintained on buses include, but are not limited to, engines, transmissions, and electrical systems. Work is performed by CTA's maintenance teams at bus garages dependent on work specification.

- Perform Bus Overhauls $100M – Funding will provide for the overhaul of up to 450, 7900-Series Nova buses and the last phase of funding for the Life Extending Overhaul for up to 430, 1000-Series New Flyer buses. The number of buses to be overhauled will depend on the timing of future procurements of buses.

- Replace Buses $343M – Funding will provide for the procurement of the Option(s) to replace up to 500 of the 1,030 1000-Series buses; fulfillment of the base contract of 100 buses is currently underway. Five-year funding will also provide for a new procurement intended to replace 208 articulated 4000-Series buses with the equivalent number of electric buses. CTA has operated two electric buses since 2014 and added twenty-three more electric buses to the fleet as of 2022.

Rail Projects

Modernization, Expansion & Improvements

Rebuilding vital infrastructure for Chicago's present and future is one of CTA's top priorities. Investments on one of CTA's major transformational projects – the Red Line Extension project – will continue in 2023. When completed, the project will provide faster service, modernized stations, and improved mobility and accessibility to customers.

- Red Line Extension – Project Planning & Design $339.4M – The proposed $3.6 billion Red Line Extension (RLE) project will extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.6-mile extension will include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Multimodal connections at each station will include bus, bike, pedestrian, and park & ride facilities. The project will also include a new railyard and shop near 120th Street.

RLE Benefits:

- Advance equity by providing affordable rapid transit to historically underserved communities and improving mobility for transit-dependent residents and people with disabilities
- Support connectivity and access to the entire city via the extensive CTA rail network; today, only 30 percent of riders boarding the Red Line at 95th Terminal are ending their trip downtown
- Expand economic opportunity through connections to jobs, educational opportunities, housing, and other services, as well as economic development on the Far South Side
- Provide frequent rail service that will reduce commute times with up to 30-minute time savings for riders traveling from the 130th St station to the Loop
- Promote sustainable transportation that helps contribute to improved local air quality, while reducing greenhouse gas emissions and saving energy.

Project Status

RLE has made significant progress in the last several years and is

finishing the requirements to successfully complete the Project Development phase of the federal New Starts funding program.

- In 2020, CTA hired a Preliminary Engineering (PE) Consultant to complete the Final Environmental Impact Statement (EIS) and PE work. 30 percent designs plans were submitted in June 2022 and will be updated and incorporated into design-build contract documents. Procurement of the major contract packages will begin in late 2022.
- In August 2022, CTA completed the combined Final EIS and Record of Decision (ROD), which is a significant milestone and a key requirement for RLE to advance into the next steps of the New Starts Capital Investment Grant (CIG) Program.
- With the completion of the Final EIS and ROD, the CTA has begun the property acquisition process and will be retaining contracts for property management and demolition, emphasizing DBE participation.
- The RLE Transit Supportive Development Plan will be completed in late 2022. This plan develops a strategy for investment in the RLE project area in coordination with the City's Planning and Housing departments and the Cook County

Land Bank Authority.

- In December 2020, FTA accepted CTA's request for RLE to enter the two-year Project Development (PD) Phase of the New Starts CIG Program. During PD, CTA plans to request entry into the New Starts Engineering Phase by early 2023.
- CTA has begun the process of identifying a local match for the federal New Starts grant, in part through a potential Transit TIF (tax increment financing) and has begun the TIF designation process. In the third quarter of 2022, CTA also requested to be included in the Federal Fiscal Year 2024 President's Budget Recommendation.

Power & Way Projects

CTA's Power and Way infrastructure consists of track, signal, electrical, communication and structure assets that are essential in the safe operation of the rail system.

CTA maintains a signal system designed to permit the safe operation of trains on over 225 revenue track miles. The traction power distribution system consists of 67 substations, five substation tie houses, 285 miles of cable, and 224.1 miles of third rail.

CTA's Replace/Upgrade Power Distribution Program targets power distribution and signal upgrades and/or replacements to maintain system reliability. The program will either replace or upgrade signal assets including wayside signals, interlockings and grade crossing signals at various locations along the rail right-of-way; it focuses on predictive maintenance, which replaces component parts, corrects deficiencies, and avoids service disruptions due to failure of aging equipment.

[Pie Chart: FY23-27 Allocation for Power & Track $246M]

Allocation Type	Percentage
Infrastructure Safety & Renewal Program	99%
Replace/Upgrade Power Distribution and Signals	29%

Funding programs such as replacing or rehabilitating old and obsolete signal system subcomponents will result in a reduction of emergency corrective maintenance costs. Predictive maintenance work will provide reliability and continuity of rail service and will not have a significant negative long-term impact on maintenance costs or operating budgets.

- Replace/Upgrade Traction Power Distribution Systems $2.1M – Funding will provide for the Tactical Traction Power System Improvements enabling the CTA to continue to meet existing traction power needs and increase traction power capacity to meet future demands such as the forthcoming 7000-Series railcars. The project will include upgrades to the rectifier transformers, DC switchgears, battery systems and automatic transfer switches.

- Infrastructure Safety and Renewal Program $244M – Project funds will be targeted to Safety and State of Good Repair projects throughout CTA's right-of-way infrastructure. All work planned and performed will maintain the asset(s) in proper condition through its quarter-life cycle, while a more extensive rehabilitation is planned at the mid-life of the asset. Funding will provide for the replacement of ties, running rail, and third rail on the elevated structure systemwide. Beyond track renewal, work will focus on key deficient structural elements that have been identified through structural inspections.

Rail Rolling Stock Projects

CTA has a large fleet of over 1,400 railcars that make approximately 2,300 trips each day serving 145 stations.

The Rail Overhaul and Capital Maintenance Programs are intended to correct critical defects and deficiencies discovered during inspection. The Capital Maintenance Program consisting of ongoing tasks is necessary to keep railcars in service through systematic inspection, detection, and prevention of anticipated failure while the Overhaul Program is intended to be performed on each railcar at approximately 6-to-7-year (Quarter-Life) and 12-to-14-year (Mid-Life) intervals. Overhaul activities include major component rebuild and needed repairs to railcar bodies, providing improved reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to customers. Scheduled maintenance activities and replacing railcars at the appropriate time, generally at 30 years of age, allows CTA to improve the quality and service reliability of railcars while reducing maintenance costs. As more railcars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

CTA's railcar purchase program will provide for the engineering, design services and project management to purchase new railcars. All procurements will include post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

[Pie Chart: FY23-27 Allocation for Rail Rolling Stock $504M]

Allocation	Percentage
Rail Overhaul	43%
Purchase Rail Cars	45%
Rail Maintenance	12%

- Perform Railcar Overhaul $216M – Funding will provide for the purchase and installation of components for overhaul work on 714 of the 5000-Series railcars, which will include major component rebuild and repairs to the car structure, components, and interior designed to be performed on each railcar at approximately six- to seven-year intervals.
- Railcar Maintenance $60M – CTA's scheduled maintenance program consists of planned work to maintain optimal railcar performance. While major overhaul work is performed on a quarterlife and mid-life cycle basis, additional focused maintenance work is required at certain intervals of the car's life outside of the overhaul cycle. When certain maintenance tasks are needed to repair orreplace a component before it reaches its end of useful life and fails with an increased frequency, specific component campaign work is conducted. Major systems that must be maintained on CTA's railcars include but are not limited to Propulsion, HVAC, Braking, and Traction system. Work can either be performed at CTA's Rail Terminal Shops or Heavy Maintenance Shop dependent on work specification.

- Purchase Railcars $228M – Funding will provide for the purchase of new 7000-Series to replace the 2600- and 3200-Series rapid transit railcars. Existing funds are secured to acquire 556 new 7000-Series railcars that are included as part of the base order and option one to the procurement contract. In addition, the plan calls for a contributing share from the RPM project to fund a select number of cars from the contract order to meet service capacity for the line when fully constructed. With the RPM project share contribution, the current five-year plan fully invests to allow CTA to acquire an additional 100 cars. When all capital funding that is secured and programmed is accounted, CTA expects to acquire 656 new railcars. In total, CTA's goal is to acquire 846 railcars to replace aged cars and provide for future service needs.

Systemwide Projects

Systemwide improvements such as Information Technology, Equipment and Non-Revenue Vehicles, Rehabilitate Rail Stations and Implement Security and Communication Projects are vital projects directed towards the Authority's System Infrastructure; Administration projects, such as CIP Management and Bond Repayment, are necessary to support CTA's Capital Improvement Program, and Planning projects will implement a coordinated program of bus priority treatments for specific bus network problem areas.

[Pie Chart: FY23-27 CIP Allocation for Systemwide Misc. $1.440M]

Allocation	Percentage
Bond Repayment, Interest & Finance Cost	70%
Rehab Rail Stations	9%
Capital Improvement Program Management	6%
Security & Communication Projects	6%
Equipment and Non-Revenue Vehicles Replacement	4%
Farebox Replacement	2%
IT	1%
Planning Studies	1%
Park & Ride Improvements	0.1%

- Information Technology (IT) $18M – Funding will provide for periodic replacement of systems, computers and associated components, and a state-of-good-repair maintenance program.

Funding over the duration of the five-year plan will provide for the next anticipated upgrades for mission-critical enterprise application systems that support transit operation planning, bus and rail scheduling, material management for both bus and rail maintenance, human resources, learning management & support, and other departments throughout the CTA organization. The upgrades are essential to keep the application systems up to date and current with the vendor-supported system that includes the latest version of software, database, operating system, browser, and stable hardware.

The CIP invests in necessary technological refresh of the bus routers and Intelligence Vehicle Network computer system on the buses to ensure that the bus communications network and data management are optimized. CTA buses are currently equipped with these items that allow for the bus to communicate with control operations, and power the related systems including Bus Tracker, Transit Signal Prioritization, video feeds, automatic bus announcements, vehicle location, and bus arrival sign updates. The upgrade/refresh will be applied to the entire fleet of buses.

- Equipment and Non-Revenue Vehicle Replacement $60M – Funding will provide for the Open Fare Lease, the Purchase of Diesel Locomotives, and an annual program to replace overaged nonrevenue vehicles and equipment throughout the agency. The Open Fare Lease provides for the ongoing Ventra agreement which allocates funding for the principal and interest costs needed for the open fare standard equipment, hardware, and software costs. The final installment of funds is allocated for the replacement of four diesel locomotive snow-fighters, which are self-propelled locomotives designed to operate and clear the tracks, so that CTA can safely power up the system to restore/provide service. Lastly, CTA invests annually to fund the phased replacement of aged equipment and vehicles used by CTA maintenance groups that include Bus, Rail, Power & Way, and Facilities.

- Bus Farebox Replacement $30M – The new farebox system will replace the current 37-year-old obsolete system and associated infrastructure with a modern bus farebox collection process. The new system will reduce in-service defects, improve network security by upgrading the data reporting system, reduce counterfeit bill transactions, and improve the efficiency of portable farebox operations for special events, while providing a more accurate location and complete ridership data picture of cash-paying customers.

- Rehabilitate Rail Stations – Refresh and Renew Program $12M – This program provides a heavy investment in refreshing stations and facilities every five years to promote safety, security and longevity to all CTA facilities including, but not limited to, Rail Stations and Platforms, Bus Garages and Rail Shops across the system. The Refresh & Renew Program performs major improvement work at these transit operations facilities for both the customer and the internal needs of the Authority.

- All Stations Accessibility Program $107M – In 2018, CTA completed the All Stations Accessibility Program (ASAP) Strategic Plan that established a commitment to making the system completely accessible to people with disabilities. This goal, above the federal requirements, requires the retrofitting and rebuilding of the remaining CTA stations that are not currently accessible or in the process of adding accessibility. CTA's ASAP Strategic Plan was the inspiration for the national ASAP grant program, recognizing the vital need for transit to be fully accessible to all individuals.

Based on the CTA ASAP Strategic Plan, nine (9) stations are currently in design or construction to provide vertical access and other improvements, four of which are funded entirely through non-Federal sources demonstrating CTA's commitment to the ASAP Program.

CTA has refreshed the data in the 2018 plan and has a slight change in the re-ranking of stations that will be formally published in the full plan refresh in 2023. Currently, Phase 2 shows:

- Blue Line: Irving Park (O'Hare), Belmont (O'Hare), Cicero (Congress), Pulaski (Congress), Austin (Congress)
- Green Line: Oak Park and Ridgeland
- Red Line: North/Clybourn
- Future RPM/Forest Park Branch

The CIP contributes funding for the accessibility improvements to be made at stations including Irving Park and Belmont on the Blue Line, and Oak Park and Ridgeland on the Green Line. In addition, the CIP completes funding for replacement of up to 16 elevators and provides for an escalator replacement program targeting the highest priority locations.

- Loyola Station Replace Stairs and Elevator $2.5M – This project will replace the stairs and elevator from the at-grade station house to the elevated platform. Additionally, the station house and platform area will be upgraded with new lighting, paint, and customer amenities. The project is funded with prior funding of $1.5M and $2.5M from the current five-year plan.

- Western Station – Brown Line $13.2M – This station requires major reconstruction to meet current ADA guidelines, bring the facility back into a state-of-good-repair, and provide operational and passenger enhancements. The scope of work for improvements at this station has been identified in five areas (bus turnaround, adjacent site, station exterior, station interior, and platform). The project is funded with prior (FY 2022) funding of $16.8M and $13.2M from the current five-year plan.

The work generally falls into three categories that are prioritized as listed below:

- ADA and Code Requirements: As the station was built prior to the enactment of the Americans with Disabilities Act (ADA) in 1990, many areas of the station are out of compliance. Renovation and reconstruction to meet the current guidelines within the station and street right-of-way is a base element of the proposed work.

- State-of-Good-Repair: Many areas, such as the platform precast concrete panels and station roof, require repair or replacement to mitigate continued safety hazards and continued degradation of the building.

• Operational Improvements and Enhancements: Other items may also be improved to assist in the overall passenger flow and aesthetic of the station. While these items may be of a lower priority, they also have the potential for the most impact to the CTA customers.

- Park & Ride Improvements $1.5M – Capital maintenance work is necessary to improve or maintain parking lots at a SOGR. Renewal work for priority locations includes concrete structure restoration, surface paving, curb and sidewalk, drainage systems, and installation of parking machines. The park & ride lots are the first part of many customers' trip and set the tone for CTA experience.

- Implement Security & Communication Projects $63.6M – Safety and security are of supreme concern for CTA. This initiative will focus on implementing up-to-date systems, cameras and programs for its customers and CTA personnel. Continued investments with the Chicago Police Department (CPD) add another layer of antiterrorism mechanism to protect CTA's high-risk, high-consequence, mass transit assets and operations from terrorist activities.

In addition, the CIP funds the initial phase of a multiple-year program that will address the first of a series of SOGR upgrades to the rail station communication infrastructure throughout the system. SOGR upgrades are necessary based on condition and asset life cycle needs. The program will provide for the comprehensive rehabilitation, overhaul, and upgrades to station elements that include the Public Address system, communication infrastructure, camera, and video management systems.

These are all life safety mission-critical systems, which are all interrelated and must be upgraded at the same time. For example, the rail station communications infrastructure upgrades are needed by the PA system, digital signage system, cameras system, telephone system, and radio system.

- Subway Life Safety $18M – This project improves safety across CTA Right of Way (ROW), particularly in the subway systems and facilities to help meet life safety requirements per applicable codes. The project will complete assessments and the design approaches for safety issues in the subway. Items to investigate include, but are not limited to:

  • Ventilation improvements

  • Vent shaft grate replacements

  • Subway pumps and controls rehabilitation

  • Subway emergency egress footwalks

  • LED lighting improvements

  • Emergency Light Feed (ELF) upgrades

  • Subway sewer restoration

This project is funded with prior (FY 2022) of $3.0M and $18.0M in the current five-year plan.

- CIP Management $87.1M – CIP Management provides for the following: (1) project administration and professional services associated with all capital projects in the CIP as a percentage of engineering labor charges; (2) CTA's program development staff that develops and maintains the regional Transportation Improvement Plan (TIP) and the State Transportation Improvement Plan (STIP) as required under federal regulations; and (3) local source capital funds held in reserve for expected federal discretionary grant project awards.

- Bond Repayment, Interest and Finance Costs $1.01B – This will fund debt service, bond issuance costs, and notes incurred by CTA when debt is used to finance capital activities, including:

  • Payment of principal and interest costs associated with the Sales Tax bond series issued or refinanced in 2010, 2014, 2017, 2020, and 2022.

  • Refinancing of Capital Grant bonds made in 2015, 2017, and 2021.

  • Payment of principal and interest costs for two Short-Term Lines of Credit, which were used as interim financing for initiatives such as RPM and bus, rail, and facility maintenance projects.

Bus Slow Zone Elimination Program $15.2M – Also known as the Bus Priority Zone Program, this is a joint project with the Chicago Department of Transportation (CDOT) that aims to maximize existing assets and meet regional objectives for a modern, multimodal transportation system. These funds will provide for a coordinated program of bus priority treatments and targeted solutions for specific problem areas where traffic congestion, roadway configuration, signal equipment, or other issues with existing infrastructure cause bus speed and reliability issues. The goal is to improve speed and reliability on several bus corridors that are among the highest ridership in CTA's network.

The proposed treatments include one or more of the following components: segments of dedicated bus lanes; queue jump signals, which allow buses to proceed through an intersection ahead of general traffic; traffic signal retiming to increase intersection efficiency based on current traffic volumes and/or to prioritize buses; new or additional turn phase signals; transit signal priority; improved pavement marking and/or signage for traffic flow such as reconfiguration of lanes and parking restrictions; bus stop improvements such as optimization of locations, installation of shelters, and stop spacing standardization; and expedited boarding strategies for high volume stops. The project will improve transit service for existing riders and aims to attract new ridership through higher speeds and better reliability.

Support Facilities & Equipment

CTA has seven active bus garages, 10 rail terminals, 17 park & ride lots, 106 bus turnarounds, and other maintenance and support facilities critical in providing timely and efficient service to CTA's customers.

[Pie Chart: FY23-27 Allocation for Systemwide Facilities $303M]

Allocation	Percentage
Improve Facilities Electrification	42%
Improve Facilities	58%

- Improve Facilities Systemwide $176M – Funding will provide for facility improvements and upgrades to various support facilities throughout the system. Funding will address the deteriorated condition of these facilities, which affects reliability of service and creates safety issues for customers and employees.

Funding is also allocated for capitalized lease payments for CTA's headquarters building and planned work which includes the following renewal initiatives: (1) Facilities preventive maintenance program addresses necessary repairs and upgrades for passenger facilities, bus garages/shops, rail maintenance shops; and other maintenance and warehouse facilities. (2) Modernization of rail yards systemwide to restore, preserve, upgrade, and improve the integrity and configuration of the yards (3) Critical repairs at facilities systemwide.

- Electric Bus Facilities Engineering/Construction $127M – CTA is committed to continuing to replace its older diesel buses, currently in service, with battery-powered, zero-emission, all-electric buses (e-Bus) with overhead, fast-charging capabilities.

CTA has awarded a task order to its Program Manager – Transit Capital Partners (TCP) – to perform an electrical load flow study at all of the bus garages to determine the electrical needs for e-Buses. Additionally, the Program Manager will work to update CTA's design criteria for e-Buses. Both of these tasks will inform all of the design and construction work for the electric bus program.

In FY 2022, CTA was awarded $28,836,080 in FTA's FY22 combined Low or No Emission Vehicle and Buses and Bus Facilities grant program funds to buy electric buses and modernize electrical, communications and safety systems at CTA's Chicago Bus Garage as part of CTA's efforts to transition to an all-electric bus fleet by 2040. This will decrease emissions that affect local air quality, advance environmental justice, and create good-paying jobs, while reducing greenhouse gas emissions by an estimated 73 percent.

CTA will use this FY 2022 grant award for the design and construction of about half of the needed e-Bus-related upgrades at the Chicago Garage. This bus garage is roughly 40 years old and has four key system components that require modernization. These include upgrades to the electrical service which include construction of a new electrical substation;

upgrades to the communications systems; upgrades to life safety systems; and other building improvements for the proper maintenance, servicing, and storage of electric buses.

CTA will also install some electric bus chargers at the 103rd Street Bus Garage with funding received under last year's Low or No Emission Vehicle grant award. Additionally, with the federal formula and Rebuild Illinois funds, CTA will pursue the design of the 103rd Street Bus Garage upgrades needed for additional e-Bus implementation.

FY23-27 CIP Asset Category Comparison

CTA has substantial financial commitments associated with the capital bond program that has funded over $3.1 billion in system improvements since 2004. Given the significant constraints and the unpredictability of capital funding, CTA has effectively managed a capital financing program where funds are allocated to Capital projects that target SOGR work throughout the system, to discretionary project award for required local match, and to fund major capital improvement projects.

The largest share of investments is dedicated to the rail and bus fleets, which includes the purchase of next generation 7000-Series railcars, the remaining 300 buses of a 600-bus diesel bus order, the next electric bus procurement to replace 208 articulated buses, and ongoing and future fleet overhauls as funding permits. The second largest investment is made for the planning and initial construction necessary to upgrade bus facilities to electrify the system, improvements to CTA rail heavy maintenance facility to expand overhaul capacity, and the replacement of shop equipment and heavy-duty maintenance vehicles.

Major investments continue to be made for the planning and development phase for the Red Line Extension, where CTA anticipates entering into the project engineering phase in late 2022 or early 2023, as well as making select stations accessible on the Green and Blue Lines.

Other investments are made to secure the system including public address and electrical system upgrades at select rail stations. In addition, installation of surveillance systems to protect transit infrastructure includes new additional and replacement cameras throughout transit system.

The greater share of CTA's project investment in the five-year plan is oriented toward the rail system, indicative of the cost for CTA to maintain a dedicated right of way versus the public right of way, where bus service is located. While the rail system provides significant regional benefits and

is less costly to operate daily when compared to bus operations, the rail system requires extensive capital expenditures in order to maintain operating standards. Over 80 percent of CTA's SOGR needs are associated with the rail system.

[Table: Asset Category Funds Flow CIP 2023-2027 in Millions]

	2023	2024	2025	2026	2027
Bus Rollingstock	$168.1	$93.3	$100.0	$156.8	$104.6
Debt Service	$203.3	$211.7	$217.3	$197.1	$213.3
Facilities	$83.0	$78.9	$39.3	$40.8	$120.0
Information Technology					
Power & Track	$47.6	$38.0	$38.0	$38.0	$84.2
Rail Rollingstock	$67.0	$93.5	$115.7	$149.2	$78.7
RLE	$154.5	$77.5	$77.5	$30.0	
Security & Communications			$26.3	$33.3	
Stations	$30.1	$43.4	$37.5	$24.1	
Systemwide	$26.0				

CTA's largest capital investment to date is the RPM Phase One project totaling $2.1 billion. For a capital project of this magnitude to be undertaken, several unique capital funding sources are necessary to fund the project to completion. FTA Core Capacity funds were made available for this project. CTA entered into a Full Funding Grant Agreement (FFGA) with the FTA in January 2017 to secure $956.6 million for the project. CTA also entered into an agreement with the City of Chicago to provide tax increment financing program funds from a newly created Tax Increment Financing (TIF) District, to fund repayment of an anticipated $622 million loan to cover project costs. The TIF was approved by the Chicago City

Council and specifically authorized by the Illinois state legislature for the RPM project. CTA also provides funding of $417.7 million from internal sources, including proceeds of CTA bonds and some operating funds. Additionally, $10 million of other City TIF funds and $125 million of federal Congestion Mitigation and Air Quality funding have been allocated for this project.

The American Rescue Plan (ARP) Act made available funds for New Starts and Core Capacity projects receiving funding through the Section 5309 Capital Investment Grants (CIG) program. The CTA's RPM Core Capacity project has been appropriated $30,650,898.

ARP Capital Investments funding is intended to supplant the non-CIG share (local funds, non-CIG Federal funds) of the CIG project cost and does not alter the local share requirements. ARP funds are intended to provide relief to transit agencies (or Project Sponsors) where local receipts (share) are lacking or delayed due to the impact of the COVID-19 pandemic. CTA intends to use these funds to replace CTA sourced local share commitments.

[Table: Red Line Modernization]

RPM Source of Funds	Dollars	Percentage
Federal 5309 Core Capacity	$956,608	44.9%
CTA Bonds	$355,953	16.7%
CTA Operating Funds	$61,749	2.9%
City TIF - Bryn Mawr	$10,000	0.5%
CMAQ	$125,000	5.9%
Transit TIF / TIFIA Loan	$622,000	29.2%
Total Project	$2,131,310	100.0%

Competitive Grant Opportunities

In order to maximize opportunities to bring assets into a state of good repair and meet strategic initiatives, CTA has submitted grant applications requesting funding from a variety of federal and state competitive grant programs and continues to pursue funding opportunities from the following programs:

•The American Rescue Plan (ARP) Act Additional Assistance – This funding was made available through a discretionary process to eligible recipients or subrecipients of Urbanized Area Formula funds (49 U.S.C. 5307) or Rural Area Formula funds (49 U.S.C. 5311) in response to Coronavirus disease 2019 (COVID–19).

ARP funding was provided to transit agencies that demonstrated a need for additional financial support to cover expenses related to day-to-day operations, cleaning, and sanitization, combating the spread of pathogens on transit systems, and retaining employees. CTA was awarded $118,409,985, in ARP additional assistance funds.

•Congestion Mitigation Air Quality (CMAQ) Grant Program – This federal program, administered by the Chicago Metropolitan Agency for Planning (CMAP), funds surface transportation improvements designed to improve air quality and mitigate congestion.

CTA applied for FY 2022-2026 CMAQ funding in the amount of $135,000,000 to support the construction of the Red Line Extension project. The proposed Red Line Extension (RLE) project would extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.6-mile extension would include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street. Multimodal connections at each station would include bus, bike, pedestrian, and park & ride facilities. The RLE project would also include a new railyard and shop near 120th Street. RLE is a major component of CTA's Red Ahead program, a comprehensive initiative for maintaining, modernizing, and expanding Chicago's most traveled rail line. CTA received an award of $30,000,000 in CMAQ funding for FY 2026.

In addition, CTA applied for FY 2022-2026 CMAQ funding in the amount of $65,034,253 for the purchase of up to 48 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and up to seven overhead chargers to power the electric buses. CTA received an award of $44,255,332 in CMAQ funding for FY 2026.

Furthermore, the CMAP Board and MPO Policy Committee approved the FFY 2020–2024 CMAQ program, which included funding for CTA's Electric Bus Program - Purchase up to 70 Electric Buses and up to nine chargers, in the amount of $23,493,631 and CTA's Bus Slow Zones Elimination Program construction portion of the project in FY 2023 in the amount of $15,200,000.

The Bus Slow Zones Elimination Program is a joint project with the Chicago Department of Transportation (CDOT) that aims to maximize existing assets and meet regional objectives for a modern, multimodal transportation system. These funds will provide for a coordinated program of bus priority treatments and targeted solutions for specific problem areas where traffic congestion, roadway configuration, signal equipment, or other issues with existing infrastructure cause bus speed and reliability issues. The goal is to improve speed and reliability on several bus corridors that are among the highest ridership in CTA's network.

The proposed treatments include one or more of the following components: segments of dedicated bus lanes; queue jump signals which allow buses to proceed through an intersection ahead of general traffic; traffic signal retiming to increase intersection efficiency based on current traffic volumes and/or to prioritize buses; new or additional turn phase signals; transit signal priority; improved pavement marking and/or signage for traffic flow, such as reconfiguration of lanes and parking restrictions; bus stop improvements, such as optimization of locations, installation of shelters, and stop spacing standardization; and expedited boarding strategies for high volume stops. The project will improve transit service for existing riders and aims to attract new ridership through higher speeds and better reliability.

•Cook County's "Invest in Cook" Program – "Invest in Cook" is Cook County's long range transportation plan and funding program where local and regional governments can apply for assistance to help fund the cost of planning and feasibility studies, engineering design, and construction improvements that advance the priorities set forth in the long-range transportation plan.

In 2022, CTA applied for Invest in Cook funding that would further CTA's bus electrification plan by performing an engineering evaluation, needs assessment, and alternatives analysis to develop a phased road map to electrification and modernization of the South Shops and 77th Street Garage complex, which is a critical bus asset. This application requested $480,000 in Invest in Cook grant funds to further CTA's goal to achieve full electrification of the bus fleet by 2040. CTA was not awarded FY22 funding through this program due to eligibility restrictions on MFT funds for electrification projects. CTA will continue to apply to this program for future project initiatives when funding becomes available.

•Department of Homeland Security (DHS) Transit Security Grant Program (TSGP) – This program provides competitive funding to public transportation agencies to protect critical high-risk surface transportation and the traveling public from acts of terrorism and to increase the resilience of transit infrastructure. Eligibility is based on daily ridership of transit systems serving key high-threat urban areas. It has identified critical infrastructure assets that are vital to the functionality and continuity of major high-risk transit systems and whose incapacitation or destruction would have a debilitating effect on national security, public health, safety, or any combination thereof.

In FY2022, CTA was awarded $647,520 to protect the traveling public and critical transit infrastructure from acts of terrorism. The Chicago Police Department (CPD) acts as the primary security provider for CTA within the City of Chicago. CTA and CPD have entered into separate intergovernmental agreements for each TSGP award to certify the TSGP relationship between the two agencies and define how funding will be used to meet CPD's investment costs, reporting requirements, and other aspects of implementation.

•FTA Capital Investment Grant (Section 5309) Core Capacity Program – Core Capacity is a project category under the FTA Capital Investment Grant (CIG) Program. Core Capacity projects are substantial investments in existing fixed-guideway corridors that are at capacity today or will be in five years, where the proposed project will increase capacity by at least 10 percent.

In 2017, FTA approved a Full Funding Grant Agreement (FFGA) for $956 million of Core Capacity funds for Phase One of the RPM project. This project was the first project awarded under this category. With FY 2022 funding provided by the new Federal Infrastructure Investment and Jobs Act (IIJA) the project has now been appropriated the entire amount of the FFGA.

•FTA Capital Investment Grant (Section 5309) New Starts Program – New Starts is a project category under the FTA CIG Program. New Starts projects are substantial investments where the total New Starts funding sought equals or exceeds $100 million. Eligible project categories include extensions to existing systems. In December 2020, FTA accepted CTA's request for the Red Line Extension project to enter the two-year Project Development (PD) Phase of the New Starts CIG Program. During PD, CTA plans to request Entry into New Starts Engineering Phase in 2022 or early 2023, and is targeting an FFGA in 2024, within this five-year CIP.

•FTA Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program (formerly BUILD or TIGER) – The RAISE Discretionary Grant program provides a unique opportunity for the USDOT to invest in road, rail, transit, and port projects that promise to achieve national objectives. CTA has received funding in the past and plans to seek funding in the future years.

•Low or No Emission Vehicle and/or Buses and Bus Facilities Grant Programs – The Federal Transit Administration (FTA) announced the opportunity to apply for approximately $1.1 billion in competitive grants under the FY 2022 Low or No Emission Vehicle Grant Program (Federal Assistance Listing: 20.526) and approximately $372 million in FY 2022 funds under the Grants for Buses and Bus Facilities Program.

CTA is committed to continuing to replace its older diesel buses, currently in service, with battery-powered, zero-emission, all-electric buses with overhead, fast-charging capabilities.

In FY 2022, CTA was awarded $28,836,080 in FTA's FY22 combined Low or No Emission Vehicle and Buses and Bus Facilities grant program funds to buy electric buses and modernize electrical, communications and safety systems at CTA's Chicago Bus Garage as part of CTA's efforts to transition to an all-electric bus fleet by 2040. This will decrease emissions that affect local air quality, advance environmental justice, and create good-paying jobs, while reducing greenhouse gas emissions by an estimated 73 percent.

•Illinois Department of Transportation (IDOT)/Statewide Planning and Research Funds (SPR) – IDOT conducted a call for projects for SPR funded projects. All proposed projects should be related to further studying or implementing a goal, strategy, or objective within the State's Long-Range Transportation Plan or one of the Department's modal plans. IDOT evaluated projects based on their ability to further study or implement the Long-Range Transportation Plan or one of the Department's modal plans.

In response to IDOT's call for projects, CTA submitted three applications for the following three projects: (1) Forest Glen Bus Garage Master Plan; (2) GIS Strategic Plan; and (3) TSP Road Map. CTA was awarded $300,000 for a consultant to do high level technical research for Transit Signal Priority (TSP) architecture and provide recommendations that will allow for a TSP system that works efficiently, effectively, and for the long-term.

•Pilot Program for Transit-Oriented Development (TOD) Planning – The Pilot Program for TOD Planning helps support FTA's mission of improving public transportation for America's communities by providing funding to local communities to integrate land use and transportation planning around a new fixed guideway or core capacity improvement project. Per statute, any comprehensive planning funded through the program must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations.

CTA was awarded $800,000 in FY21 TOD funding in partnership with the City of Chicago's Department of Planning and Development (DPD) to develop CTA's 95th Street Corridor Equitable Transit Oriented Development (ETOD) Plan.

The corridor for this study is two miles long extending from Halsted Street on the west to Cottage Grove Avenue on the east. This comprehensive planning project will fully leverage the five multi-modal transit investments along and connecting to the corridor, which includes CTA's proposed Red Line Extension project, a recently completed state-of-the-art $280 million 95th Street Red Line Terminal Reconstruction project, Metra's 95th Street/Chicago State University station revitalization project, Pace's Pulse 95th Street Line, and CTA and Pace's proposed South Halsted Bus

Improvements, including a Pace Pulse Halsted Line. DPD, as the land use agency, will lead the project with support from CTA and project stakeholders.

•All Stations Accessibility Grant Program (ASAP) – On July 26, 2022, the 32nd anniversary of the Americans with Disabilities Act, FTA announced approximately $343 million available for Fiscal Year 2022 grants for the All Stations Accessibility Program (ASAP). The Notice of Funding Opportunity (NOFO) will make it easier for people with disabilities to access the nation's oldest subway, commuter rail and light rail stations. This is a five-year grant program with a total program budget of $1.75 billion.

The Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act, establishes a new All Stations Accessibility Program (ASAP) to provide federal competitive grants to assist eligible entities in financing capital projects to upgrade the accessibility of legacy rail fixed guideway public transportation systems for people with disabilities, including those who use wheelchairs, by increasing the number of existing stations or facilities for passenger use that meet or exceed the new construction standards of Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.).

The All Stations Accessibility Program makes competitive funding available to assist in the financing of capital projects to repair, improve, modify, retrofit, or relocate infrastructure of stations or facilities for passenger use.

CTA will apply to complete the accessibility improvements on the Blue (O'Hare) Line Irving Park and Belmont Stations and the Blue (Congress) Line Pulaski Station. While each station has specific characteristics, all projects involve the installation of elevators with clearly defined accessible pathways to and from train platforms, bus stops, and other major modal transfer points. All features along the pathway, such as fare arrays, shelters, benches, and passenger information, will be redesigned to remove barriers and allow for universal accessibility.

•Surface Transportation Program (STP) Shared Grant Fund – The shared fund, administered by CMAP, was established to support larger-scale regional projects that address regional performance measures and the goals of CMAP's ON TO 2050 plan. The programming authority distributed to the fund is derived from a set-aside of the region's annual allotment of STP funds. Project selection is a region-wide competitive process overseen by the STP Project Selection Committee.

In prior years, CTA received funding for Austin ASAP and a portion of Design for the Harlem Station Bus Bridge. CTA is waiting for the award results of the requested additional design funds for Harlem.

CTA is seeking FY23-27 STP funds for the following projects: CTA's Bus Priority Zones, Dearborn Subway Waterproofing, Harlem Station Bus Bridge Reconstruction, and Irving Park All Stations Accessibility Program (ASAP) Design.

•Areas of Persistent Poverty Program (AoPP) – This program supports FTA's strategic goals and objectives through the timely and efficient investment in public transportation. This program also supports the Biden-Harris Administration's agenda to mobilize American ingenuity to build modern infrastructure and an equitable, clean energy future by supporting increased transit access for environmental justice (EJ) populations (see FTA Circular 4703.1), equity-focused community outreach, public engagement of underserved communities, adoption of equity-focused policies, reducing greenhouse gas emissions, and addressing the effects of climate change.

On June 23, 2022, FTA announced approximately $16.2 million in FY20 and FY21 funding to the AoPP for 40 projects in 32 states and two territories. CTA was awarded $450,000 in FY21 AoPP grant funding for a Locally Led Engagement Strategy that would result in amplified local outreach and engagement throughout the Red Line Extension (RLE) project area. The project will allow CTA to focus engagement efforts on the Far South Side by engaging with residents and other advocates to maximize the impact of increased transit access and the positive effect it can have on community revitalization efforts.

•Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program – This US DOT loan program provides financing for eligible transportation projects with savings from TIFIA financing coming from two primary sources: (1) CTA draws TIFIA funds on an "as needed" basis rather than accruing interest on funds before they are used and (2) the interest rate on this borrowing is set at a rate lower than traditional financing. TIFIA financing is a highly recommended form of borrowing as it makes financing projects more affordable and maximizes borrowing capacity.

CTA has received TIFIA loans for three major capital projects. In 2014, CTA received its first TIFIA loan for $79.2 million as part of an overall $280 million funding package to renovate the Red Line's 95th Street Terminal. In 2015, CTA entered a second TIFIA loan for $120 million to support the $410.6 million Your New Blue Program. In 2016, CTA entered a third TIFIA loan for $254.9 million in funding as part of the $719.8 million project to purchase 400 new 7000-Series railcars.

In 2022, CTA will seek a fourth TIFIA loan for $427M million as part of the funding the Red and Purple Modernization Project. The amount has been reduced from $622 million due to PayGo TIF funding already received.

•Unified Work Program (UWP) – In order to fulfill federal planning regulations, the UWP lists planning projects that CMAP and other regional agencies undertake each year to enhance transportation in northeastern Illinois. The UWP is designed to run in conjunction with the State of Illinois' fiscal year timeline of July 1 to June 30. The final UWP document includes the transportation planning activities to be carried out in the region, detailing each project's description, scope, costs, and source of funding.

In FY 2022, CTA was awarded core funding of $625,000 to support Program Development. This funding will facilitate efforts to coordinate the provision of capital projects for customers in CTA's service area and to identify projects within the Chicago-area regional five-year Transportation Improvement Program (TIP). Similarly, in FY 2023, CTA will receive $625,000 for Program Development, as well as $400,000 for a Loop Capacity Rail study, which will analyze existing rail capacity and potential solutions to maximize capacity in the elevated Loop through rail simulation modeling. Together, CTA will receive $1,025,000 in FY 2023.

•USDOT Federal Highway Administration Office of Operations Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative – CTA, along with CDOT, received funding to implement the Chicago Centralized Transit Signal Priority Project (CCTSP) program – an initiative to make transit service more reliable and efficient in Chicago. The anticipated total cost of the program is $8 million with $3.99 million awarded in ATCMTD funding; CTA's shared match is $2 million. This program will leverage existing transportation and transit infrastructure, making modifications to communication and software systems to provide priority to transit buses at traffic signals along three pilot corridors in Chicago. The proposed system will eliminate the need for installation and maintenance of field equipment to detect buses. A modular design and a central system mimicking field detection allows for significant cost savings and easy implementation. These characteristics make this centralized TSP solution much more appealing to any large metropolitan area with a large transit fleet. The goal is to deploy a solution that can be readily replicated across the city, allowing for a more rapid adoption of TSP, which helps to provide faster and more reliable service to customers.

During FY2023-2027, CTA will continue to aggressively pursue additional funding under these competitive grant programs.

Transit Asset Management Plan

Beginning with the Moving Ahead for Progress in the 21st Century ("MAP-21") transportation authorization bill passed in 2012, the FTA was directed to establish and implement a national Transit Asset Management (TAM) system. This entails the development of objective standards for measuring asset conditions and requiring recipients of financial assistance to develop a Transit Asset Management Plan (TAMP).

CTA established a TAM program both in response to new TAM federal mandates and because of the need to manage system conditions and performance within constrained resources. The TAM program entails the adoption of an organizational policy for TAM and the development of a TAMP. The TAM program also improves the quality and availability of asset condition data and the impacts of deferred investment.

[Table: Asset Condition Useful Life Benchmark]

Rank	Description of Condition
5	No visible defects, in like new condition; may still be under warranty
4	Not new, but still well within expected useful life; minimal or minor defects, limited need for repair
3	Nearing expected useful life. Periodic defects and/or moderate deterioration
2	Exceeded expected useful; Periodic defects and/ or moderate deterioration
1	Substantially beyond useful life and requires complete replacement

Assets are compared against a Useful Life Benchmark (ULB) for a given asset class, which reflects the expected useful lifespan of a new asset. Assets beyond their ULB are at greater risk of failing and causing service disruptions.

As part of the TAM Program, asset condition is evaluated on a 1-5 scoring scale noted in the second chart below. This scale aligns with FTA recommendations and facilitates comparisons across asset classes. An asset is in a state of good repair when the physical condition of that asset is at or above a rating of 2.5.

The state of assets can be demonstrated in two ways. One is condition rating by asset type, which provides a brief assessment of the overall condition of assets. The second is tracking backlog by asset type, which helps identify overdue investments needed to keep asset classes in a State of Good Repair (SOGR) or from going beyond their Useful Life Benchmark (ULB). The overall average of CTA's asset base is in acceptable condition. However, there are major investments overdue in several key asset classes including Infrastructure, Vehicles, Stations, and Facilities as illustrated in the first chart below. In this figure, total backlog refers to the value of CTA's assets that need rehabilitation or replacement.

[Bar Graph: Total Backlog by Asset Type in Billions]

Asset Type	Total Backlog
Buses	$0.8
Railcars	$1.1
Track	$1.7
Signals	$0.9
Power	$1.5
Structures	$3.5
Non-Revenue	$0.6
Stations	$0.6
Track	$1.4

[Bar Graph: Average Condition Rating by Asset Type]

Asset Type	Average Condition Rating
Buses	2.8
Railcars	3.3
Track	2.9
Signals	2.7
Power	2.4
Structures	3.1
Non-Revenue	2.2
Stations	3.4
Track	3.2

The following charts show how existing assets would age out and enter the backlog over the next 10 years if not renewed by capital investment.

Buses

The useful life benchmark of a bus ranges from 12 to 18 years. Approximately 78 percent of CTA's bus fleet will be due for replacement within the timespan of the five-year capital plan.

[Bar Graph: Percent Exceeding Useful Life]

Year	Percent Exceeding Useful Life
2022	36%
2023	57%
2024	67%
2025	72%
2026	73%
2027	78%
2028	78%
2029	82%
2030	91%
2031	98%

Signals

The number of Signal assets past their useful life is expected to steadily increase over the next 10 years from 49 percent to 75 percent.

[Bar Graph: Percent Exceeding Useful Life]

Year	Percent Exceeding Useful Life
2022	49%
2023	50%
2024	50%
2025	50%
2026	54%
2027	55%
2028	58%
2029	62%
2030	68%
2031	72%

Power

Currently, 59 percent of CTA's power assets are past their useful life. In the next 10 years, this will increase to 82 percent of assets exceeding their useful life without capital replacement.

[Bar Graph: Percent Exceeding Useful Life]

Year	Percent Exceeding Useful Life
2022	59%
2023	66%
2024	68%
2025	71%
2026	76%
2027	78%
2028	80%
2029	80%
2030	81%
2031	82%

Railcars

The useful life benchmark of a railcar is 34 years. Over the next 10 years, an additional 27 percent of railcars are expected to age out. Unless replacement occurs, this would result in a total of 52 percent of CTA's railcar fleet exceeding its useful life.

[Bar Graph: Percent Exceeding Useful Life]

Year	Percent Exceeding Useful Life
2022	25%
2023	25%
2024	35%
2025	35%
2026	40%
2027	52%
2028	52%
2029	52%
2030	52%
2031	52%

Track

The number of systemwide track assets past their useful life is expected to increase by seven percent within five years unless significant track renewals are undertaken.

[Bar Graph: Percent Exceeding Useful Life]

Year	Percent Exceeding Useful Life
2022	25%
2023	31%
2024	32%
2025	32%
2026	32%
2027	33%
2028	33%
2029	34%
2030	36%
2031	41%

History of the CTA

Before mass transit, Chicago was a “walking city,” limited in size by an area its population could easily travel on foot or horseback. As the population of the settled area increased, the need for public transportation arose. These services were originally provided by private companies under public regulation.

The first public transportation vehicles in Chicago were horse-drawn carriages called omnibuses. The poor condition of the streets limited their utility, which led to the establishment of the first street railways in 1859, generally considered the earliest ancestor of today’s transit system in Chicago.

The street railways were superior to the omnibuses in that their running on rails provided a smoother ride and made them less susceptible to street conditions. But horses were an expensive mode of power, and the street railway companies looked for more efficient ways to carry the growing number of commuters. Various power sources were tested, but after 1882 many higher-ridership horsecar lines were successfully converted to cable cars. After 1890, lines began to be converted to electric power; all trolleys in Chicago were electrically powered by 1906.

[Picture: Horse drawn train car]

Increased traffic congestion, as well as rising population densities and demand for high-capacity transit, led to the construction of the city's first elevated railways. Chicago’s first ‘L’ line, the Chicago and South Side Rapid Transit, opened on June 6, 1892. Two more companies whose lines served the West Side followed in 1893 and 1895; in 1897, the famous Loop elevated downtown was completed and acted as a common terminal for all the lines. By the turn of the century, an additional ‘L’ company serving the North Side opened. The first trains, powered by steam when they opened in 1892-93, were converted to electricity by 1898; all lines opened after 1895 were electric.

To attain greater efficiency and try to deal with lingering financial hardships, the ‘L’ and streetcar companies began to consolidate. In 1914, all streetcar companies began operating as a unified system known as the Chicago Surface Lines (CSL), despite remaining separate companies. At its peak, the Chicago Surface Lines system operated on 1,100 miles of track and was the largest and most heavily used streetcar system in the world.

[Picture: Steam locomotive and passenger car on elevated track]

Control of the four rapid transit ‘L’ companies was vested in a trust in 1911, which centralized some functions but left the underlying companies intact. As part of the greater coordination, free transfers between the companies’ trains were allowed for the first time in 1913; this also marked the start of through-routing trains between the North and South sides. In 1924, the companies formally merged into the Chicago Rapid Transit Company (CRT).

[Picture: Streetcar with electric wire overhead]

Buses were first used in Chicago in 1917 by the Chicago Motor Bus Company; they became the Chicago Motor Coach Company (CMC) in 1922. The CMC’s routes were limited to Chicago boulevards and parks, where streetcars were not allowed to operate. CSL began limited use of some motor buses in 1927 and trolley buses in 1930, primarily as extensions of the streetcar system into outlying areas. However, buses would play a limited role in mass transit in Chicago until after World War II.

[Picture: Double-decker open top bus]

Strained finances combined with the hardships of the Great Depression placed both the CRT and CSL in bankruptcy and receivership by the early 1930s. Development of Chicago’s transit network continued, however, as federal Public Works Administration financing combined with transit-company funded city monies allowed construction of Chicago’s first subway under State Street, opening in 1943. A second subway under Dearborn Street was started concurrently with the State Street Subway but mothballed during World War II; it was completed and opened in 1951.

Public ownership of Chicago’s mass transit system began after the War, with the creation of the Chicago Transit Authority (CTA) by the Illinois legislature in 1945. CTA issued $105 million in revenue bonds to purchase assets of the CRT and CSL, and began operating the ‘L’ train, streetcar, and limited bus service in and around Chicago on October 1, 1947. On October 1, 1952, CTA became the sole operator of Chicago transit when it purchased the Chicago Motor Coach system.

[Picture: CTA logo]

The CTA – empowered to control its own fare levels and service patterns and issue bonds but receiving no subsidies and lacking taxing authority – immediately set about to unify the desperate private transit networks and modernize the system. Lightly used services were discontinued or modified, and new equipment was purchased to retire aging vehicles, some almost 50 years old. The last streetcars were retired in 1958, replaced by buses. By 1960, the 'L' and surface systems had been thoroughly modernized.

[Picture: Train car in tunnel next to a platform, men standing on outside of train car and kneeling on platform]

New 'L' lines were built and others modernized, many in partnership with the city Department of Public Works – these included the Congress branch in the median of the newly-built Congress Superhighway, the nation's first rapid transit line in the median of an expressway (opened 1958), the Dan Ryan Line (opened 1969), and the Kennedy Extension (opened 1970). In 1964, The CTA obtained federal demonstration project funding to create the first "light rail" service, the Skokie Swift, utilizing five miles of the former North Shore Line interurban, which was abandoned the previous year.

[Picture: Train car travels in the median of highway lanes]

By the early 1970s, the popularity of car travel and declining ridership levels threatened the financial stability of the local public transit providers, including the CTA. To address these issues, the Illinois General Assembly created the Regional Transportation Authority (RTA) as a fiscal and policy oversight agency committed to providing an efficient and effective public transportation system. Today, the RTA continues to provide financial oversight to the CTA, Metra and Pace. The RTA was also empowered to levy taxes, providing the first subsidies for local mass transit operating expenses.

CTA's mission of modernization and expansion continued, with extensions to O'Hare Airport and Midway Airport opening in 1984 and 1993, respectively; these allowed Chicago to become one of the few cities in the world that has rail service to two major airports.

[Picture: RTA logo]

By the 1980s, much of the CTA's physical infrastructure was aging, some almost a century old, and a renewed focus was placed on rehabilitation, renovation, and good state of repair. This led to projects to replace or rebuild many bus garages and rail terminals, as well as major projects to renovate existing rail lines. These projects included the extensive rehabilitation or rebuilding of the Green Line in 1994-96, the Cermak branch (now part of the Pink Line) in 2001-05, the Dan Ryan branch of the Red Line in 2004-06 and 2013, and the Brown Line in 2004-2010.

[Picture: Train car travels in highway median with airplane taking off in background]

The 2000s brought advances in technology that greatly enhanced CTA customers' experience and the efficiency of the transit system overall. In 2009 and 2011 respectively, CTA launched Bus Tracker and Train Tracker, allowing customers to access information online and via text messaging, and receive email notification of predicted arrival times and service alerts. CTA's latest model of rail car – the 5000-Series – went into service from 2010 through 2015. These advanced cars result in a smoother, more comfortable ride and provide both operational and maintenance efficiencies.

[Picture: Ventra ticket and fare-card]

In 2014, CTA completed the transition to Ventra, a fare payment system built on open standards, enabling customers to pay using contactless bankcards and mobile phones. Ventra combines the convenience of a contactless card and an account-based system with the ability to have any type of fare value or pass – or both – on one card.

Following is a description of CTA departments, their annual operating budget, and number of positions, including positions funded through the capital program. Department budgets include costs for labor, materials, fuel, power, and other expenses.

Bus Operations: Bus Operations provides efficient, courteous, professional, safe, and reliable bus transportation. The 2023 department budget is $504.6M and 3,926 positions.

Bus Maintenance: Bus Maintenance is responsible for the maintenance of the bus fleet, including mechanical maintenance and regular cleaning. The 2023 department budget is $226.2M and 1,023 positions.

Rail Operations: Rail Operations provides efficient, courteous, professional, safe, and reliable rail transportation. The 2023 department budget is $159.7M and 1,113 positions.

Rail Maintenance: Rail Maintenance is responsible for ensuring that CTA rapid transit cars are maintained in a safe, reliable, and aesthetic manner. This includes preventive maintenance, and regular cleaning of rail cars. The 2023 department budget is $135.6M and 850 positions.

Rail Station Management: Rail Station Management is responsible for the general cleaning of rail stations, terminals, and bus turnarounds including garbage and snow removal. The 2023 department budget is $118.7M and 1,262 positions.

Control Center: The Control Center manages all movement and communication throughout the system. Controllers monitor bus and rail service, safety for buses, trains and transit stops and power distribution. The 2023 department budget is $16.5M and 102 positions.

Infrastructure: Infrastructure is comprised of 4 units: Maintenance, Construction, Engineering and Real Estate; and is responsible for maintenance of all infrastructure assets, management of CTA real estate, and the planning, design, and implementation of capital projects. The 2023 department budget is $236.2M and 1,088 positions.

Security: Security is committed to fostering an agency-wide program that supports the security of customers, employees and CTA assets and complements the Authority's safety program. The 2023 department budget is $43.5M and 23 positions.

Safety: Safety is committed to developing and continuously improving processes that support a robust safety culture in achieving the highest level of safety performance for customers and employees. The 2023 department budget is $10.0M and 43 positions.

Purchasing & Supply Chain: Purchasing processes over 1,000 contracts covering hundreds of millions of dollars annually ensuring the most responsible use of CTA funds. Supply Chain is responsible for efficiently stocking, managing, and distributing materials and supplies for the organization. The 2023 department budget is $25.5M and 179 positions.

Training & Workforce Development: Training & Workforce Development is responsible for creating and delivering learning opportunities to develop the CTA's workforce. The 2023 department budget is $25.9M and 157 positions.

Human Resources: Human Resources strives to be the catalyst for optimizing people and organizational excellence. The department's responsibilities are divided between HR Services, HR Operations and HR Projects. The 2023 department budget is $9.0M and 60 positions.

EEO: EEO ensures CTA uses certified DBE's and does not discriminate in procurement, employment, or contracting services. The 2023 department budget is $3.3M and 9 positions.

Diversity: Diversity manages DBE/SBE Certification, Small Business Development & Outreach, Contract Compliance and Workforce Initiatives which create an environment of diversity, equity, and inclusion for contractors and other stakeholders. The 2023 department budget is $2.6M and 21 positions.

Performance Management: The Performance Management department is responsible for developing performance metrics and reporting on operational performance against those metrics to ensure CTA is constantly striving for improved efficiency and enhanced customer experience. The 2023 department budget is $2.7M and 14 positions.

Technology: Technology provides technology solutions and services to support the CTA and its riders. The 2023 department budget is $73.3M and 91 positions.

Finance: Finance is responsible for a wide range of financial functions through its five primary business units: Budget & Capital Finance; Treasury; Financial Reporting; Revenue; Accounting Systems & Payroll Operations. The 2023 department budget is $18.3M and 108 positions.

Law: Law is responsible for a wide range of legal functions such as: Corporate Law and Litigation; Labor and Employment; Compliance, Policy and Appeals; and orts, Subrogation and Workers Compensation. The 2023 department budget is $20.8M and 119 positions.

Planning: Planning is responsible for short- and long-range planning functions including bus and rail service planning and scheduling; strategic planning and ADA compliance. The 2023 department budget is $8.2M and 52 positions.

Communications: Communications is responsible for communications and marketing that provide information to customers and has four units: Communications / Media Relations; Customer Information; Customer Service and Marketing. The 2023 department budget is $8.5M and 51 positions.

Legislative Affairs & GCR: The Legislative Affairs department develops and advocates for initiatives that promote the legislative needs of the CTA. The department is also a resource for CTA employees, community organizations, elected officials and other units of local government. The 2023 department budget is $2.1M and 9 positions.

Internal Audit: Internal Audit provides independent evaluation and improvement of risk management, internal control and governance processes. The 2023 department budget is $1.4M and 6 positions.

Innovation: The Office of Innovation provides policy, research, and project management resources for innovative technology implementations, pilots, or proof of concepts across the agency. The 2023 department budget is $58.7M and 56 positions.

Equity & Inclusion: Equity and Inclusion focuses on outreach and inclusion efforts with external organizations and communities. The 2023 department budget is $0.4M and 1 position.

Other Administrative: The Board of Directors, Office of the President, and other administrative costs including Debt Service, Provision for Injuries & Damages, and other budgeted authority-wide expenses are included in this category. The combined 2023 budget for these functions is $115.9M and 66 positions.

Debt Management Policy Guidelines

On October 14, 2004, the Chicago Transit Board approved an ordinance adopting Debt Management Policy Guidelines (the "Debt Policy"), which was amended on May 8, 2019. The Debt Policy serves as a management tool to ensure that the CTA identifies transactions that utilize debt in the most efficient manner and provides for full and timely repayment of all borrowings. Additionally, the Debt Policy outlines a means of achieving the lowest possible cost of capital within prudent risk parameters as well

as ensuring ongoing access to the capital markets. The Debt Policy applies to all short- and long-term bonds and notes, direct borrowing programs, and other long-term lease obligations. The Debt Policy does not cover commodity hedging, leverage leases, long-term operating leases, short-term leases, and equipment leases. The general debt issuance guidelines outlined in the Debt Policy are summarized below.

The Debt Policy

It is the CTA's preference to use a pay-as-you-go (PAYGO) funding mechanism for all capital projects. As such, CTA explores the use of available cash to fund all or part of a capital improvement project and

other long-term financial needs before proposing the use of debt. However, the CTA recognizes that the size, scope, and timing of projects in its capital improvement plan, cash flow sufficiency, and capital market opportunities may necessitate the use of debt. The Debt Policy allows for the issuance of either long-term or short-term debt. The financing purpose determines the type of debt the CTA would use.

Short-Term Debt Obligations

Short-term debt may be used by the CTA as a cash management tool to provide interim financing or to bridge temporary cash flow deficits within a fiscal year. As of September 1, 2022, CTA had $98.9 million of outstanding capital line of credit notes for certain capital projects. The notes will be repaid with long-term bonds or reimbursed with federal formula or state PAYGO funds based on the funding source of the project funded.

Long-Term Debt Obligations

The Debt Policy prohibits the use of long-term debt to fund operations. However, long-term bonds are deemed appropriate to finance essential capital activities and certain management initiatives. The CTA may also use long-term lease obligations to finance or refinance capital equipment. Prior to entering any lease financing, the Authority will evaluate three factors: the useful life of assets financed, the terms and conditions of the lease, and the budgetary, debt capacity, and tax implications.

Other Provisions

The CTA may secure credit enhancement in the form of municipal bond insurance or a letter/line of credit for all or a portion of each bond issue. The Debt Policy also allows the Authority to issue debt on either a taxable or tax-exempt basis. The debt policy also allows variable rate bonds up to 20 percent of outstanding long-term debt.

Debt Limitations

Attaining a proper balance between minimizing borrowing and maximizing financial flexibility is a key goal of the CTA debt program. The CTA is not subject to statutory debt limitations for capital investment.

Current Debt

CTA's current long-term debt obligations as of September 1, 2022 include sales and transfer tax receipts revenue bonds, sales tax receipts revenue bonds, capital grant receipts revenue bonds, building revenue bonds, and TIFIA loans as described below.

[Table: CTA Long-Term Debt Obligations*]

CTA Long-Term Debt Obligations*								
Credit	Series Name	Outstanding Principal as of 12/31/2022	Final Maturity	Security Pledge	Moody's Rating (Outlook)	S&P Rating (Outlook)	Fitch Rating (Outlook)	Kroll Rating (Outlook)
Sales Tax	Series 2008A and 2008B ("POBs")	$1,586,540,000	2040	Sales Tax & Transfer Tax	A1 (stable)	AA (stable)	NR	AA (stable)
	Series 2010B	$469,030,000	2040	Sales Tax	A1 (stable)	AA (stable)	NR	AA (stable)
	Series 2014	$555,000,000	2049	Sales Tax	NR	AA (stable)	NR	AA (stable)
	Series 2017 (Second Lien)	$296,220,000	2051	Second Lien Sales Tax	NR	A+ (stable)	NR	AA- (stable)
	Series 2020A (Second Lien)	$367,895,000	2055	Second Lien Sales Tax	NR	A+ (stable)	NR	AA- (stable)
	Series 2020B	$512,210,000	2040	Sales Tax	NR	AA (stable)	NR	AA (stable)
	Series 2022A (Second Lien)	$350,000,000	2057	Second Lien Sales Tax	NR	A+ (stable)	NR	AA- (stable)
	Total Principal Outstanding	$4,136,895,000						
GARVEEs	2017 5307	$74,155,000	2026	FTA 5307 Grant Receipts	NR	A (pos)	BBB(stable)	NR
	2021 5307	$91,515,000	2029	FTA 5307 Grant Receipts	NR	A (pos)	BBB(stable)	NR
	2015 5337	$44,050,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2017 5337	$54,405,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2021 5337	$21,365,000	2028	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	Total Principal Outstanding	$285,490,000						
Capital Leases	2006 PBC Bonds	$51,715,000	2033	CTA Lease Payments	A2 (stable)	A+ (stable)	NR	NR
	Total Principal Outstanding	$51,715,000						
TIFIA	95th Street Terminal (2014)	$79,200,000	2050	CTA Farebox Revenue	NR	A+ (stable)	NR	NR
	Your New Blue (2015)	$120,000,000	2052	CTA Farebox Revenue	NR	A+ (stable)	NR	AA- (stable)
	Railcars (2016)	$254,930,402	2056	CTA Farebox Revenue	NR	A+ (stable)	NR	AA- (stable)
	Total TIFIA Loans	$454,130,402						
	Total Principal Outstanding (all issues)	$4,928,230,402						

** Based on CTA debt portfolio as of 9/1/2022*

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are long-term debt obligations secured by a portion of sales tax revenues. The Sales Tax Receipts consist of all amounts received by the CTA from the RTA, representing the CTA's share of (i) RTA Sales Taxes imposed through the Northeastern Illinois Transit Region, which includes the Counties of Cook, DuPage, Kane, Lake, McHenry, and Will; (ii) Replacement Revenues paid to the RTA by the State; and (iii) Public Transportation Fund Revenues paid to or on behalf of the RTA by the State. The sales tax pledge for the 2010B, 2014, and 2020B Series is parity to the sales tax pledge for the 2008A&B Series. The sales tax pledge for the 2017, 2020A, and 2022A Series is subordinate to the sales tax pledge for the 2008A&B, 2010B, 2014, and 2020B Series. The 2008A&B Sales Tax Bonds (POBs) are also secured by Transfer Tax Receipts, which are a portion of real estate tax revenue remitted by the City directly to the CTA pursuant to the Intergovernmental Agreement. Transfer Tax Receipts do not secure the 2010B, 2014, 2017, 2020A, 2020B, or 2022A Series Bonds.

[Bar Graph: Chicago Transit Authority Sales Tax Receipts Revenue Bonds Debt Service in Millions]

Date	Principal	Interest
12/1/2023	82,695,000.00	231,707,230.76
12/1/2024	87,095,000.00	227,315,683.86
12/1/2025	91,835,000.00	222,580,012.98
12/1/2026	96,980,000.00	217,429,038.02
12/1/2027	102,525,000.00	211,890,315.96
12/1/2028	108,480,000.00	205,941,781.66
12/1/2029	114,855,000.00	199,562,570.42
12/1/2030	121,665,000.00	192,754,722.32
12/1/2031	128,925,000.00	185,502,257.06
12/1/2032	136,695,000.00	177,734,792.06
12/1/2033	144,985,000.00	169,444,834.52
12/1/2034	160,025,000.00	160,597,172.10
12/1/2035	169,840,000.00	150,785,410.02
12/1/2036	180,295,000.00	140,330,661.66
12/1/2037	191,520,000.00	129,106,332.72
12/1/2038	203,470,000.00	117,161,008.76
12/1/2039	216,180,000.00	104,447,214.06
12/1/2040	229,715,000.00	90,914,804.02
12/1/2041	102,470,000.00	76,509,737.50
12/1/2042	107,585,000.00	71,401,337.50
12/1/2043	112,950,000.00	66,037,737.50
12/1/2044	118,575,000.00	60,406,537.50
12/1/2045	124,485,000.00	54,494,737.50
12/1/2046	130,845,000.00	48,135,650.00
12/1/2047	137,300,000.00	41,675,762.50
12/1/2048	143,925,000.00	35,060,100.00
12/1/2049	150,860,000.00	28,121,062.50
12/1/2050	79,365,000.00	20,843,350.00
12/1/2051	83,065,000.00	17,137,750.00
12/1/2052	51,435,000.00	13,150,650.00
12/1/2053	53,830,000.00	10,751,700.00
12/1/2054	56,345,000.00	8,239,950.00
12/1/2055	58,970,000.00	5,609,600.00
12/1/2056	27,860,000.00	2,855,500.00
12/1/2057	29,250,000.00	1,462,500.00

Sales and Transfer Tax Receipts Revenue Bonds, 2008A Series (Pension Funding) and 2008B Series (Retiree Health Care Funding)

On August 6, 2008, the CTA issued Sales and Transfer Tax Receipts Revenue Bonds in the amount of $1.94 billion to fund the employee retirement plan and to create a retiree health care trust. The bonds were sold in two tranches: a $1.3 billion Series A to fund the employee retirement plan, and a $640 million Series B to fund a permanent trust that was established to cover other post-employment benefits for retiree health care. The bonds are secured primarily by a pledge of and lien on the Sales Tax Receipts Fund and the Transfer Tax Receipts Fund deposits. The bonds were issued pursuant to the pension and retiree health care reform requirements set forth in Public Acts 94-839 and 95-0708.

Public Act 94-839 required the CTA to make contributions to its retirement system in an amount which, together with the contributions of its participants, interest earned on investments, and other income, was sufficient to bring the total assets of the retirement system up to 90 percent of its total actuarial liabilities by the end of fiscal year 2059. Additionally, Public

Act 94-839 required that the Retirement Plan's pension and retiree health care programs be separated into two distinct trusts by December 31, 2008.

Under amendments to the Pension Code adopted by the Illinois General Assembly in 2008, the funding of the Retirement Plan is also subject to the following requirements:

- For each year through 2039, the estimated "funded ratio" of the Retirement Plan, which is the actuarial value of assets divided by the actuarial accrued liability expressed as a percentage, must be at least 60 percent. If the funded ratio is projected to decline below 60 percent in any year before 2040, increased contributions will be required each year as a level percentage of payroll over the years until 2040 so that the funded ratio does not decline below 60 percent.
- If the funded ratio declines below 60 percent in any year prior to 2040, increased contributions will be required each year as a level percentage of payroll during the years after the then current year so that the funded ratio is projected to reach at least 60 percent no later than 10 years after the then current year.
- Beginning in 2040, the minimum annual contribution to the Retirement Plan must be sufficient to bring the funded ratio to 90 percent by the end of 2059.
- Beginning in 2060, the minimum contribution must be an amount necessary to maintain the funded ratio at 90 percent.
- Two-thirds of any increase in required contributions is to be paid by the Authority and one-third by participating employees.

Any deviation from the stated projections could result in a directive from the State of Illinois Auditor General to increase the CTA and employee contributions.

Public Act 95-708 authorized the CTA to issue $1.9 billion in pension obligation bonds to fund the pension and retiree health care and provided that the CTA will have no future responsibility for retiree healthcare costs after the bond funding. In accordance with Public Act 95-708, all retiree healthcare benefits were to be paid from the newly established Retiree Health Care Trust no earlier than January 1, 2009 but no later than July 1, 2009.

The Series 2008A and 2008B Bonds are taxable bonds and bear interest ranging from 5.1 percent to 6.9 percent. Scheduled interest on the 2008A and 2008B Bonds was funded through June 1, 2009 and June 1, 2010, respectively, with bond proceeds and interest earnings thereon. Interest is payable semi-annually on June 1 and December 1, and the bonds mature serially on December 1, 2013 through December 1, 2040.

[Table: SCHEDULE I]

SCHEDULE I: $1,936,855,000 Sales and Transfer Tax Receipts Revenue Bonds
(Public Acts 94-839 and 95-0708)
Series 2008A and 2008B Total Debt Service 2023-2040*

PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
2023	47,120,000	109,455,395	156,575,395	1,539,420,000
2024	50,370,000	106,204,586	156,574,586	1,489,050,000
2025	53,845,000	102,729,560	156,574,560	1,435,205,000
2026	57,560,000	99,014,793	156,574,793	1,377,645,000
2027	61,530,000	95,043,729	156,573,729	1,316,115,000
2028	65,775,000	90,798,774	156,573,774	1,250,340,000
2029	70,310,000	86,260,957	156,570,957	1,180,030,000
2030	75,165,000	81,410,270	156,575,270	1,104,865,000
2031	80,350,000	76,224,636	156,574,636	1,024,515,000
2032	85,895,000	70,681,290	156,576,290	938,620,000
2033	91,820,000	64,755,394	156,575,394	846,800,000
2034	98,150,000	58,420,732	156,570,732	748,650,000
2035	104,925,000	51,649,364	156,574,364	643,725,000
2036	112,165,000	44,410,588	156,575,588	531,560,000
2037	119,905,000	36,672,324	156,577,324	411,655,000
2038	128,170,000	28,400,078	156,570,078	283,485,000
2039	137,015,000	19,557,630	156,572,630	146,470,000
2040	146,470,000	10,104,965	156,574,965	-
Total:	**$1,586,540,000**	**$1,231,795,065**	**$2,818,335,065**	

** Based on CTA debt portfolio as of 9/1/2022*

Sales Tax Receipts Revenue Bonds, Series 2010A and Taxable Series 2010B (Build America Bonds)

On April 6, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010A and Taxable Series 2010B (Build America Bonds) in the amount of $550 million to fund or reimburse the Authority for prior expenditures of the "2010 Project," capitalize a portion of interest on the bonds, fund a portion of the consolidated debt service reserve fund on the bonds, and to pay costs of issuance on the bonds. The Series 2010B Bonds were designated as "Build America Bonds" under the provisions of the American Recovery and Reinvestment Act of 2009. The 2010 Project means, collectively, capital improvements to the transportation system and, specifically, the purchase of rail cars, rail car overhaul and rehabilitation, and the replacement and upgrade of rail track and structure.

The Series 2010A Bonds fully matured on December 1, 2019. The Taxable Series 2010B Bonds bear interest ranging from 5.07 percent to 6.20 percent with interest payable semi-annually on June 1 and December 1, commencing December 1, 2010. Further, CTA pays 35 percent of the Build America Bond interest directly from a federal subsidy CTA receives from the federal government; however, this subsidy is subject to a sequestration rate reduction of 5.7 percent for federal fiscal years 2021-2030. The Taxable Series 2010B Bonds mature annually each December 1, 2020 through December 1, 2040

[Table: SCHEDULE II]

SCHEDULE II: $505,355,000 Sales Tax Receipts Revenue Bonds Series 2010B Total Debt Service 2023-2040*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)**
2023	13,405,000	28,900,021	42,305,021	455,625,000
2024	14,135,000	28,166,767	42,301,767	441,490,000
2025	14,930,000	27,372,380	42,302,380	426,560,000
2026	15,855,000	26,446,720	42,301,720	410,705,000
2027	16,835,000	25,463,710	42,298,710	393,870,000
2028	17,880,000	24,419,940	42,299,940	375,990,000
2029	18,985,000	23,311,380	42,296,380	357,005,000
2030	20,155,000	22,134,310	42,289,310	336,850,000
2031	21,400,000	20,884,700	42,284,700	315,450,000
2032	22,725,000	19,557,900	42,282,900	292,725,000
2033	24,135,000	18,148,950	42,283,950	268,590,000
2034	31,820,000	16,652,580	48,472,580	236,770,000
2035	33,785,000	14,679,740	48,464,740	202,985,000
2036	35,875,000	12,585,070	48,460,070	167,110,000
2037	38,090,000	10,360,820	48,450,820	129,020,000
2038	40,455,000	7,999,240	48,454,240	88,565,000
2039	42,955,000	5,491,030	48,446,030	45,610,000
2040	45,610,000	2,827,820	48,437,820	-
Total:	**$469,030,000**	**$335,403,078**	**$804,433,078**	

**Based on CTA debt portfolio as of 9/1/2022*

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of $555,000,000, along with a premium of $45,153,612. The bonds were issued to pay for the (i) purchase of rail cars to replace existing cars and (ii) financing of any other capital project designated by the CTA Board as part of the 2014 project. The Series 2014 bonds bear interest ranging from 5 percent to 5.25 percent. Scheduled interest on the Series 2014 Bonds was funded through June 1, 2016 with proceeds of the Series 2014 Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2049.

[Table: SCHEDULE III]

SCHEDULE III: $555,000,000 Sales Tax Receipts Revenue Bonds Series 2014 Total Debt Service 2023-2049*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023		28,596,788	28,596,788	555,000,000
2024		28,596,788	28,596,788	555,000,000
2025		28,596,788	28,596,788	555,000,000
2026		28,596,788	28,596,788	555,000,000
2027		28,596,788	28,596,788	555,000,000
2028		28,596,788	28,596,788	555,000,000
2029		28,596,788	28,596,788	555,000,000
2030		28,596,788	28,596,788	555,000,000
2031		28,596,788	28,596,788	555,000,000
2032		28,596,788	28,596,788	555,000,000
2033		28,596,788	28,596,788	555,000,000
2034		28,596,788	28,596,788	555,000,000
2035		28,596,788	28,596,788	555,000,000
2036		28,596,788	28,596,788	555,000,000
2037		28,596,788	28,596,788	555,000,000
2038		28,596,788	28,596,788	555,000,000
2039		28,596,788	28,596,788	555,000,000
2040		28,596,788	28,596,788	555,000,000
2041	50,180,000	28,596,788	78,776,788	504,820,000
2042	52,690,000	26,087,788	78,777,788	452,130,000
2043	55,325,000	23,453,288	78,778,288	396,805,000
2044	58,090,000	20,687,038	78,777,038	338,715,000
2045	60,995,000	17,782,538	78,777,538	277,720,000
2046	64,195,000	14,580,300	78,775,300	213,525,000
2047	67,565,000	11,210,063	78,775,063	145,960,000
2048	71,115,000	7,662,900	78,777,900	74,845,000
2049	74,845,000	3,929,363	78,774,363	-
Total:	**$555,000,000**	**$668,732,250**	**1,223,732,250**	

** Based on CTA debt portfolio as of 9/1/2022*

[PRINTED PAGE 86]
[Debt Administration]

2017 Sales Tax Receipts Subordinate Revenue Bonds

On January 24, 2017, CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2017 in the amount of $296,220,000, along with a premium of $18,107,618. The Series 2017 Bonds are subordinate to the Sales Tax Bonds Series 2008A&B, Series 2010B, Series 2014, and Series 2020B. The Series 2017 Bonds were issued to pay for projects included in the Capital Improvement Plan. The Series 2017 Bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the Series 2017 Bonds was funded through December 1, 2018 with proceeds of the Series 2017 Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2051.

[Table: SCHEDULE IV]

SCHEDULE IV: $296,220,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2017 Total Debt Service 2023-2051*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	-	14,711,000	14,711,000	296,220,000
2024	-	14,711,000	14,711,000	296,220,000
2025	-	14,711,000	14,711,000	296,220,000
2026	-	14,711,000	14,711,000	296,220,000
2027	-	14,711,000	14,711,000	296,220,000
2028	-	14,711,000	14,711,000	296,220,000
2029	-	14,711,000	14,711,000	296,220,000
2030	-	14,711,000	14,711,000	296,220,000
2031	-	14,711,000	14,711,000	296,220,000
2032	-	14,711,000	14,711,000	296,220,000
2033	-	14,711,000	14,711,000	296,220,000
2034	-	14,711,000	14,711,000	296,220,000
2035	-	14,711,000	14,711,000	296,220,000
2036	-	14,711,000	14,711,000	296,220,000
2037	-	14,711,000	14,711,000	296,220,000
2038	-	14,711,000	14,711,000	296,220,000
2039	-	14,711,000	14,711,000	296,220,000
2040	-	14,711,000	14,711,000	296,220,000
2041	20,910,000	14,711,000	35,621,000	275,310,000
2042	21,945,000	13,680,600	35,625,600	253,365,000
2043	23,025,000	12,599,000	35,624,000	230,340,000
2044	24,160,000	11,464,050	35,624,050	206,180,000
2045	25,350,000	10,273,000	35,623,000	180,830,000
2046	26,600,000	9,023,150	35,623,150	154,230,000
2047	27,910,000	7,711,500	35,621,500	126,320,000
2048	29,310,000	6,316,000	35,626,000	97,010,000
2049	30,775,000	4,850,500	35,625,500	66,235,000
2050	32,310,000	3,311,750	35,621,750	33,925,000
2051	33,925,000	1,696,250	35,621,250	-
Total:	**$296,220,000**	**$360,434,800**	**$656,654,800**	

** Based on CTA debt portfolio as of 9/1/2022*

2020A Sales Tax Receipts Subordinate Revenue Bonds

On September 3, 2020, CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2020A in the amount of $367,895,000, along with a premium of $43,580,139. The Series 2020A Bonds are subordinate to the Sales Tax Bonds Series 2008A&B, Series 2010B, Series 2014, and Series 2020B. The Series 2020A Bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes. The Series 2020A Bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the Series 2020A Bonds was funded through September 1, 2023 with proceeds of the Series 2020A Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2055.

[Table: SCHEDULE V]

SCHEDULE V: $367,895,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2020A Total Debt Service 2023-2055*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	-	4,069,713	4,069,713	367,895,000
2024	-	16,278,850	16,278,850	367,895,000
2025	-	16,278,850	16,278,850	367,895,000
2026	-	16,278,850	16,278,850	367,895,000
2027	-	16,278,850	16,278,850	367,895,000
2028	-	16,278,850	16,278,850	367,895,000
2029	-	16,278,850	16,278,850	367,895,000
2030	-	16,278,850	16,278,850	367,895,000
2031	-	16,278,850	16,278,850	367,895,000
2032	-	16,278,850	16,278,850	367,895,000
2033	-	16,278,850	16,278,850	367,895,000
2034	-	16,278,850	16,278,850	367,895,000
2035	-	16,278,850	16,278,850	367,895,000
2036	-	16,278,850	16,278,850	367,895,000
2037	-	16,278,850	16,278,850	367,895,000
2038	-	16,278,850	16,278,850	367,895,000
2039	-	16,278,850	16,278,850	367,895,000
2040	-	16,278,850	16,278,850	367,895,000
2041	17,590,000	16,278,850	33,868,850	350,305,000
2042	18,470,000	15,399,350	33,869,350	331,835,000
2043	19,395,000	14,475,850	33,870,850	312,440,000
2044	20,360,000	13,506,100	33,866,100	292,080,000
2045	21,380,000	12,488,100	33,868,100	270,700,000
2046	22,450,000	11,419,100	33,869,100	248,250,000
2047	23,345,000	10,521,100	33,866,100	224,905,000
2048	24,280,000	9,587,300	33,867,300	200,625,000
2049	25,250,000	8,616,100	33,866,100	175,375,000
2050	26,265,000	7,606,100	33,871,100	149,110,000
2051	27,315,000	6,555,500	33,870,500	121,795,000
2052	28,515,000	5,355,900	33,870,900	93,280,000
2053	29,765,000	4,102,950	33,867,950	63,515,000
2054	31,075,000	2,794,450	33,869,450	32,440,000
2055	32,440,000	1,427,600	33,867,600	-
Total:	**$367,895,000**	**$420,944,513**	**$788,839,513**	

** Based on CTA debt portfolio as of 9/1/2022*

2020B Sales Tax Receipts Revenue Refunding Bonds (Taxable)

On September 3, 2020, CTA issued the Sales Tax Receipts Revenue Refunding Bonds, Series 2020B (Taxable) in the amount of $534,005,000.

[Table: SCHEDULE VI]

SCHEDULE VI: $534,005,000 Sales Tax Receipts Revenue Bonds Series 2020B Total Debt Service 2023-2040*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	22,170,000	16,842,078	39,012,078	490,040,000
2024	22,590,000	16,434,594	39,024,594	467,450,000
2025	23,060,000	15,968,336	39,028,336	444,390,000
2026	23,565,000	15,457,788	39,022,788	420,825,000
2027	24,160,000	14,873,140	39,033,140	396,665,000
2028	24,825,000	14,213,330	39,038,330	371,840,000
2029	25,560,000	13,480,496	39,040,496	346,280,000
2030	26,345,000	12,700,405	39,045,405	319,935,000
2031	27,175,000	11,883,183	39,058,183	292,760,000
2032	28,075,000	10,985,865	39,060,865	264,685,000
2033	29,030,000	10,030,753	39,060,753	235,655,000
2034	30,055,000	9,014,123	39,069,123	205,600,000
2035	31,130,000	7,946,569	39,076,569	174,470,000
2036	32,255,000	6,825,266	39,080,266	142,215,000
2037	33,525,000	5,563,451	39,088,451	108,690,000
2038	34,845,000	4,251,953	39,096,953	73,845,000
2039	36,210,000	2,888,816	39,098,816	37,635,000
2040	37,635,000	1,472,281	39,107,281	-
Total:	**$512,210,000**	**$190,832,427**	**$703,042,427**	

** Based on CTA debt portfolio as of 9/1/2022*

The Series 2020B Bonds were issued to refund outstanding Sales Tax Receipts Revenue Bonds Series 2011. The Series 2020B bonds bear interest ranging from 1.71 percent to 3.91 percent. Scheduled interest on the Series 2020B Bonds was funded through June 1, 2021 with proceeds of the Series 2020B Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2022 through December 1, 2040.

2022A Sales Tax Receipts Subordinate Revenue Bonds

On March 31, 2022, CTA issued the Second Lien Sales Tax Receipts Revenue Bonds, Series 2022A in the amount of $350,000,000, along with a premium of $37,881,034. The Series 2022A Bonds are subordinate to the Sales Tax Bonds Series 2008A&B, Series 2010B, Series 2014, and Series 2020B. The Series 2022A Bonds were issued to pay for projects included in the Capital Improvement Plan and repay a portion of CTA's Second Lien Sales Tax Receipts Capital Improvement Notes. The Series 2022A Bonds bear interest ranging from 4 percent to 5 percent. Scheduled interest on the Series 2022A Bonds was funded through December 1, 2024 with proceeds of the Series 2022A Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2041 through December 1, 2057.

[Table: SCHEDULE VII]

SCHEDULE VII: $350,000,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2022A Debt Service 2023-2057*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023	-	16,923,100	16,923,100	350,000,000
2024	-	16,923,100	16,923,100	350,000,000
2025	-	16,923,100	16,923,100	350,000,000
2026	-	16,923,100	16,923,100	350,000,000
2027	-	16,923,100	16,923,100	350,000,000
2028	-	16,923,100	16,923,100	350,000,000
2029	-	16,923,100	16,923,100	350,000,000
2030	-	16,923,100	16,923,100	350,000,000
2031	-	16,923,100	16,923,100	350,000,000
2032	-	16,923,100	16,923,100	350,000,000
2033	-	16,923,100	16,923,100	350,000,000
2034	-	16,923,100	16,923,100	350,000,000
2035	-	16,923,100	16,923,100	350,000,000
2036	-	16,923,100	16,923,100	350,000,000
2037	-	16,923,100	16,923,100	350,000,000
2038	-	16,923,100	16,923,100	350,000,000
2039	-	16,923,100	16,923,100	350,000,000
2040	-	16,923,100	16,923,100	350,000,000
2041	13,790,000	16,923,100	30,713,100	336,210,000
2042	14,480,000	16,233,600	30,713,600	321,730,000
2043	15,205,000	15,509,600	30,714,600	306,525,000
2044	15,965,000	14,749,350	30,714,350	290,560,000
2045	16,760,000	13,951,100	30,711,100	273,800,000
2046	17,600,000	13,113,100	30,713,100	256,200,000
2047	18,480,000	12,233,100	30,713,100	237,720,000
2048	19,220,000	11,493,900	30,713,900	218,500,000
2049	19,990,000	10,725,100	30,715,100	198,510,000
2050	20,790,000	9,925,500	30,715,500	177,720,000
2051	21,825,000	8,886,000	30,711,000	155,895,000
2052	22,920,000	7,794,750	30,714,750	132,975,000
2053	24,065,000	6,648,750	30,713,750	108,910,000
2054	25,270,000	5,445,500	30,715,500	83,640,000
2055	26,530,000	4,182,000	30,712,000	57,110,000
2056	27,860,000	2,855,500	30,715,500	29,250,000
2057	29,250,000	1,462,500	30,712,500	-
Total:	**$350,000,000**	**$476,748,250**	**$826,748,250**	

** Based on CTA debt portfolio as of 9/1/2022*

Capital Grant Receipt Revenue Bonds – Section 5307 and Section 5337 (5309) Formula Funds

Capital Grant Revenue Bonds, also known as “GARVEEs” (Grant Anticipation Revenue Vehicles), are bonds secured by Federal Transit Administration formula funds. Section 5307 and Section 5309 funds secure each respective series of bonds. The passage of MAP-21 in 2012 replaced Section 5309 grants with Section 5337 grants. All debt service obligations are prefunded and paid by capital funds. The CTA’s outstanding GARVEEs are detailed below.

[Bar Graph: Chicago Transit Authority 5307 Aggregate Debt Service in Millions]

Date	Principal	Interest
6/1/2023	23,115,000.00	5,991,000.00
6/1/2024	24,270,000.00	4,835,250.00
6/1/2025	25,485,000.00	3,621,750.00
6/1/2026	26,755,000.00	2,347,500.00
6/1/2027	6,465,000.00	1,009,750.00
6/1/2028	13,730,000.00	686,500.00

[Bar Graph: Chicago Transit Authority 5337 Aggregate Debt Service in Millions]

Date	Principal	Interest
6/1/2023	25,275,000.00	8,283,500.00
6/1/2024	26,540,000.00	7,019,750.00
6/1/2025	18,970,000.00	5,692,750.00
6/1/2026	19,915,000.00	4,744,250.00
6/1/2027	22,295,000.00	3,748,500.00
6/1/2028	32,700,000.00	2,633,750.00
6/1/2029	19,975,000.00	998,750.00

Capital Grant Receipts Revenue Bonds, Refunding Series 2015 (5337)

On September 16, 2015, CTA issued the tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds and Section 5337 State of Good Repair Formula Funds in the total amount of $176,920,000 along with a premium of $21,568,633. The Series 2015 5307 Bonds fully matured on June 1, 2021. The Series 2015 5337 Bonds refunded the maturities dated June 1, 2024 through 2026 of the 5337 Series 2008A Bonds. The Series 2015 5337 Bonds bear interest of 5.0 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

[Table: SCHEDULE VIII]

SCHEDULE VIII: $45,650,000 Capital Grant Receipts Revenue Bonds (FTA Section 5337 State of Good Repair Formula Funds) Refunding Series 2015 Debt Service 2023-2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023	370,000	2,202,500	2,572,500	43,680,000
2024	13,855,000	2,184,000	16,039,000	29,825,000
2025	14,550,000	1,491,250	16,041,250	15,275,000
2026	15,275,000	763,750	16,038,750	-
Total:	$44,050,000	$6,641,500	$ 50,691,500	

** Based on CTA debt portfolio as of 9/1/2022*

Capital Grant Receipts Revenue Bonds, Refunding Series 2017 (5307 and 5337)

On August 16, 2017, CTA issued tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds and Section 5337 State of Good Repair Formula Funds in the total amount of $225,795,000 along with a premium of $31,278,763. The bonds were issued to refund the Series 2008A 5307 Bonds maturing June 1, 2022 through 2026, the Series 2008 5337 Bonds maturing June 1, 2019 through 2026, and the Series 2008A 5337 Bonds maturing June 1, 2019 through 2023. The Series 2017 Bonds bear interest ranging from 2 percent to 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2018 to June 1, 2026.

[Table: SCHEDULE IX]

SCHEDULE IX: $90,540,000 Capital Grant Receipts Revenue Bonds (FTA Section 5307 Urbanized Area Formula Funds) Refunding Series 2017 Debt Service 2023-2026*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	17,205,000	3,707,750	20,912,750	56,950,000
2024	18,065,000	2,847,500	20,912,500	38,885,000
2025	18,970,000	1,944,250	20,914,250	19,915,000
2026	19,915,000	995,750	20,910,750	-
Total:	**$74,155,000**	**$9,495,250**	**$83,650,250**	

** Based on CTA debt portfolio as of 9/1/2022*

[Table: SCHEDULE X]

SCHEDULE X: $135,225 Capital Grant Receipts Revenue Bonds (FTA Section 5337 State of Good Repair Formula Funds) Refunding Series 2017 Debt Service 2023-2026*				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	22,475,000	2,720,250	25,195,250	31,930,000
2024	10,130,000	1,596,500	11,726,500	21,800,000
2025	10,635,000	1,090,000	11,725,000	11,165,000
2026	11,165,000	558,250	11,723,250	-
Total:	**$54,405,000**	**$5,965,000**	**$60,370,000**	

** Based on CTA debt portfolio as of 9/1/2022*

Capital Grant Receipts Revenue Bonds, Refunding Series 2021 (5307 and 5337)

On June 10, 2021, CTA issued tax-exempt Capital Grant Receipts Revenue Bonds backed by the pledge of Federal Transit Administration Section 5307 Urbanized Area Formula Funds and Section 5337 State of Good Repair Formula Funds in the total amount of $120,975,000 along with a premium of $27,846,166. The bonds were issued to refund the Series 2010 5307 Bonds maturing June 1, 2027 through 2028, the Series 2011 5307 Bonds maturing June 1, 2022 through 2029, and the Series 2010 5309 Bonds maturing June 1, 2027 through 2028. The Series 2021 Bonds bear interest at 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature serially from June 1, 2022 to June 1, 2029.

[Table: SCHEDULE XI]

SCHEDULE XI: $99,325,000 Capital Grant Receipts Revenue Bonds (FTA Section 5307 Urbanized Area Formula Funds) Refunding Series 2021 Debt Service 2023-2029				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING as of 12/31)***
2023	8,070,000	4,575,750	12,645,750	83,445,000
2024	8,475,000	4,172,250	12,647,250	74,970,000
2025	-	3,748,500	3,748,500	74,970,000
2026	-	3,748,500	3,748,500	74,970,000
2027	22,295,000	3,748,500	26,043,500	52,675,000
2028	32,700,000	2,633,750	35,333,750	19,975,000
2029	19,975,000	998,750	20,973,750	-
Total:	**$91,515,000**	**$23,626,000**	**$115,141,000**	

** Based on CTA debt portfolio as of 9/1/2022*

[Table: SCHEDULE XII]

SCHEDULE XII: $21,650,000 Capital Grant Receipts Revenue Bonds (FTA Section 5337 State of Good Repair Formula Funds) Refunding Series 2021 Debt Service 2023-2028				
PAYMENT YEAR	**PRINCIPAL PAYMENT**	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31) ***
2023	270,000	1,068,250	1,338,250	21,095,000
2024	285,000	1,054,750	1,339,750	20,810,000
2025	300,000	1,040,500	1,340,500	20,510,000
2026	315,000	1,025,500	1,340,500	20,195,000
2027	6,465,000	1,009,750	7,474,750	13,730,000
2028	13,730,000	686,500	14,416,500	-
Total:	**$21,365,000**	**$5,885,250**	**$27,250,250**	

** Based on CTA debt portfolio as of 9/1/2022*

TIFIA Loans

The federal government passed the Transportation Infrastructure Finance and Innovation Act (TIFIA) in 1998 to provide federal credit assistance to surface transportation public entities wishing to advance qualified, largescale surface transportation projects that might otherwise be delayed because of size, complexity, or uncertainty over the timing of revenues. TIFIA financing is a highly recommended form of government borrowing because it improves the affordability of the debt and maximizes borrowing capacity. TIFIA loans are provided through the United States Department of Transportation (U.S. DOT) and allow municipalities to secure a loan at interest rates equal to the federal government's rate, which has been 1.0-1.5 percent lower than traditional financing, and saves additional interest costs. Municipalities are also able to draw TIFIA funds on an “as needed” basis during a project, similar to a line of credit, and do not have to pay interest on funds that are issued all at once, further saving interest costs. A TIFIA loan must not exceed one-third of the reasonably anticipated Eligible Project Total Costs, and the total federal funding for the project, inclusive of the TIFIA Loan and all federal direct or indirect grants, shall not exceed eighty percent (80 percent) of reasonably anticipated Eligible Project Costs. TIFIA loans can be secured by a variety of sources, depending on the transportation system. CTA currently has three TIFIA loans and is applying for a fourth. All current CTA TIFIA loans are secured by CTA Farebox Receipts.

TIFIA Loan 1 – 2014 95th Street Terminal Improvement Project

On April 24, 2014, CTA entered into a definitive loan agreement with U.S. DOT, acting by and through the Federal Highway Administration, under the TIFIA Loan Program. The principal amount of the TIFIA loan shall not exceed $79,200,000 or 33 percent of reasonably anticipated Eligible Project Costs for the 95th Street Terminal Improvement Project. As evidence of CTA’s obligation to repay the TIFIA Loan, CTA issued to the lender a registered farebox receipts revenue bond in the amount of $79.2 million dated April 24, 2014. The TIFIA loan matures annually beginning December 1, 2020 through December 1, 2050, bearing an interest rate of 3.5 percent. The TIFIA loan was fully drawn as of September 2018. The final loan amortization and debt service schedule is provided below. The TIFIA loan is estimated to save the CTA approximately $20 million.

[Table: SCHEDULE XIII]

SCHEDULE XIII: 79,200,000 TIFIA Loan 1 - 2014
95th Street Terminal Improvement Project

PAYMENT YEAR	PRINCIPAL PAYMENT**	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023	1,721,199	2,788,638	4,509,837	77,954,171
2024	1,781,441	2,728,396	4,509,837	76,172,731
2025	1,843,791	2,666,046	4,509,837	74,328,940
2026	1,908,324	2,601,513	4,509,837	72,420,616
2027	1,975,115	2,534,722	4,509,837	70,445,501
2028	2,044,244	2,465,593	4,509,837	68,401,256
2029	2,115,793	2,394,044	4,509,837	66,285,464
2030	2,189,845	2,319,991	4,509,837	64,095,618
2031	2,266,490	2,243,347	4,509,837	61,829,128
2032	2,345,817	2,164,019	4,509,837	59,483,311
2033	2,427,921	2,081,916	4,509,837	57,055,390
2034	2,512,898	1,996,939	4,509,837	54,542,492
2035	2,600,849	1,908,987	4,509,837	51,941,643
2036	2,691,879	1,817,957	4,509,837	49,249,763
2037	2,786,095	1,723,742	4,509,837	46,463,668
2038	2,883,608	1,626,228	4,509,837	43,580,060
2039	2,984,535	1,525,302	4,509,837	40,595,525
2040	3,088,993	1,420,843	4,509,837	37,506,532
2041	3,197,108	1,312,729	4,509,837	34,309,424
2042	3,309,007	1,200,830	4,509,837	31,000,417
2043	3,424,822	1,085,015	4,509,837	27,575,595
2044	3,544,691	965,146	4,509,837	24,030,904
2045	3,668,755	841,082	4,509,837	20,362,149
2046	3,797,162	712,675	4,509,837	16,564,987
2047	3,930,062	579,775	4,509,837	12,634,925
2048	4,067,614	442,222	4,509,837	8,567,311
2049	4,209,981	299,856	4,509,837	4,357,330
2050	4,357,330	152,507	4,509,837	-
Total:	**$79,675,370**	**$46,600,058**	**$126,275,428**	

** Based on CTA debt portfolio as of 9/1/2022*

*** Includes original principal amount and payment of accrued interest*

TIFIA Loan 2 – 2015 Your New Blue Improvement Project

On February 3, 2015, CTA entered into a definitive loan agreement with the U.S. DOT, acting by and through the Federal Highway Administration, under the TIFIA Loan Program. The principal amount of the Your New Blue TIFIA loan is an aggregate total not to exceed $120,000,000, in two tranches (Series 2015A-1 for $42,631,692 and Series 2015A-2 for $77,368,308) or 33 percent of reasonably anticipated Eligible Project Costs for the Your New Blue Improvement Project. As evidence of CTA’s obligation to repay the TIFIA loan, CTA issued to the lender two registered farebox receipts revenue bonds in the following amounts: Series 2015A-1 Bond for $42,631,692, with a final maturity date of December 1, 2029 and bearing an interest rate of 2.02 percent, and Series 2015A-2 Bond for $77,368,308, with a final maturity date of December 1, 2052 and bearing an interest rate of 2.31 percent. The estimated loan amortization and service schedule is provided below. Once the funds are fully drawn, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately $50 million.

[Table: SCHEDULE XIV]

SCHEDULE XIV: 120,000,000 TIFIA Loan 2 - 2015 Your New Blue Improvement Project				
PAYMENT YEAR	**PRINCIPAL PAYMENT****	**INTEREST PAYMENT**	**TOTAL DEBT SERVICE**	**DEBT OUTSTANDING (as of 12/31)***
2023	-	2,451,868	2,573,233	120,106,395
2024	6,771,693	2,650,517	9,422,210	113,334,702
2025	6,908,481	2,513,729	9,422,210	106,426,221
2026	7,048,032	2,374,178	9,422,210	99,378,189
2027	7,190,403	2,231,808	9,422,210	92,187,786
2028	7,335,649	2,086,561	9,422,210	84,852,137
2029	7,483,829	1,938,381	9,422,210	77,368,308
2030	-	1,787,208	1,787,208	77,368,308
2031	-	1,787,208	1,787,208	77,368,308
2032	-	1,787,208	1,787,208	77,368,308
2033	-	1,787,208	1,787,208	77,368,308
2034	-	1,787,208	1,787,208	77,368,308
2035	-	1,787,208	1,787,208	77,368,308
2036	-	1,787,208	1,787,208	77,368,308
2037	-	1,787,208	1,787,208	77,368,308
2038	-	1,787,208	1,787,208	77,368,308
2039	-	1,787,208	1,787,208	77,368,308
2040	-	1,787,208	1,787,208	77,368,308
2041	5,668,703	1,787,208	7,455,910	71,699,606
2042	5,799,650	1,656,261	7,455,910	65,899,956
2043	5,933,621	1,522,289	7,455,910	59,966,335
2044	6,070,688	1,385,222	7,455,910	53,895,647
2045	6,210,921	1,244,989	7,455,910	47,684,726
2046	6,354,393	1,101,517	7,455,910	41,330,332
2047	6,501,180	954,731	7,455,910	34,829,153
2048	6,651,357	804,553	7,455,910	28,177,796
2049	6,805,003	650,907	7,455,910	21,372,792
2050	6,962,199	493,712	7,455,910	14,410,593
2051	7,123,026	332,885	7,455,910	7,287,568
2052	7,287,568	168,343	7,455,910	-
Total:	**$120,106,395**	**$47,970,614**	**$168,077,008**	

** Based on CTA debt portfolio as of 9/1/2022*

*** Includes original principal amount and payment of accrued interest*

TIFIA Loan 3 – 2016 Rail Cars

On March 30, 2016, CTA entered into a third definitive loan agreement with the U.S. DOT, acting by and through the Federal Highway Administration, under the TIFIA Loan Program to finance certain projects that are part of CTA's Rail Car Purchase Program. The principal amount of the Rail Cars TIFIA loan is an aggregate total not to exceed $254,930,402, in two tranches (Series 2016A-1 for $147,018,363 and Series 2016A-2 for $107,912,039) or 33 percent of reasonably anticipated Eligible Project Costs for the new rail cars.

As evidence of CTA's obligation to repay the TIFIA loan, CTA issued to the lender two registered farebox receipts revenue bonds (Series 2016A-1 Bond for $147,018,363 with a final maturity date of December 1, 2049 and bearing an interest rate of 2.64 percent and Series 2016A-2 Bond for $107,912,039 with a final maturity date of December 1, 2056 and bearing an interest rate of 2.64 percent). The estimated loan amortization and debt service schedule is provided below. Once the funds are drawn down for the project, the final debt service schedule will be provided. For this project, TIFIA financing is estimated to save the CTA approximately $100 million.

[Table: SCHEDULE XV]

SCHEDULE XV: 254,930,402 TIFIA Loan 3 - 2016 CTA Rail Fleet Replacement Project				
PAYMENT YEAR	PRINCIPAL PAYMENT**	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023	-	3,927,647	3,927,647	242,462,232
2024	-	3,927,647	3,927,647	242,462,232
2025	-	3,927,647	3,927,647	242,462,232
2026	-	3,927,647	3,927,647	242,462,232
2027	-	7,263,856	7,263,856	242,462,232
2028	-	7,263,856	7,263,856	242,462,232
2029	-	7,263,856	7,263,856	242,462,232
2030	4,174,447	7,263,856	11,438,304	238,287,784
2031	4,554,723	7,153,651	11,708,373	233,733,062
2032	4,945,037	7,033,406	11,978,443	228,788,025
2033	5,345,656	6,902,857	12,248,513	223,442,369
2034	5,756,851	6,761,732	12,518,583	217,685,518
2035	6,448,971	6,609,751	13,058,723	211,236,547
2036	6,619,224	6,439,498	13,058,723	204,617,322
2037	10,609,887	6,264,751	16,874,637	194,007,436
2038	11,119,389	5,984,650	17,104,039	182,888,046
2039	11,642,343	5,691,098	17,333,441	171,245,703
2040	12,449,173	5,383,740	17,832,913	158,796,530
2041	13,007,233	5,055,082	18,062,314	145,789,298
2042	13,809,427	4,711,691	18,521,118	131,979,871
2043	14,173,996	4,347,122	18,521,118	117,805,875
2044	14,777,591	3,972,928	18,750,520	103,028,283
2045	15,167,720	3,582,800	18,750,520	87,860,564
2046	15,568,147	3,182,372	18,750,520	72,292,416
2047	16,208,548	2,771,373	18,979,922	56,083,868
2048	16,636,454	2,343,468	18,979,922	39,447,414
2049	17,075,656	1,904,265	18,979,922	22,371,757
2050	7,263,801	1,453,468	8,717,268	15,107,957
2051	7,455,565	1,261,703	8,717,268	7,652,392
2052	7,652,392	1,064,877	8,717,268	-
Total:	**$242,462,232**	**$144,642,297**	**$387,104,529**	

** Based on CTA debt portfolio as of 9/1/2022*

*** Includes original principal amount and payment of accrued interest*

Lease Agreements

The CTA executed several economically advantaged lease agreements. These agreements were entered into with various third parties and pertain to certain assets of the CTA, including facilities, buses, and related parts and equipment. Under the lease financings, the CTA executed a longterm lease for applicable assets with trusts established by equity investors – trusts which concurrently leased the respective assets back to CTA under sublease agreements. Each sublease contains a fixed date and a fixed price purchase option that allows the CTA, at its option, to purchase the assets back from the lessor.

[Bar Graph: CTA Public Building Commission Lease on Behalf of CTA Debt Service in Millions]

Date	Principal	Interest
3/1/2023	3,565,000.00	2,715,037.50
3/1/2024	3,760,000.00	2,527,875.00
3/1/2025	3,960,000.00	2,330,475.00
3/1/2026	4,175,000.00	2,122,575.00
3/1/2027	4,400,000.00	1,903,387.50
3/1/2028	4,635,000.00	1,672,387.50
3/1/2029	4,890,000.00	1,429,050.00
3/1/2030	5,150,000.00	1,172,325.00
3/1/2031	5,430,000.00	901,950.00
3/1/2032	5,720,000.00	616,875.00
3/1/2033	6,030,000.00	316,575.00

Public Building Commission Lease (2003/2006)

On October 26, 2006, the Public Building Commission of Chicago (PBC) issued $91.34 million of Building Refunding Revenue Bonds for the benefit of the CTA to refund the amount outstanding originally issued in 2003. The proceeds of the bonds were used to advance refund the PBC Series 2003 Bonds. The original, executed lease in connection with the Series 2003 Bonds was amended accordingly.

The PBC used the proceeds of the 2003 Bonds, among other things, to acquire the site for and construct a 12-story office building. The PBC leased the building to the CTA to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the lease are general obligations of the CTA payable from any lawfully available funds. Upon satisfaction of all the obligations of the CTA under the lease and payment, or provision for payment, of the PBC Bonds in full, the PBC will transfer title of the leased premises to the CTA.

The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters lease is in effect, rent which equals the debt service on the PBC Bonds due through and including September 1 of that calendar year.

[Table: SCHEDULE XVI]

SCHEDULE XVI: $91,340,000 Building Revenue Bonds
Series 2006 Lease Payment Schedule 2023-2033
(Public Building Commission on behalf of Chicago Transit Authority)

PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2023	3,565,000	2,621,456	6,186,456	48,150,000
2024	3,760,000	2,429,175	6,189,175	44,390,000
2025	3,960,000	2,226,525	6,186,525	40,430,000
2026	4,175,000	2,012,981	6,187,981	36,255,000
2027	4,400,000	1,787,888	6,187,888	31,855,000
2028	4,635,000	1,550,719	6,185,719	27,220,000
2029	4,890,000	1,300,688	6,190,688	22,330,000
2030	5,150,000	1,037,138	6,187,138	17,180,000
2031	5,430,000	759,413	6,189,413	11,750,000
2032	5,720,000	466,725	6,186,725	6,030,000
2033	6,030,000	158,288	6,188,288	-
Total:	**$51,715,000**	**$16,350,996**	**$68,065,996**	

** Based on CTA debt portfolio as of 9/1/2022*

Economic Indicators

CTA's ridership and revenues are heavily influenced by overall local employment levels, economic spending, and relative transportation costs. The local labor market and commuting costs are, in turn, influenced by national economic conditions with ridership and public funding trends providing additional context for national economic conditions.

Prior to the COVID-19 pandemic, growing employment levels combined with high downtown parking costs increase the relative value of public transportation. As a result of the COVID-19 pandemic that began in March 2020, local and national employment levels initially retracted substantially, and the unemployment rate was near historical highs, which helped trigger an economic recession. In the early phase of the pandemic, stay-at-home mandates and quarantine measures were enacted at the state and local level for non-essential activities to help slow the spread of COVID-19. This led to a substantial increase in telework and procurement of online services, which reduced trips taken across all transportation modes, sharply reducing gas prices and transit ridership. Additional mobility alternatives have also impacted CTA ridership. While ridership has begun to grow with the reopening of the economy and return to school, it is still significantly below 2019 levels.

Prior to the COVID-19 pandemic, the number of visitors coming to Chicago increased substantially in the last few years, with a record 60 million visitors to the city in 2019, an increase of 4.5 percent over 2018. Visitors have a positive impact on ridership and local sales tax revenue and can be seen at stations near major attractions during the summer months. As the economy began to gradually reopen, local and national employment levels along with visitors began to rebound as well.

Employment Levels

The seasonally adjusted non-farm employment in the Chicago metropolitan area decreased to a monthly average of 3.7M through August 2022. While local non-farm employment is at the highest level since the start of the pandemic, it is still slightly below 2019 local employment levels and national level of 3.6 percent for 2022.

[Table: Average Monthly Non-Farm Employment 2017-2022]

Average Monthly Non-Farm Employment 2017-2022

(seasonally adjusted in thousands)

	2017	2018	2019	2020	2021	2022
National	146,606	148,898	150,894	142,146	146,102	151,371
% Change	1.6%	1.6%	1.3%	-5.8%	2.8%	3.6%
Chicago Area	4,694	4,731	4,759	4,405	4,098	3,732
% Change	0.9%	0.8%	0.6%	-7.4%	-7.0%	-8.9%

Source: Bureau of Labor Statistics

Unemployment Rate

The Chicago metropolitan area seasonally adjusted unemployment rate averaged 4.6 percent through July 2022, a decrease of 2.9 percentage points compared to 2021. The national average of 3.7 percent decreased by 1.7 percentage points compared to 2021. Unemployment rates are largely affected by change in the number of job seekers and the size of the labor force.

[Line Graph: Chicago Area and National Unemployment Rate]

Year	Chicago Area	National
2015	6.0%	5.3%
2016	5.9%	4.9%
2017	5.1%	4.4%
2018	4.5%	4.0%
2019	3.1%	3.7%
2020	8.2%	6.7%
2021	7.5%	5.4%
YTD 2022	4.6%	3.7%

Source: Bureau of Labor Statistics

Fuel Prices

Nationally, consumer gas prices rose each year from 2016-2019, reaching an average cost of $3.07 per gallon. In March of 2020, consumer gas prices retracted substantially as a result of the recession caused by the COVID-19 pandemic, reaching a low average price of $1.87 in April 2020 before gradually increasing throughout the year to $2.33 in December 2020. Diesel fuel prices rose each year from 2016- 2019, reaching average cost of $3.07 per gallon at the end of 2019, before retreating to $2.64 by the end of 2020. The approximately $1.00 increase per gallon in 2021 was due to a combination of the arctic weather experienced in Texas and the Gulf Region reducing supply and increased demand as the vaccine became more widespread and people resumed travel, specifically by car. Year-to-date for 2022 has seen diesel prices reach a five year high of $5.12 per gallon.

[Line Graph: Unleaded Regular Gasoline + Diesel Fuel (Price per Gallon National Average)]

	Unleaded Reg. Gas	Diesel
2017	$ 2.42	$ 2.90
2018	$ 2.36	$ 3.05
2019	$ 2.66	$ 3.07
2020	$ 2.33	$ 2.64
2021	$ 3.38	$ 3.61
YTD 2022	$ 3.94	$ 5.12

Source: US Energy Information Administration

Consumer Price Index (CPI)

The CPI measures the average change over time in the prices paid by urban consumers for a fixed set of goods and services. An increase in the index means consumers pay more to buy the same goods and services. The supply chain constraints caused by the COVID-19 pandemic have created inflationary pressure driving increases in the CPI. Through July 2022, the national CPI increased by 3.6 percentage points to 8.3 percent, while the Chicago-area CPI increased by 3.7 percentage points to 7.9 percent compared to 2021.

[Line Graph: Consumer Price Index Change]

Year	National	Chicago
2017	2.1%	0.0%
2018	2.4%	0.0%
2019	1.8%	0.0%
2020	1.2%	0.0%
2021	0.0%	0.0%
YTD 2022	0.0%	0.0%

Source: Bureau of Labor Statistics

Producer Price Index (PPI)

The PPI measures average changes in prices received by domestic producers for their output. Three commodity categories are selected for trend illustration: industrial commodities less fuel, fuel, and iron & steel. From 2021-2022, industrial commodities increased 5.4 percent, fuel increased 34.5 percent, and Iron & steel decreased by 9.2 percent. Constricted supply chain issues coupled with higher demand are driving the PPI changes for industrial commodities and fuel.

[Clustered Bar Graph: Producer Price Index Change]

Year	I. C. less F.	Fuels	Iron & Steel
2017	3.1%	12.2%	8.4%
2018	3.0%	10.9%	15.5%
2019	-0.7%	-7.1%	-15.7%
2020	2.5%	-14.6%	11.3%
2021	16.5%	50.6%	87.8%
2022	5.4%	34.5%	-9.2%

Source: Bureau of Labor Statistics

Gross Domestic Product (GDP)

GDP measures the value of goods and services produced in an area each year. National GDP has been growing each year since 2010 before contracting substantially in March 2020 due to the economic recession as a result of the COVID-19 pandemic. In 2020 the Chicago Metropolitan Area experienced a 4.1 percent decline in GDP, outpacing the 3.4 percent decline nationally. In 2021 as the economy began to open and many of the COVID-19 restrictions were lifted, the national GDP grew by 5.7%, which is higher than pre-pandemic growth rates. Chicago 2021 data is not yet available to determine trends.

[Line Graph: GDP Growth Rate Change in Percentage]

Year	National	Chicago
2017	2.3%	0.9%
2018	2.9%	2.3%
2019	2.3%	0.5%
2020	-3.4%	-4.1%
2021	5.7%	

Source: Bureau of Economic Analysis

Federal Funds Rate (FFR)

The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions and the Federal Open Market Committee (FOMC) is tasked with setting a target for the FFR. From March 2020 through March 2022 the Fed funds rate remained relatively unchanged. As inflationary pressure began to increase and, in an effort, to keep the economy from going into a recession, the FOMC has raised the Feds fund rate five times in 2022. The rate was 0.50 percent in March 2022 and 3.5 percent as of September 2022. It is expected that additional rate increases will occur as the FOMC seeks to return the inflation rate to 2.0 percent.

[Line Graph: Average Annual Federal Funds Rate in Percentage]

Year	Average
2017	1.00%
2018	1.83%
2019	2.16%
2020	0.38%
2021	0.08%
YTD 2022	1.03%

Source: Board of Governors of the Federal Reserve System

Ten-Year U.S. Treasury Yield

The Ten-Year Treasury note is the most frequently quoted security for analysis of the U.S. government. In 2020, the 10-year yield peaked in January at 1.76 percent. At the beginning of the economic recession, due to the COVID-19 pandemic, yields had fallen to 0.66 percent by April, and remained below 1.0 percent through 2020. The Ten-Year yield has increased gradually throughout 2021 and 2022 and as of July 2022, the yield is at 2.90 percent.

[Line Graph: Average Annual Ten-Year U.S. Treasury Yield in Percentage]

Year	Average
2012	1.80%
2013	2.35%
2014	2.54%
2015	2.14%
2016	1.84%
2017	2.33%
2018	2.91%
2019	2.14%
2020	0.89%
2021	1.44%
2022	2.50%

Source: US Department of Treasury

Historical Ridership

Over the last 20 years, national transit ridership has been trending up despite dips associated with recessions in the 2000's and in 2020, with ridership reaching a high of 10.7 billion trips in 2014. Since then, ridership has retracted each year due to historically low gas prices, additional mobility competitors in many areas, and the COVID-19 pandemic.

[Line Graph: National Historical Ridership in Millions]

Year	Number of trips
2009	10.3
2010	10.2
2011	10.4
2012	10.5
2013	10.7
2014	10.7
2015	10.6
2016	10.4
2017	10.1
2018	9.9
2019	9.9
2020	4.7
2021	4.9

Source: American Public Transportation Association

Transit ridership in the Chicago region was trending upward from the early 2000's and peaked in 2012 with 664 million trips taken. Since then, ridership has decreased 65 percent due to new mobility competitors, demographic changes, and the COVID-19 pandemic.

[Line Graph: Chicago Area Historical Ridership in Millions]

Year	Number of trips
2009	633
2010	628
2011	646
2012	664
2013	645
2014	630
2015	630
2016	605
2017	586
2018	571
2019	550
2020	231
2021	226

Source: American Public Transportation Association

[PRINTED PAGE 94]
[Annual Budget Process]

Annual Budget Process

The Regional Transportation Authority (RTA) Act requires the RTA Board to adopt an annual budget and two-year financial plan, a strategic plan, and a five-year capital program. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

Budget Development Process

The CTA's annual budget development process serves as the foundation for its financial planning and control. The Chief Financial Officer and staff prepare and submit the budget to the Board of Directors for consideration and approval. The annual budget includes both the operating and capital budgets. It is the responsibility of each department to adhere to approved spending levels and manage its operations efficiently and in alignment with CTA's goals and programs authorized by the Board. The budget development process is a collaborative effort and includes the following phases:

[Flow Chart: Budget Development Process]

Develop Strategic Initiatives, Goals and Outreach: Development of key assumptions and drivers, based on CTA's strategic initiatives and feedback from the riding public, taxpayers and communities.

Department Budget Submissions: Budget development includes collaborating with departments during the submission process, conducting submission review and justification sessions

Senior Leadership Budget Presentation: Presentation of the proposed operating and capital budgets to the President and Chief Operating Officer

Board Review and Public Hearings: Three weeks after the budget is released to the public, public hearings are conducted. Once hearings are concluded, the Chicago Transit Board and the RTA will vote on the proposed budget.

Board Adoption of Budget: Once the Chicago Transit Board and the RTA approve the budget, it becomes adopted.

Budget Implementation and Oversight: Once approved, the budget office begins implementing the proposed budget and leading the oversight activities throughout the budget year.

RTA Statutory Requirements for Budget Approval

The RTA Board adopts the proposed budget and plan upon the approval of 12 of the RTA's 16 directors. If the budget meets the RTA's criteria, which are identified in the RTA Act and outlined below, then the RTA is required to adopt the budget. If the RTA Board does not approve the budget, the RTA Board cannot release any funds for the periods covered by the budget and two-year financial plan, except the proceeds of sales taxes due by the statutory formula to the CTA, until the budget conforms to the criteria specified in the Act.

The RTA's criteria for budget and plan approval are:

1. Balanced Budget: The budget and plan show a balance between (A) anticipated revenues from all sources including operating subsidies and (B) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest of outstanding indebtedness.

2. Cash Flow: The budget and plan show cash balances, including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses incurred.

3. Recovery Ratio: The budget and plan provide a level of fares or other system generated revenues against operating or administrative costs for the public transportation provided to meet or exceed the requirement.

4. Assumptions: The budget and plan are based upon and employ assumptions and projections, which are reasonable and prudent.

5. Financial Practices: The budget and plan have been prepared in accordance with sound financial practices as determined by the RTA Board.

6. Other Requirements: The budget and plan meet such other financial, budgetary, or fiscal requirements that the RTA Board may by rule or regulation establish.

7. Strategic Plan: The budget and plan are consistent with the goals and objectives adopted by the RTA Board in the Strategic Plan.

8. Capital Budget: The capital improvement plan submitted to the RTA outlines projects, including budgets, schedules, and funding sources and are eligible for Federal and RTA funding and meet all requirements.

Budget Execution and Administration

After the proposed budget and financial plan are adopted, the budget execution and administration phase begin. Detailed budgets of operating revenues and expenses calendarized for the 12 months of the budget year are forwarded to the RTA. The CTA's actual monthly financial performance is measured against the monthly budget and reported to the RTA Board. Detailed capital grant applications are prepared and submitted to funding agencies. Quarterly capital program progress reports, along with milestones, are provided to the RTA Board to monitor expenditures and obligations for capital program items. RTA meets with CTA quarterly to review the status of capital projects

[PRINTED PAGE 95]
[Annual Budget Process]

[Flow Chart: Budget Calendar]

July 15, 2022 – RTA Budget Call. RTA releases the requirements that Service Boards must follow to develop their 2023 budget, financial plan, and five-year capital program.

September 15, 2022 – RTA Announces and Releases Marks. The RTA Board, as required by the RTA Act sets operating and capital funding marks for the three Service Boards by September 15. Capital marks provide estimates of available grant receipts from federal, state, and local sources for the proposed fiscal year and remaining years of the five-year capital plan. CTA develops a five-year capital improvement program, identifying capital projects programmed for funding and the funding source.

October 20, 2022 – Public Release of CTA Budget. The statute requires that documents be available for public inspection 3 weeks prior to public hearing.

November 10, 2022 – Public Hearing. Comments are received from the public.

November 2022 – Cook County Board Presentation. The CTA presents the budget to the Cook County Board after the Public Hearing but before CTA adoption of the budget, as required by law.

November 16, 2022 – Chicago Transit Board Vote. The Chicago Transit Board incorporates any changes and adopts the operating budget, financial plan and five-year capital improvement plan.

November 17, 2022 – RTA Board Presentation. The RTA Act requires that the CTA to submit its budget, financial plan, and capital improvement plan to the RTA by November 15th. The budget must conform to the marks set by the RTA by the statutory deadline of September 15th.

December 15, 2022 – RTA Board vote. The RTA Board votes and adopts consolidated regional budget, including the proposed fiscal year operating and capital budget and the two-year and five-year financial plan upon the approval of 12 of the RTA's 16 directors.

February 2023 – RTA and CTA Presents Capital Plan. The capital improvement plan is submitted to CMAP, adopting, and incorporating CTA's capital projects in the Regional Transportation Improvement program, allowing CTA to apply for federal funding for these projects.

Amendment Process

As the CTA monitors actual performance, changes may be required to the budget. When the RTA amends a revenue estimate because of changes in economic conditions, governmental funding, a new program, or other reasons, the CTA has 30 days to revise its budget to reflect these changes. The RTA's Finance Committee must approve all amendments before they are recommended to the RTA Board for approval. The budget may also be amended based on the financial condition and operating results if the CTA is significantly out of compliance with its budget for a given quarter. The RTA Board, by a vote of 12 members, may require the CTA to submit a revised financial plan and budget, which show that the marks will be met in a period of less than four quarters. If the RTA Board determines that the revised budget is not in compliance with the marks, the RTA will not release discretionary funds. RTA discretionary funds include monies from the Public Transportation Fund (PTF), discretionary sales tax, and other state funding. If the Authority submits a revised financial plan and budget showing the marks will be met within a four-quarter period, then the RTA Board shall continue to release funds.

As capital projects proceed, changes may be required to project budgets. Capital funding marks may be revised based on actual federal or state appropriations actions. When revisions are necessary, the five-year capital program will be amended and submitted to the RTA for RTA Board action.

Accounting Systems, Financial Controls & Policy

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois Legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The City Council of the City of Chicago granted the CTA the exclusive right to own and operate a unified, local transportation system.

The Regional Transportation Authority Act provides for the funding of public transportation in the six-county region of Northeastern Illinois. The Act established a regional oversight board, the Regional Transportation Authority (RTA), and designated three Service Boards: the CTA, the Commuter Rail Board, and the Suburban Bus Board. The Act requires, among other things, that the RTA approve the annual budget of the CTA; that the CTA obtain agreement from local governmental units to provide an annual monetary contribution of at least $5 million for public transportation; and that the CTA, collectively with the other Service Boards, finance at least 50 percent of operating costs, excluding depreciation and certain other items, from system-generated sources on a budgetary basis. In late 2021, the Illinois legislature granted temporary recovery ratio relief for fiscal year 2021, 2022, and 2023 due to the ongoing pandemic. Per Public Act 102-0678, the aggregate of all projected fare revenue from such fares and charges received in fiscal years 2021, 2022, and 2023 may be less than 50percent of the aggregate costs of providing such public transportation in those fiscal years.

Financial Reporting Entity

As defined by U.S. generally accepted accounting principles (GAAP), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable.

Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

2) Fiscal dependency on the primary government.

In conformance with Governmental Accounting Standards Board (GASB) standards, the CTA includes in its financial statements all funds over which the Chicago Transit Board exercises oversight responsibility. Oversight responsibility is defined to include the following considerations: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of an organization's public service and/or special financing relationships.

The CTA participates in the Employees' Retirement Plan, which is a single-employer, defined benefit plan covering substantially all full-time permanent union and nonunion employees. The Employees' Plan is governed by state statute (40 ILCS 5/22-101). The fund, established to administer the Employees' Retirement Plan, is not a fiduciary fund or component unit of the CTA. This fund is a legal entity separate and distinct from the CTA. This plan is administered by its own board of trustees comprised of five union representatives, five representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the Employees' Retirement Plan. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

The Retiree Health Care Trust (RHCT) provides and administers health care benefits for CTA retirees and their dependents and survivors. The RHCT is not a fiduciary fund or a component unit of the CTA. This trust is a legal entity separate and distinct from the CTA. This trust is administered by its own board of trustees comprised of three union representatives, three representatives appointed by the CTA, and a professional fiduciary appointed by the RTA. The CTA has no direct authority and assumes no fiduciary responsibility with regards to the RHCT. Accordingly, the accounts of this fund are not included in the CTA's financial statements.

Based upon the criteria set forth by the GASB, the CTA is not considered a component unit of the RTA because the CTA maintains separate management, exercises control over all operations, and is fiscally independent from the RTA. Because governing authority of the CTA is entrusted to the Chicago Transit Board, comprised of four members appointed by the Mayor of the City of Chicago and three members appointed by the Governor of the State of Illinois, the CTA is not financially accountable to the RTA and is not included as a component unit in the RTA's financial statements. As statutorily required, the CTA is combined in pro forma statements with the RTA.

Budget and Budgetary Basis of Accounting

The CTA is required under Section 4.01 of the RTA Act to submit for approval an annual budget to the RTA by November 15th of each year. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), except for the exclusion of certain income and expenses, and consistent with the basis of accounting and required recovery ratio. The excluded income and expense amounts include the following:

- Provision for injuries and damage in excess of (or under) budget,
- Depreciation expense,
- Pension expense in excess of pension contributions,
- Actuarial adjustments,
- Revenue and expense from bond transactions,
- Revenue and expense from sale/ leaseback transactions, and
- Capital contributions.

The Act requires that expenditures for operations and maintenance more than budget cannot be made without the approval of the Chicago Transit Board. All annual appropriations lapse at fiscal year-end. Public funding assistance, administered by the RTA, provides public funding revenue for the budgets of the Service Boards. Favorable variances from budget remain as operating assistance to the CTA.

The RTA approves the proposed budget based on four criteria:

- The budget is in balance with regard to anticipated revenues from all sources, including operating subsidies, costs of providing services, and funding operating deficits.
- The budget provides sufficient cash balances to pay, with reasonable promptness, costs, and expenses when due.
- That the budget provides for the CTA to meet its required system generated revenue recovery ratio; and
- That the budget is reasonable and prepared in accordance with sound financial practices and complies with such other RTA requirements as the RTA Board of Directors may establish.

The RTA monitors the CTA's performance against the budget on a quarterly basis. If, in the judgment of the RTA, this performance is not substantially in accordance with the CTA's budget for such period, the RTA shall so advise the CTA and the CTA must, within the period specified by the RTA, submit a revised budget to bring the CTA into compliance with the budgetary requirements listed above.

Financial Reporting

The CTA's financial statements are prepared in conformity with GAAP. GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before

November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business type and fiduciary (Qualified Supplemental Retirement Plan) activities. Separate financial statements are presented for each category. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for CTA's business-type activities are used to account for the operations of the CTA and are accounted for on a proprietary (enterprise) fund basis. This basis is used when operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing services to the general public be financed or recovered primarily through user charges such as fares.

Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Qualified Supplemental Retirement Plan. The assets of the Qualified Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal Year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four-week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state, and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses.

The CTA also maintains a position control system, which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

Financial Policy

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption, and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed analysis of each revenue and expense account to determine operating variances. This includes reviewing position headcount, analyzing labor, material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage them. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

Each year the CTA is required to have a balanced budget as required by the RTA Act. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. At the time the budget is presented, the total expenses match the total revenue, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities, and financial assumptions. Additionally, external economic studies, demographics, and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, and to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized, and incorporated into the long-term plan.

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. CTA is also developing a Transit Asset Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The foremost sources of operating revenues for the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

Organizational units are encouraged to submit revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. The CTA continues to find ways to enhance system advertising, charters, and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund nonrecurring expense items.

Expenditure Policies

CTA expenditures include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. Prudent expenditure planning, monitoring, and accountability are key elements of fiscal stability.

Debt Capacity, Issuance, and Management

These policies serve as a management tool to ensure that the CTA:

- May utilize leverage as part of its overall funding strategy to speed up investment in the system;
- Utilizes debt in the most efficient and effective manner to fund operating and capital improvement programs; and
- Makes full and timely repayment of all borrowings.

Moreover, the policy provides broad guidelines to ensure that the agency achieves the lowest possible cost of capital within prudent risk parameters, secures ongoing access to the capital markets, and authorizes the appropriate amount, type, and debt structure for various financing situations.

Expenditure Accountability

Each month, the CTA compares its operating and capital performance to budget. Any deviations from budget are reviewed and corrective measures are implemented by the appropriate organizational units. Each unit is responsible for maintaining budget compliance. Actual capital expenditures are also reviewed monthly and adjustments to capital projects spending are made accordingly.

[Acronyms]

AA Alternatives Analysis

ADA Americans with Disabilities Act

AoPP Areas of Persistent Poverty Program

APB Accounting Principles Board

APTA American Public Transportation Association

ARP American Rescue Plan Act

ASAP All Stations Accessibility Plan

ATCMTD Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative

AVAS Automated Voice Annunciation System

BAB Build America Bonds

BRT Bus Rapid Transit

BUILD Better Utilizing Investments to Leverage Development

CAC Capital Advisory Committee

CARES Coronavirus Aid Relief and Economic Security Act

CBO Congressional Budget Office

CDOT Chicago Department of Transportation

CEJA Climate and Equitable Jobs Act

CIG Capital Investment Grant

CIP Capital Improvement Program

CMAP Chicago Metropolitan Agency for Planning

CMAQ Congestion Mitigation and Air Quality Improvement Program

COP Certificate of Participation

CPD Chicago Police Department

CPI Consumer Price Index

CRRSA Coronavirus Response and Relief Supplemental Appropriations

CSL Chicago Surface Lines

CTA Chicago Transit Authority

DBE Disadvantaged Business Enterprise

DEI Diversity, Equity, and Inclusion

DHS Department of Homeland Security

EIA Energy Information Administration

EIS Environmental Impact Statement

EPA Environmental Protection Agency

ETOD Equitable Transit-Oriented Development Plan

FASB Financial Accounting Standards Board

FAST Fixing America’s Surface Transportation Act

FEJA Future Energy Jobs Act

FFGA Full Funding Grant Agreement

FFR Federal Funds Rate

FFY Federal Fiscal Year

FHWA Federal Highway Administration

FOMC Federal Open Market Committee

FTA Federal Transit Administration

FY Fiscal Year

GAAP Generally Accepted Accounting Principles

GARVEE Grant Anticipation Revenue Vehicles

GASB Governmental Accounting Standards Board

GDP Gross Domestic Product

GFOA Government Finance Officers Association

GTT City of Chicago Ground Transportation Tax

HTF Highway Trust Funds

ICC Illinois Commerce Commission

ICE Innovation, Coordination and Enhancement Fund

IDOT Illinois Department of Transportation

IIJA Infrastructure Investment and Jobs Act

IRA Inflation Reduction Act

IT Information Technology

JARC Job Access and Reverse Commute Program

LACMTA Los Angeles County Metropolitan Transportation Authority

LPA Locally Preferred Alternative

MAP-21 Moving Ahead for Progress in the 21st Century

MBTA Massachusetts Bay Transportation Authority

MPO Metropolitan Planning Organization

NEPA National Environmental Policy Act

NOFO Notice of Funding Opportunity

NTD National Transit Database

NYCT   New York City Transit
PayGo   Pay-As-You-Go funding from State Motor Fuel Tax receipts
PBC   Public Building Commission of Chicago
PBV   Positive Budget Variance
PD   Project Development
PE   Preliminary Engineering
PMP   Project Master Plans
POB   Pension Obligation Bond
PPI   Producer Price Index
PTF   Public Transportation Fund
RAISE   Rebuilding American Infrastructure with Sustainability and Equity Grant Program (formerly BUILD or TIGER)
RETT   Real Estate Transfer Tax
RHCT   Retiree Health Care Trust
RLE   Red Line Extension
ROD   Record of Decision
ROW   Right of Way
RPM   Red and Purple Modernization Project
RTA   Regional Transportation Authority
SCADA   Supervisory Control and Data Acquisition
SCIP   Strategic Capital Improvement Program
SEPTA   Southeastern Pennsylvania Transportation Authority
SFY   State Fiscal Year
SMS   Safety Management System
SOGR   State of Good Repair
SPR   Statewide Planning & Research
STIP   State Transportation Improvement Program
STO   Scheduled Transit Operations
STP   Surface Transportation Program

SWAP   Sheriff's Work Alternative Program
TAM   Transit Asset Management
TAMP   Transit Asset Management Plan
TCP   Transit Capital Partners
TIF   Tax Increment Financing
TIFIA   Transportation Infrastructure Finance and Innovation Act
TIGGER   Transit Investments for Greenhouse Gas & Energy Reduction
TIP   Transportation Improvement Program
TOD   Transit-Oriented Development
TSGP   Transit Security Grant Program
TSP   Traffic Signal Prioritization
ULB   Useful Life Benchmark
UPRR   Union Pacific Railroad

UPS Uninterrupted Power Supply

USDOT United States Department of Transportation

UWP Unified Work Program

UZA Urbanized Area

WMATA Washington Metropolitan Area Transit Authority

YNB Your New Blue

[PRINTED PAGE 101]
[Glossary]

Glossary

2008 Legislation – The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund; and 4) The chair of the CTA no longer was on the RTA Board.

Accessible – A site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accounting Principles Board (APB) – It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis – A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative – Program will leverage existing transportation and transit infrastructure, making modifications to communication and software systems to provide priority to transit buses at traffic signals along three pilot corridors in Chicago.

All Stations Accessibility Plan (ASAP) – A comprehensive plan for making the remaining 42 stations fully accessible, along with repairs and upgrades to existing 160 station elevators in the next 20 years.

Alternatives Analysis (AA) Study – This study is the first step of the FTA's process to qualify for New Starts funding and is designed to examine all the potential transit options available and to determine a locally preferred alternative.

American Rescue Plan Act (ARP) – The third major federal economic stimulus bill passed in March 2021 to speed up the recovery of the economic and health effects of the COVID-19 pandemic in the United States.

Americans with Disabilities Act (ADA) – Federal law that prohibits discrimination against people with disabilities in several areas, including employment, transportation, public accommodations, communications and access to state and local government' programs and services.

Americans with Disabilities Act (ADA) Paratransit Fund - A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

American Public Transportation Association (APTA) – A nonprofit international association that representing all modes of public transportation, including bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail.

Areas of Persistent Poverty Program (AoPP) – Supports FTA's strategic goals and objectives through the timely and efficient investment in public transportation.

Articulated Bus – A flexible high-capacity passenger bus.

Automated Voice Annunciation System (AVAS) – An on-board announcement system that coordinates with both global positioning (satellite-based) and logical positioning (distance-based) systems to determine the location of a bus and make the appropriate next-stop announcement.

Better Utilizing Investments to Leverage Development (BUILD) – A federal discretionary grant program dedicated to funding critical freight and passenger projects that have a significant local or regional impact.

Big Gap – When the time in between buses is more than double the scheduled interval and creates a gap of more than 15 minutes.

Bond – A type of loan issued that provides a fixed rate of return over a set period.

Build America Bonds (BAB) – Taxable municipal bonds that featured federal tax credits or subsidies for bondholders or state and local government bond issuers. The Build America Bonds program expired in 2010.

Bureau of Labor Statistics (BLS) – A federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy.

Capital Advisory Committee (CAC) – Comprised of members from local universities as well as leaders from the business community whose purpose is to solicit expert advice from external professionals in carrying out the CTA's capital process, including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget – A plan of action for a specified period for purchases of assets using capital grants or bonds.

Capital Expense – Expense associated with buying, maintaining, or improving its fixed assets, such as buildings, vehicles, equipment, or land.

Capital Investment Grant – Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

Capital Improvement Program (CIP) – A short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

Certificate of Participation (COP) – Type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues and are secured by lease revenues.

Chicago Department of Transportation (CDOT) – Responsible for public way infrastructure, including planning, design, construction, maintenance, and management within the City of Chicago.

Chicago Metropolitan Agency for Planning (CMAP) – The Chicago region's comprehensive planning organization responsible for long-range planning to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

Climate and Equitable Jobs Act (CEJA) – Comprehensive State of Illinois energy legislation that expands renewable development, provides funding for electric vehicles and charging stations, creates clean energy workforce training programs, provides support for communities experiencing a plant closure, and much more.

Collar Counties – The five Illinois counties that surround Cook County: Will, Kane, DuPage, Lake, and McHenry counties.

Congestion Mitigation & Air Quality Improvement Program (CMAQ) – A federally funded program of surface transportation improvements designed to improve air quality and mitigate congestion.

Congressional Budget Office – A federal agency within the legislative branch of the United States government that provides budget and economic information to Congress.

Consolidated Appropriations Act – A federal spending bill passed in 2020 that combines stimulus relief for the COVID-19 pandemic and annual appropriation spending for the 2021 federal fiscal year.

Consumer Price Index (CPI) – A measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

Coronavirus Aid Relief and Economic Security Act (CARES Act) – A federal economic stimulus bill passed in March 2020 in response to the economic fallout of the COVID-19 pandemic in the United States.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) – Provided $10 billion in supplemental Child Care and Development Fund (CCDF) funding to prevent, prepare for, and respond to coronavirus. The Act required all states, territories, and tribes to submit a report describing how funds appropriated in CRRSA will be spent.

Corridor – A defined study area considered for significant transportation projects such as highway improvements, bus transitways, rail lines, or bikeways (e.g. Dan Ryan corridor, Western Avenue corridor).

CTA Board Member Terms of Office – Board member terms are in seven-year increments. Board members may be appointed to terms already in progress, in which case they may serve until the end of that term.

Department of Homeland Security (DHS) – Federal agency responsible for anti-terrorism, border security, immigration and customs, cyber security, and disaster prevention and management.

Depreciation – An accounting term that recognizes the loss in value of a tangible fixed asset over time attributable to deterioration, obsolescence, and impending retirement.

Disadvantaged Business Enterprise (DBE) – The DBE program is intended to ensure nondiscrimination in the award and administration of contracts.

Discretionary Funds – Funds include Public Transportation Funds and a portion of the RTA Sales Tax allocated by the RTA to Service Boards.

Energy Information Administration (EIA) – Federal agency that collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

Environmental Impact Statement (EIS) – A document prepared to describe the effects for proposed activities on the environment. "Environment," in this case, is defined as the natural and physical environment and the relationship of people with that environment.

Environmental Protection Agency (EPA) – A federal agency created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress.

Fare – The amount charged to passengers for bus and rail services.

Farebox – Equipment used for the collection of bus fares.

Farecard – Electronic fare media used for payment of fares.

Federal Fiscal Year (FFY) – The accounting period for the federal government beginning on October 1 and ending September 30.

Federal Funds Rate – Target interest rate set by the Federal Open Markets Committee (FOMC) at which commercial banks borrow and lend their excess reserves to each other overnight.

Federal Highway Administration (FHWA) – A federal agency provides stewardship over the construction, maintenance and preservation of the Nation's highways, bridges and tunnels, while also conducting research and providing technical assistance to state and local agencies to improve safety, mobility, and to encourage innovation.

Federal Transit Administration (FTA) – An agency within the U.S. Department of Transportation that provides financial and technical assistance to local public transit systems.

Federal Insurance Contributions Act (FICA) – Social Security payroll taxes are collected under the authority of FICA.

Financial Accounting Standards Board (FASB) – Establishes and improves standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information.

Financial Plan – In addition to an annual budget, the Regional Transportation Authority Act requires that all service boards to prepare a financial plan encompassing the two years after the budget year.

Fiscal Year (FY) – A 12-month period used for calculating annual financial reports. The CTA's fiscal year runs concurrent to the calendar year.

Fixing America's Surface Transportation (FAST) Act – Federal legislation passed in 2015 that authorizes $305 billion over fiscal years 2016-2020 for highway, vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs.

Full Funding Grant Agreement (FFGA) – Grant agreements authorized under federal transit law that establish the terms and conditions for federal financial participation in a New Starts project.

Fund Balance – (See Unrestricted Net Assets)

Funding (Budget) Marks – The Regional Transportation Authority Act, as amended in 1983, calls for the RTA to advise each of its Service Boards by September 15th of the public funding to be available for the following year, as well as the required recovery ratio.

Future Energy Jobs Act (FEJA) – An Illinois law expanding energy efficiency programs, provides job training in renewable energy, and increases investment in solar and wind power in Illinois.

Generally Accepted Accounting Principles (GAAP) – Standard framework of guidelines for financial accounting, mainly used in the United States.

Governmental Accounting Standards Board (GASB) – The GASB establishes and improves standards of state and local governmental accounting and financial reporting.

Government Finance Office Association (GFOA) – Organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices, and promoting their use through education, training, facilitation of member networking, and leadership.

Grant Anticipation Revenue Vehicles (GARVEE) – A debt instrument issued when funds are anticipated from future federal reimbursement of debt service and related financing cost under Section 122 of Title 23, United States Code.

Ground Transportation Tax (GTT) – The City of Chicago Ground Transportation Tax applies to businesses that provide ground transportation vehicles for hire in Chicago to passengers to partially fund CTA capital improvements.

Headway – The time span between when one service vehicle (bus or rail) leaves a stop/station and when the following vehicle arrives at the same stop/station on specified routes. Also called service frequency.

Heavy Rail – Heavy rail is characterized by high-speed passenger rail cars and trains operating on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.

Hedge – A type of investment activity used to reduce the risk of adverse price movement. Normally, a hedge consists of taking an offsetting position in a related security to minimize unwanted risks associated with price fluctuation.

Illinois Jobs Now Program – A $31 billion capital improvement program created in 2009 designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program – The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging, helps offset the cost of property taxes and other costs by providing low income, senior, or disabled residents with yearly grants.

Infrastructure – Assets that make up CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Infrastructure Investment and Jobs Act (IIJA) – Historic investment that will modernize our roads, bridges, transit, rail, ports, airports, broadband, and drinking water and wastewater infrastructure. This legislation does not raise taxes on everyday Americans, and it will create good-paying union jobs

Innovation, Coordination and Enhancement Fund (ICE) – A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Interval – The time between when one service vehicle (bus or train) leaves a stop/station to the time when the following vehicle leaves the same stop/station.

Job Access and Reverse Commute Program (JARC) – A FTA program to address transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment, which often is located in a less accessible area and/or requires late at night or weekend schedules when conventional transit services are not sufficiently provided.

Job Order Contracting (JOC) – A collaborative construction project delivery method that enables organizations to get numerous, commonly encountered construction projects done quickly and easily through multi-year contracts.

Locally Preferred Alternative (LPA) – The final selected scope and design for a major corridor investment. Alternatives analysis is considered complete when a locally preferred alternative is selected by local and regional decision makers and adopted by the MPO into the financially constrained, long-range metropolitan transportation plan.

Major Rail Delay – An instance where a train experiences a delay to service of ten minutes or more.

Mean Miles Between Defects – The average mileage a train accrues before experiencing a defect.

Metra – Commuter Rail division of the RTA responsible for the day-to-day operation of the region's commuter rail service (except for services provided by the CTA). Metra was created in 1983 by an amendment to the RTA Act.

Metro Planning Organization – The policy board of an organization created and designated to carry out the metropolitan transportation planning process. MPOs are required to represent localities in all urbanized areas (UZAs) with populations over 50,000, as determined by the U.S. Census.

Moving Ahead for Progress in the 21st Century (MAP-21) – A funding and authorization bill enacted in 2012 to govern United States federal surface transportation spending.

National Environmental Policy Act (NEPA) – A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

National Transit Database (NTD) – The FTA's primary national database for transit statistics.

New Starts – FTA discretionary program that is the federal government's primary financial resource for supporting locally planned, implemented, and operated transit "guideway" capital investments.

Non-Operating Funds – Capital grant monies to fund expenses.

Non-Revenue Vehicle – Vehicles that do not carry fare-paying passengers and are used to support transit operations.

Operating Budget – Annual revenues and expenses forecast to maintain operations.

Operating Expenses – Costs such as labor, material, fuel, power, security, and professional services associated with the day-to-day operations of service delivery.

Operating Revenues – Revenues generated from user fees (in the form of farebox revenues) or other activities directly related to operations, such as advertising, concessions, parking, investment income, etc.

Pace – The Suburban Bus Division of the RTA, created in 1983, responsible for suburban bus service and all paratransit service.

Paratransit Service – Demand-response service utilizing wheelchair accessible vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants.

Passenger Miles – The sum of the distances traveled by passengers.

Pay As You Go (PayGo) – Funding allocated to CTA from State of Illinois Motor Fuel Tax receipts. PayGo funding provides a recurring funding stream intended to address the backlog of deferred capital needs and fund capital maintenance projects.

Pension Obligation Bonds (POB) – Debt instruments issued to fund all or a portion of the Unfunded Actuarially Accrued Liabilities (UAAL) for pension and/or Other Post-Employment Benefits (OPEB).

Positive Budget Variance (PBV) – The amount by which a service board comes in favorable to available funding from the RTA in a given budget year.

RTA policy allows the service boards to retain these funds in an unrestricted fund balance for capital projects or one-time operating expenses.

Power Washing – Facilities – The deep cleaning of a station or facility using pressure washing equipment.

Preliminary Engineering (PE) – Analysis and design work to produce construction plans, specifications and cost estimates that brings plans to 30 percent complete.

Preventive Maintenance – The maintenance of equipment and facilities to ensure satisfactory operating condition through systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects.

Proprietary Fund – One of three broad classifications of funds used by state and local governments that include enterprise funds and internal service funds. Enterprise funds are used for services provided to the public on a user charge basis.

Public Building Commission (PBC) – City of Chicago organization that provides professional management of the city's public construction projects.

Public Funding – Funding received from the RTA or other government agencies.

Public Transportation Funds (PTF) – As authorized by the RTA Act, the Illinois State Treasurer transfers from the State General Revenue Fund an amount equal to 25 percent of RTA sales tax collections to a special fund, called the Public Transportation Fund (PTF), and then remits it to the RTA on a monthly basis. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT) – A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a $1.50 per $500 increase in RETT, and the CTA receives 100% of the RETT increase.

Real Time Bus Management (RTBM) – The RTBM system polls the IVN on each bus every thirty seconds for location updates. The buses also send up events when new operators logon, start a new trip, or pass a time point.

Record of Decision (ROD) – A document prepared at the conclusion of the Environmental Impact Statement (EIA) process, as required by the National Environmental Policy Act (NEPA). The ROD document is prepared after the final EIS and identifies the FTA's environmental decision as the preferred approach out of all alternatives considered.

Recovery Ratio – Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare – Discounted fare for children ages 7 through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement – Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers a portion of the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover a portion of the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA) – The financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Regional Transportation Authority Act (RTA Act) – An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, and other funding streams for the CTA and outlines criteria that must meet for budget approval.

Retiree Health Care Trust (RHCT) – Provides and administers health care benefits for CTA retirees and their dependents and survivors. The trust is a legal entity separate and distinct from the CTA.

Revenue Bond – A municipal bond supported by the revenue from a specific project, Revenue bonds that finance income-producing projects are thus secured by a specified revenue source.

Revenue Equipment – Vehicles that carry fare-paying passengers and equipment used for the collection of fares.

Ride-hailing Fee – A $0.15 per-ride fee starting in 2018 with a $0.05 increase starting in 2019 on ride-hailing services such as Uber and Lyft to be collected by the City of Chicago as part of the Ground Transportation Tax (GTT) to fund CTA improvements.

Right-of-Way (ROW) – A strip of land that is granted, through an easement or other mechanism, for transportation purposes, such as for a trail, driveway, rail line, or highway reserved for the purposes of creation, maintenance, or expansion of services within the right-of-way.

Rolling Stock – Public transit vehicles, including rail cars and buses.

RTA Sales Tax – The primary source of operating revenue for the RTA, the CTA, Metra, and Pace. The RTA retains 15 percent of the original one percent RTA sales tax authorized in 1983. Of that which remains, the CTA receives 100 percent of the taxes collected in the City of Chicago and 30 percent of those taxes collected in suburban Cook County. Of the funding available from the 0.25 percent sales tax and PTF authorized by the 2008 legislation, the CTA receives 48 percent of the remaining balance after allocations are made to fund various programs.

Run – A rail/bus operator's assigned work on a given day.

Safety Management System (SMS) – A comprehensive, collaborative approach that brings management and labor together to build on the transit industry's existing safety foundation to control risk better, detect and correct safety problems earlier, share and analyze safety data more effectively, and measure safety performance more carefully.

Scheduled Transit Operations (STO) – Classification includes bus operators, motormen, and conductors.

Service Boards – CTA, Metra commuter rail, and Pace suburban bus system, as referred to by the Regional Transportation Authority Act.

Sheriff's Work Alternative Program (SWAP) – A program where persons convicted of Driving Under the Influence and other low-level offenses are required to provide community services for municipalities throughout Cook County.

Slow Zone – Sections of track where trains must reduce speed to safely operate rail service.

State Assistance – The supplemental funding provided by the RTA Act in the form of additional state and financial assistance to the RTA in connection with its issuance of Strategic Capital Improvement Program (SCIP) bonds. It equals the debt service amounts paid to the bondholders of the SCI bonds plus any debt service savings from the issuance of refunding or advanced refunding SCIP bonds, less the amount of interest earned on the bonds' proceeds.

State Fiscal Year (SFY) – The State of Illinois' Fiscal year begins July 1 and ends June 30.

Statewide Planning & Research Funds (SPR) – An Illinois Department of Transportation competitive grant program funding projects related to studying or implementing a goal, strategy, or objective within the State's Long-Range Transportation Plan or modal plans.

Suburban Community Mobility Fund – Outlined by the RTA Act, grants and appropriations from the state, which the RTA distributes to the Suburban Bus Board for operating transit services, other than traditional fixed-route services, that enhance suburban mobility, including, but not limited to, demand responsive transit services, ride sharing, van pooling, service coordination, centralized dispatching and call taking, reverse commuting, service restructuring, and bus rapid transit.

Supervisory Control and Data Acquisition (SCADA) – A control system that collects and operational data and is used to control and manage rail service.

Surface Transportation Program (STP) Shared Grant Fund – Established to support larger-scale regional projects that address regional performance measures and the goals of CMAP's ON TO 2050 plan.

System-Generated Revenue – Revenue generated by the CTA, including fare revenue, advertising, investment income, income from local governments by provision of the Regional Transportation Authority Act, and subsidies for reduced fare riders per 1989 legislation.

Tax Increment Financing (TIF) – TIF is a special funding tool used by the City of Chicago to promote public and private investment across the city.

Transit Asset Management Plan (TAMP) – Asset condition is evaluated on a 1-5 scoring scale. The scale aligns with FTA recommendations and facilities comparisons across asset classes. An asset is in a state of good repair when the physical condition of that asset is at or above a rating of 2.5.

Transit Asset Management System (TAM) – A system for procuring, operating, inspecting, maintaining, rehabilitating, and replacing assets for managing risks, and costs over their life cycles to provide safe, cost-effective, and reliable transportation. TAM uses asset condition to guide how to manage assets and prioritize funding to improve or maintain a state of good repair.

Transit-Oriented Development (TOD) – A type of economic development which includes a mixture of housing, office, retail, and/or other amenities integrated into a walkable neighborhood and located within a half-mile of public transportation.

Transit Security Grant Program (TSGP) – Administrated by FEMA to support transit infrastructure security activities.

Transportation Infrastructure Finance and Innovation Act (TIFIA) – Federal program provides credit assistance for qualified projects of regional and national significance. Many large-scale surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) – The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). $49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP) – A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate – The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Traffic Signal Prioritization (TSP) – Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Useful Life Benchmark (ULB) – The measure agencies use to track the performance of revenue vehicles (rolling stock) and service vehicles (equipment) to set their performance measure targets. Assets beyond their ULB are at greater risk of failing and causing unplanned service disruptions.

Unified Work Program (UWP) – The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations.

Unlinked Passenger Trip – An unlinked passenger trip is a single boarding of any transit vehicle, even if the boarding is part of the same trip. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles.

Unrestricted Net Assets – The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by CTA to represent the available fund balance. Vehicle Revenue Hours – Hours that vehicles travel while in revenue service and include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles – Mile’s vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra – Payment system for CTA, Metra and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and allows them to manage their accounts online and choose from several different contactless payment methods.

[INSIDE OF BACK COVER]

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