

[BOOK FRONT COVER]

Building a Stronger Chicago Through Investment in Transit
President's 2024 Budget Recommendations

[Picture of rendering of Red Line Extension, aerial view]

[Picture of rendering of proposed Red Line Extension: Michigan Red Line station, street view]

[Picture of rendering of proposed Red Line Extension, street view]

transitchicago.com

[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. Currently there is one vacancy amongst the Mayoral Appointees. 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, and Rev. Johnny L. Miller. 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. Johnny L. Miller, Board Member

Appointed by: Mayor, City of Chicago

Rosa Y. Ortiz, Board Member

Appointed by: Governor, State of Illinois

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

Chicago Transit Authority

Dorval R. Carter Jr., President

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[President's Letter]

Dear CTA Customers,

Over the course of the past year, the Chicago Transit Authority (CTA) has worked diligently to provide you with the best service possible, while continuing to battle the lingering effects of the COVID-19 pandemic on our service and workforce. To address these issues, we have stayed the course, optimizing our service and schedules to reflect the available workforce, aggressively hiring and training new employees through an unprecedented hiring and recruitment campaign, and providing our riders with the best CTA travel experience with the workforce and resources we have available. The improvements we are making have only been possible through the focus, diligence and commitment of our hard-working CTA family—from our front-line employees to those who work behind the scenes—and I am heartened by the improvements and investments we have made under very difficult circumstances.

The public transit industry's challenge of post-pandemic recovery has been shared by our peer agencies, both in the United States and abroad. While each transit agency is unique, most systems—especially large, legacy organizations like CTA—have worked hard, thinking creatively about how to deploy personnel and fleet resources most effectively and engaging customers to return to transit. Some of our peers have been more successful in terms of recovery and others have struggled, but I believe CTA is on the right track to establish a new normal that will ultimately serve our customers well.

I am very pleased to see continued ridership growth on our system. As of this writing in mid-October, we are experiencing very encouraging ridership trends that suggest continued ridership improvements in the future. Since August 2023, CTA has seen fifteen days where customers have taken more than 1 million rides systemwide, and during the first week of October, we experienced our highest ridership since the pandemic with nearly 6.3 million weekly rides. Additionally, August and September of this year were CTA's highest ridership months since the beginning of the pandemic. I want to thank our customers for making these milestones possible and remind you that public transit's successful, long-term recovery from the effects of a once-in-a-lifetime health crisis will continue to require increased and sustained ridership.

In August, CTA recognized the one-year anniversary of Meeting the Moment: Transforming CTA's Post-Pandemic Future—our post-pandemic multi-faceted Action Plan. Since its unveiling, I have been clear that our plan was a roadmap: an evolving blueprint with pillars that would guide our efforts to improve service, hire more employees, update our technology, increase security, and invest in our infrastructure – all for an improved transit experience for both our employees and customers.

We have remained focused on that commitment throughout the year. As a result, in the past fourteen months, we have improved nearly every aspect of our riders' CTA travel experience, including providing a higher percentage of rail and bus service by implementing optimized schedules that reflect our available workforce. Another significant part of our progress has been made possible through the introduction of new measures like new hiring and retention incentives; hosting more than a dozen in-person and virtual job fairs; and bringing aboard more than 800 new bus operators since the start of 2023.

Our proposed 2024 budget includes funding to continue to grow our operator headcount to pre-pandemic levels—the most important step we need to take to increase bus and rail service levels. We can only provide more service when we have enough operators to do so. Our optimized schedules have made service more reliable; hiring more employees will make our service more frequent. Our unprecedented recruitment and hiring efforts are leading us to that goal.

We invested in system security, including the deployment of 50 two-person teams with K-9 units to complement efforts by the Chicago Police Department (CPD). We installed video monitors in all our Customer Assistant Booths to provide station personnel with real-time views of station cameras. We also invested \$2 million to expand social service engagement efforts for individuals on our vehicles or stations that are experiencing homelessness or struggling with mental health or substance abuse.

We recognize that continued enhancement and improvement of our infrastructure and fleet are key to a better CTA travel experience. Throughout the year, we have continued to invest in our rail stations through our ongoing Refresh & Renew program and anticipate completing repair and improvement work at 29 stations by the end of 2023. We also added 50 additional maintenance personnel as part of our "Goodbye Grime" campaign, which we introduced this year to focus on enhanced cleaning measures, including power washing, surface scrubbing and more. To further enhance our cleaning efforts, we are adding another 59 janitor and car servicer positions. We have also continued to test and introduce our newest generation of railcars – the 7000-series; more than 40 railcars have been added to the fleet.

We recently completed Phase 1 of the Blue Line's Forest Park Branch Rebuild-- a multi-phased, multi-year program to improve service along the entire branch. We also secured funding to make 14 more rail stations accessible and to advance our "All Stations Accessibility Program," which will make all CTA rail stations accessible by the year 2038. In addition, we upgraded bus stop signs for visually impaired customers at more than 2,000 CTA bus stops.

This year, we also upgraded the technological tools we offer our riders, including our vehicle trackers. We improved our CTA Bus Tracker website by giving it a full redesign and enhanced features, making it more responsive and user-friendly, and providing better access to bus arrival predictions. In combination with our schedule optimization efforts, we made improvements to both our Bus and Train Trackers that have significantly lowered instances of “ghost” buses and trains. We also introduced a new live-streaming tool that provides real-time information on platform crowding conditions during the AM commute for Blue Line riders using select stations on the O’Hare branch.

While the FY2024 proposed budget recommendation provides an expanded look at more of what CTA accomplished in the past year, that is just a small sample of what we have achieved by remaining customer- and service-focused, executing our action plan daily.

There are certain priorities that never change for CTA, however, and that inform every policy and service decision we make. At the top of that list is transit equity and our efforts to ensure that we always keep the needs of most transit-reliant customers top-of-mind. In 2023, we continued to invest in diversity, equity, inclusion, belonging and accessibility across our agency.

I believe that advancing racial equity at public transit agencies that serve large, diverse customer and employee constituencies requires a full-time, experienced professional that will focus on operationalizing equity, internally and externally. In recognition of that need, this year, we brought aboard our inaugural Chief Equity and Engagement Officer.

Another significant equity focus for CTA is our Red Line Extension (RLE) project and, during the past year, we have secured or been advised that we are in line for federal and local funding totaling nearly \$3 billion. In September, the Federal Transit Administration announced that CTA is in line to receive \$1.973 billion in critical federal New Starts grant funding needed to build RLE. Last December, the Chicago City Council approved the CTA Transit Tax Increment Financing District, or Transit TIF, which will make available \$959M in local matching funds necessary to build the extension. These commitments allow us to move forward with this important investment, knowing the funds to complete it will be available when they are needed.

Our equity efforts also include work being led by our Diversity Programs Department, including our partnership with the Southeastern Pennsylvania Transportation Authority (SEPTA) through the Equity in Infrastructure Program (EIP). EIP is a vital initiative that seeks to help reduce the racial wealth gap and build generational wealth by creating more contracting opportunities for historically underutilized businesses, like Small- and Disadvantaged Business Enterprises (SBEs/DBEs), especially as prime and joint venture partners. CTA and SEPTA are currently engaged in a “reciprocity agreement” that will enable historically underutilized businesses to work for both agencies via a single SBE certification. This agreement will ultimately benefit Chicago-area SBEs by expanding the availability of contracting opportunities without additional certifications.

I deeply believe that an examination of an agency’s budget is all that is required to understand who and what it prioritizes. That’s why CTA’s FY2024 \$1.99B proposed budget recommendation is centered on efforts to increase service levels with no increase in fares. We are maintaining the discounts implemented last year on our 1-day, 3-day, 7-day and 30-day passes. Since we reduced the cost of our passes, lower-cost unlimited-ride passes have been beneficial for our customers and we know they are especially useful for those who need us most to live their lives—going to the grocery store, pharmacy, doctor and elsewhere. I also believe the reduced prices make us more attractive to those who are considering returning to CTA or taking our buses and trains more frequently. For so many of our customers, every dollar counts, and this is a way to help support them as they travel throughout our service area.

CTA’s 2024-2028 Capital Improvement Program (CIP) is \$3.6B. CIP dollars will continue to help fund the Red Line Extension, future All Stations Accessibility Program projects and other equity-focused initiatives, along with future Refresh & Renew station improvements, expansion of our electric bus routes, continued bus and rail fleet modernization and other initiatives.

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.

I am pleased with the continued progress and positive trends that CTA continues to make, but we still have work to do to provide the service that I believe our customers deserve and expect. Some improvements will happen with the passage of time—the continued return of our passengers and the resulting ridership, for instance, has happened slowly, over the course of many months, and I expect that to continue.

As CTA continues to address and work through the challenges of providing bus and train service in post-pandemic Chicago, I believe that now is the time to rethink how we fund, operate, and provide public transit services in a big, bold way.

The Chicago Metropolitan Agency for Planning (CMAP) will soon provide Governor Pritzker and the state legislators with its Plan of Action for Regional Transit (“PART”), a report it was tasked to create to provide proposals for confronting the anticipated \$730 million combined financial budget shortfall expected for CTA, Metra, and Pace in 2026. The report acknowledges the State’s 40-year-old, woefully inadequate formula for funding transit and I am pleased to see that it also lays out the significant increases in transit funding and investments that it envisions for healthy public transit in northeastern Illinois.

While more and improved funding and investment is unquestionably the most important issue facing CTA finances, our number one priority is always the people who take hundreds of millions of rides on our system every year. It is incumbent upon us to work diligently to find better ways to serve them and improve their travel experience.

So, as we work to secure adequate funding for public transit in our region, now is the time to also reimagine public transit and create a vision for its future. Moving forward, CTA should be focused on operating as an equity-first, customer-centric organization in a way that has never been envisioned. We must think beyond antiquated notions of ridership being the primary driver behind policymaking and service decisions—and we have the tools to do it. The transit industry has more robust technology available to it today than ever before and my goal is to leverage the data, analytics and digital tools available to us to move our organization forward and to create a customer experience that is second-to-none.

To achieve those goals, I am leading an effort to create a 10-year strategic vision that will provide us with the building blocks to rethink how CTA is funded; to promote innovation within our operations and services; and to enhance interactions with our customers – a blueprint that will significantly improve CTA’s foreseeable future. Everything about public transit in post-pandemic America has changed when compared to 2019—not just our ridership levels and finances, but how people approach choosing from the various modes in the transportation ecosphere. I believe that, moving forward, we must establish CTA as the public transit service that our customers view as the primary central connector to every other mode.

CTA’s ability to remain competitive in 2024 and beyond will require innovation, agility and a financial security and resiliency that allows us to plan and execute boldly. Our goal is to provide our customers with a world-class public transit system that delivers exceptional service, while engaging in—and setting the standard for—industry-leading best practices.

As I develop this vision further, I ask each of you to continue to support CTA and to advocate and lobby for improved public transit funding. The improvements we are making, the investments that we must continue to make, and the equity initiatives that allow us to better serve minority and low-income communities are only possible through adequate funding and cannot happen in the absence of the financial resources that are required.

The bus and rail service that CTA provides is a vital public good and an expression of equity that is fundamental to helping our most transit-reliant customers live their lives. I ask that our stakeholders remain engaged and join CTA in our fight to provide the best public transit possible to this great city.

Sincerely,

Dorval R. Carter, Jr.
President

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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 four overarching goals, which were applicable in the past and will continue to be so in the present and future.

- Service Delivery – CTA aims to ensure that customers are provided safe, consistent and reliable transit services.
- 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.
- Equity & Inclusion – CTA must reflect the communities it serves. From the investments made in infrastructure to the recruiting of its workforce, CTA works toward a bright future creating jobs, contracting opportunities and learning opportunities with a focus on Diversity, Equity and Inclusion (DEI).

The following initiatives have been identified as being supportive in delivering on CTA's strategic goals and are further addressed in the Executive Summary:

- Improving Service
 - Continued hiring to add workers to enable adding more service
 - Bus Vision Plan
 - New Transit Operations Control Center and Training facility on West Side
- Improving Customer Experience
 - Continued investment in modernization
 - Refresh & Renew station-improvement program
 - Forest Park Branch Rebuild
 - Ventra App Chatbot

Improved safety and security

Launch of new rail safety campaign

Installation of new security measures, including high-barrier ADA faregates and new video-view monitors

Continued strategic coordination of CPD and secondary security services across the system

Fleet Modernization: Including new 9000-Series railcars and the "Charging Forward" bus fleet electrification plan

Planning for the next generation of transit

- Promoting Equity & Inclusion
 - Red Line Extension
 - All Stations Accessibility Program (ASAP) Plan

- Equity in Infrastructure Pledge
- Building Small Business program
- Inclusive recruiting
- Second Chance program

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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 twelve branches are under the President:

Branch 1 has Planning at the top, with Strategic Planning, Scheduling & Service Planning, and ADA below.

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

Branch 3 has Transit Operations at the top, with Bus Operations, Rail Operations, Vehicle Maintenance, Rail Station Management, and Control Center below.

Branch 4 has Safety & Security at the top, with Safety and Security below.

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

Branch 6 has Strategy, Data & Technology at the top, with Technology, Data Analytics, and Strategic Business Initiatives below.

Branch 7 has Finance at the top, with Accounting, Budget & Capital Finance, Treasury, Revenue, and Finance & Payroll Systems below.

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

Branch 9 is Equity and Engagement at the top, with Legislative Affairs below.

Branch 10 is Communications.

Branch 11 is Innovation.

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[System Map]

[Picture: CTA Service Area Statistics at a Glance]

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[System Map]

[Picture: Map of the CTA system]

OVERVIEW

As the Chicago Transit Authority (CTA) concludes its celebration of its 75th anniversary as a governmental agency, which began on October 1, 1947, plans are already underway to strategically map out the next generation of public transit services in the Chicago area, for a world that has drastically changed in recent years.

[Picture: June graduating class of new bus operators]

The “Meeting the Moment: Transforming CTA’s Post-Pandemic Future” Action Plan that was introduced in August 2022, was created to address CTA’s most pressing challenges in the near-term, while also laying the foundation for a long-term transformation of the agency.

To help track the progress being made on delivering on the five guiding principles of the Action Plan, last October, CTA introduced a new monthly scorecard that not only recaps the latest milestones and achievements of the Plan, it also measures overall progress on the established goals. Over the last year, the scorecard has also evolved to become interactive and more comprehensive – now providing information on several metrics over the last 13-months, including: ridership, operator hiring and attrition, elevator/escalator up-time, vehicle cleanings and availability.

[Picture: Chicago Tribune Transportation section “One year into a plan to tackle challenges, CTA touts decreased crime and more reliable service”]

CTA continues to work on delivering upon the five guiding pillars of the multi-faceted Action Plan, which focuses on strengthening the customer experience – more consistent and reliable service, safe rides, clean facilities, modern amenities, dynamic customer engagement tools, and a strong CTA workforce. The long-term goal of this plan 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.

CTA has played a vital role in helping shape the landscape of the City of Chicago as it is known today. To help ensure CTA remains an invaluable part of the city now and for generations to come, CTA remains steadfast in its mission of delivering quality, affordable transit services that link people, jobs and communities, but with a keen focus on delivering on that mission equitably and inclusively across all of CTA’s initiatives and day-to-day operations. This means that the planning of services will not just prioritize areas where ridership demands are highest, but also where services are most needed—in communities that are most dependent on affordable transit service. And with every major contract, CTA will continue to push the envelope and seek out new ways to increase job and contracting opportunities for the people and businesses within the communities of Chicago and the 35 surrounding suburbs it serves.

The following executive summary highlights the continued progress has made to deliver on the near-term goals of the “Meeting the Moment” Action Plan—further improving its operations, infrastructure, safety, security and overall customer experience—while also reflecting the steps the agency is taking to build a stronger Chicago through transformational investments in transit, and the people and communities it serves, while keeping diversity, equity, and inclusivity at the forefront of these plans and investments.

Initiatives denoted with an asterisk are those that are in support of or were introduced as part CTA’s Meeting the Moment goals.*

CUSTOMER EXPERIENCE

RAIL IMPROVEMENTS

Rail Service Optimization*: In keeping with the “Meeting the Moment” Action Plan, CTA has optimized rail service schedules with the goal of providing customers with more consistent intervals between trains, reduce large or inconsistent gaps in service, and provide more accurate Train Tracker predictions.

The optimized schedules do not curtail the start and end time of any line (known as the span of service), nor do they change overnight service. However, service intervals on some lines at specific times of day may have a couple of minutes of additional wait time in order to provide more consistent and reliable service.

Like businesses across the country, especially those in the transportation industry, CTA has continued to face workforce shortages related to the pandemic. As a result, CTA has aligned its rail service schedules with CTA’s available workforce, while it continues ongoing, aggressive recruitment and retention efforts.

In the spring of 2023, CTA added more service to the Blue Line O’Hare branch to address increased ridership along that corridor by short-turning trains at the UIC-Halsted station using a set of tracks known as Morgan Middle. As part of the Forest Park Branch Rebuild project work that started in the summer of 2023, the Morgan Middle tracks are unavailable as they are being reconstructed. During the reconstruction of Morgan Middle, most Blue Line trains will need to travel all the way to Forest Park, requiring more operators to account for the additional distance, time, and slow zones. In mid-November, when the Morgan Middle track reconstruction is

complete, CTA will add back the rail service it was providing in spring 2023. More service will be added as CTA continues to grow its rail operations workforce.

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[Executive Summary]

CTA is seeing improvements in the delivery of more reliable and consistent rail service. Through the month of August, the following improvements have been realized:

- Reduced instances of rail service intervals that were triple the scheduled service by 65.7% on the Blue Line and 41.1% on the Red Line (weekdays), and
- Reduced instances of rail service intervals that were double the scheduled service by 20.1% on the Blue Line and 10.8% on the Red Line (weekdays).

Additionally, optimized schedules improved the accuracy of CTA Train Tracker, with fewer instances of “ghost” trains. CTA continues to work on other improvements to enhance reliability and tracking accuracy.

Blue Line O’Hare Branch Improvements*: As part of efforts to accommodate increased ridership demands, CTA implemented several new measures to help improve overall service along the O’Hare Branch, which prior to the pandemic had the highest ridership increases of any branch in the system.

Between February and May, CTA replaced the Belmont crossover, which was built with the original Kimball Subway portion of the Blue Line in 1970 and was well beyond its useful life. By replacing this critical track component, CTA can provide safer and more reliable service on one of the highest-ridership branches of the ‘L’ system.

To help customers make better-informed decisions regarding their commutes, in March, CTA introduced a new tool that provides riders with a live video feed of O’Hare Branch stations from Logan Square to Chicago, to help show real-time crowding conditions on platforms. The new, dedicated cameras provide a live video feed via CTA website during the weekday morning rush period (7-10 a.m.) and are intended to help customers make decisions on when the best time is to ride. During this time, more personnel were also assigned to closely monitor rush-hour service and make frequent platform announcements to let customers waiting on platforms know the real-time system status of service, the location of the next trains, and when extra trains were being deployed to accommodate crowding.

Also in March, CTA introduced additional “short-turned” trips on the Blue Line that would operate between the O’Hare and UIC-Halsted stations—the busiest section of the line. CTA was already providing short-turn trips during the AM and PM rush hours when ridership was at its highest, but this service enhancement was extended to run throughout the day, on a daily basis to better align service levels with the areas where trains were more heavily crowded, as riders return to the office and other daily activities and events. This strategic service adjustment is designed to provide added capacity and improve service reliability, by adding more trains to carry more riders.

Collectively, changes have helped the Blue Line absorb extra ridership occurring because of the Illinois Department of Transportation’s (IDOT) reconstruction of the Kennedy Expressway.

**NOTE: During second portion of Phase 1 work of the Forest Park Branch Rebuild program (late-August through early-October), CTA had to temporarily suspend the operation of the short-turned trains due to track work being performed at Morgan Middle, which is where Blue Line trains could quickly and safely turnaround without impacting service across the rail line. The added short-turned trips will resume upon completion of project work.*

Refresh & Renew*: Nearly 30 rail stations were slated for repairs and improvements in 2023 as part of the ongoing, cyclical station improvement program, Refresh & Renew, a key initiative of the “Meeting the Moment” Action Plan.

[Picture: Crews painting the curbs of the 54th/Cermak Pink Line station, one of nearly 30 stations receiving improvements under the 2023 Refresh & Renew program]

Created in 2019, the Refresh & Renew program helps keep CTA’s stations in a state of good repair by performing routine maintenance that enhances the safety, security and overall look and feel of facilities. In 2023, crews will perform approximately \$6.5 million in repairs and improvements at dozens of rail stations across seven rail lines, as well as some Loop Elevated stations.

Some of the more comprehensive improvements made as part of this program included concrete repairs, removal of outdated fixtures and equipment, repairs to utility and plumbing lines and more. Work also included smaller cosmetic upgrades such as painting and replacing sheet metal or damaged signage, lighting upgrades, cleaning, and repair of surfaces (e.g., columns, walls, railings, fencing/gates, platform fixtures, etc.) and power washing are also performed.

In addition to the rail stations, crews will also make improvements to CTA work locations, which this year entailed 13 bus turnaround areas (BTAs or bus turnarounds). Bus turnarounds are located throughout the CTA service region and are often at or near the end of a route, which serve as relief points – allowing operators to take personal breaks and/or allow the vehicles to “layover” until they need to depart for the next scheduled trip. Improvements include lighting upgrades, new plumbing fixtures, epoxy floors, painting, surface repairs, pavement seal coating, exterior painting of all bus lane curbs and beautification of the landscaping.

[Picture: Employee power washing rail station. As part of the “Goodbye Grime” campaign, CTA increased staffing for daily station cleanings and to ensure each location is power washed at least once per month (during non-winter months)]

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[Executive Summary]

Complementing these improvements, CTA also performed seasonal power washing during the overnight hours, as part of a recently launched in-system ad campaign called “Goodbye Grime.” Each year between the spring and fall seasons, each of CTA’s 145 rail stations is power washed at least once a month as part of routine station cleaning efforts.

Next Generation Railcars – 9000-Series: Efforts to begin planning for the next generation of CTA railcars are now underway following an allocation of \$200,000,000 in federal funding from the Department of Transportation (DOT) Federal Transit Administration’s (FTA) Fiscal Year 2022 and 2023 Rail Vehicle Replacement (RVR) Program. The FTA’s RVR program helps transit systems with much-needed capital improvements to replace their rail rolling stock. This injection of funding will allow CTA to begin planning and designing for the future procurement of its next generation of railcars – the 9000-series. This next generation of railcars would replace CTA’s oldest railcars that were manufactured more than 40 years ago.

[Picture: Newest generation 7000 series railcar on the Green Line. Part of its initial in-service testing along all eight rail lines]

7000-Series Railcars*: The 7000-series railcars are CTA’s latest generation of railcars and the first purchased by the agency in more than a decade. CTA began testing the railcars in revenue service in 2021, and testing was completed in 2022. Testing was performed across all eight rail lines and through various types of weather and working conditions. CTA currently has 50 railcars on the property, with 44 being used as part of revenue service on the Blue Line. CTA is working with CRRC Sifang America JV, which built the 7000-series railcars, to increase production and delivery of additional cars. CRRC plans to ramp-up deliveries through the end of 2023 and into 2024 with the target of delivering the contractual minimum of 10 cars a month starting mid-2024.

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

Final assembly of the 7000-series railcars is taking place at CCRC’s 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, including job creation for 170 manufacturing, warehouse and professional jobs as part of the project.

Railcar Overhauls: CTA’s quarter-life overhaul of the 5000-series railcars 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.

[Picture: CTA employee at the Skokie Heavy Rail Facility lowers a newly rebuilt traction motor onto a pallet. Work is part of the 5000-series quarterlife overhaul project]

Phase 1 work, which included priority items, began in 2019 and was completed in August of 2022. In 2021, CTA began the main portion of work planned under Phase 2, which includes the rebuilding of the railcar trucks, which in turn, includes rebuilding of the various sub-components, 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. Through August 2023, Phase 2 work is now complete on more than 300 railcars, with all remaining vehicles scheduled to be completed by Q1-2026.

Enhanced Signage & Wayfinding*: With roughly 2.4 million entries in 2022, the O’Hare Blue Line station is consistently one of the most heavily traveled stations along the Blue Line, and across the rail system. Unlike most other CTA rail stations, which serve as gateways to their surrounding communities, the O’Hare station most often serves first-time CTA riders, many of whom are from around the world and speaking different languages.

To better assist these travelers, in 2022, CTA partnered with the Chicago Department of Aviation (CDA) to begin planning and creating new directional signage and wayfinding to better assist world travelers navigate O’Hare International Airport to access an environmentally-friendly and affordable transit option quickly and easily into the city – CTA.

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[Picture: New CTA signage displayed through Terminals 1, 2 and 3 of O’Hare International airport to help direct world travelers to CTA’s blue Line]

CTA was able to add new signs and wayfinding elements along the paths from the O’Hare baggage claim areas in Terminals 1, 2 and 3 to the O’Hare subway station, which sits in the lower-level concourse between the main terminals, nearest to Terminal 2. The signs feature new, easy-to-read designs, placed at multiple locations to help travelers from around the world get to and from CTA Blue Line station. This wayfinding upgrade initiative is the first of its kind and reflects the same branding standards – such as the agency’s ‘L’ train icon and the same color of blue used across the Blue Line—to help create a new and more complete breadcrumb trail type of signage that guides people from the baggage claims to the trains.

Social Services Outreach*: Like other transit agencies across the nation, CTA has seen first-hand how the pandemic and Chicago’s extreme weather conditions have exacerbated the challenges presented by an uptick in the number of individuals who are either unhoused and/or suffering from mental health or substance abuse issues. While this is a larger societal issue that extends well beyond public transit, CTA is addressing the issue on several fronts.

[Picture: An outreach provider from Thresholds offering assistance and resources to unhoused riders along the Red Line]

As part of its continued efforts to provide a welcoming environment for all customers, in November 2022, CTA entered into an agreement with the Chicago Department of Family and Support Services (DFSS) for the expansion of outreach and support services provided to riders who are unsheltered, as well as those grappling with mental health and substance abuse.

Through the agreement, CTA is providing up to \$2 million in funding to DFSS through December 31, 2023, to provide community-based social service teams to perform outreach and offer direct assistance and resources (i.e., housing, medical care, and social services) to those using trains, stations and other CTA spaces as a shelter of last resort.

As a result of these efforts, the social service outreach providers have enrolled over 200 individuals in their Homeless Management Information System (HMIS) so far this year. Enrolling people in HMIS is a critical step in identifying and being able to reconnect with those taking shelter on CTA. A significant percentage of those enrolled in HMIS have also completed a Coordinated Entry System (CES) assessment that allows social service outreach teams to identify their needs and connect them with the services or housing programs for which they may qualify.

In July, DFSS and the social service outreach providers, in partnership with DFSS and the CTA, hosted an Accelerated Moving Event (AME) to connect eligible individuals who were taking shelter on CTA with the Rapid Rehousing Program (RRP) – a program designed to help “housing-ready” individuals and families to quickly exit homelessness via temporary housing programs intended to lead to permanent housing. A total of 25 people participated in the AME, with most of them securing housing as a result of this outreach event.

This partnership with DFSS builds on an existing and ongoing partnership with the City of Chicago’s Department of Public Health (CDPH), through which other local social service outreach teams provide related services on CTA’s rail system.

Amazon Lockers: As part of ongoing efforts to provide riders with amenities that help make taking public transit more attractive, in July, the Chicago Transit Board authorized a new, three-year agreement with Amazon to operate product pickup lockers at rail stations across Chicagoland. The Amazon program originally started as a pilot in June 2020 with lockers located at four CTA locations. CTA riders can have their Amazon packages delivered to lockers at any of the following CTA stations: the 95th/Dan Ryan (Red Line), Pulaski (Orange Line), Cicero (Green Line) and Thorndale (Red Line). Under the agreement, Amazon is responsible for costs related to the purchase, installation, maintenance and operation of the lockers, and has the option to expand to additional locations in the future.

BUS IMPROVEMENTS

Bus Service Optimization*: In January, as part of the “Meeting the Moment” Action Plan, the schedules for nearly half of CTA’s bus routes were temporarily modified to provide better, more reliable service. These changes are part of CTA efforts to optimize its service schedules to better align with the available workforce, which in turn would provide riders with more consistent intervals between buses, reduce instances of large gaps in service, and address one of the most frequent comments CTA had received from its customers regarding the unpredictability of wait times.

The temporary schedule changes throughout the bus network also allowed the CTA to first move operators to garages to where they were most needed while CTA worked on recruiting and training new operators.

Like transit and transportation companies across the country, CTA is facing an unprecedented shortage of workers, especially bus and rail operators. CTA has undertaken aggressive recruitment and hiring efforts to increase its workforce. As a result, by September CTA had already surpassed its goal of hiring 700 new bus operators in 2023. CTA anticipates it will hire more than 900 bus operators by the end of the year and continue the trend of adding more operators than those lost to attrition. CTA will continue to optimize its bus schedules and add service to account for the growing workforce.

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Schedule optimization has also helped improve Bus Tracker accuracy, and fewer instances of “ghost” buses throughout the system. This is in addition to improvements resulting from other technology upgrades made to its Trackers to further enhance the reliability and accuracy of this important customer tool.

[Picture: Number 56 Milwaukee bus traveling in a Bus Priority zone]

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 2023, CTA worked with its consultant and CDOT to advance data collection and preliminary design work on the priority corridors.

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. CTA consultants will complete design work in 2024; construction, led by CDOT, will follow.

Through the Advanced Transportation & Congestion Management Technologies Deployment (ATCMTD) grant, CTA and CDOT are working together 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 to deploy a solution that can be more readily replicated across the city and allow faster future expansion of the current TSP network. This project is expected to take a few years to complete.

Better Streets for Buses*: In 2022, CTA partnered with CDOT to execute a public outreach effort to guide a comprehensive, citywide plan for bus priority streets in Chicago called the Better Streets for Buses Plan. CTA and CDOT have utilized the feedback received and additional analysis to develop a final version of the plan, anticipated to be published in fall 2023, that identifies 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 also includes a toolbox of bus-priority street treatments that would be considered for application in these corridors, ranging from small adjustments to pavement markings and curbside uses, to sophisticated signal changes and bus-only lanes.

In 2024 CTA will work with CDOT to move into a phase of implementation for the Better Streets for Buses Plan, supported by an Invest in Cook competitive grant, to advance planning for robust bus priority infrastructure for at least three corridors in the Better Streets for Buses Network.

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, led by CTA and supported by a UWP grant. The federal environmental review process known as NEPA (National Environmental Policy Act) and advanced conceptual designs for proposed improvements was completed by Pace and CTA in 2022. The recommended design, which was selected based on public and stakeholder input, will improve customer experience and enhance mobility for customers traveling on the Far South Side and south suburbs. The final design phase will be led by Pace in consultation with CTA and is expected to begin in late 2023. CTA and Pace are pursuing federal and local funding sources for construction.

Bus Vision Study*: As part of the agency’s continuing efforts to provide service to best meet customer demand and ridership patterns, 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—

will evaluate how well the network serves area residents, considering operational challenges and the geographic and demographic context that the bus network operates within.

A key component of this initiative is determining the best ways to provide equitable, accessible service to all parts of the city. Phase 1 of the study is expected to be complete by late 2023. CTA will then start the rollout of a plan to reach out to communities across the city to engage them and get input on elements from the Bus Vision Study.

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[Picture: New electric bus on #63 63rd Street route]

Conversion to a Zero Emission Fleet: Electrifying CTA's 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.

To guide CTA in this multi-faceted endeavor, in February, it unveiled the "Charging Forward: CTA Bus Electrification Planning Report," the first-ever roadmap for the full electrification of the entire bus fleet, facilities and supporting infrastructure by 2040. Under this plan, CTA would continue adding more electric buses to its fleet, with 2026 serving as the cut-off point for the purchase of any new diesel buses. In August, the Illinois General Assembly signed into law HB 1342, which among other things, requires that CTA and its sister transit agency, Pace suburban bus, to only purchase zero-emission buses after July 1, 2026.

In addition to summarizing the findings of key analyses, the report also provides strategic recommendations on various facets of the 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 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.

Importantly, by their very nature, public transit 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 two 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 CO₂; 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.

Currently, CTA has electric bus service on the #66 Chicago and #63 63rd routes. In May of 2023, CTA introduced electric bus service to Chicago's south side along the #63 63rd Street route. CTA has prioritized equipping garages that serve neighborhoods with the highest air pollution levels, to best serve the communities in areas with disproportionately higher health vulnerability risks.

Bus Purchases*: CTA continues to make progress towards converting to an all-electric bus fleet. CTA has taken receipt of 23 all-electric buses purchased under a \$33 million contract awarded to Proterra in 2018 following a competitive procurement process.

As part of this procurement, CTA has also installed five quick-charging stations at the Navy Pier and Chicago/Austin bus turnarounds, as well as the Chicago Avenue garage. This overhead, 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 June, CTA was awarded a \$25 million by the Department of Transportation's RAISE Discretionary Grant Program, to further the expansion of electric bus operation at the 95th Street/Dan Ryan Terminal. Six pantograph (overhead) chargers will be installed to support electric bus service at the multi-modal terminal, which serves 16 bus routes and roughly 26,000 bus riders each weekday.

Also in June, CTA announced plans to nearly double the size of its all-electric bus fleet with the purchase of 22 additional all-electric buses. The Chicago Transit Board authorized exercising the option on CTA's contract with Proterra for additional standard, 40-foot electric buses, valued at \$26.2 million. *

The conversion to an all-electric fleet is a process that takes years and occurs incrementally. More than just purchasing buses, this process requires 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. Moreover, CTA is 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 as 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.

To address these challenges, the “Charging Forward” plan also addresses the near-term needs of the agency and how to ensure it can continue to provide service without devastating impacts to its customers. As planned, in 2021, CTA awarded a \$346 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, are more fuel efficient and have far less harmful emissions than other models in our fleet.

**Editor’s Note: Since CTA exercised its contract option in June, the electric bus manufacturer Proterra filed for Chapter 11 Bankruptcy protection. At this time, CTA is assessing what impact—if any—this will have on converting the fleet to non-emission vehicles. CTA continues to closely watch the rapidly evolving field of battery technologies.*

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ACCESSIBILITY

All Stations Accessibility Program*: 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 a 20-year timeframe. 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 CTA will use to build support for the resources needed to achieve its goals.

[Picture: New proposed conceptual rendering of the Austin Green Line station. One of thirteen stations that the CTA has secured project funding to make fully accessible as part of the All Stations Accessibility Program (ASAP) plan]

Currently, 103 (70%) of CTA’s 145 stations are accessible.

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, which provides funding for transit accessibility projects. A total of \$1.75 billion has been allocated to this discretionary grant program, benefitting all legacy transit agencies across the country and helping them make stations and facilities accessible. Under this five-year funding program, the FTA will make \$350 million available in grants annually.

In December, CTA received \$118.5 million from the first round of funding available under the federal ASAP grant program to equip the Irving Park, Belmont and Pulaski Blue Line stations with elevators and make other improvements to meet modern accessibility requirements. These are just four of 14 stations in which funding has been secured for accessibility improvements.

Of the 14 funded station projects, five are under construction – the Argyle, Lawrence, Berwyn and Bryn Mawr Red Line stations as part of the Red and Purple Modernization Phase One project, and the Racine Blue Line station as part of the Forest Park Branch Rebuild. Of the remaining stations, one is in procurement for construction (Austin Green Line); three are in design (Montrose and California on the Blue Line, and State/Lake Loop Elevated); and five are in project planning, moving into design late 2023/mid-2024 (Irving Park, Belmont and Pulaski on the Blue Line, as well as Oak Park and Ridgeland on the Green Line).

Once construction is complete on these facilities, CTA will have 117 accessible stations out of a total of 145 stations (81%).

CTA also has \$37 million in funding secured for elevator replacement and modernization work planned for existing elevators across the system. CTA is currently completing an inventory of these elevator conditions to be able to put construction packages together for these to be modernized or replaced.

CTA will continue to apply for future federal ASAP Program funds, while also continuing to seek out 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 2022, CTA installed more than 1,300 tactile signs installed along 12 bus routes as part of a pilot to help make bus stop boarding locations easier to identify for riders who are blind or have low vision— that pilot is now being expanded to include signs along a total of 16 routes by the end of 2023. The concept for this pilot was based on feedback CTA received from customers who are blind, low vision and DeafBlind, who indicated they would often avoid taking public buses, opting for paratransit or rail services because they were unable to confidently locate a bus stop.

[Picture: Blue and white tactile bus stop sign. Allows visually impaired riders identify bus stop boarding areas and confidently navigate the bus system]

Although these tactile signs are not required by the Americans with Disabilities Act, CTA strives to address transportation barriers experienced by individuals of all abilities. This initiative highlights the agency’s commitment to accessibility, as well as finding new and innovative ways to make taking public transit easier and more convenient for everyone. In 2023, after public outreach regarding the

pilot program received positive feedback, CTA was awarded additional federal funding to support procurement and installation of tactile signs systemwide—at every one of CTA’s nearly 11,000 bus stops.

INNOVATION

Digital Tools to Improve Customer Communication*: Improving communication with riders and enhancing the accuracy of transit tracking tools was one of the guiding pillars of the “Meeting the Moment” Action Plan. One of the first initiatives unveiled in support of this was the unveiling of a new, improved website for CTA Bus TrackerSM in August 2022, which features a mobile responsive webpage that allows customers to view bus

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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 allows 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 while saving favorite locations, 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.

Launching 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. Following the upgrades to the Bus Tracker website, efforts to further enhance the transit trackers continued in 2023, including launching the Prediction Enhancer tool within the Bus Tracker system. Prediction Enhancer analyzes prior arrival information for buses on the same route to adjust future arrival predictions to be more accurate and reflective of current street conditions (e.g., longer dwell times due to traffic, etc.). Additionally, CTA’s rail tracker tool has seen various enhancements to improve overall accuracy of prediction information and provide more rail arrival information to customers. Specifically, in 2023, rail tracker prediction window has been expanded to show more real time information and UI/UX (user interface/user experience) improvements to digital rail station signs were implemented to clarify scheduled vs actual countdown information.

Beginning in 2023, and to be continued in 2024, CTA will launch real-time General Transit Feed Specification or GTFS-Realtime to further improve accuracy and reliability of transit tracker information available to the public. GTFS Realtime is an industry standard that developers of third-party trip planning apps often prioritize support and is widely understood. Offering our transit tracking data in GTFS Realtime format greatly reduces the marginal cost for developers to add CTA data to their app and is expected to improve the accuracy of the real time arrival predictions for published by third-party apps. Work across the agency will continue on new solutions and technology enhancements to further improve the CTA’s transit tracking tools.

Launching New Customer Communication Tool*: Innovation is leading the deployment of a Chat with CTA ChatBot, which is anticipated to be ready for testing near the end of 2023 with a full roll out in 2024. The Chicago Transit Board approved a change order to an existing technology contract in August 2023 allowing the agency to procure and receive operational and maintenance (O&M) support from Google and its partners. The automated ChatBot will provide another avenue for riders to get quick answers to their questions on key issues as well as send feedback that will assist the Agency in making improvements to the system based on rider feedback.

In 2024, efforts will build on the Chat with CTA Chatbot to identify more tools to enhance rider communication.

Modernizing Fare Collection: A comprehensive upgrade of the Ventra system and transition to the brand-new, modern Ventra platform is planned to begin testing in 2024. This multi-year upgrade will move CTA, along with our transit partners Pace and Metra, to a modern, open architecture platform that harnesses technology enhancements and fare system advancements from the past 10 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 the comprehensive upgrade of the Ventra system, CTA is also working on an agency-wide overhaul of our more than 30-year-old fareboxes. In 2024, CTA will install new fareboxes that will feature a more modern, accessible design coupled with improved back-end reporting systems, which will allow for seamless integration with Ventra and other on-board bus operating systems, providing for more efficient operations at CTA’s bus garages. Installing new fareboxes and upgrading the Ventra system aligns with CTA’s ongoing efforts to modernize customer tools and offer seamless fare payment options for all riders.

[Picture: CTA logo plus Pace logo equals Ventra. On Feb 20 any new 1-day and 3-day unlimited ride passes work on both CTA and PACE]

Expanding Fare Programs and Integrating Fares*: CTA has made fares more affordable and easier to use by offering fully integrated passes for CTA and Pace riders. This has made the experience for travel on the region’s transit systems more convenient. At the beginning of 2023, CTA’s 1- and 3-Day passes became valid for use on Pace. Additionally, the agency combined its two seven-day passes into one offering valid with both agencies for \$20, allowing seamless interconnectivity between the two transit systems. Pricing for the

passes reflects CTA's lowered fare pricing, which has proven to be successful in attracting additional riders beyond the work-week commute.

In addition to that, CTA has updated the successful U-Pass Program by extending benefits to full-time and part-time students at participating colleges and universities, in addition to a new tiered-pricing structure to help make the discounted fare-pass program even more affordable. The U-Pass Program has been in existence for more than 20 years and was renewed this year for another five years, which started with the 2023-2024 academic school year.

PUBLIC ART & ARCHITECTURE

Over the last decade, 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 other CTA facilities. This massive collection of public art largely features the talents of many local artists, many of whom are nationally and internationally acclaimed artists. CTA's public art collection represents a wide range of pieces encompassing traditional mediums of sculptures, mosaics, and art glass to those that are interactive and immersive, such as a filmic display and a first of its kind DJ booth and more!

In March, through a partnership with the Chicago Film Archives (CFA), a new, one-of-a-kind temporary art installation began playing at the Cicero Green Line station. Known as, *we love*, this filmic exhibition features home movies and amateur films selected from collections housed and preserved at CFA. The video, which has a runtime of approximately 48-minutes, is projected onto a wall in the mezzanine area of the Cicero Green Line station (4800 W. Lake St.). The video plays day and night through mid-March 2024.

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[Picture: Public art for the Irving Park Blue Line station known as "passin' by; looking up; movin' on", created by Chicago artist Dan Devening to celebrate the diversity of the hundreds of thousands who pass through the CTA's system each day. Picture is made up of different color circles in different color squares.

The Irving Park Blue Line station received its finishing touches to improvements made as part of the \$492 million *Your New Blue* program to modernize the O'Hare branch. New artwork by Chicago artist Dan Devening was installed in September. The artwork known as *passin' by; looking up; movin' on* uses vibrant color and a selection of simple shapes to highlight and celebrate the thousands of passengers who travel through the subway, ride the 'L' (trains), and eventually arrive at their destination.

Coming soon to CTA's Public Art Collection will be several more unique pieces created specifically for rail stations and structures being rebuilt as part of the historic Red and Purple Modernization (RPM) Phase One project. In April, contracts were awarded to five nationally recognized local artists for new artwork to be added in the main entrances of the Lawrence, Argyle, Berwyn and Bryn Mawr stations, as well as for the Hollywood Avenue entrance at Bryn Mawr. The new artwork is expected to be added to the facilities prior to their opening in late 2025.

In addition to expanding its collection of public art, efforts are also underway as part of a multi-phased endeavor to restore and preserve what were once temporary art installations created for the 18th Pink Line station, as well as add new artwork.

The first phase of this program, which was completed in 2021, entailed the preservation of the existing platform mural (Untitled, 1998) created by the late Francisco Mendoza, which celebrates Mexican heritage and the surrounding Pilsen community. To preserve the spirit and vision of Maestro Mendoza's original vision, CTA engaged the former artist's family who gave their permission in proceeding with restoration work and identifying an artist to perform the repairs. Local muralist Roberto Valadez was selected and approved by the Mendoza family to perform the repairs the mural.

As part of the second phase, CTA is working with artist Salvador Vega who will design and fabricate a new edition of his existing artwork located at the top of the mezzanine, Details of this portion of the project are still being finalized, but installation of the new artwork is currently scheduled for late 2024.

The final phase of project work at the 18th Pink Line station entails the creation of artwork that reflects the vision of Mendoza, who also oversaw the temporary artwork created by Gallery 37 students in 1998. In March, a community meeting was held to allow members of the surrounding neighborhood to meet the artists selected to compete in a design invitational and provide input on plans for new station artwork. Details regarding the final artist selection, scope of work, budget, location and timeline will be determined on a future date.

SAFETY AND SECURITY

Picture: CPD Commander of the Public Transportation Unit meets with CTA Security and K-9 teams prior to deploying out on the rail system]

CTA System Security*: The safety and security of customers and employees are top priorities for CTA. The Chicago Police Department (CPD) provides law enforcement for 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. To further supplement these CPD resources, in 2022, CTA extended its Voluntary Special Employment Program (VSEP) agreement with CPD for additional sworn police officers who volunteer to patrol the CTA system on their days off. Through this extension, CTA increased the program's pay at a rate of one and a half times the officer's regular hourly rate. As a result, more police officers are signing up to work on the CTA system on their days off.

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.

So far in 2023, CPD has been reporting a decreasing trend in crimes reported on CTA. According to CPD data, in September 2023 overall transit crime was down 12% year to date and 12% compared to September 2022. Violent crime was down 9% year to date.

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. 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 2023, CTA was awarded \$13,085,970 in collaboration with CPD. CTA was awarded \$3.2 million for Cyber Security Network Hardening, about \$1.9 million for Subway Underground Underwater Emergency Exit Intrusion Detection, about \$4 million for Critical Power Substation Physical Security Hardening, \$3.3 million for Bus Yard Intrusion Detection Systems, and \$647,520 to support CPD's Transit Anti-Terrorism Surge Operations.

CSA Video Screens*: Furthering efforts to enhance the security of CTA riders and employees, new, 21-inch security camera monitors were installed in every Customer Service booth at all rail stations this year. This

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project provides a live feed from the station's security cameras to support Customer Service Assistants in screening activity throughout the station while they 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 communication tools and functions.

Security Video Monitors*: In August, CTA began adding public-view monitors at some fare gates as a reminder of the presence of CTA's extensive security-camera network. The monitors provide a view similar to a store security camera, and the intent is to reinforce customers' feeling of safety, while deterring fare evasion and other crimes. The monitors are part of CTA's comprehensive focus on safety and security, as well as the customer experience.

The CTA has already added monitors at six rail stations, with plans to add an additional 24 stations this fall.

[Picture: Existing driver barrier covers half of the driver area]

[Picture: New driver barrier covers the entire driver area]

Upgraded Driver Barriers*: For more than a decade, the use of protective barriers for bus operators has been one of the measures in place to provide a safer work environment behind the wheel. Each bus in the fleet is equipped with a driver barrier shield made of Lexan, a stronger and more resilient version of Plexiglas, and can withstand cracking and shattering from continuous or forceful impacts.

As part of the "Meeting the Moment" Action Plan, which is reflective of employee feedback, work is underway to retrofit the fleet with new, upgraded barriers that are even sturdier and bigger to provide improved coverage. Currently, 36 percent of the fleet is equipped with the new and improved barriers, with plans for in-house resources to retrofit the remaining portion of the fleet. All new manufactured buses will come equipped with the latest version of the driver barriers moving forward.

National Roadway Safety Strategy: In 2023, CTA announced its support for the U.S. Department of Transportation's National Roadway Safety Strategy (NRSS), a comprehensive approach to reversing the rise in traffic fatalities and serious injuries on the nation's highways roads and streets.

CTA signed on to a partnership to expand adoption of the NRSS's five-pronged Safe System approach and a zero fatalities vision, and to transform how we as a nation think about road safety. The five-pronged safe system approach includes: Expansion of the Bus Pedestrian Detection System, Interagency Coordination on Right-of-Way Design, Safety Risk Analysis, Tactile Bus Stop Signage, and Equitable Transit-Oriented Development.

WORKFORCE DEVELOPMENT, COMMUNITY INVESTMENT, AND PROMOTING OPPORTUNITY

CTA Workforce: CTA is a significant local employer with a growing workforce of more than 10,000 employees from the Chicagoland area, with a large majority identifying as minority. CTA is proud to have a dedicated and diverse workforce that has continually stepped up to meet various challenges CTA has faced in recent years and have kept the system running 24/7 for those who most depend on

public transit services. CTA remains committed to seeking out ways to both attract and retain top talent to ensure buses and trains keep running and the City of Chicago moving.

Hiring and Retention*: The transportation industry continues to experience significant workforce shortages to which CTA has not been immune. However, after negotiating a key contract provision that allowed CTA to hire full-time operators, offer recruitment and retention incentives, and increase hourly pay to compete effectively with its peers, significant gains have been made.

In 2023, CTA also added on-demand interviewing technology that complements other technology recently added to make the recruitment process completely virtual and on-demand, and further streamline and make more convenient for applicants the hiring process, including bus operator hiring.

CTA has attended more than 70 job fairs this year and will have hosted nine one-stop style job fairs by the fourth quarter, with more than 3,100 attendees.

CTA expects to hire more than 900 bus operators in 2023, which will far surpass its goal of 700 bus operator hires for the year. CTA is also on track to hire approximately 100 bus mechanics in 2023, which is more than double the normal rate. On the rail side, almost 100 flaggers will have been trained and transitioned into rail operator positions by the end

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of 2023, which is significantly more rail operators trained than the number of rail operators historically trained in a year.

Overall, CTA is projecting to hire more than 2,000 new employees for the current year, also far exceeding the 1,200 annual hiring norm. CTA will continue to plan, monitor, and respond to the shifting employment landscape to meet its people and service needs.

Second Chance Program***: In September, CTA and local leaders celebrated 15 years of CTA's Second Chance Program, a nationally recognized CTA program – one of the largest of its kind in the country – which has become a model in the industry for preparing those re-entering the workforce, including returning citizens, domestic violence survivors and people who have been through the criminal justice system and are experiencing 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. 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.

The CTA Second Chance Program offers many program benefits including: 40 work hours per week for at least one-year; paid training to obtain a Commercial Driver's Learner Permit; professional development opportunities; workshops and assistance to apply for permanent CTA Positions; plus, free access to transit on CTA, Metra and Pace!

To date, more than 2,000 people have participated in this invaluable program and more than 550 program participants have secured permanent employment with CTA, with several later promoted to management-level positions. Many others have secured permanent jobs elsewhere because of their successful experience at CTA.

[Picture: CTA President Carter and Geisha Ester CTA Vice-President of Training and Workforce Development joined by state and local officials at CTA bus garage celebrating 15 years of the nationally recognized CTA Second Chance program. Guest speakers at the September event were two graduates of the program who have since advanced their careers as full-time CTA employees]

Promoting Educational Opportunities: CTA provides career development opportunities through its multiple internship programs. Among those is CTA's year-round and highly competitive college internship program, which attracts more than 2,000 applicants from across the country who are 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 two dozen colleges and universities. And among those, there were 61 interns that participated in the 2023 summer term, of which 62.3 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, CTA offered 237 local high school freshman, sophomore, junior, and senior students a 7-week paid internship in 2023.

Students in the 2023 OSC cohort represented nearly all neighborhoods within Chicago, with many residing in the city's South and West Side neighborhoods. Additionally, 98.7 percent of this year's OSC interns identified as minority, with 85.2 percent identifying as African American, 10.1 percent as Hispanic, 2.1 percent as Asian, and 1.3 percent identifying with two or more ethnic backgrounds.

[Picture: CTA President Carter surrounded by more than 230 high school students who were the 2023 paid summer interns participating in the One Summer Chicago program]

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Interns participated in a hybrid internship experience that included an innovative approach to CTA's hallmark program model focusing on work experience, professional development, and mentorship from transportation industry leaders. Each week of the 2023 summer program, OSC interns took part in Transport to Excellence, a virtual eight course program – each course named after one of 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's CTA OSC program continued its partnership with the Chicago Youth Service Corps (CYSC), 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 was grounded in the CYSC's guiding principles and related to community service, civic engagement, or social justice as a part of the corps' programming.

As a capstone project, in partnership with CTA Facilities Maintenance Team, a group of Special Projects interns participated in the 2nd Annual Clean & Green Beautification Project for CTA OSC/CYSC Service Learning Project. Interns served the Chicago Avenue Bus Training Center and Bus Garage staff by planting flowers to beautify the entrance on Pulaski Road. Additionally, they planted flowers to make the outdoor lounging space more inviting to enjoy lunch in the warmer months.

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 impacted their Transport to Excellence in their professional and personal lives.

Workforce Development: 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).

[Picture: Attendees at a CTA Diversity Programs Outreach event held in January regarding upcoming contracting opportunities]

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.

In addition to career and leadership development opportunities, CTA is invested in the development of its front-line workforce and has launched new programs to further support those critical to moving Chicago. In 2023 CTA fully launched its First Year Operator Program. This new program was designed to provide additional support to new operators during their first year as a Rapid Transit Operators. The developmental program uses lessons learned during the employees' first year as an operator to enhance their operational and safety capacity by offering additional training sessions at four milestones throughout their first year. In addition to ensuring the knowledge gained during initial training is retained and advanced, the program recognizes those first-year operators who excel in their first year and become Safety Champions.

DBE and SBE Outreach and Inclusion: As part of its Disadvantaged Business Enterprise (DBE) program, 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. CTA also takes a proactive and innovative approach to maximize opportunities for disadvantaged and small businesses.

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 quarterly events to connect potential prime contractors and DBE firms for upcoming contract opportunities; CTA's Building Small Businesses Program, which helps small businesses access capital to build capacity; and CTA's Small Business

Educational Series sessions, where industry leaders teach participants how to successfully pursue contracts and how to prepare for, manage, and close out a project and/or contract.

Over the past several years, 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.

Additionally, CTA's Request for Proposals (RFPs) for major construction projects solicit a Diversity Outreach Plan from contractors as part of their proposal, which allows them the opportunity to earn additional points when evaluated. Diversity Outreach Plans must include detailed information about how the contractor plans to achieve the project DBE and workforce goals.

As a result of CTA's various efforts to increase opportunities for DBEs, more than \$101 million in new prime- and sub-contracts was awarded to DBEs in 2022, all of them minority- or women- owned businesses.

SBE Set-Aside Program: To help small businesses grow even further, CTA established a Small Business Enterprise (SBE) program in 2013. Since then, the agency has set-aside numerous contracts for which only SBE-

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certified businesses can compete. This program is part of CTA's approach to creating more prime contracting opportunities for SBEs.

In 2022 alone, CTA awarded more than \$23 million in new prime contracts to SBE firms. Since 2013, CTA has awarded 110 SBE contracts valued at over \$63 million.

Building Small Businesses (BSB) Program: The BSB program began as part of a successful pilot in 2019 as part of the \$2.1 billion Red and Purple Modernization Phase One project's commitment to engage new and more diverse contractor participation on CTA's largest capital project to date.

The 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 non-traditional 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.

Following the successful pilot with RPM Phase One design-build contractor Walsh-Flour and LISC Chicago, the CTA made the BSB a permanent program. In July 2022, CTA announced it was expanding the BSB program to all major CTA contracting opportunities to assist small businesses in not just competing for those contracts, but also successfully completing the work, as well as growing their capacity.

Through September 2023, including the RPM pilot, BSB has assisted over 30 small businesses in receiving approval for more than \$13 million in working capital. And more than 100 small businesses have participated in technical assistance training and back-office support.

Small Business Educational Series: CTA works diligently, making every effort to ensure diversity in contracting and that its small business and Disadvantaged Business Enterprise (DBE) goals are met.

[Picture: CTA personnel welcome attendees to a Meet and Greet event held in January to help connect disadvantaged businesses with contractors bidding on the Red Line Extension project]

To that end, CTA offers various unique programs to prepare small businesses for opportunities. Among these is 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 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. Including the 2023 graduates, over 60 firms have graduated from CTA's Small Business Educational Series, and several have been awarded work on CTA projects.

Workforce Goals on Contracts: In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy, which amended 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 disadvantaged/dislocated worker, union apprentices, and residents of economically disadvantaged areas (EDAs) on all its major construction contracts. In 2022, EDA residents within CTA Service Area logged over 151 thousand labor hours on CTA construction projects and earned over \$7.4 million in wages.

In 2019, 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 advertised two contracts to expand this program to the rest of the CTA's capital projects. The new workforce partners model includes two pools of partners: pre-apprenticeship partners and placement partners.

The pre-apprenticeship partners, which include Chicago Women in Trades, Metropolitan Family Services, and Revolution Workshop, assist individuals with training and resources to prepare for building trade apprentice exams. The goal of the pre-apprentice partners is to assist individuals that meet one or more of CTA's workforce goals get accepted into US Department of Labor-approved apprenticeship programs.

The placement partners, which include Chicago Women in Trades and HIRE360, coordinate with CTA's prime and subcontractors when they have hiring needs and provide candidates that meet one or more of CTA's workforce goals. The placement partners also provide training and resources for individuals to prepare for upcoming positions within the construction industry.

[Picture: Attendees at a CTA workforce outreach event held at Olive-Harvey college in March]

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EQUITY AND INCLUSION

In 2023, the CTA established a Chief Equity and Engagement Office and hired the agency's first-ever Chief Equity and Engagement Officer – an important step in further advancing equity, inclusion, community engagement initiatives. The Chief Equity and Engagement Officer is tasked with leading the development and implementation of agency policies and practices as a national leader in transit equity.

The addition of a Chief Equity and Engagement Office is among President Carter's latest efforts to fulfill his commitments to advance racial equity at CTA and across the transit industry. Under the vision and leadership of Carter, CTA's first black president, the agency has made diversity, equity, and inclusion an integral part of agency decision making.

Additionally, Carter's keen focus on hiring, retention and advancement of a diverse workforce and innovative contracting policies to reduce the racial wealth gap in contracting by creating and facilitating more prime, joint venture, and other contracting opportunities for historically under-utilized businesses, are anchored on a goal to build generational wealth in communities previously left behind.

Diversity, Equity, and Inclusion (DEI) Partnerships: CTA is a founding signatory for the American Public Transportation Association's (APTA) Racial Equity Commitment Pilot Program, which was launched in 2021. This two-year initiative seeks to provide APTA member organizations with a roadmap to advance racial equity at an organizational level. 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 opportunities, including a peer-learning group.

In early 2023, CTA began a partnership with Holistic – a people analytics firm with a strong focus on diversity, equity, and inclusion (DEI) – to assist in shaping both hiring criteria for the new Chief Equity and Engagement Officer and to explore the organizational opportunities around DEI.

The first phase of the engagement involved gauging leadership perception and understanding of DEI initiatives at CTA and served as an initial reference to provide qualitative data points for continued comprehensive analysis. Next, employee sentiment and feedback were collected through facilitator-led focus groups.

This partnership continues to evolve with CTA's newly established Chief Equity and Engagement Office to ensure that CTA's ever-present, agency-wide focus on diversity, equity, and inclusion remains at the forefront of its culture, policies, and initiatives.

"Common Grounds" Diversity Dialogues: In 2023, CTA continued to embrace its commitment to its core values of diversity, equity, inclusion, and racial justice. This year, CTA's Equal Employment Opportunity Unit continued "Common Grounds"—a very successful, ongoing diversity dialogue and learning series for CTA personnel that presents informative and interactive educational opportunities on topics related to diversity, equity, inclusion and belonging and accessibility in the workplace. The 2023 discussion series has focused on topics such as intercultural diversity and communicating in an inclusive work environment.

Diversity and Inclusion Task Force: Established in 2018, CTA's Diversity and Inclusion Task Force, in conjunction with the Human Resources and Equal Employment Opportunity (EEO) Departments, 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 spotlights, 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 under-represented 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: Secretary of the Army, Christine Warmuth, presents a Certificate of Participation to CTA Chef Operating Officer, Veronica Alanis for CTA's participation in the US Army PAYS program]

Further exemplifying its commitment to hiring and supporting veterans, in February, CTA signed a memorandum of understanding with the U.S. Army to join the Partnership for Your Success Program (PaYS), a recruiting initiative that prepares Army soldiers for their future after honorably serving our country. The Army PaYS partnership provides the CTA a new direct recruiting channel for veteran men and women of the U.S. Army, U.S. Army Reserves, Army National Guard, and the Reserve Officers' Training Corps. – a vital asset as CTA works to aggressively recruit and strengthen its workforce. This partnership is the latest in a series of initiatives the CTA has taken to recruit and support the veteran workforce.

Equity in Infrastructure Project (EIP): In December 2021, CTA was one of five founding "First Mover" agencies that launched the Equity in Infrastructure Project (EIP), a national initiative that seeks to improve public contracting practices throughout the transportation industry. EIP creates opportunities for Small Business Enterprises (SBEs), Disadvantaged Business Enterprises (DBEs) and other Historically Underutilized Businesses (HUBs) to build generational wealth and reduce the racial wealth gap, in part by creating more prime, joint venture, and subcontracting 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

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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, last October, CTA worked 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 that are certified by either CTA or SEPTA will have the immediate opportunity to compete for work with either agency on their SBE contracts without any need to get an additional certification. This program serves as a model for other agencies and even for a national uniform and streamlined certification program.

[Picture: CTA President Carter at a panel table joined by the CEO and General Manager of Southeastern Pennsylvania Transportation Authority (SEPTA), Leslie Richards, in signing small business reciprocity agreement as part of the Equity in Infrastructure program]

This joint effort is among EIP's first of many collaborative projects to come that will help redefine how public transit agencies work together to benefit and remove barriers for SBEs, DBEs and other historically underutilized businesses.

MODERNIZATION INVESTMENTS

Red Line Extension*: The long-awaited Red Line Extension (RLE) project exemplifies CTA President Dorval R. Carter' Jr's vision of transit equity and improving the quality of life for Chicago residents. After significant strides made over the past year, including a nearly \$2 billion commitment from the Federal Transit Administration (FTA), this project is now a reality. CTA is one step closer to breaking ground on this transformational investment in Chicago's Far South Side that will benefit the surrounding communities, and in turn, the entire City of Chicago.

This \$3.6 billion investment will connect the isolated Far South Side community to the rest of the city, igniting a variety of opportunities for the neighborhoods that have long awaited affordable, accessible transit, and it will improve their overall mobility and quality of life. The 5.6-mile rail extension from 95th Street to 130th Street will include four new, fully accessible stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street. The project also includes a new modern and efficient railcar storage yard and maintenance facility.

[Picture: Proposed conceptual rendering of the 103rd Street Red Line station that would be constructed as part of the RLE project]

The RLE project will provide a much needed and long-awaited one-seat ride for Far South Side residents from 130th Street to downtown, reduce commute times by up to 30 minutes, improve quality of life for transit-dependent residents, provide multi-modal

connections, and foster economic development. The project will also provide viable links to affordable housing, jobs, services, healthcare and educational opportunities, thereby enhancing livability and neighborhood vitality.

Equitable Transit Supportive Development: In 2020, CTA began a year-long process of developing a community-driven Transit Supportive Development (TSD) Plan for the RLE project, which looks at economic development opportunities and transit-related activities for several miles along the entire length of the 5.6-mile extension. The RLE TSD Plan complements the City's efforts to make more investments in the south and west sides of the Chicago, as the proposed Michigan Red Line station would serve as the southern anchor for the Michigan Avenue

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corridor (between 111th and 115th streets) identified for economic development.

Importantly, the TSD Plan utilizes an equitable Transit Oriented Development (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. In May 2023, the Chicago Plan Commission adopted the RLE TSD Plan, which later went on to win the 2023 Strategic Plan Award from the American Planning Association – IL Chapter.

With the adoption of the TSD Plan, the City of Chicago now has an overarching guide for future community and economic development in the RLE area that charts a course for interagency collaboration, including prioritizing TOD for the areas surrounding the four RLE stations. The RLE TSD Plan provides a broad set of recommendations, focused on addressing the following four goals:

- Increase residential development, variety and affordability;
- Strengthen commercial, retail, and mixed-use development;
- Public space and greater transportation access; and
- Encourage economic development and employment generators.

Federal New Starts - Project Planning Stages: At the end of 2020, the RLE Project received approval from the FTA to enter the Project Development phase of the "New Starts" program, which is the proposed federal funding source for this project. The FTA "New Starts" Program is a highly competitive federal funding program, and in August 2023 the FTA notified CTA that the RLE Project was approved to advance into the Engineering phase of the federal "New Starts" program – an important step to moving the project closer to groundbreaking.

During the fast-paced Project Development phase, CTA completed the project's Final Environmental Impact Statement (EIS)/Record of Decision (ROD) and Final Section 4(f) Evaluation and preliminary engineering documents to successfully meet the federal requirements for this phase. These were critical steps in allowing CTA to apply for entry into the next phase of the "New Starts" program. Fortunately, in the years leading up to this point, CTA laid the necessary groundwork to ensure it would achieve the milestones by getting a head start on some of the key components to help advance the project through the federal process.

The Engineering phase of the project is expected to continue into 2024 and CTA anticipates a funding award by the end of 2024 subject to federal review and approvals. Upon receiving a full funding grant agreement from FTA, the project will move into construction, which is expected to last about five years.

Project Timeline: At this time, the earliest anticipated start of construction is 2025, with service expected to begin in 2029.

Project Funding: In December 2022, yet another major project milestone was achieved when the RLE Tax Increment Financing (TIF) district was approved by Chicago City Council. The adopted Transit TIF legislation includes three measures that will generate up to \$950 million (or 26% of total project costs, including project financing) in local funds for eligible costs involving RLE construction and administration. The measures include:

- The designation of a **RLE Transit Facility Improvement Area (TFIA)**, where TIF revenues can be spent on the project. The TFIA includes property located within one-half mile of existing and proposed Red Line right-of-way between Madison and 130th street.
- The designation of a **RLE Redevelopment Project Area (RPA)**, where new property tax growth will provide TIF assistance for the project. The RPA includes 7,726 parcels on approximately 1,445 acres of land located within one-half mile of Red Line right-of-way between Madison and Pershing Road.
- The adoption of a **RLE TIF Redevelopment Plan**, which outlines the project scope, budget, and use of TIF funds.

As part of the announcement that the RLE project was advancing into the Engineering phase, the FTA also announced that RLE is in line for \$1.973 billion (or ~50% of total project costs, including financing) in critical grant funding needed to build the project as part of the “New Starts” program.

The remaining project funding will include a mix of local, federal and other sources, including CTA bonds.

Workforce and Contracting Opportunities: While the RLE project is still in development, there are several opportunities for robust Disadvantaged Business Enterprise (DBE) participation in the next steps of the project.

In 2022, CTA began hosting several meetings for local DBEs and small businesses interested in seeking DBE certification to learn more about future contracting opportunities for the RLE project. Similar meetings have also been held in 2023 and will continue throughout the duration of the project. 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 CTA. The DBE participation plan aligns with CTA’s commitment to extend contracting opportunities to the communities the agency serves.

In September 2023, CTA issued its Request for Proposals (RFP) to three contracting teams pre-selected by CTA earlier this year through a Request for Qualifications (RFQ) process. The contracting teams’ proposals will be considered on a variety of criteria, including experience, price, workforce programs, inclusion of DBE-certified firms and other minority owned firms on the project, and other factors.

CTA anticipates beginning pre-construction work in 2024 that will include property demolition and advanced utility relocation work, and major construction work beginning in 2025 pending federal approvals.

As with our current mega-project, RPM, CTA has set aggressive DBE and workforce goals on RLE. The RLE design-build contract has DBE goals of 25% for design and 22% for construction and also has a robust outreach strategy as it did with RPM. Although the project is still in planning, CTA has already hosted numerous outreach events for DBE-certified and other small and minority-owned businesses that wish to participate in the project. Additional outreach and networking events will be hosted leading up to and following the start of major construction work.

CTA also placed the following workforce goals on the RLE design-build contract: 10% economically disadvantaged areas (EDA) goal on design—a first for CTA and in the construction industry, 10% Careers Opportunity, which targets WIOA-enrolled and Section 3 Workers, 15% union apprentice, and 35% Service Area EDA, which provides opportunities for residents of zip codes within the CTA Service Area with a median household income of \$45,000 or less. CTA has awarded contracts to various workforce partners to provide training, resources, or placement support to individuals interested in a career in the building

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[Picture: Aerial view of the final stage of the Belmont Red-Purple Reconstruction project to straighten and remove a curve in the tracks to allow trains to move faster between Belmont and Addison]

trades on RLE and other CTA projects. The workforce partners will also work with the prime and their subcontractors that have hiring needs to connect them with individuals that meet one or more of the workforce goals on the project.

In total, the RLE project is expected to create 6,200 direct construction jobs and generate more than 25,000 jobs throughout Cook County in the coming years.

Red and Purple Modernization (RPM) Phase One*: The \$2.1 billion RPM project, CTA’s largest capital improvement project in the agency’s history to date, continued work and reached new milestones in 2023.

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. Following its opening, CTA began demolishing and rebuilding the century-old Red and Purple Line structures north of Belmont. The southbound tracks will be completed in all 2023, and work on the northbound tracks will follow, with a scheduled completion in 2025.

Phase One also includes reconstruction of the Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations and adjacent track structures. In 2023, the construction of new northbound Red and Purple Line track structures, also known as “Stage A” was completed. Following the completion of “Stage A”, CTA began “Stage B,” which is rebuilding 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 underway. The RPM Phase One project is expected to be substantially completed in 2025.

As part of the RPM project, CTA developed very intentional and aggressive DBE and workforce outreach programs to maximize contract opportunities on the project for DBEs and small businesses, as well as job opportunities for individuals looking to enter the building trades. RPM has a project DBE goal of 20% and the design-build contract has goals of 20% on design and 20% on construction. To-date, DBEs have been awarded over \$323 million with the design-build contract with over \$250 million going to 115 unique DBE firms—51 of which had never done business with CTA as a prime or subcontractor prior to RPM. This is a direct result of the outreach campaign that CTA and the prime contractor embarked on by attending multiple membership meetings for our technical assistance agencies and hosting various “Meet the Contractor” events to connect interested DBEs with opportunities on RPM.

CTA also placed the following workforce goals on the design-build contract: 10% Workforce Innovation & Opportunity Act (WIOA), which targets dislocated workers, 15% union apprentice, and 35% EDA, which creates opportunities for residents of zip codes with a median household income of \$40,000 or less; all three workforce goals are a percentage of the total trade labor hours on the contract. To-date, WIOA workers have logged over 167 thousand labor hours and earned over \$8.9 million in wages, apprentices have logged over 178 thousand labor hours and earned over \$7.7 million in wages, and EDA-residents have logged over 444 thousand labor hours and earned over \$24.8 million in wages. In total, over 1,900 individuals have logged over 1.4 million labor hours and earned over \$82.5 million in wages on the design-build contract. CTA has two workforce partners that provide interested individuals with training, support and resources to prepare them for a career in the building trades, and who work with the prime and subcontractors when they have hiring needs to provide them with candidates who will meet the criteria of one or more of the workforce goals on the project.

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RPM Next Phases Planning Study: The Red and Purple Modernization program is intended to reconstruct and modernize a 9.6-mile corridor of the northern branch of the Red Line and the entire Purple Line Evanston branch. Much of the elevated structure, embankments and stations along this corridor were originally built in the early 1900s and require frequent maintenance and are well-beyond their useful lifespan. The corridor needs investment to add capacity, reduce travel times, increase access to jobs and destinations, and improve access for people with disabilities.

With work well underway for RPM Phase One, CTA is now proceeding with advancing a multi-year planning process for the next phases of the RPM program. In March 2023, CTA held virtual public meetings with community members as part of the first step known as the Planning Study, which will set goals and objectives, engage the public, identify potential projects, and evaluate alternatives and phasing. The RPM Next Phases Planning Study focuses on the following three segments of the Red and Purple lines:

- Addison to Sheridan
- Thorndale to Howard
- Evanston Branch (Howard to Linden)

The study is expected to be finalized in 2024, which is the first of several prescribed steps CTA must complete to secure funding for future project work. Additional required steps include engineering work, conducting a National Environmental Policy Act (NEPA) environmental review, and identifying funding for implementation.

[Picture: Phase 1 construction of the Forest Park Branch Rebuild, crews completely removed and rebuilt nearly three miles of track bed along the Blue Line branch. Work also includes upgrading the power and signal systems and completely reconstructing the Racine station]

Forest Park Branch Rebuild*: In July, CTA began work associated with the Forest Park Branch Rebuild (FPBR) – a multi-year, multi-phased investment program to reconstruct the entire Forest Park Branch of the Blue Line and make it 100% accessible to those who use mobility devices.

Opened in 1958, back when Dwight D. Eisenhower was president, the Forest Park Branch of the Blue Line has received some improvements, but after six decades of heavy use the tracks along the entire branch are beyond their useful life. This has resulted in nearly 80% of the branch being under slow zones, which cause service delays. Further, only four of the eleven stations (or 30%) along the branch are accessible to people who use wheelchairs or other mobility devices.

Under the Forest Park Branch Rebuild Program, CTA will rebuild a total of seven (7) rail stations to make them meet modern accessibility guidelines; replace the entire track bed and drainage system along the branch; and upgrade the traction power system to support the electrical needs of modern railcars to meet current and future ridership demands.

We continue to work on securing funding needed to rebuild the entire Forest Park Branch. As funding becomes available, details regarding future phases of the Forest Park Branch Rebuild will be announced.

FPBR Phase 1 Work: From July 23 through October 7, crews worked around the clock as part of Phase 1 work—a \$268 million project, completely rebuilding 15,000 feet or almost three miles of track between the LaSalle and Illinois Medical District (IMD) stations; demolishing and rebuilding the entire Racine station to meet modern accessibility guidelines; and upgrading the traction power system for improved service reliability.

To reduce travel impacts to customers, project work was performed in two parts, allowing CTA to reopen track from LaSalle to UIC-Halsted at the end of August. The final stretch of track work, which occurred between the UIC-Halsted and IMD stations, was re-opened in early October.

Upon completion of track work in fall 2023, the Loomis St. auxiliary entrance of the Racine station re-opened for rider use. The main entrance of the Racine station will remain closed until its scheduled completion in late-2024, at which time the Loomis St. auxiliary entrance will close for reconstruction and reopen in 2025.

Non-Revenue Maintenance Vehicle 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, CTA is planning a project to modernize two critical functions: Control Center operations, as well as Training and Instruction for its workforce of more than 10,000 employees.

Efforts are now underway to develop plans for constructing a new 150,000-square-foot facility in the West Garfield Park neighborhood—one of the largest investments in the area in decades. The new CTA facility will house the Control Center, which operates 24/7 and oversees the operation of and communication with buses, trains and power on the rail system, and over 250 employees. Additionally, the new building will serve as CTA’s main training center for a wide range of operating, maintenance, and customer-facing personnel. It will feature the latest technologies, equipment and infrastructure needed to enhance the day-to-day Control Center operations and training for thousands of front-line employees.

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[Picture: Proposed conceptual rendering of the new CTA Control Center and Workforce Training facility, which would be constructed in West Garfield Park]

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, 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 various CTA facilities throughout the region that also have significant space limitations. The new facility will provide adequate space for large-group trainings and employee orientations, as well as space for new training technology and equipment to modernize training and accommodate for future training needs, such as vehicle operator simulation.

Construction of the new facility, which is not to exceed \$158 million, could begin as early as April 2024 and continue through April 2026. The disadvantaged business enterprise (DBE) goal for this project is 28 percent of the design-build construction costs.

STATION PROJECTS

New Damen Green Line Station*: In 2019, 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. The station, which is being constructed by CDOT, will include art by Fodayemi “Fo” Wilson of Chicago’s blkHaUS studios. Construction began in late summer 2022 and the station is expected to be open in late spring of 2024.

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 those transferring to the Red Line 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 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 \$180 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.

Cottage Grove Green Line: This project will address several state-of-good repair needs and make other station improvements. The \$60 million in 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. CTA forces are expected to start structure and track work in the fourth quarter of 2023 and work will continue throughout 2024.

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.

Western Brown Line*: In 2023, CTA awarded a contract for station improvements at the Western Brown Line station that will modernize the platform and bus turn around, as well as improve access to Lincoln Avenue. This marks the first major upgrade of the facility since it was made wheelchair accessible more than 40 years ago. Improvements planned as part of this project include the replacement of concrete aprons, elevators, and other major building and operational components that make the rail station and bus turnaround meet current ADA requirements. Other enhancements will include upgraded security cameras and public address system for improved station security, as well as enhanced station access with new curb ramps, sidewalks, and improvements to the walkway to Lincoln Avenue.

[Picture: New proposed conceptual rendering of the Austin Green Line station, which would be made accessible as part of the all Stations Accessibility Program]

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Austin Green Line*: The CTA will soon begin a major renovation of the Austin Green Line station, including the addition of an elevator and other improvements to make the station fully accessible to those who use mobility devices as part of CTA’s All Stations Accessibility Program. The original street level station opened in 1899 and has not been upgraded since it was rebuilt in 1962. The work at the Austin Green Line station will fully reconstruct the main stationhouse at 351 N. Austin Blvd., which upon completion will feature a new elevator and escalator that connects the station house to the platform above, in addition to a new ADA accessible ramp, new stairs and a platform extension.

MARKETING AND COMMUNITY ENGAGEMENT

Citizens Advisory Board: CTA announced members of the Citizen’s Advisory Board (CAB) in June, a diverse group of community and business leaders, transit advocates and frequent riders who will advise the Chicago Transit Board on issues, services and policies related to meeting the transportation needs of the region’s customers.

The CAB is comprised of 11 members chosen from the CTA service area, which includes Chicago and 35 surrounding suburbs. Established by the Illinois General Assembly in 1983, the board is designated and functions as an advisory body that will serve as a vital link between CTA and its customers.

Members were chosen to ensure diverse representation from across the CTA service area, and include representatives of community organizations, commercial and business groups, seniors, and others. The CAB also includes three non-voting student members. Members serve a two-year term and meet quarterly at CTA headquarters with meeting dates and minutes posted to transitchicago.com.

Ridership Campaign: Throughout 2023, CTA focused on reaching audiences beyond its properties. While it is a benefit to have a large selection of digital advertising screens and vehicle car cards to communicate key messages to riders, CTA recognized it needed to go beyond those mediums to reach all possible riders and encourage them to ride again or even for the first time.

Through a co-promotion arrangement with the city, CTA was able to leverage their digital sign network near the downtown area and reach nearly one million people with our "More with CTA" campaign. This campaign reminded people that when you ride CTA you save money, which can then be used for more tasty treats, concert merchandise, learning, and more. This campaign also ran on CTA's own system of digital screens and vehicle car cards, in addition to a paid social media campaign that garnered more 147,000 impressions.

CTA Connection Newsletter: The monthly CTA newsletter that goes to a group of city and state local officials, as well as transit advocacy groups was also recently re-introduced. The newsletter *CTA Connection* is distributed at the beginning of each month to inform leaders and transit advocates about project updates, information on hiring, and other news around CTA.

CTA Service for Crosstown Series: This summer, to help promote CTA service to/from the Crosstown Classic games between the Chicago Cubs and Chicago White Sox baseball teams, CTA brought back a fan favorite – limited edition, transit-themed posters. For the first time ever, this year’s giveaway included three different posters. Two of the posters were created to replicate the iconic “This train stops at...” banner that once hung on the front of trains on game day. CTA created a red/blue poster for Cubs fans and a white/black poster for White Sox fans. The third poster showcased both teams. The posters were handed out at the station nearest to each stadium on game days, with most going by the first pitch.

[Picture: One of three limited edition posters distributed to CTA Red Line riders attending the annual Cubs-Sox Crosstown series. The poster has the front of historic railcar Howard to Englewood with sign saying “Baseball Today”. Poster reads “The definitive Chicago way to see the Cubs since before they moved up north to Wrigley and the Sox since the original Comiskey opened.”]

Targeted Customer Outreach: Additionally, CTA has launched a set of targeted emails to Ventra users based on their riding habits. One email was targeted at riders who have ridden both CTA and Pace systems to inform them of the new unlimited passes that allow them to ride both. Another email targeted 30-day pass riders on the South Side reminding them of the Regional Connect Pass, which for an additional \$30 would allow them to ride both CTA and Metra on an unlimited basis. Both emails had higher open rates than previous Ventra emails and led to increased sales of the passes. CTA will continue to leverage this option to strategically communicate with its riders valuable and timely service information.

Service Alerts on Social Media: To help streamline pertinent service information for our customers on the social media platform X (formerly known as Twitter), a new, dedicated CTA service alerts account was created this summer. This not only allowed CTA to focus the type of content issued from its account, but it also offered the opportunity to remind riders to sign up for customized alerts for the routes they ride frequently. This change resulted in a 215% increase in social media impressions and a 139% increase in social media engagements.

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[Picture: Santa waves to riders from the CTA Allstate Holiday Train as it travels the Pink Line]

CTA Holiday Fleet: For the 2022 holiday season, CTA employees donated time and money to assemble at least 600 food boxes for local families in a tradition that spans over 30 years. Since the tradition began, more than 10,000 home-cooked holiday meals have been provided to families thanks to the “CTA Holiday Food Train Program.” The program planted the seeds for what eventually became Chicago’s most unique holiday display – the CTA Holiday Train.

The “Holiday Food Train,” began when CTA employees assigned to the O’Hare Branch Terminal on the Blue Line recognized the need for food donations in their service area during the holiday season. At the time, employees generously donated their own money and time for the assembly of several dozen food baskets, which contained all the trimmings for a complete holiday meal. The employees decorated an out of service train with a “Season’s Greetings from CTA” sign and then used it to deliver the food baskets to local charities and organizations.

A flatcar was later added to the food train for Santa and his reindeer, along with more lights and an updated sign. Over the years, more decorations and lights were also added, and the “Food Train” quickly became known as the “Holiday Train” and was made part of scheduled service traveling along all rail lines.

The 2023 Holiday Fleet was sponsored by Allstate and covers the minimal costs for decorating and operating the vehicles. The Holiday Train traveled all eight rail lines between late-November and late December, and during this same time, the Holiday Bus traveled 16 routes throughout the city.

Community Connection Bus*: One of CTA’s most visible and popular outreach initiatives, the Community Connection Bus is designed to connect with riders and members of the communities served by CTA, 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 as well as a spot to cool off, avoid the rain, or charge your phone.

Through the Community Connection Bus, 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 year, CTA deployed the Community Connection Bus at some of the larger and more prominent events in Chicago, including Lollapalooza, Pitchfork Music Festival, Riot Fest, the Air & Water Show, and more.

[Picture: This year's Community Connection bus featured a new colorful exterior wrap boasting the color's of CTA's eight rail lines; Red, Blue, Green, Brown, Purple, Pink, Orange and Pink]

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). Once again, the free rides were sponsored by Butcher Boys Cooking Oils this year.

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 2023, the program provided over 48,000 free rides to students and their parents or guardians. Since the program's debut ten years ago, more than 1.25 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 aged 6 and younger ride free with a fare-paying customer.

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Pride Train: This June, in observance of Pride Month, CTA started running its Pride Train, which celebrates the dynamism and continuing evolution of the LGBTQIA community in Chicago and nationwide. This year's 8-car Red Line train features a new design representing the "Philly Flag" and the Transgender Flag, as well as the traditional Pride Flag. In 2017, CTA became the first major U.S. transit agency to unveil a Pride Train. The 2023 Pride Train continues to travel the Red Line as part of regular service through the end of October.

Complementing this year's Pride Train, CTA also introduced a Pride Signature Ventra card, which is available for purchase. The Pride Ventra Card design draws inspiration from our colorful rail lines converging in the Loop.

[Picture: CTA Pride Train with new exterior wrap. In its seventh year of operation, the train also had its interior decked-out with bright colorful signs with welcoming messages for all riders]

100th Birthday of CTA's 4000-Series Railcars: On July 29, 2023, CTA marked the 100th birthday of its vintage 4000-series railcars by inviting customers to take a ride back in time. The celebration drew thousands of visitors with rides on two of CTA's Heritage Fleet trains, the other being the 2400-series, which were produced from 1976-1978 and feature the restored red-white-and-blue exterior markings. The event served as a reminder of the historical and iconic significance of CTA in the development of the city and region over the decades, as well as the important role it will play in the decades to come.

The 4000-series railcars, built by the long-defunct Cincinnati Car Company, are the oldest vehicles in CTA's Heritage Fleet—a collection of vintage buses and railcars from the 1920s through the 1970s. The last of the 4000-series cars were retired in October 1973, serving out their last days on the Evanston Express (today's Purple Line Express). In addition to providing rides to thousands of transit lovers, CTA also distributed a limited quantity of commemorative posters.

[Picture: CTA 100th Birthday Train Loop Shuttle with CTA conductor holding a birthday cake and surrounded by 2 CTA employees]

[Picture: People on the Washington/Wabash Loop Elevated platform awaiting the arrival of one of the CTA's oldest railcars -the 4000 series as part of the 100th birthday celebration]

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
Operating Expenses					
Labor	\$ 1,070,458	\$ 1,093,922	\$ 1,135,354	\$ 1,155,509	\$ 1,134,269
Material	90,474	67,652	74,800	90,499	105,052
Fuel	32,079	40,396	37,125	30,779	27,201
Power	31,162	31,560	24,656	25,105	18,323
Provision for Injuries and Damages	5,000	7,500	22,000	31,680	31,680
Purchase of Security Services	17,502	14,920	19,976	15,680	23,944
Other Expenses					
Pension Obligation Bonds (Net)	105,526	103,378	105,735	105,986	106,042
Contractual Services	93,832	88,399	94,100	97,212	109,531
Utilities, Non-Capital Grant, Travel, Leases, Other	22,824	21,410	19,403	25,448	18,083
Other Debt Service	29,353	46,250	4,677	7,318	7,424
Other Expenses Total	251,535	259,438	223,916	235,964	241,081
Total Operating Expenses	\$ 1,498,211	\$ 1,515,388	\$ 1,537,826	\$ 1,585,216	\$ 1,581,550
System Generated Revenue					
Fare and Passes	\$ 588,791	\$ 585,297	\$ 232,830	\$ 242,864	\$ 290,891
Reduced Fare Subsidy	13,876	14,606	14,829	14,606	14,606
Advertising, Charter & Concessions	37,844	38,987	20,898	26,687	33,387
Investment Income	3,483	3,822	1,221	261	3,690
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	48,339	49,464	39,286	40,239	28,168
System Generated Revenue	\$ 697,333	\$ 697,177	\$ 314,063	\$ 329,658	\$ 375,743
Public Funding					
Sales Tax I	\$ 379,617	\$ 388,860	\$ 336,135	\$ 437,632	\$ 476,787
Sales Tax II	59,125	56,959	61,352	86,901	73,098
PTF II	65,519	67,920	63,929	78,046	89,618
RETT	71,518	62,373	51,023	71,118	79,926
PTF II on RETT	16,130	15,029	12,600	17,198	18,301
Non-Statutory Funding - PTF I	211,425	220,950	208,361	252,325	288,691
Non-Statutory Funding - Sales Tax I	-	-	910	-	19,784
ICE	6,019	6,132	5,624	7,175	7,668
Public Funding	\$ 809,353	\$ 818,224	\$ 739,933	\$ 950,394	\$ 1,053,872
Federal Relief Funds	\$ -	\$ -	\$ 483,829	\$ 305,164	\$ 151,935
Budget Balancing Actions	\$ -				
Total Operating Revenue	\$ 1,506,686	\$ 1,515,400	\$ 1,537,826	\$ 1,585,216	\$ 1,581,550
Balance	\$ -				
Recovery Ratio**	55.48%	57.11%	56.26%	47.10%	53.70%
Required Recovery Ratio	54.75%	54.75%	54.75%	54.75%	42.00%

* Budget Balancing Actions have not yet been determined

** 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 also includes Federal Relief Funds as well as Budget Balancing Actions.

Note: Totals may not add due to rounding

	2023 Budget	2023 Forecast	2024 Proposed Budget	2025 Plan	2026 Plan
Operating Expenses					
Labor	\$ 1,284,453	\$ 1,238,013	\$ 1,359,830	\$ 1,428,845	\$ 1,499,931
Material	114,673	115,240	130,628	143,401	154,500
Fuel	51,736	43,440	49,074	47,770	45,150
Power	32,517	32,826	36,729	44,692	45,754
Provision for Injuries and Damages	20,200	20,200	19,850	20,446	21,059
Purchase of Security Services	41,150	63,914	65,150	68,082	70,124
Other Expenses					
Pension Obligation Bonds (Net)	101,242	101,242	97,491	97,491	97,491
Contractual Services	152,153	139,239	190,988	201,747	207,448
Utilities, Non-Capital Grant, Travel, Leases, Other	22,502	21,275	28,189	36,442	43,598
Other Debt Service	6,923	10,851	17,860	17,860	17,860
Other Expenses Total	282,821	272,607	334,528	353,540	366,398
Total Operating Expenses	\$ 1,827,550	\$ 1,786,240	\$ 1,995,789	\$ 2,106,776	\$ 2,202,916
System Generated Revenue					
Fare and Passes	\$ 315,552	\$ 326,578	\$ 345,117	\$ 361,125	\$ 380,429
Reduced Fare Subsidy	14,606	15,227	15,847	15,847	15,847
Advertising, Charter & Concessions	32,825	32,143	33,838	34,853	35,898
Investment Income	2,500	7,883	5,000	3,300	2,500
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	23,092	22,911	22,621	23,300	23,999
System Generated Revenue	\$ 393,576	\$ 409,741	\$ 427,423	\$ 443,424	\$ 463,673
Public Funding					
Sales Tax I	\$ 478,429	\$ 492,882	\$ 509,584	\$ 524,872	\$ 538,519
Sales Tax II	67,338	71,757	73,246	71,118	68,928
PTF II	88,686	91,404	93,506	97,222	99,750
RETT	81,783	70,209	72,455	74,629	76,569
PTF II on RETT	20,416	16,505	17,987	18,657	19,142
Non-Statutory Funding - PTF I	283,968	295,690	301,333	313,322	321,468
Non-Statutory Funding - Sales Tax I	23,400	23,400	27,739	31,885	37,918
ICE	-	-	-	-	-
Public Funding	\$ 1,044,020	\$ 1,061,846	\$ 1,095,850	\$ 1,131,705	\$ 1,162,295
Federal Relief Funds	\$ 389,954	\$ 314,653	\$ 472,516	\$ 481,227	\$ -
Budget Balancing Actions	\$ -	\$ -	\$ -	\$ 50,420	\$ 576,949
Total Operating Revenue	\$ 1,827,550	\$ 1,786,240	\$ 1,995,789	\$ 2,106,776	\$ 2,202,916
Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Recovery Ratio**	50.09%	48.13%	52.50%	53.54%	54.36%
Required Recovery Ratio	42.00%	42.00%	42.00%	42.00%	42.00%

* Budget Balancing Actions have not yet been determined

** 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 also includes Federal Relief Funds as well as Budget Balancing Actions.

Note: Totals may not add due to rounding

2023-2026 Consolidated Financial Overview

The Consolidated Financial section provides a comprehensive financial overview of the 2023 operating budget forecast, 2024 proposed budget, and 2025-2026 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) Financial Overview
 - a. 2023 Highlights
 - b. 2023 Forecast
 - c. 2024 Budget
 - d. 2025-2026 Plan
- 2) 2024 Operating Budget
 - Consolidated Operating Expenses
 - e. Labor Expenses
 - f. Material Expenses
 - g. Purchase of Security Services
 - h. Fuel & Power Expenses
 - i. Other Expenses
 - Consolidated Operating Revenues
 - a. System Fares
 - b. System-generated Revenues
 - c. Public Funding
 - d. Ridership
 - e. Recovery Ratio

2023 Highlights

2023 marked the official end to the COVID-19 pandemic. To address the new challenges of operating in this post-pandemic world, the CTA implemented the “Meeting the Moment” action plan, a comprehensive investment plan focused on responding to customers’ concerns and strengthening the foundations of the rider experience – reliable service, safe rides, clean facilities, modern amenities, dynamic customer engagement tools, and a strong CTA workforce. The increased budget supported the many accomplishments that the Authority has been able to deliver against the Meeting the Moment Plan.

During 2023 the CTA focused on workforce retention and expansion to support service delivery. To achieve these goals, the Authority has held numerous job fairs throughout the city for Bus Operators, Mechanics, and other key operations personnel. The 2023 budget has supported the hiring of more than 600 bus operators, contractual wage increases, and retention and incentive payments.

The safety and security of our passengers and employees remained a top priority. The 2023 budget increased spending for security services, which has allowed the CTA to employ the use of canine security services to supplement Chicago Police department (CPD) patrols of the CTA and expand the number of CPD officers during 2023. The investment in security has driven positive results as transit crime rates have declined year over year.

The 2023 budget supported new technology advancements and upgrades such as a revamped Bus Tracker website, upgrades to Bus and Train tracker feeds, live stream tracker for Blue Line, a new Chatbot feature, and real time video screens in CSA booths at every rail station.

Additionally, the CTA has made many facilities improvements as part of our on-going effort to enhance the customer experience. Under the Refresh & Renew program, stations have undergone painting, cleaning, and lighting upgrades. Signage and wayfinding have also been improved.

From a revenue perspective, 2023 captured the continuation of increased ridership due to return to work policies, in-person schooling and the return of many activities. In the first eight months of 2023, the CTA saw its ridership levels increase 15.3 percent compared to the same period in 2022. The corresponding increase in farebox revenue for August YTD 2023 compared to August YTD 2022 is 14.7 percent. In 2023 CTA updated its 1-Day and 3-Day passes to include Pace transit rides. Additionally, the CTA eliminated the \$25 CTA/Pace 7-Day pass, while making the CTA \$20 7-Day pass available to Pace riders.

Public Funding remains strong in 2023, due to the application of local sales tax rates to online sales, the legalization of cannabis in Illinois, both of which went into effect in 2021, and inflation. Real Estate Transfer Tax revenues, however, are underperforming due to stresses on the real estate market, driven by higher interest rates. In 2021 the State restored the 5 percent cut to Public Transportation Funds (PTF). However, the State continues to impose the nearly 50 percent reduction to the Reduced Fare Reimbursement and the 1.5 percent surcharge to the Sales Tax revenues.

Beginning in 2020 the federal government 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 an additional \$118.4 million in ARP discretionary funds for a total of \$2,209.3 million of federal relief funds. Through July 2023, the CTA has drawn \$1.1B or approximately 50% of its allocation. The remaining funds are expected to be exhausted in 2025. CTA is working with RTA, Metra, Pace, and other stakeholders as part of the strategic plan to identify potential funding solutions to close future budget gaps. CMAP is also expected to submit its Plan of Action for Regional Transit report to the State legislature later in 2023, which will include recommendations that can help the region invest in a stronger and more financially secure transit system.

The table below provides a financial overview of the 2023 forecast, 2024 proposed budget, and 2025-2026 financial plan.

[Table: Financial Overview of the 2023 Forecast, 2024 Proposed Budget, and 2025-2026 Financial Plan]

Revenue Source	2023 Forecast	Proposed 2024 Budget	2025 Plan	2026 Plan
System Generated Revenue	\$ 409,741	\$ 427,423	\$ 443,424	\$ 463,673
Public Funding	\$ 1,061,846	\$ 1,095,850	\$ 1,131,705	\$ 1,162,295
Total Operating Revenue	\$ 1,471,588	\$ 1,523,273	\$ 1,575,129	\$ 1,625,968
Total Operating Expenses	\$ 1,786,240	\$ 1,995,789	\$ 2,106,776	\$ 2,202,916
Federal Relief Funds	\$ 314,653	\$ 472,516	\$ 481,227	\$ -
Remaining Federal Relief Funds	\$ 953,743	\$ 481,227	\$ -	\$ -
Required Budget Balancing Actions	\$ -	\$ -	\$ 50,420	\$ 576,949

2023 Operating Budget Forecast

The 2023 Operating Expense forecast is projected to be \$1,786.2 million, which is \$41.3 million or 2.3 percent lower than the 2023 budget and \$204.7 million, or 12.9 percent higher than 2022 actuals. Lower labor expense is driving overall lower forecasted operating expenses.

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[Stacked Bar Graph: 2023 Expense Budget Overview, \$ in Millions]

Expense Source	2022 Actual	2023 Budget	2023 Forecast
Labor	\$1,134.3	\$1,284.5	\$1,238.0
Material	\$105.1	\$114.7	\$115.2
Other Expenses	\$241.1	\$282.8	\$272.6
Provision for Injuries & Damages	\$31.7	\$20.2	\$20.2
Purchase of Security Services	\$23.9	\$41.2	\$63.9
Fuel	\$27.2	\$51.7	\$43.4
Power	\$18.3	\$32.5	\$32.8
Total Operating Expenses	\$1,581.6	\$1,827.6	\$1,786.2

Totals may not add up due to rounding.

The 2023 Operating Revenue forecast is projected to be \$1,786.2 million, a decrease of \$41.30 million or 2.3 percent below 2023 budget, and an increase of \$204.7 million or 12.9 percent over 2022 actuals. System-Generated Revenue accounts for 22.9 percent of Operating Revenue. Compared to the 2023 budget, the 2023 system-generated revenue forecast is higher by \$16.2 million or 4.1 percent and 9.0 percent higher than 2022 actuals. Fare and passes are 79.7 percent of system-generated revenue and are forecasted to be \$11.0 million higher than 2023 budget and \$35.7 million higher than 2022 actuals. In late August and early September of 2023,

the CTA achieved a major milestone, achieving over a million daily rides on multiple days, on back-to-back weeks. This had not occurred since pre-pandemic.

The Public Funding 2023 forecast is \$1,061.8 million, 1.7 percent or \$17.8 million higher than the 2023 budget and \$8.0 million higher than 2022 actuals. Stronger sales tax receipts, including the addition of online sales tax receipts that began in 2021 is driving the increase in funding. The 2023 forecasted budget deficit of \$314.6 million represents a significant improvement from the 2023 budget, originally estimated at \$390.0 million. This represents an improvement of 19.3 percent. However, the forecasted federal relief funding is expected to increase \$162.8 million compared to 2022, primarily due to increased hiring efforts, including wage progression changes, incentive payments and contractual wage increases, to address the workforce shortage issues CTA has been facing. In addition, increased security costs, as well as higher fuel, power, and contractual expenses contributed to the higher federal relief draw compared to 2022. These increased costs compared to 2022 are partially offset by the revenue increases discussed above.

[Bar Graph: 2023 Revenue Budget Overview, \$ in Millions]

Revenue Source	2022 Actual	2023 Budget	2023 Forecast
System Generated Revenue	\$375.7	\$393.6	\$409.7
Public Funding	\$1,053.9	\$1,044.0	\$1,061.8
Federal Relief Funds	\$151.9	\$390.0	\$314.7
Budget Balancing Actions	\$0.0	\$0.0	\$0.0
Total Operating Revenue	\$1,581.5	\$1,827.6	\$1,786.2

Totals may not add up due to rounding.

2024 Proposed Operating Budget

The 2024 proposed operating budget of \$1,995.8 million reflects the recovery from the COVID-19 pandemic and provides for future growth. There is an operating budget gap of \$472.5 million, which will be closed by federal relief funds.

The 2024 budgeted operating expenses of \$1,995.8 million are \$168.2 million higher than the 2023 budget and \$209.5 million higher than the 2023 forecast. Labor is increasing due to contractual wage adjustments, including hiring and retention incentives, as well as higher pension and healthcare costs. Material is increasing due to the need for additional vehicle parts, as well as the cost of inflation. In addition, security costs are increasing significantly due to improved security measures throughout 2023 as well as contractual services increases due to planned upgrades to the Ventra system. Traction Power expenses are budgeted to be \$4.2 million higher than the 2023 budget driven by proposed the Commonwealth Edison rate hike planned to take effect in 2024. While operating expenses are increasing, the CTA continues to implement cost containment measures. Since 2015, over \$1 billion in cost savings and non-farebox revenue growth initiatives have been implemented:

- Labor: \$755 million in savings generated from eliminating and freezing positions, healthcare changes and increased co-payments and the structuring of ATU wage agreements. Savings have been achieved without impacting service or safety sensitive positions.
- Fuel, Power, and Other Utilities: \$98 million savings from energy efficiency projects and rebates as well as by locking in fuel, power, and natural gas pricing at favorable times, also providing budget certainty.
- Capital investments: Over \$100 million in savings due to lower maintenance costs resulting from new vehicle purchases and overhauls on the bus and rail fleet.
- Non-farebox Revenue: \$70 million from increasing advertising, concession, parking, and ride-hailing fee revenue. The City eliminated the ride-hailing fee revenue in 2021.

[Stacked Bar Graph: 2024 Expense Budget Overview, \$ in Millions]

Expense Source	2023 Budget	2023 Forecast	2024 Proposed Budget
Labor	\$1,284.5	\$1,238.0	\$1,359.8
Material	\$114.7	\$115.2	\$130.6
Other Expenses	\$282.8	\$272.6	\$334.5
Provision for Injuries & Damages	\$20.2	\$20.2	\$19.9
Purchase of Security Services	\$41.2	\$63.9	\$65.2
Fuel	\$51.7	\$43.4	\$49.1
Power	\$32.5	\$32.8	\$36.7
Total Operating Expenses	\$1,827.6	\$1,786.2	\$1,995.8

Totals may not add up due to rounding.

The 2024 budgeted operating revenue excluding federal relief funds is \$1,523.3 million, \$85.7 million or 6.0 percent higher than 2023 budget and \$51.7 million higher than the 2023 forecast. System-generated revenue is budgeted at \$427.4 million for 2024, \$33.8 million higher than 2023 budget and \$17.7 million higher than 2023 forecast. Farebox revenue of \$345.1 million is 9.4 percent higher than the 2023 budget and 5.7 percent or \$18.5 million higher than 2023 forecast. The farebox revenue budget is 59.0 percent of pre-pandemic 2019 levels. Ridership levels in the 2024 budget are 63.4 percent of 2019 pre-pandemic levels. 2024 Public Funding is budgeted at \$1,095.9 million, an increase of \$51.8 million over 2023 budget and \$34.0 million over 2023 forecast.

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Federal relief funds of \$472.5 million will be used to balance the budget. Additional funding will be required once federal relief funds are exhausted.

[Bar Graph: 2024 Revenue Budget Overview, \$ in Millions]

Revenue Source	2023 Budget	2023 Forecast	2024 Proposed Budget
System Generated Revenue	\$393.6	\$409.7	\$427.4
Public Funding	\$1,044.0	\$1,061.8	\$1,095.9
Federal Relief Funds	\$390.0	\$314.7	\$472.5
Budget Balancing Actions	\$0.0	\$0.0	\$0.0
Total Operating Revenue	\$1,827.6	\$1,786.2	\$1,995.8

Totals may not add up due to rounding.

2025-2026 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 \$2,106.8 million in 2025 and \$2,202.9 million in 2026. Compared to the 2024 budget, operating expenses are expected to grow by \$111.0 million or 5.6 percent in 2025 and grow by \$96.1 million or 4.6 percent in 2026. Labor, Material, and Other Expenses are the primary drivers of increases in 2025-2026.

[Stacked Bar Graph: 2025-2026 Expense Budget Overview, \$ in Millions]

Expense Source	2024 Proposed Budget	2025 Plan	2026 Plan
Labor	\$1,359.8	\$1,428.8	\$1,499.9
Material	\$130.6	\$143.4	\$154.5
Other Expenses	\$334.5	\$353.5	\$366.4
Provision for Injuries & Damages	\$19.9	\$20.4	\$21.1
Purchase of Security Services	\$65.2	\$68.1	\$70.1
Fuel	\$49.1	\$47.8	\$45.2
Power	\$36.7	\$44.7	\$45.8
Total Operating Expenses	\$1,995.8	\$2,106.8	\$2,202.9

Totals may not add up due to rounding.

The two-year financial plan projects operating revenue, excluding federal relief funds and budget balancing actions, will grow from \$1,995.8 million in 2024 to \$2,106.8 million in 2025, and to \$2,202.9 million in 2026. The 2025 fare and passes revenue shows an increase of \$16.0 million or 4.6 percent growth compared to 2024. In 2026, farebox revenue increases \$19.3 million over 2025 or a 5.3 percent increase. Ridership levels are projected to be 66.4 percent and 70.0 percent in 2025 and 2026, respectively, compared to 2019. The projection for farebox revenue is 61.7 percent and 65.0 percent for 2025 and 2026 compared to 2019. Both ridership and farebox revenue are showing year over year growth.

Public funding is expected to increase by 4.0 percent in 2025 and 2.7 percent in 2026. The increases are driven primarily by higher projected sales tax receipts.

In 2025, the CTA will use the remaining federal relief funds of \$481.3 million to partially close the 2025 budget gap, requiring an additional \$50.4 million in other budget balancing actions to fully close the budget gap. In 2026, the CTA will require other budget balancing actions to close a projected budget gap of \$577.0 million. From 2025-2026 the CTA will need to identify additional revenue or expense reductions to close the remaining budget gap.

[Bar Graph: 2025-2026 Revenue Budget Overview, \$ in Millions]

Revenue Source	2024 Proposed Budget	2025 Plan	2026 Plan
System Generated Revenue	\$427.4	\$443.4	\$463.7
Public Funding	\$1,095.9	\$1,131.7	\$1,162.3
Federal Relief Funds	\$472.5	\$481.2	\$0.0
Budget Balancing Actions	\$0.0	\$50.4	\$576.9
Total Operating Revenue	\$1,995.8	\$2,106.8	\$2,202.9

Totals may not add up due to rounding.

FY2024 Operating Budget Consolidated Operating Expenses

This section discusses in detail each of the major expense categories for the 2023 Operating Budget Forecast, 2024 Proposed Budget and 2025-2026 Financial Plan:

[Stacked Bar Graph: 2024 Expense Budget Overview, \$ in Millions]

Year	Labor	Other Expenses	Material	Fuel	Power	Purchase of Security Services	Provision for Injuries & Damages	Total Operating Expenses
2022 Actual	\$1,134.3	\$241.1	\$105.1	\$27.2	\$18.3	\$23.9	\$31.7	\$1,581.6
2023 Budget	\$1,284.5	\$282.8	\$114.7	\$51.7	\$32.5	\$41.2	\$20.2	\$1,827.6
2023 Forecast	\$1,238.0	\$272.6	\$115.2	\$43.4	\$32.8	\$63.9	\$20.2	\$1,786.2
2024 Proposed Budget	\$1,359.8	\$334.5	\$130.6	\$49.1	\$36.7	\$65.2	\$19.9	\$1,995.8
2025 Plan	\$1,428.8	\$353.5	\$143.4	\$47.8	\$44.7	\$68.1	\$20.4	\$2,106.8
2026 Plan	\$1,499.9	\$366.4	\$154.5	\$45.2	\$45.8	\$70.1	\$21.1	\$2,202.9

Totals may not add up due to rounding.

Labor

Labor represents approximately 68 percent of total operating expenses. The 2023 labor expense is forecasted to be \$1,238.0 million which is \$46.4 million, or 3.6 percent, lower than the 2023 budget of \$1,284.5 million. Labor is favorable due to the number of vacant positions through 2023. Compared to 2022 actuals, labor increased \$103.7 million. While the number of vacancies continues to be higher than budgeted, there has been steady improvement as the Agency continues its focus on recruitment and retention, contributing to the increase in labor between 2022 and 2023.

The 2024 labor expense is budgeted to be approximately \$1,359.8 million, which is a \$75.4 million, or 5.9 percent, increase from the 2023 labor budget, or a \$121.8 million, or 9.8 percent, increase from the 2023

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forecast. The proposed labor budget assumes there are no significant changes to 2019 scheduled service levels, similar to the FY22 and FY23 budgets, but does assume a higher level of unscheduled service as the number of special events across the city increases. The budget focuses on hiring and retention efforts to address workforce shortages, it also includes contractual wage increases, as well as higher healthcare and pension costs. The labor budget also includes additional positions as detailed in the Budgeted Positions section below.

Labor expenses are projected to increase 5.1 percent in 2025 and 5.0 percent in 2026, to \$1,428.8 million and \$1,499.9 million, respectively.

[Table: Labor Expenses 2023 Forecast, 2024 Proposed Budget, 2025 Plan, 2026 Plan]

Year	Labor Expenses
2023 Forecast	\$ 1,238.0
2024 Proposed Budget	\$ 1,359.8
2025 Plan	\$ 1,428.8
2026 Plan	\$ 1,499.9

Budgeted Positions

[Table: Budgeted Positions 2022, 2023, 2024]

	Budgeted Positions		
	2022	2023	2024
Non-STO*	4,869	4,994	5,154
Bus STO**	3,708	3,707	3,705
Rail STO**	1,719	1,728	1,729
Total*	10,296	10,429	10,588

*Total includes Capital-funded positions.

**Scheduled Transit Operations (STO) Full-Time Equivalents (FTE). 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 2024 labor budget reflects an increase of approximately 160 non-scheduled transit operations positions – 104 union and 56 non-union positions. Of the 160 new positions, 19 positions are funded through capital projects. This includes 11 for the Red Line Extension (RLE) as the project continues to advance with over \$2 billion in funding now secured. Rail Maintenance added 5 positions: 2 crafts persons and 3 for rail engineering to provide technical support for rail fleet overhauls and new rail fleet procurements. The Safety department added 2 construction safety positions to support the increase in capital projects underway. Additionally, 1 Grant Accountant was added in the Finance department to help manage the increase in grant awards.

The additional 141 positions funded by the operating budget primarily support the five pillars set forth in the Authority’s Meeting the Moment action plan: 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 addition of these positions will support the CTA as we continue to move forward.

The 141 positions are distributed as follows: Equity & Engagement 1, Operations 109, Infrastructure 5, Security & Safety 6, Administration 16, Finance 2, Planning 1 and Communications 1.

The Equity & Engagement department added 1 position to further support community engagement and legislative efforts. The CTA has made Equity & Engagement a top priority in its vision for the future.

On the Operations side, Bus Operations added 16 Bus Service Supervisors to increase the level of supervision of bus service and more effectively manage unexpected service disruptions. These positions will also help support unscheduled bus transit operations, such as extra service for special events. Rail Operations added 4 Yard Master positions to ensure more on-time, reliable, and safer operations related to train movement in yards. Rail Station Management added 10 Janitors and 10 Laborers to enhance cleaning at stations and on rail right-of-way. Rail Station Management also added 8 positions to help manage the increase in janitors and cleaning laborers, including 50 cleaning positions already added in 2023. Rail Maintenance added 39 Car Servicer positions to further enhance the cleanliness of rail cars, and 10 positions for heavy rail car maintenance work to more quickly return cars to service. Rail Maintenance also added 1 position to manage the Second Chance participants who are employed as Rail Car Appearance servicers. Additionally, between Rail Operations, Bus Operations, and Rail Station Management a total of 11 positions were added to assist with managing attendance related programs and policies, as well as other administrative duties critical to day-to-day operations.

The Infrastructure department added 3 engineering positions which will provide support on a variety of projects, from e-buses to RLE; as well as 2 additional specialty positions to ensure capital projects comply with State and Federal environmental and accessibility standards as CTA continues to grow the number and size of infrastructure investments being made to improve the customer experience, including making stations accessible.

The Safety department added 3 positions to focus on work safety and emergency preparedness programs. The Security department added 3 positions; 1 Security Project Specialist to handle the increased workload related to the administration of security contracts and 2 Security Analyst positions to monitor and report performance of security contractors, crime statistics and security strategies.

In Administration, the Human Resources department added 3 positions: 1 related to talent assessment which is part of the hiring process, 1 related to employee relations to provide support to employees and managers, and 1 receptionist position to handle increased in-person foot traffic and calls. The workload has steadily increased in this department due to the increased focus on

recruitment and retention. The Training and Workforce Development department added a total of 9 positions: 6 positions to support the expansion of the CTA’s Second Chance program, 2 positions to handle programmatic and administrative duties related to year-round college internship programs as well as the summer high school internships, and 1 administrative position in the bus and rail instruction area, focusing on maintaining employee records given the increase in training activities. The Purchasing department added 3 Procurement Administrators to manage the increase in major projects and other procurements. The Diversity department added 1 position to support increased outreach to small businesses and the community to promote contract and job opportunities on CTA contracts.

The Finance department added 2 payroll specialist positions to assist with added payroll processing requirements, including recruitment and retention incentives, and the Planning department added 1 Geographic Information Systems Administrator to support the GIS data and maps. The Communications department added 1 position to help manage and support real-time customer communications.

The 2024 labor budget reflects a decrease of approximately 1 scheduled transit operations (“STO”) position.

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 and 90 percent funding by year end 2059. 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

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increase the CTA and employee contributions. 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 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 amount is \$153 million in 2024, a 4.8 percent increase from the projected 2023 amounts. In 2024, both employee and CTA contributions are projected to increase. The employee contribution will increase from 13.324 percent to 13.795 percent and the CTA’s contribution will increase from 26.647 percent to 27.590. The increase in contribution rates is driven by lower market returns in 2022, -8.88 percent versus an assumed rate of 8.25 percent, and demographic factors. Including debt service on the Pension Obligation Bonds, nearly 20 percent of CTA’s budget is allocated to provide for pension contributions.

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 by Employee and CTA 2007 – 2024]

CTA Pension Contribution Rates <i>(Per 2008 Legislation)</i>		
Year	Employee	CTA
2007	3.000%	6.000%
2008-2009	6.000%	12.000%
2010-2011	8.350%	16.700%
2012	8.650%	17.300%
2013-2016	10.130%	20.260%
2017	11.960%	23.920%
2018-2019	12.010%	24.020%
2020-2023	13.324%	26.647%
2024	13.795%	27.590%

[Stacked Bar Graph: CTA Total Employer Pension Funds Contributions, \$ in Millions]

Year	Pension Obligation Bond Debt Service	Employer Statutory Contribution	Total
2009	\$ 156.0	\$ 36.1	\$ 192.1
2010	\$ 156.0	\$ 57.3	\$ 213.3
2011	\$ 156.0	\$ 60.2	\$ 216.2
2012	\$ 156.0	\$ 62.7	\$ 218.7
2013	\$ 156.0	\$ 79.4	\$ 235.4
2014	\$ 156.0	\$ 82.3	\$ 238.3
2015	\$ 156.0	\$ 82.8	\$ 238.8
2016	\$ 156.0	\$ 83.9	\$ 239.9
2017	\$ 156.0	\$ 104.4	\$ 260.4
2018	\$ 156.0	\$ 117.1	\$ 273.1
2019	\$ 156.0	\$ 121.7	\$ 277.7
2020	\$ 156.0	\$ 135.8	\$ 291.8
2021	\$ 156.0	\$ 136.9	\$ 292.9
2022	\$ 156.0	\$ 143.5	\$ 299.5
2023 Forecast	\$ 156.0	\$ 146.3	\$ 302.3
2024 Proposed Budget	\$ 156.0	\$ 152.7	\$ 308.7

Material

Material spending for 2023 is forecasted to be \$115.2 million, which is \$0.6 million or 0.5 percent higher than the 2023 budget, and \$10.2 million over 2022 actuals. Although the Federal government declared the end of the COVID-19 health pandemic in May 2023, the ongoing need for personal protective equipment and cleaning supplies has continued to have an impact on the Authority’s material expenses given the Authority’s commitment to safety for its employees and customers. Moreover, inflation levels have also impacted material expenses significantly, continuing to make the cost of vehicle parts more expensive than in prior years.

For 2024, material expenses represent 6.5 percent of the budget, at \$130.6 million. This is \$16.0 million higher than the 2023 budget and \$15.4 million higher than the 2023 forecast.

CTA’s significant increase in material expenses for 2024 is primarily driven by the ongoing increase 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, as well as the continuing expenses for personal protective equipment and cleaning supplies to maintain the safety of CTA employees and customers. Additionally, supply chain issues, which were expected to improve in 2023 will most likely not materialize until the end of 2024, continuing to put upward pressure on prices and thus the CTA’s budget. Regardless, CTA will continue its proactive ongoing maintenance for infrastructure and the bus and rail fleet, which focuses on high-failure parts for railcars and major component systems related to buses. This ongoing work aims 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. Importantly, CTA is scheduled to receive 200 additional new buses during 2024, which will help to control expenses since they will be under warranty and will replace some of the oldest buses in the fleet.

The financial plan projects material expenses to be \$143.4 million in 2025, and \$154.5 million in 2026, growing 9.8 and 7.7 percent year-over-year for 2025-2026. These figures reflect the expected increased costs to maintain CTA’s bus and rail fleet and assumes inflation levels will return to more steady levels.

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[Table: Material Expenses 2023 Forecast, 2024 Proposed Operating Budget, 2025 Plan, 2026 Plan]

Year	Material Expenses
2023 Forecast	\$ 115.2
2024 Proposed Budget	\$ 130.6
2025 Plan	\$ 143.4
2026 Plan	\$ 154.5

Fuel & Power

CTA is forecasted to spend \$43.4 million on diesel fuel for buses in 2023. This is up \$16.2 million, or 37 percent from 2022, when the annual spending on diesel fuel was \$27.2 million. The 2023 forecast is \$8.3 million, or 16 percent, below the 2023 budgeted expense of \$51.7 million. Fuel consumption for 2023 was budgeted at 16.5 million gallons, while the forecast total is 15.4 million gallons, or 7 percent less than budgeted. Gallon consumption increased by 14.7 percent from 2022 (actual) to 2023 (forecast) as bus ridership continues to rebound through the year; additional passenger weight on buses results in greater fuel usage.

CTA is budgeting diesel fuel expenditures for the bus fleet to be \$49.1 million in 2024. This budget is \$2.7 million, or 5 percent lower than the 2023 budget of \$51.7 million, and \$5.6 million higher than the \$43.4 million 2023 forecast diesel spend. The 2024 budget assumes CTA will consume 16.5 million gallons of diesel fuel, essentially the same as the 2023 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 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 2024 budgeted unit price of diesel is \$2.97 per gallon versus the 2023 budgeted unit price of \$3.14 per gallon.

The Two-Year Financial Plan projects diesel fuel costs to be \$47.8 million in 2025 and \$45.2 million in 2026. 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 75 percent and 10 percent of projected fuel consumption respectively for 2025 and 2026. 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 2023 forecasted expenditure for CTA’s traction (rail system) electric power is \$32.8 million. This is \$0.3 million, or 1.0 percent, higher than the 2023 budgeted expense. The 2023 forecast expense is up \$14.5 million, or 44.1 percent, versus 2022 actual spending of \$18.3 million. Higher ComEd rates and rider charges are the primary driver behind the cost increase. Most notable among these charges is the Carbon-Free Energy Resource Adjustment (CFRA), a rider established in the Illinois Climate and Equitable Jobs Act (CEJA). Fiscal year 2022 saw the accrual of credits as high as ~\$43/MWh tied to rider CFRA, lowering Traction electricity delivery charges significantly. The credit value of the rider, which moves inversely with energy market prices, has steadily declined during fiscal year 2023. Beginning in May 2023, rider CFRA became a cost to CTA, and is currently an ~\$8/MWh charge through May 2024. 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 2023 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 2024, CTA is budgeting \$36.7 million in expenses for traction (rail system) electric power. The 2024 budget is \$4.2 million, or 11.5 percent, higher than the 2023 budget of \$32.5 million, and \$3.9 million more than the 2023 forecast of \$32.8 million. The 2024 budget assumes CTA will consume 440 million kilowatt-hours of electricity, essentially the same as the 2023 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 2024. Moreover, the 2024 budget assumes a continuation of rider CFRA at the current ~\$8/MWh level through the fiscal year and higher delivery base rates as filed by ComEd in their rate case before ICC, including a reconciliation of 2022 costs under Formula Rates, which increases these rates by an incremental 7.4 percent.

The proposed Two-Year Financial Plan projects CTA’s traction power expenses to be \$44.7 million in 2025 and \$45.8 million in 2026. 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 currently. 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.

[Table: Fuel and Power Expense, \$ in Millions]

Source	2023 Forecast	2024 Proposed Budget	2025 Plan	2026 Plan
Fuel	\$ 43.4	\$ 49.1	\$ 47.8	\$ 45.2
Power	\$ 32.8	\$ 36.7	\$ 44.7	\$ 45.8
Total	\$ 76.3	\$ 85.8	\$ 92.5	\$ 90.9

Totals may not add up due to rounding.

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 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 2023 are forecasted to be \$63.9 million, which is 55.3 percent over budget for the year, and 166.9 percent over 2022 actual expenses. The large increase compared to the 2022 actual expenses and the current budget is driven mainly by the new Intergovernmental Agreement (IGA) signed towards the end of 2022 between the CTA and the Chicago Police Department (CPD), which resulted in a significant increase in the number of CPD officers patrolling the CTA system on a regular and consistent basis. In addition, the new private security firms added during the second half of 2022, including the reincorporation of K-9 units, were able to ramp up their coverage and are now able to provide a steadier number of guards. These increases in officers and guards have helped improve the safety and security of CTA users across the system.

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For 2024, the CTA's security services are budgeted to be \$65.2 million. This represents a \$24.0 million increase, or 58.3 percent, over the 2023 budget; and a \$1.2 million increase, or 1.9 percent, compared to the 2023 forecast. The 2024 budget is on par with the expected 2023 expenses, which 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 \$68.1 million in 2025 and \$70.1 million in 2026. The annual growth rate is projected to be 4.5 percent for 2025 and 3.0 percent for 2026, due to annual contractual increases with private security firms.

[Bar Graph: Security Services Expense, \$ in Millions]

Year	(\$ in Millions)
2023 Forecast	\$ 63.9
2024 Proposed Budget	\$ 65.2
2025 Plan	\$ 68.1
2026 Plan	\$ 70.1

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 2023 forecast is \$20.2 million. Expenses are projected to decline to \$19.9 million in 2024 based on the actuarial valuation. Expenses are projected to increase 3.0 percent in 2025 and 2026, respectively.

[Bar Graph: Provision for Injuries and Damages Expense, \$ in Millions]

Year	\$ in Millions
2023 Forecast	\$20.2
2024 Proposed Budget	\$19.9
2025 Plan	\$20.4
2026 Plan	\$21.1

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 2023 at \$272.6 million, which is \$10.2 million, or 3.6 percent, lower than the 2023 budget, but \$31.5 million, or 13.1 percent, higher than 2022 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 2024, Other Expenses are budgeted to be \$334.5 million, an increase of \$51.7 million, or 18.3 percent, compared to the 2023 budget, and an increase of \$61.9 million, or 22.7 percent, compared to the 2023 forecast. The increase in 2024 budget is driven by contractual services and utilities. The increase in contractual services is primarily due to the Ventra upgrade and normal contractual cost escalation, while the increase in utilities is due to the increase in non-traction power costs.

For the 2-Year Financial Plan, Other Expenses are projected to be \$353.5 million in 2025 and \$366.4 million in 2026. Contractual services are projected to increase by 5.6 percent in 2025, compared to 2024 budget and by 2.8 percent in 2026, compared to 2025

plan. The increase for 2025 considers a 4.5 percent inflation rate and Ventra upgrade costs and the increase in 2026 considers a 3.0 percent inflation and Ventra upgrade costs.

[Table: Other Expenses, \$ in Millions]

Year	(\$ in Millions)
2023 Forecast	\$ 63.9
2024 Proposed Budget	\$ 65.2
2025 Plan	\$ 68.1
2026 Plan	\$ 70.1

Totals may not add up due to rounding.

Consolidated Operating Revenues

The following Consolidated Operating Revenues section will present the 2023 Operating Budget Forecast, 2024 Proposed Budget and 2025-2026 Financial Plan for each of the major revenue categories:

Table: Consolidated Operating Revenues 2023 Forecast, 2024 Proposed Budget, 2025 Plan, 2026 Plan]

\$ in Millions	Fares & Passes	Public Funding	Federal Relief	Advertising, Charters & Concessions	Reduced Fare Subsidy	Investment Income	Statutory Required Contributions	Other Revenue	Total Operating Revenue
2023 Forecast	\$326.6	\$1,061.8	\$314.7	\$32.1	\$15.2	\$7.9	\$5.0	\$22.9	\$1,786.2
2024 Proposed Budget	\$345.1	\$1,095.9	\$472.5	\$33.8	\$15.8	\$5.0	\$5.0	\$22.6	\$1,995.8
2025 Plan	\$361.1	\$1,131.7	\$481.2	\$34.9	\$15.8	\$3.3	\$5.0	\$23.3	\$2,056.4
2026 Plan	\$380.4	\$1,162.3	\$0.0	\$35.9	\$15.8	\$2.5	\$5.0	\$24.0	\$1,626.0

Totals may not add up due to rounding.

System-Generated Revenue

System-generated revenues for 2023 are forecasted to be \$409.7 million or \$16.2 million higher than the 2023 budget of \$393.6 million and \$34 million higher than 2022 actual revenue. The higher 2023 forecast compared to the 2023 budget is driven by higher-than-expected farebox revenue and investment income.

For 2024, system-generated revenues are budgeted to be \$427.4 million, an increase of \$33.8 million, or 8.6 percent, compared to the 2023 budget and an increase of \$17.7 million, or 4.3 percent, compared to the 2023 forecast. For the 2-Year Financial Plan, system-generated revenues are forecasted to increase to \$443.4 million in 2025 and to \$463.7 million in 2026.

Since the start of the COVID-19 pandemic, CTA has made multiple changes to its fare product offerings to make riding the CTA more convenient and affordable for all riders in the region. In November of 2021, CTA made permanent the fare reductions on 1-Day, 3-Day, and 7-Day passes introduced during the spring of 2021. In July of 2022, CTA introduced the Regional Connect Pass in partnership with Metra and

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Pace. The Regional Connect Pass costs \$30 and is available to holders of a Metra monthly pass. The Regional Connect Pass allows holders to ride all month on CTA and Pace with no day or time restrictions. In early 2023, CTA and Pace continued to make regional travel more convenient and affordable. CTA eliminated the \$25 7-Day CTA and Pace pass, and riders are now able to use the \$20 CTA pass on Pace as well. CTA also expanded the existing 1-Day and 3-Day passes to include Pace rides.

In 2024, CTA will expand its fare program to provide pre-loaded Ventra fare cards to victims and survivors of domestic violence and sexual assault. CTA will continue to work with our transit partners at Metra, Pace, and RTA on innovative fare solutions, including opportunities to further integrate fares and expand special fare programs, where possible.

Fare and pass revenues are forecasted to be \$326.6 million for 2023 which is \$11 million higher than the 2023 budget and \$35.7 million, or 12.3 percent, higher than the 2022 actual. While farebox revenues continue to recover from the COVID-19 pandemic, they remain below pre-pandemic levels due to decreased ridership.

Through August 2023, farebox revenues increased 14.2 percent compared to the same period in 2022 and reached 55.8 percent of farebox revenues during the same period in 2019. CTA's fare product changes have been instrumental in the recovery of ridership and revenue compared to 2019.

Specifically, short-term fare products such as the 1-Day, 3-Day and 7- Day passes have shown significant recovery compared to 2019. Through August 2023, 1-Day pass revenue was 208.2 percent of 2019 revenue during the same period, 3-Day pass revenue was 66.2 percent, and 7-Day pass revenue was 71.5 percent.

While ridership and revenue on short-term fare products have shown strong recoveries compared to 2019, ridership and revenue on fare products with significant pre-pandemic commuter usage continue to lag systemwide recovery compared to 2019. Through August 2023, 30-Day pass revenue was 40.2 percent of 2019 revenue during the same period and rail full fare revenue was 46.0 percent due to the increase in remote work.

For 2024, revenue from fares and passes is budgeted to be \$345.1 million, which is \$29.6 million, or 9.4 percent, higher than the 2023 budget and \$18.5 million or 5.7 percent higher than the 2023 forecast. The increase in farebox revenue is due to higher projected ridership as the recovery from the COVID-19 pandemic continues. CTA has seen its highest post-pandemic ridership days in September 2023 as schools, work, and other travel returned at a higher rate than previous year. For the Two-Year Financial Plan, fare and pass revenues are projected to increase by \$16 million to \$361.1 million in 2025 and by \$19.3 million to \$380.4 million in 2026.

[Bar Graph: Fare Revenue Overview, \$ in Millions]

Year	Fares & Passes
2017	\$559.5
2018	\$588.8
2019	\$583.5
2020	\$232.8
2021	\$290.9
2022	\$326.6
2023 Forecast	\$326.6
2024 Proposed Budget	\$345.1
2025 Plan	\$361.1
2025 Plan	\$380.4

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 covered 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 2024 proposed budget assumes the reduced fare subsidy cut will continue next year, resulting in reimbursement of \$15.8 million for 2024, a 43.6 percent reduction in the historic funding of \$28 million for this program. The 2-Year Financial Plan assumes the subsidy will continue to be appropriated at the reduced level of \$15.8 million in 2025 and 2026.

Advertising, charters, and concessions revenues include advertisements on buses, trains and stations, income from concessions, and other non-farebox 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 2023 are forecasted to be \$32.1 million, which is \$0.7 million less than 2023 budget. The 2024 budget is \$33.8 million, which is \$1 million higher than the 2023 budget and \$1.7 million higher than the 2023 forecast. For the Two-Year Financial Plan, revenue from advertising, charters, and concessions is expected to grow by \$1 million in 2025 and 2026 to \$34.9 million and \$35.9 million, respectively.

Investment income is revenue generated from interest on cash balances held at financial institutions.

Interest income for 2023 is forecasted to be \$7.9 million, which is \$5.4 million higher than budget due to higher market interest rates. For 2024 investment income is budgeted at \$5 million, which is \$2.5 million higher than the 2023 budget and \$2.9 million lower than 2023 forecast, as the Federal Reserve is expected to begin lowering interest rates in 2024. For the Two-Year Financial Plan, investment income is expected to decrease, generating \$3.3 million in 2025 and \$2.5 million in 2026.

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 2023, other revenue is forecasted to be \$22.9 million or \$0.2 million lower than the 2023 budget due to lower rental, and non-capital grant

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revenue. For 2024, other revenue is budgeted at \$22.6 million, or \$0.3 million less than 2023 forecast. For the 2-Year Financial Plan, Other Revenue is expected to grow by \$0.7 million in 2025 to \$23.3 million and by \$0.7 million to \$24 million in 2026 due to efforts to increase non-farebox 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 2023, the RTA is forecasting public funding to be \$1,061.8 million, which is \$17.8 million or 1.7 percent higher than the 2023 budget and \$7.8 million higher than 2022 actuals, driven by higher than projected sales tax and PTF revenue.

For 2024, public funding is projected by the RTA to be \$1,095.9 million which is \$51.8 million, or 5 percent higher than the 2023 budget and \$34 million or 3.2 percent higher than the 2023 forecast. For the Two-Year Financial Plan, the RTA public funding marks for CTA are projected to increase by 3.3 percent in 2025 and 2.7 percent in 2026.

[Stacked Bar Graph: 2023-2026 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
2023 Forecast	\$492.9	\$295.7	\$91.4	\$70.2	\$71.8	\$16.5	\$23.4	\$0.0	\$1,061.8
2024 Proposed Budget	\$509.6	\$301.3	\$93.5	\$72.5	\$73.2	\$18.0	\$27.7	\$0.0	\$1,095.9
2025 Plan	\$524.9	\$313.3	\$97.2	\$74.6	\$71.1	\$18.7	\$31.9	\$0.0	\$1,131.7
2026 Plan	\$538.5	\$321.5	\$99.7	\$76.6	\$68.9	\$19.1	\$37.9	\$0.0	\$1,162.3

Totals may not add up due to rounding.

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 three 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 used federal relief funding to offset the decrease in system-generated revenue and the increase in operating expenses due to the COVID-19 pandemic.

Federal relief funding for 2023 is forecasted to be \$314.7 million, which is \$75.3 million less than the 2023 budget due to increased system-generated revenues and decreased operating expenses relative to budget. For 2024, federal relief funding is budgeted at \$472.5 million, which is \$82.6 million higher than the 2023 budget and \$157.8 million higher than 2023 forecast.

For the Two-Year Financial Plan, there is a projected budget gap of \$1,108.6 million over 2025-2026. Federal relief funds will cover \$481.2 million of the 2025 gap leaving a shortfall of \$50.4 million. In 2026 an operating budget shortfall of \$576.9 million is projected.

Budget balancing actions will be required, and as discussed earlier, CTA is working with various stakeholders to address the fiscal cliff facing the transit agencies in the region and nationally.

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. 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 2024, the CTA expects that system ridership will increase by 15.5 million rides to 289 million rides in comparison to the 2023 forecast of 273.5 million rides. Bus ridership is expected to increase by 9.7 million rides to 168.1 million rides in 2024, while rail ridership is expected to increase by 5.9 million rides to 121 million rides. The projected increase is impacted by the simplified fare structure as well as the continued return to a “new normal” in 2024. Total ridership is expected to grow to 302.5 million rides in 2025, 66 percent of 2019 pre-pandemic levels. In 2026, ridership is projected to be 318.7 million rides, or 70 percent of 2019. Bus rides are expected to make up approximately 58 percent of total ridership, with rail rides at 42 percent.

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[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	140.0	103.5	240.7
2023 Forecast	158.4	115.1	273.5
2024 Proposed Budget	168.1	121.0	289.1
2025 Plan	175.9	126.6	302.5
2026 Plan	185.3	133.4	318.7

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 through 2023 and further extended the waiver through 2025. RTA has set the required recovery ratio for CTA at 42.0 percent for 2023 through 2026. The recovery ratio is inclusive of federal relief funds and budget balancing actions.

[Bar Graph: Recovery Ratio in Percentage]

Year	Recovery Ratio
2023 Forecast	48.13%
2024 Proposed Budget	52.50%
2025 Plan	53.54%
2026 Plan	54.36%

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 2024, the total budgeted revenue is projected to be \$1,995.8 million, with system-generated revenue contributing 21.4 percent or \$427.4 million, public funding contributing 54.9 percent or \$1,095.9 million, and federal relief funding accounting for 23.7 percent or \$472.5 million.

In the five years preceding the pandemic, system-generated revenue funded roughly 46 percent of operating revenue and public funding contributed the remaining 54 percent. During the height of the pandemic, in 2020-2021, the system-generated revenue contribution dropped to 21 percent, and continues to be below 25 percent.

[Table: Operating Funding Sources Percentages]

	Pre-Pandemic 2015-2019 Avg	Pandemic 2020	Pandemic 2021	2022 Actual	2023 Forecast	2024 Proposed Budget
System Generated Revenue	46%	20%	21%	24%	23%	21%
Public Funding	54%	48%	60%	67%	59%	55%
Federal Relief Funding		31%	19%	10%	18%	24%

Public Funding, however, has increased significantly due to the application of the local sales tax rate to online sales, legalization of cannabis as well as inflation. In 2022, public funding increased by \$207.8 million to \$1,053.9 million. The increase in public funding coupled with the increase in system-generated revenue, reduced the reliance on federal relief funds. In 2023 and 2024 public funding continues to increase, 0.8 percent and 3.2 percent, respectively. Additional funding will be necessary once federal relief funds are exhausted.

System-Generated Revenues

[Pie Chart: 2023 Total Operating Revenue, \$ in Millions]

Revenue Type	Amount	Percent
Public Funding	\$ 1,095.9	54.9%
Fares and Passes	\$ 345.1	17.3%
Advertising, Charters and Concessions	\$ 33.8	1.7%
Investment Income	\$ 5.0	0.3%
Federal Funding	\$ 472.5	23.7%
Reduced Fare Subsidy	\$ 15.8	0.8%
Statutory Required Contributions	\$ 5.0	0.3%
All Other Revenue	\$ 22.6	1.1%
Total Operating Revenue	\$ 1,996	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 2024, system-generated revenue is budgeted at \$427.4 million which is \$33.8 million or 8.6 percent higher than the 2023 budget and \$17.7 million or 4.3 percent higher than the 2023 forecast. The year over year projected increase in total system-generated revenue is attributed primarily to increased ridership as transit continues 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 1-Day, 3-Day and 7-Day passes, single ride tickets, CTA’s U-Pass Program, bulk pass sales, and the Regional Connect pass. Fare and pass revenue for 2024 is budgeted at \$345.1 million, which is \$18.5 million higher than the 2023 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 2023 - August 2023 to the same period in 2020 and 2021, the height of the pandemic, farebox revenues have increased 85.4 percent over 2020 and 46.4 percent over 2021. The fare changes highlighted below, which were implemented during the pandemic recovery, have been 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
 - 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 the \$55 CTA Metra Link-Up and Pace PlusBus Passes starting July 1, 2022).
- Continuing the partnership with Pace, in 2023 the 1-Day and 3-Day passes became eligible for Pace rides. In addition, the \$20 7-Day pass is also now eligible for Pace rides, eliminating the \$5 premium.
- Expanding fare programs in 2024 to provide pre-loaded Ventra fare cards for victims and survivors of domestic violence and sexual assault.
- CTA will continue to work with our transit partners at Metra, Pace, and RTA on innovative fare solutions, including opportunities to further integrate fares and expand special fare programs, where possible.

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[Operating Funding Summary]

[Table: CTA Fare Chart]

	Current Structure (eff.2/20/23)
CTA Regular Fare Types	
Full Fare Bus [1]	\$2.25
Full Fare Rail [1]	\$2.50
Full Fare Cash (Bus only; no transfers)	\$2.50
PAYG [2]	\$2.25 bus/\$2.50 rail
Transfer	\$0.00
Single Ride Ticket [3]	\$3.00
CTA/Pace 1-Day/24-Hour Pass	\$5
CTA/Pace 3-Day/72-Hour Pass	\$15
CTA/Pace 7-Day Pass	\$20
CTA/Pace 30-Day Pass	\$75
Regional Connect Pass [4]	\$30
O'Hare Station Fare [5]	\$5.00
Reduced Fare Types [6]	
Reduced Fare Bus	\$1.10
Reduced Fare Rail	\$1.25
Reduced Fare Cash (Bus Only; no transfers)	\$1.25
Transfer	\$0.00
CTA/Pace 30-Day Reduced Pass	\$35
O'Hare Station Fare	\$1.25
Student Fare	
Bus & Rail Student Permit Fare	\$0.75
Transfer	\$0.00
Student Fare Cash (Bus Only)	\$0.75
#128 Soldier Field Express	
All Roundtrips	\$0.75
	\$2.50 reduced fare

[Picture: 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] Replaced the Metra Link Up pass effective July 1, 2022, which was priced at \$55.

[5] O'Hare Employees pay the regular rail base fare at O'Hare Blue Line Station

[6] 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 aged 7-11.

The fare structure overhaul demonstrated CTA’s commitment to transit affordability and equity, especially for our bus riders, and laid the foundation as we continue to 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 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. The President’s 2024 proposed budget preserves overall service levels. Moreover, the consolidation of the CTA and Pace 1-Day, 3-Day and 7-Day Passes as shared passes, as well as adding the Regional Connect Pass for CTA, Pace and Metra, further demonstrates 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 free and reduced 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. In 2024 the fare subsidy increases from \$14.6 million to \$15.8 million. The increase is to assist the CTA in providing preloaded transit cards under the Domestic Violence and Sexual Assault RTA Public Transportation Assistance program created as part of Public Act 103-0281 passed by the Illinois legislature in July 2023.

Advertising, Charters, and Concessions

Advertising, charters, and concessions revenue for 2024 is budgeted to be \$33.8 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 2024 is projected to be \$5.0 million. The Federal Open Market Committee (FOMC) seeks to achieve maximum employment and to maintain inflation at the rate of 2.0 percent long term. In support of these goals, the Committee has increased the target range for the federal funds rate to 5.25 to 5.50 percent and anticipates that there may be one more rate increase and that rates may be higher for longer. It is also expected that the Federal Funds Rate would be lowered in 2024. 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	Federal Funds Rate
	(in Millions)	(at year end)
2020	\$1.22	0.1%
2021	\$0.26	0.1%
2022	\$3.69	4.4%
2023 Forecast	\$7.88	5.6%
2024 Proposed Budget	\$5.00	5.1%

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 \$22.6 million in 2024. 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 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

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[Operating Funding Summary]

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 2024 budget passed in June 2023 continues the 1.5 percent surcharge levied on sales tax receipts.

[Table: RTA Sales Tax Revenue by Locality in Percentage]

	Chicago	Suburban Cook	Collar Counties
CTA	100%	30%	0%
Metra	0%	55%	70%
Pace	0%	15%	30%
Total:	100%	100%	100%

[Table: Sales Tax I – FY24 Sales Tax Revenue (\$ in Thousands)]

	Chicago	Suburban Cook County	Collar Counties	Total
CTA	\$ 352,406	\$ 157,179	\$ -	\$ 509,585
Metra	-	\$ 288,161	\$ 114,246	\$ 402,407
Pace	-	\$ 78,589	\$ 48,963	\$ 127,552
RTA	\$ 62,189	\$ 92,458	\$ 28,802	\$ 183,449
Total:	\$ 414,595	\$ 616,388	\$ 192,010	\$ 1,222,993

Totals may not add up due to rounding

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. 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. ICE funds are included in the Capital Improvement Program (CIP).

[Table: 2024 Public Funding Allocation Charts (\$ in Thousands)]

2024 Service Board Funding	RTA	CTA	Metra	Pace -SS	Pace - Paratransit	Total
Sales Tax I & PTF I	\$490,931	\$509,584	\$402,407	\$127,552	\$0	\$1,530,475
Sales Tax II & PTF II	\$0	\$166,752	\$135,486	\$45,162	\$226,864	\$574,264
RTA Non-Statutory	-\$365,271	\$329,071	\$22,538	\$13,662	\$0	\$0
Real Estate Transfer Tax (25% PTF)	\$0	\$17,987	\$0	\$0	\$0	\$17,987
RTA Suburban Community Mobility Funds	\$0	\$0	\$0	\$33,645	\$0	\$33,645
RTA South Suburban Job Access Fund	-\$7,500			\$7,500		\$0
						\$0
State Funding for ADA	\$0	\$0	\$0	\$0	\$9,108	\$9,108
RTA Agency Revenue	\$4,137	\$0	\$0	\$0	\$0	\$4,137
State Financial Assistance (ASA/AFA)	\$117,615	\$0	\$0	\$0	\$0	\$117,615
Total RTA Funds	\$239,912	\$1,023,395	\$560,431	\$227,521	\$235,973	\$2,287,232
Real Estate Transfer Tax (City of Chicago)	\$0	\$72,455	\$0	\$0	\$0	\$72,455
Total Funds	\$239,912	\$1,095,850	\$560,431	\$227,521	\$235,973	\$2,359,687
ICE Funding/State ADA funding*	\$16,823	\$0	\$0	\$0	\$0	\$16,823
State Reduced Fare Reimbursement**	\$0	\$15,847	\$1,756	\$1,460	\$0	\$19,063
Percentage of Total Public Funds	10.2%	46.4%	23.8%	9.6%	10.0%	100.0%

*Includes ICE funding to be distributed to the Service Boards in 2026

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

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[Operating Funding Summary]

[Table: 2024 Public Funding Allocation Charts in Thousands. Graphic description of how funds flow to CTA based on 1983 Formula and 2008 Legislation]

1983 Formula					
		State Tax* \$1,222,993		PTF 25% Sales Tax Match \$307,482	
	Chicago 1% Tax \$414,595	Cook 1% Tax \$616,388	Collar 0.25% Tax \$192,010		Pace Job Access Fund
15%	RTA \$62,189	RTA \$92,458	RTA \$28,802	100% RTA \$490,931	\$7,500
85%	CTA 100% \$352,406	CTA 30% \$157,179	Metra 70% \$114,246	Non-Statutory Operating Funding PTF/Sales Tax \$307,483/\$57,790	
		Metra 55% \$288,161	Pace SS 30% \$48,963	CTA \$301,333/\$27,739	
		Pace SS 15% \$78,589		Metra \$0/\$22,538	
				Pace SS \$6,150/\$7,513	

2008 Legislation			
Sales Tax*		PTF	Tax
\$429,928		\$212,791	\$72,455
Less:		Less:	
ICE Funding		CTA 25%	CTA 100%
\$16,823		PTF (RETT)	\$72,455
Pace ADA		\$17,987	
Paratransit			
Funding			
\$235,973			
Pace Suburban			
Mobility Fund			
\$33,645			
	Combined of Net		
	Sales Tax \$143,487		
	and PTF \$194,804		
	= \$338,291		
	CTA 48% \$166,752	Metra 39%	Pace SS 13%
		\$135,486	\$45,162

2024 Totals				
RTA	CTA	Metra	Pace-SS	Pace-Para
\$256,735	\$1,095,850	\$523,587	\$227,521	\$235,973
10.8%	46.1%	23.6%	9.6%	9.9%

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 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. 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 beyond 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: 2020-2026 Fund Balance: Unrestricted Net Position (\$ in Thousands)]

	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget	2025 Plan	2026 Plan
Total Operating Expenses	\$1,537,826	\$1,585,216	\$1,581,550	\$1,786,240	\$1,995,789	\$2,106,776	\$2,202,916
Total System Generated Revenue	\$314,064	\$329,658	\$375,743	\$409,741	\$427,423	\$443,424	\$463,673
Funding Requirement	\$1,223,762	\$1,255,558	\$1,205,807	\$1,376,499	\$1,568,366	\$1,663,352	\$1,739,243
Public Funding	\$739,933	\$950,394	\$1,053,872	\$1,061,846	\$1,095,850	\$1,131,705	\$1,162,295
FTA Operating Assistance	\$483,829	\$305,164	\$151,935	\$314,653	\$472,516	\$481,227	\$0
Budget Balancing Actions	\$0	\$0	\$0	\$0	\$0	\$50,420	\$576,949
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	-\$3,332,476	\$3,318,615	\$3,278,682	-\$3,114,747	-\$3,115,597	\$3,116,358	-\$3,117,388
Net operating results (PBV)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less other obligations	\$14,184	\$40,813	\$164,926	\$0	\$0	\$0	\$0
Less capital expended from net position (PBV)	-\$323	-\$880	-\$991	-\$850	-\$761	-\$1,030	-\$709
Ending Balance	-\$3,318,615	\$3,278,682	\$3,114,747	-\$3,115,597	-\$3,116,358	\$3,117,388	-\$3,118,097

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.

[Bar Graph: % of Bus Bug Gap Intervals]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	13.40%	12.20%	11.00%	11.40%	14.20%	13.30%	13.40%	13.70%	12.90%	11.70%	11.30%	12.30%
2023	7.50%	6.10%	5.60%	6.60%	7.20%	6.80%						

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 or more minutes), which can significantly disrupt system operations and rider experience. This includes delays caused by CTA personnel actions and activities, equipment failures, disturbances, and passengers.

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	272	244	265	280	258	225	203	240	225	232	217	262
2023	215	213	212	211	206	199						

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. A higher number is better for these metrics.

Because the age of a vehicle impacts its performance, the CTA bus fleet is broken down into several “series” of buses based on purchase year. The first graph below shows system-wide performance, while the second graph contains data by series.

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

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	5,464	5,459	6,161	5,231	4,552	4,237	4,520	4,741	5,135	5,847	5,458	4,574
2023	4,844	4,535	5,795	5,563	5,051	4,911						

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

Date	600 Series	1000 Series	4000 Series	4300 Series	7900 Series
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
Jul'22	1,794	4,750	3,349	2,602	4,989
Aug'22	1,084	4,862	2,872	4,598	5,362
Sep'22	6,021	5,113	2,792	3,164	6,863
Oct'22	3,000	5,698	3,455	3,715	8,179
Nov'22	4,781	5,641	3,591	3,344	7,013
Dec'22	3,872	4,197	3,632	3,482	5,132
Jan'23	3,231	4,662	3,002	3,551	6,120
Feb'23	8,001	4,460	3,074	4,261	5,255
Mar'23	252	4,836	3,599	4,042	7,313
Apr'23	382	5,469	3,027	2,870	7,239
May'23	589	4,608	2,718	3,324	6,275
Jun'23	12,675	4,375	2,952	3,815	6,768

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
1000 ('06)	1,030	15.8
4000* ('08)	208	14.3
4300* ('12)	100	10.3
7900* ('15)	639	5.5
600 ('20)	9	1.2

Series listed with first purchasing year in parentheses. Average ages in years through June 2023. 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 4 “series” of railcars based on purchase year. Performance of the various sub-fleets is broken out below.

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	6,269	8,394	8,242	7,744	6,634	5,915	7,161	6,110	7,462	7,542	6,995	6,201
2023	8,025	6,826	8,411	8,465	7,940	6,384						

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

	2600 Series	3200 Series	5000 Series	7000 Series
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	
Jul'22	5,270	7,282	9,237	
Aug'22	4,517	6,118	8,266	
Sep'22	5,232	6,562	11,400	
Oct'22	5,131	6,496	11,379	
Nov'22	5,633	7,117	8,621	
Dec'22	4,354	6,291	8,340	7,484
Jan'23	6,268	6,629	10,789	1,818
Feb'23	5,046	8,026	8,319	5,810
Mar'23	5,435	7,576	13,856	6,561
Apr'23	5,474	7,204	13,627	3,573
May'23	5,846	6,319	12,286	14,890
Jun'23	3,481	5,695	10,928	4,639

Vehicle Unavailability and Age of Fleet

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.

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)	499	38.7
3200 (1992)	257	29.2
5000 (2009)	714	9.7
7000 (2009)	48	0.8

Series listed with first purchasing year in parentheses. Average ages in years through June 2023.

[Line Graph: Railcar Unavailability by Series]

Year	2600 Series	3200 Series	5000 Series	7000 Series
Jan'22	14.35%	8.17%	8.67%	
Feb'22	12.44%	9.71%	6.58%	
Mar'22	10.72%	8.24%	6.23%	
Apr'22	10.01%	9.88%	6.92%	
May'22	12.22%	13.86%	6.68%	
Jun'22	11.36%	10.06%	7.68%	
Jul'22	14.03%	9.42%	8.17%	
Aug'22	13.58%	9.92%	7.55%	
Sep'22	16.50%	9.85%	8.39%	
Oct'22	15.84%	10.66%	8.77%	
Nov'22	14.06%	9.39%	7.41%	
Dec'22	15.73%	11.24%	7.70%	13.53%
Jan'23	16.87%	10.82%	6.22%	9.47%
Feb'23	17.36%	9.98%	9.27%	12.63%
Mar'23	18.87%	7.90%	7.62%	7.83%
Apr'23	20.64%	8.71%	9.63%	12.21%
May'23	15.25%	7.66%	8.10%	6.31%
Jun'23	15.42%	10.56%	8.24%	10.34%

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%	15.8%	14.7%	16.0%	15.2%	16.8%	16.4%
2023	16.8%	16.1%	16.9%	16.9%	17.1%	17.4%						

Additional Metrics

Bus Operator Workforce and Hiring

CTA is addressing a workforce deficit with a variety of programs, including an enhanced and streamlined job applicant experience with on-demand interviews so applicants can complete all necessary steps at their convenience online. CTA also pays for applicants to receive commercial learner’s permit CDL instructions via City Colleges of Chicago. With these initiatives, plus the change to directly hiring full-time bus operators and increasing their pay rate, hiring has significantly increased and we're on track to surpass our goal of 700 bus operators and set new hiring records in 2023.

[Bar Graph: Bus Operator Active Headcount]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	3,299	3,229	3,212	3,229	3,245	3,219	3,202	3,202	3,211	3,205	3,194	3,181
2023	3,208	3,220	3,279	3,307	3,317	3,345						

Bus General Cleans

The CTA remains acutely focused on keeping its trains, buses, and stations clean and sanitized. Vehicles and stations are cleaned every day, multiple times a day, with an emphasis on high-touch surfaces. The number of general cleans, which entails intensive cleanings of the interior surfaces from the top of windows to the floor, is shown below.

[Bar Graph: Bus General Cleans]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	6,895	5,832	6,326	6,325	6,688	6,482	6,006	5,948	4,610	4,121	3,299	4,361
2023	3,219	2,222	2,014	1,583	1,706	1,573						

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. Workforce unavailability is one of the main factors impacting service delivery.

[Bar Graph: Bus Delivered Hours]

Date	Bus Delivered Hours	Pre or Post COVID
Jan-19	414,906.4	Pre
Feb-19	377,299.1	Pre
Mar-19	411,100.0	Pre
Apr-19	407,853.8	Pre
May-19	415,222.0	Pre
Jun-19	393,733.7	Pre
Jul-19	413,944.6	Pre
Aug-19	415,980.4	Pre
Sep-19	445,533.5	Pre
Oct-19	481,734.7	Pre
Nov-19	446,717.3	Pre
Dec-19	443,818.2	Pre
Jan-20	415,012.0	Pre
Feb-20	386,006.0	Pre
Mar-20	397,329.0	Post
Apr-20	346,996.0	Post
May-20	341,992.0	Post
Jun-20	358,426.0	Post
Jul-20	375,226.0	Post
Aug-20	368,147.0	Post
Sep-20	367,236.0	Post
Oct-20	385,059.0	Post
Nov-20	355,016.0	Post
Dec-20	380,840.0	Post
Jan-21	374,021.0	Post
Feb-21	338,525.0	Post
Mar-21	389,114.0	Post
Apr-21	361,838.0	Post
May-21	350,255.0	Post
Jun-21	361,929.0	Post
Jul-21	367,732.0	Post
Aug-21	367,984.0	Post
Sep-21	349,433.0	Post
Oct-21	352,850.0	Post
Nov-21	345,976.0	Post
Dec-21	338,960.0	Post
Jan-22	333,586.0	Post
Feb-22	316,330.0	Post
Mar-22	359,282.0	Post
Apr-22	336,941.0	Post
May-22	331,147.0	Post
Jun-22	328,674.0	Post
Jul-22	324,778.0	Post
Aug-22	345,828.0	Post
Sep-22	334,510.7	Post
Oct-22	347,908.7	Post
Nov-22	342,273.2	Post
Dec-22	344,765.4	Post
Jan-23	346,707.8	Post
Feb-23	316,426.1	Post
Mar-23	356,198.4	Post
Apr-23	335,579.6	Post
May-23	346,562.2	Post
Jun-23	336,243.3	Post

Rail Double Headways

Rail operations measures the reliability and frequency of service by measuring the headways or time between each train. Double headways are the number of trains, counted at specific locations, where the headway (or interval between trains) is greater than or

equal to twice the scheduled headway. e.g. the train is scheduled every 5 minutes, but the next train arrives 10 minutes after the prior train.

[Bar Graph: Rail Double Headways]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	6,895	5,832	6,326	6,325	6,688	6,482	6,006	5,948	4,610	4,121	3,299	4,361
2023	3,219	2,222	2,014	1,583	1,706	1,573						

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[Operating Statistics]

The following is a snapshot of key operating statistics for the following time periods: 2019 through 2022 actual, 2023 forecast, and 2024 budget.

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Scheduled Transportation Expense	\$ 178.4	\$ 120.0	\$ 116.8	\$ 121.2	\$ 127.7	\$ 139.3
Terminal Maintenance Expense	\$ 50.1	\$ 50.6	\$ 55.1	\$ 58.7	\$ 66.3	\$ 79.5
Support Expense	\$ 48.9	\$ 50.2	\$ 49.9	\$ 51.7	\$ 54.7	\$ 53.6
Heavy Maintenance Expense	\$ 17.7	\$ 17.3	\$ 18.8	\$ 22.2	\$ 25.4	\$ 36.8
Rail Car Appearance Expense	\$ 15.3	\$ 18.6	\$ 19.1	\$ 19.2	\$ 21.9	\$ 25.1
Other Expenses	\$ 10.8	\$ 11.2	\$ 12.0	\$ 13.0	\$ 15.6	\$ 18.5
Total Operating Expense	\$ 321.2	\$ 267.9	\$ 271.6	\$ 285.9	\$ 311.7	\$ 352.8

Totals may not add up due to rounding

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Scheduled Transportation Expense	\$ 418.7	\$ 403.6	\$ 390.5	\$ 392.2	\$ 450.5	\$ 496.3
Garage Maintenance Expense	\$ 136.1	\$ 134.2	\$ 134.9	\$ 137.0	\$ 169.9	\$ 131.6
Support Expense	\$ 23.0	\$ 23.2	\$ 23.1	\$ 24.8	\$ 26.7	\$ 28.8
Heavy Maintenance Expense	\$ 23.3	\$ 25.3	\$ 26.5	\$ 37.6	\$ 38.8	\$ 41.9
Other Expenses	\$ 32.3	\$ 31.4	\$ 32.0	\$ 33.4	\$ 35.3	\$ 80.0
Total Operating Expense	\$ 633.4	\$ 617.7	\$ 607.0	\$ 625.1	\$ 721.3	\$ 778.6

Totals may not add up due to rounding

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[Operating Statistics]

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

Metric	Mode	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Annual Revenue Miles	Bus	52,816,557	49,278,477	46,999,961	44,199,272	46,916,007	53,154,158
	Rail	73,574,040	69,510,641	72,369,642	66,984,263	70,963,389	78,229,678
Annual Revenue Hours	Bus	5,814,122	5,423,534	5,156,899	4,830,866	5,158,906	5,851,268
	Rail	4,065,132	3,855,798	4,032,851	3,742,178	3,937,172	4,322,367
Vehicles Operated in Maximum Service	Bus	1,566	1,555	1,509	1,274	1,286	1,576
	Rail	1,164	1,148	1,168	906	838	1,164
Vehicles Operated in Maximum Service	Bus	1,864	1,864	1,864	1,864	1,864	1,864
	Rail	1,462	1,462	1,462	1,462	1,462	1,462
Vehicles Operated in Maximum Service	Bus	9	10	11	12	12	12
	Rail	18	19	20	21	22	21
Average Age of Vehicles (Years)	Bus	10	11	12	12	12	13
	Rail	19	20	21	22	21	20

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Bus Ridership	236.9	121.4	117.4	140.0	158.4	168.1
Rail Ridership	218.3	76.0	78.6	103.5	115.1	121.0
Totals	455.2	197.5	196.0	243.5	273.5	289.0

Totals may not add up due to rounding

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Avg. Daily Weekday	1,467.0	623.2	597.1	765.6	852.5	897.4
Avg. Daily Saturday	853.4	397.9	456.5	513.2	593.6	622.7
Avg. Daily Sunday	632.8	297.7	342.1	377.3	442.8	464.4

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Avg. Fare per Trip	\$ 1.3	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2
Public Funding per Trip	\$1.4	\$6.2	\$6.6	\$5.0	\$3.9	\$3.8

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

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Forecast	2024 Proposed Budget
Fuel Expense	\$40.4	\$37.1	\$30.8	\$27.2	\$43.4	\$49.1
Power Expense	\$31.6	\$24.7	\$25.1	\$18.3	\$32.8	\$36.7

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 2021 National Transit Database (NTD; data can be found at Federal Transit Administration (dot.gov)). 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, 2021 – December 31, 2021: CTA, NYCT.

The following agencies reported data for July 1, 2020 – June 30, 2021: 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	2,685	3,342
MBTA	Boston	3,109,000	3,244	2,252	3,410
NYCT	New York	8,804,000	321	10,075	11,296
SEPTA	Philadelphia	3,439,000	836	2,099	2,843
WMATA	Washington D.C.	4,915,000	1,349	2,728	3,563
MARTA	Atlanta	2,129,000	949	842	1,149
LACMTA	Los Angeles	10,510,000	4,093	2,541	3,762

[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	\$2.90	\$7.00	\$2.90	\$132	\$1.45
SEPTA	\$2.00	---	\$2.00	\$96	Senior: Free Disabled: \$1.25
MBTA	\$1.70	\$4.25 \$2.10 Senior/Disabled	\$2.40	\$90.00	\$0.85 – Bus \$1.10 – Rail
WMATA	\$2.00	\$4.25 Regular \$2.10 Senior/Disabled	\$2.00 - \$6.00 ¹	\$64.00- \$192.00	\$1.00 – Bus \$1.00-\$3.00 – Rail ¹
LACMTA	\$1.75	\$2.50 Regular \$1.35 Senior/Disabled	\$1.75	--- ²	\$0.75 Rush Hours; \$0.35 Non-Rush Hours

¹ 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).

² As of June 30, 2023, LACMTA has discontinued its 30-day pass and now offers 1-day and 7-day fare capping. Over four weeks, LACMTA riders will pay no more than \$72.

[Table: Comparative Characteristics by Mode*]

Agency	Heavy Rail			Urban Bus		
	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips
CTA	\$673	72.4	78.6	\$816	47.0	117.4
MBTA	\$339	22.3	44.8	\$485	21.0	47.8
NYCT	\$5,027	331.3	1,311	\$2,752	80.8	393.0
SEPTA	\$207	16.2	28.6	\$655	38.8	60.3
WMATA	\$1,245	72.8	36.6	\$720	29.2	52.3
MARTA	\$217	17.2	18.5	\$251	26.0	27.3
LACMTA	\$164	6.2	18.9	\$1,049	55.8	148.8

*Numbers in millions unless otherwise noted

*NTD Data can be found at Federal Transit Administration ([dot.gov](https://www.fta.dot.gov))

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[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
CTA	\$ 9.3
MBTA	\$ 15.2
NYCT	\$ 15.2
SEPTA	\$ 12.8
WMATA	\$ 17.1
MARTA	\$ 12.6
LACMTA	\$ 26.2

Peer Average: \$16.05

[Bar Graph: Operating Expense per Unlinked Trip]

Agency	Amount
CTA	\$ 8.6
MBTA	\$ 7.6
NYCT	\$ 3.8
SEPTA	\$ 7.2
WMATA	\$ 34.1
MARTA	\$ 11.7
LACMTA	\$ 8.7

Peer Average: \$12.2

[Bar Graph: Miles Between Major Mechanical Failures in Thousands]

Agency	Amount
CTA	162.3
MBTA	48.5
NYCT	151.3
SEPTA	326.1
WMATA	375.1
MARTA	22.0
LACMTA	65.0

Peer Average: 164.6

[Bar Graph: Fare Recovery Ratio]

Agency	Percent
CTA	16.2%
MBTA	20.1%
NYCT	35.3%
SEPTA	16.7%
WMATA	6.2%
MARTA	12.5%
LACMTA	1.5%

Peer Average: 15.4%

Urban Bus

[Bar Graph: Operating Expense per Vehicle Revenue Mile]

Agency	Amount
CTA	\$ 17.4
MBTA	\$ 23.1
NYCT	\$ 34.0
SEPTA	\$ 16.9
WMATA	\$ 24.6
MARTA	\$ 9.7
LACMTA	\$ 18.8

Peer Average: \$21.2

[Bar Graph: Operating Expense per Unlinked Trip]

Agency	Amount
CTA	\$ 7.0
MBTA	\$ 10.1
NYCT	\$ 7.0
SEPTA	\$ 10.9
WMATA	\$ 13.8
MARTA	\$ 9.2
LACMTA	\$ 7.1

Peer Average: \$9.7

[Bar Graph: Miles Between Major Mechanical Failures in Thousands]

Agency	Amount
CTA	4.9
MBTA	51.8
NYCT	9.5
SEPTA	10.3
WMATA	13.9
MARTA	3.5
LACMTA	10.9

Peer Average: 16.6

[Bar Graph: Fare Recovery Ratio]

Agency	Percent
CTA	16.8%
MBTA	6.7%
NYCT	18.5%
SEPTA	11.5%
WMATA	2.8%
WMATA	9.3%
LACMTA	1.5%

Peer Average: 8.4%

Sustainability Initiatives

Sustainable Transportation and Climate Impact

Public transit is the web connecting critical social, economic, and environmental services for all individuals, businesses, and institutions in a sustainable community. CTA is proud to serve 35 municipalities in the Chicago region with public transit rail and bus services providing quality, affordable mobility with lower environmental impact than other modes of motorized transportation.

CTA's service enables area residents and visitors to access jobs, education, healthcare, airports, and other amenities throughout the region. CTA's railcars and buses are shared-use vehicles that 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 having alternatives to driving, experiencing reduced congestion, and more affordable, accessible, equitable, and active transportation options.

Public transit offers both direct and indirect environmental benefits. The direct benefit is reducing energy consumption by aggregating riders in a single, shared vehicle, rather than 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 affecting local air quality, including carbon monoxide, lead, ground-level ozone, particulate matter, nitrogen dioxide, and sulfur dioxide. Globally, conversion to shared vehicle transit use decreases carbon dioxide emissions, the greenhouse gas 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. Electric powered trains and buses produce no emissions directly in Chicago's densely populated communities, and electric-powered engines are more pollution-efficient overall compared to internal combustion engines. The electrification of CTA's bus fleet is providing the same layered environmental benefits that electric rail already provides today.

The indirect environmental benefits of CTA's transit service are traffic congestion relief and compact development patterns. These benefits are especially pronounced in Chicago's dense urban areas, where arterial roads have traffic congestion nearly all day, causing motorists to slow down or even idle in traffic and consume much more fuel than they would otherwise. Transit-oriented development policies 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.

Many of CTA's primary goals and priorities are important steps towards reducing the environmental impact in the region. CTA also integrates climate 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.

Key Sustainable Initiatives

CTA is constantly working on projects and initiatives that aim to reduce its environmental impact as part of permanent effort to make the Agency more efficient.

Some of these projects are ongoing and include, for example, infrastructure work that seeks to reduce electricity use by installing efficient lighting at garages, rail shops, rail stations, and in subway tunnels, reduce natural gas use by upgrading boiler systems and building controls at garages and other maintenance facilities, and lighting upgrades throughout the whole system as part of CTA's Refresh and Renew program.

Moreover, CTA's focus on recent years has been the modernization of its Bus and Rail fleet. This effort focuses primarily on replacing older buses and railcars with more efficient ones, including the push to replace diesel buses with electric buses.

Clean Vehicles and Efficient Operations: Bus System

Last year, 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 73.0 percent, and total NO_x emissions from buses by 98.0 percent. CO₂ and other greenhouse gas emissions contribute to global climate change, whereas NO_x 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 the transition steps described above.

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[Sustainability Initiatives]

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

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 FY 2023, CTA was awarded FY23 Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant funds for its 95th Street Terminal to build on CTA's efforts for electric bus charging. This project would fund the initial installation of six (6) chargers, electrical equipment upgrades and the first Chicago Department of Transportation (CDOT) Divvy electric bike share program location on the South Side. CTA requested \$25M and received the full award for this \$38M project.

In addition, CTA applied for FY 2024-2028 Congestion Mitigation and Air Quality (CMAQ) funding in the amount of \$54,486,252 for the purchase of up to 40 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and up to five overhead chargers to power the electric buses. CTA received an award of \$44,255,332 in CMAQ funding for FY 2026

Other significant funding awards have come from CMAQ Improvement Program, the Illinois Environmental Protection Agency's (EPA) "Driving A Cleaner Illinois" Program, and the Diesel Emissions Reductions Act (DERA) Grant Program.

The new electric buses feature an all-electric (zero emissions) design with en-route charging. As describe above, the project is a multi-departmental effort involving the coordinated inputs of the infrastructure, safety, engineering, operations, training and planning groups. This is CTA's first venture into en-route electric buses (CTA had 2 plug-in electric buses). The electric bus program is currently testing the performance of these buses in CTA's rigorous metropolitan environment (Navy pier and Chicago/Austin terminals- route 66). Initial 6 demo buses have been in revenue service since Q1 2021 and have accumulated more than 87,000 miles. Electric bus infrastructure is completed for the base order with chargers installed at Chicago & Austin, Chicago garage, 74th street garage, and Navy Pier. An additional 17 pilot buses, utilizing the newest body style "Heron" were delivered in Q2-Q4 2021 and are being tested in revenue service since Q1 2022. In June 2023, CTA exercised the option to procure the remaining 22 buses (with the newest model revision – Remington). The delivery of these buses will start in Q4 2024 and will complete the full order of 45 buses.

As the electric bus fleet grows, CTA also remains focused on maintaining the current diesel fleet to be as fuel-efficient as possible. CTA is moving forward with the overhaul of the 100 articulated 60-foot buses – about one-third hybrid and two-thirds diesel, which is now expected to start in late 2023 and continue through 2024. 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.

[Table: CTA Bus Fuel Efficiency]

Year	Bus Miles Traveled per Gallon of Diesel Fuel
2018 Actual	3.45
2019 Actual	3.38
2020 Actual	3.37
2021 Actual	3.48
2022 Actual	3.14
2023 Forecast	3.07

CTA’s main metric for bus energy efficiency, measured as miles traveled per gallon of diesel fuel (table above), shows a slight decline in efficiency forecasted for FY23 compared to FY22. As ridership recovered through 2022 and 2023, buses transported a heavier passenger load, which requires more fuel use. Increased traffic congestion can also result in lower fuel efficiency. Another contributing factor to the decline is likely the continued aging of the bus fleet. Older, less efficient buses were also called up to run more often this past year as special events – such as festivals and concerts – resumed.

March 2023, the Illinois Commerce Commission (ICC) issued a Final Order approving ComEd’s first Beneficial Electrification Plan. CTA had been an active participant in the deliberations around this Plan since the ICC first led a related workshop series starting in November 2021. The approved plan includes two key incentives for which CTA will be eligible once ComEd opens the programs: 1) a rebate of \$120,000 per electric bus toward bus purchases; and 2) a rebate of up to \$500,000 per bus garage per year toward make-ready infrastructure for charging equipment. While the exact timeline for the programs launching is still to be determined, ComEd has indicated that it will likely be in 2024.

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.

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 [Sustainability Initiatives]

As of January 2023, CTA has completed testing the newest model in its railcar fleet – the 7000-Series. 18 railcars were placed in service for testing and evaluation in 2021 and completed November 2022. At the time of budgeting, 48 cars are now in revenue service. CTA’s base order of the 7000-Series is 400 railcars. With contractor supply chain constraints resolved, CTA expects to take delivery of 10 to 14 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.

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

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 2011, with the majority of railcars entering service from 2012 through 2015. As of Q3 2023, CTA has completed overhauling 342 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 2023. 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 current year 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 scale-up 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
2018 Actual	168
2019 Actual	168
2020 Actual	175
2021 Actual	175
2022 Actual	163
2023 Forecast	166

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.

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

In prior years, 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

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[Sustainability Initiatives]

in project rebates from ComEd. The improved lighting makes work conditions brighter and safer for CTA bus and rail maintenance personnel.

Recently, CTA Facilities Maintenance also performed a facility-wide lighting retrofit project at the North Park Garage. The project entailed replacing more than 100 high-bay light fixtures and 40 pole light fixtures with high-efficiency LED fixtures. The new LEDs are anticipated to earn a rebate of over \$30,000 from ComEd and reduce CTA’s electric bill for the facility by about \$16,000 per year.

[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 and Pink Lines, 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. Multi-function 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.

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.

The new diesel contract, awarded in October 2021, enabled CTA to buy diesel fuel in advance for delivery during the current year, 2024 and 2025. CTA also has the option to extend this contract 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 current 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.

CTA recently issued a Request-for-Information (RFI) for a new electricity supply contract. CTA’s current electricity supply contracts remain in place through the end of 2024.

In addition to managing energy costs through supply contracts, CTA also analyzes and seeks opportunities to leverage energy policy to reduce energy costs. Besides CTA’s participation in the deliberation that ultimately resulted in the approval of the Illinois Commerce Commission’s “Beneficial Electrification Plans”, CTA is also participating in a separate ICC proceeding that began in January 2023 and combines two ComEd proposals: one for a multi-year rate plan, and another for a multi-year grid plan. These plans have potentially significant impacts on CTA electric utility costs for the rail system, buildings, and electric bus charging. CTA is working with its energy advisor, Ameresco, to understand these potential impacts and their magnitude. This proceeding is anticipated to run through Q4 this year.

Illinois’ CEJA legislation and the 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, resumed an initiative 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’m committed to our commuters and transit workers, and to making public transit safe, efficient, and reliable to keep Chicago moving.”

Mayor Brandon Johnson – Twitter @ChicagosMayor, July 23, 2023

The \$3.6 billion Five-Year Capital Improvement Program (CIP) is the CTA’s plan to renew and expand its transit system 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, equity, environmental sustainability, accessibility of rail stations, electrifying the bus system, deploying innovative technologies, advancing state of good repair (SOGR) initiatives for transit stations rolling stock, and system expansion projects. These efforts will allow the region’s transit riders continued 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 \$3.6 billion in commitments from various federal, state, and local sources, including the following:

A total of 2.46 billion in federal formula and discretionary funds, including Rail Vehicle Replacement 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 \$2.25 billion.
- A total of up to \$211 million in discretionary funds. The actual amounts 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. In addition, CTA will explore opportunities to reallocate federal highway funds for transit related improvements. The federal IJJA program expands eligibility for highway funds to transit related improvements to improve the overall transportation system. 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. CTA has been granted its share of bond proceeds, while the Motor Fuel Tax Receipts (State PayGo) program will continue to provide an estimated \$146 million in recurring annual funding, totaling \$733 million over five years, dedicated to meeting capital maintenance, rehabilitation, and renewal needs.
- Local funding sources including approximately \$409 million in CTA bond proceeds and \$15.9 million of RTA Innovation, Coordination, and Enhancement (ICE) funds.

As a result of the COVID-19 pandemic, ridership on CTA and throughout the nation has been severely reduced. Ridership continues to increase as the local economy improves but remains substantially below pre-COVID-19 levels. As of August 2023, system ridership was approximately 65% of pre-COVID-19 levels. In late August and early September 2023, Chicago Transit Authority (CTA) provided more than one million rides multiple times, marking the first time the agency reached daily ridership over one million rides, multiple days on back-to-back weeks since the pandemic.

Considering decreased ridership and associated fare revenues, the investments outlined in this CIP will minimize increasing operating costs, allowing the CTA to leverage its limited operating and capital funds to further improve the transit system.

All anticipated available funding sources supporting the \$3.6 billion FY2024-2028 CIP are detailed in the following charts.

[Table: FY 2024 - 2028 CIP Preliminary Marks (\$ in thousands)]

Sources of Funds	2024	2025	2026	2027	2028	TOTAL
5307 Urbanized Formula	\$170,594	\$185,184	\$187,036	\$188,906	\$190,795	\$922,514
5337 State of Good Repair	246,379	248,671	251,158	253,670	256,206	1,256,084
5339 Bus and Bus Facilities Formula	13,063	13,212	13,344	13,478	13,613	66,711
Subtotal FTA	\$430,036	\$447,067	\$451,538	\$456,053	\$460,614	\$2,245,309
CMAQ	-	-	74,255	-	-	74,255
Rail Vehicle Replacement Program	103,093	-	-	-	-	103,093
5303 UWP Planning	500	500	500	500	500	2,500
Sec. 5310 Enhanced Mobility	1,358	-	-	-	-	1,358
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000
Other Federal	\$110,951	\$6,500	\$80,755	\$6,500	\$6,500	\$211,206
AVAILABLE FEDERAL	\$540,987	\$453,567	\$532,293	\$462,553	\$467,114	\$2,456,515
State Transit Motor Fuel (PAYGO)	141,875	140,262	145,171	150,252	155,511	733,072
RTA ICE	-	7,824	8,075	-	-	15,899
CTA Bond	409,371	-	-	-	-	409,371
Subtotal Local	\$551,246	\$148,086	\$153,246	\$150,252	\$155,511	\$1,158,342
AVAILABLE LOCAL	\$551,246	\$148,086	\$153,246	\$150,252	\$155,511	\$1,158,342
New Funding Available	\$1,092,233	\$601,653	\$685,540	\$612,806	\$622,625	\$3,614,857
CTA Share for Competitive Grants	125	125	125	125	125	625
TOTAL Programmed Funds	\$1,092,358	\$601,778	\$685,665	\$612,931	\$622,750	\$3,615,482

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[Capital Improvement Program]

[Pie Chart: Total 5 Year CIP Budget \$3.6 Billion – Percentage of Total by Source]

Sources of Funds	Percentage
5307 Urbanized Formula	25.5%
5337 State of Good Repair	34.7%
5339 Bus and Bus Facilities Formula	1.8%
State Transit Motor Fuel (PayGo)	20.3%
Rail Vehicle Replacement Program	2.9%
CTA Bond	11.3%
Sec. 5310 Enhanced Mobility	0.0%
CMAQ	2.1%
RTA ICE	0.4%
5303 UWP Planning	0.1%
CTA Share for Competitive Grants	0.0%
Transit Security Grant Program (DHS)	0.8%

[Table: Description of FY 2024 – 2028 CIP Funding Marks Sources]

Description of FY 2024 - 2028 CIP Funding Marks (Sources)					
	Entity	Apportionment	Period	Program/Grant	Description / Eligible Activities
FEDERAL	Infrastructure Investment and Jobs Act (IIJA)	URBANIZED AREA (UZA) FORMULA	FY2024 - 2028	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 several 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/CRP	See Discretionary Grant Section
				Rail Vehicle Replacement Program	See Discretionary Grant Section
				Sec. 5310 Enhanced Mobility	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	
RTA		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	Legislative Enactment with Working Agreements	2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation enacted in June 2019, provides program funds 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.

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[Capital Improvement Program]

Federal Funding

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA provided \$108.2 billion for public transportation across the nation for the following 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. These historic increases in public transit investments include \$91.2 billion of guaranteed funding (i.e., contract authority and advance appropriations) and \$17.0 billion of General Fund authorizations for Capital Investment Grants (CIG) and other grants. 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 available for eligible projects associated with low or no emissions vehicles, buses and bus facilities, accessibility of transit facilities, and other major capital investments. As of August 2023, CTA has been awarded over \$265 million in FTA Discretionary Grants and \$165.5 million FTA Major Capital Investment Grant funds have been advanced to complete funding for the Red Purple Modernization Phase One project. These funds were made available as part of the IIJA federal transit authorization. In 2024, CTA is seeking a major FTA Capital Investment Grant to provide a share of funding for construction to extend the Red Line south from 95th to approximately 130th street. CTA has other grant applications pending and anticipates receiving substantial amounts of grant funding over the next three 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 new and increased levels of road highway funding for multimodal investments. Funds are awarded annually to State and Metropolitan Planning Organization (MPO) as block grants that promote flexibility in use by the region and are directed toward reducing transportation emissions, improving traffic congestion and air quality, addressing the climate crisis, and investing in historically disadvantaged communities. A determined share of program funds is traditionally provided for regionally significant transit capital projects. CTA as a regional partner in MPO will seek an equitable share of these funds for CTA enhancements to the system and region. Project funding will be awarded on a project application basis.

The Regional Transportation Authority (RTA), as the financial planning organization for the Chicago Region, estimates the FY 2024 federal formula program funds will remain at the same level as 2023 due to the impact of the Fiscal Responsibility Act of 2023, which limits growth for the 2024 budget appropriation and caps discretionary spending. For years 2025 to 2028 Federal Formula funds are projected to increase by one percent annually for the region.

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 RTA receives funding from two revenue sources including:

State bond proceeds funded by vehicle registration, 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.

State PayGo revenues, funded by a \$0.19 per gallon increase in the State's motor fuel tax (MFT), provide a recurring funding source to cover a portion of the region's SOGR needs going forward. The 2024 funds continue to be allocated based on the original funded amounts. PayGo funding is increased by 3.5 percent per year starting in 2025 based on favorable gas tax receipts.

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.

In 2023, CTA continued to proactively manage the use of State Bonds to leverage funding for projects that have recently been awarded FTA Discretionary grants. State funds are now contributing to making several stations accessible on the Blue and Green Lines, modernizing bus garages, building out charging infrastructure for next series of electric buses to be placed into service, construction of a new training and control center, and replacing bus hoists at each of CTA's seven bus garages. CTA will continue to plan for and utilize State Bond funds to put CTA in a strong position to request FTA Discretionary awards.

Funding agreements made between the Service Boards and RTA call for CTA to receive \$142 million of PayGo proceeds annually through 2024 and an average of \$147.8 million from 2025 to 2028.

PayGo will provide a recurring funding stream allowing the CTA to further invest in the acquisition and rehabilitation of its capital assets (buses, railcars, track and structure, and facilities), as well as provide local funds to match FTA discretionary awards including major capital investment grant awards.

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

[Flowchart representing the Pay-As-You-Go funding breakdown and the Bond Program]

Annual Pay-As-You-Go ¹. Estimated first year = \$1.26 Billion

- \$0.19 per gallon increase in state's motor fuel tax (with indexing the motor fuel tax to CPI) Appropriated (First Year Estimate)
 - o Highway Account = \$1.01Billion (80%)
 - o Mass Transit = \$253 Million (20%).
 - Other IDOT = 25.3 Million (10%)
 - RTA = \$227 Million (90%)
 - PACE* = \$11.4 Million (5.0%)
 - Metra* = \$73.8M (32.5%)
 - CTA* = \$141.9 Million (62.5%)

Bond Program ². Estimated \$2.7 Billion program for RTA

- Registration Fee Increase
- Electric Vehicle Registration Fee Increase
- Certificate of Title Increase
 - o Legislated Earmarked = \$470 Million (Annually)
 - Capital Upgrade (Pace) = \$220M
 - Kendall County Rail Extension (Metra) = \$100 Million
 - Harvey Transp. Center Improvements = \$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
 - o Non-Earmarked = \$2.23 Billion (5 year period)
 - Pace* = \$0.06 Billion (2.5%)
 - Metra* = \$1.08 Billion (48.3%)

CTA* = \$1.10 Billion (49.2%)

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 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 rehabilitation and replacement needs for the revenue fleet, facilities, and infrastructure, 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:

- Bus fleet to address buses due for retirement in the next five years. Funds current clean diesel bus order and CTA's next order to acquire electric buses.
- Bus overhaul for 7900-Series buses (approximately 25 percent of bus revenue fleet).
- Rail fleet to address new 9000-Series rail cars.
- Rail overhaul for the 5000-Series railcars (over 50 percent of rail revenue fleet) and life-extending 2600/3200-Series.
- Infrastructure State of Good Repair Program to address special track replacement, embankment, and viaduct repairs on the North Mainline, and the build out of permanent restroom facilities for transit operators at select locations throughout the system
- 95th Street Terminal Electrification includes installing bus charging equipment and associated electrical upgrades at the 95th Street rail traction power substation to support the equipment. State funds will provide the local match to a federal discretionary award.
- 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.
- The Red Line Extension project extends the south end of the line 5.6 miles and will include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Provides for a share of funding necessary to advance from the engineering to construction phase of the project, scheduled to start in early 2025.

- All Stations Accessibility Program (ASAP) builds upon the current 14 funded stations since the plan implementation in July 2018. Stations next in line include Cicero and Austin - Blue and North Clybourn – Red. Funds are planned to support future discretionary applications and awards for stations.
- Rail Public Address Communication System to upgrade the Authority’s existing technology with a modern digital platform.
- Upgrade Technology Systems including hardware infrastructure.
- FTA Discretionary Awards Match provides local funding contribution to invest in projects that electrify the bus system, make stations accessible, and reconstruct and rehabilitate rail lines. Final annual allocation will be determined by the actual discretionary project awards.
 - In FY 2024, the first project award to fund provides for Tactile Signage at all CTA bus stops poles to provide exact stop location to customers with disabilities

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[Capital Improvement Program]

The following chart identifies the State funded projects and initiatives that are programmed in the FY24-28 Capital Plan.

[Pie Chart: State Capital Program PayGo]

Program	Amount
Capital Maintenance	\$100 Million
Purchase Rail Cars	\$66 Million
Rail Car Overhaul	\$50 Million
Replace Buses	\$59 Million
Bus Overhaul	\$15 Million
Red Line Extension	\$365 Million
ASAP Next Phases	\$13 Million
Public Address Communication System	\$2 Million
Upgrade Technology Systems	\$5 Million
FTA Discretionary Awards Match	\$40 Million
Infrastructure SGR Program	\$10 Million
95th Street Terminal Electrification	\$8 Million

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. At this time, no funds will be withheld by RTA and instead will be programmed by the Service Boards. 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:

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 SOGR 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 resulted in a revised regional 20-year SOGR needs allocation where CTA’s share remained at 59.7 percent, while Metra’s 33.2 percent and Pace’s 7.1 percent shares have been revised accordingly. 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.

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:

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.

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.

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 Achieving Full Accessibility or Improving 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 2024, RTA will continue to retire general debt obligations and is expected to have sufficient capacity to issue bonds for capital projects for planned 2025 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 \$3.4 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 FY 2024 bond issuances include:

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[Capital Improvement Program]

- \$16.9 million to advance key projects that touch all elements of the CTA system.
- \$83.0 million to upgrade the CTA Fare System. Design, production, and implementation of equipment including items such as mobile data readers, fare media vending devices, retail point of sale terminals, customer service work centers, other equipment components, and application upgrades.
- \$309.4 million to provide the 30 percent non-Federal Capital Investment Grant match commitment needed for the Red Line Extension through Project Development phase and into the Engineering Phase.

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:

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 populate 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.

[Table: Project Category and its corresponding unfunded need]

Category	Total Unfunded Needs
Infrastructure	\$11.13B
Facilities	\$6.29B
Red-Purple Modernization	\$4.28B
Red Line Extension	\$3.19B
Railcars	\$2.86B
Stations	\$1.01B
Buses	\$863.63M
Comms/IT	\$621.14M
Other	\$246.32M
Non-Revenue	\$96.66M
Total	\$30.58B

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:

- Equity
- 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 2024-28 project call.

System-wide identified capital investment needs total \$37.8 billion. Of those identified needs, \$7.2 billion are funded, while the remaining \$30.6 billion are unfunded. The largest category of investment needs is Rail Infrastructure renewal and modernization, with major needs also identified for revenue vehicles.

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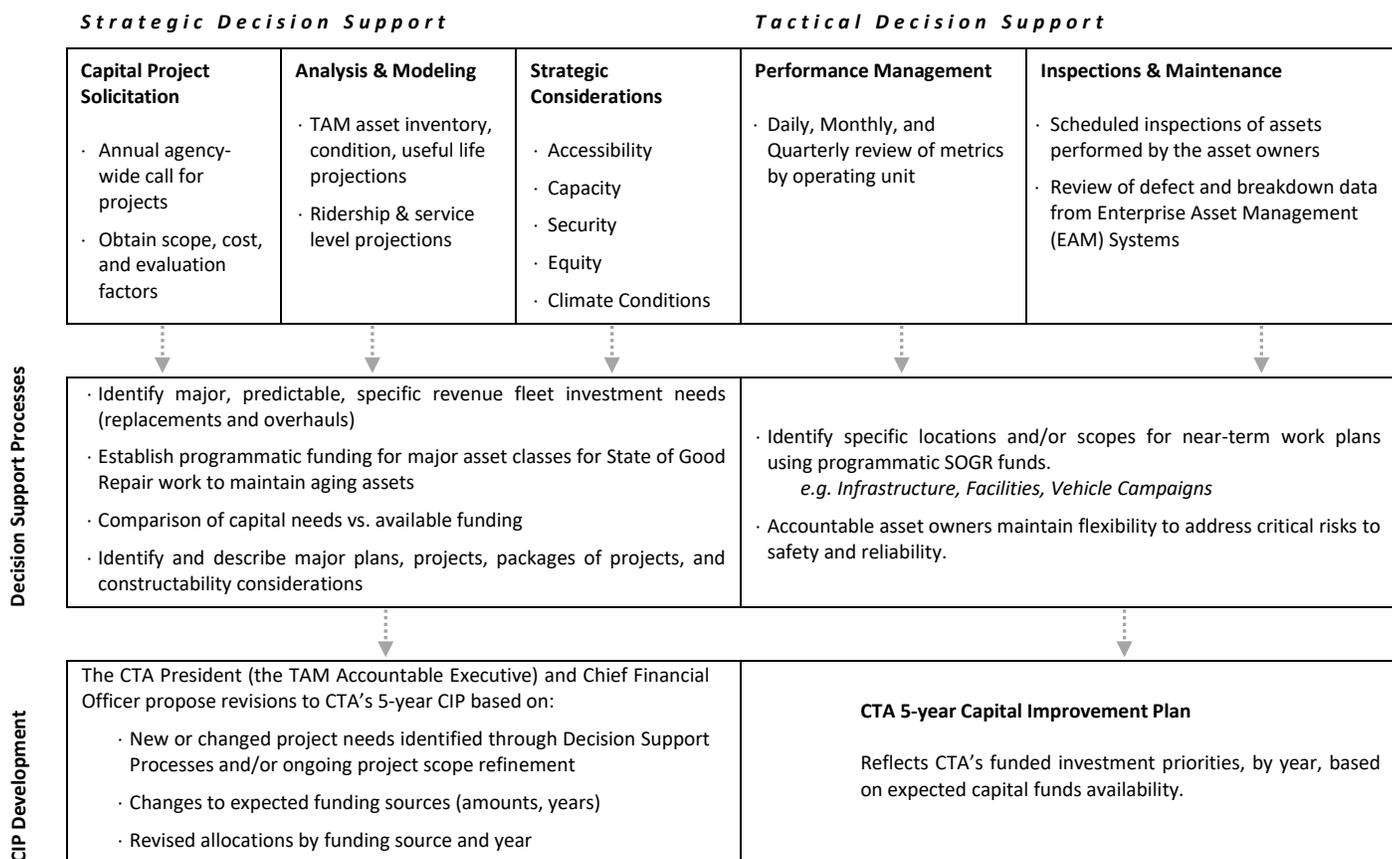
[Capital Improvement Program]

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.

The addition of the State of Illinois "Rebuild Illinois" funds has limited the backlog funding gap, and now with the 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:



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[Capital Improvement Program]

[Horizontal Bar Graph: Total Identified Needs By Project Type (\$ in Billion)]

Use of Funds	Amount
Modernization	\$6.8B
SGR	\$11.3B
Expansion	\$12.4B

[Bar Graph: Funded vs. Unfunded Needs by Asset (\$ in Billion)]

Asset	Type	Amount
Track + Structures	Funded	\$2.6B
Facilities	Funded	\$0.6B
Railcars	Funded	\$1.7B
Signals + Power	Funded	\$0.4B
Stations	Funded	\$0.5B
Buses	Funded	\$0.4B
Other	Funded	\$0.5B
Track + Structures	Unfunded	\$14.2B
Facilities	Unfunded	\$5.3B
Railcars	Unfunded	\$2.9B
Signals + Power	Unfunded	\$3.1B
Stations	Unfunded	\$1.0B
Buses	Unfunded	\$0.9B
Other	Unfunded	\$0.6B

[Bar Graph: Funded vs. Unfunded Needs by Asset (\$ in Billion)]

Total Identified Needs	\$37.8B
Total Funded Needs	\$7.2B
Total Unfunded Needs	\$30.6B

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 FY24-28 funds.

All Stations Accessibility Program (ASAP)

Currently, 103 of CTA's 145 stations (70 percent) are accessible. CTA has funding secured for 13 of the inaccessible stations on the system and CDOT has secured funding for State/Lake, for a total of 14 stations to be made accessible. Those stations are Austin-Green, Oak Park-Green, Ridgeland-Green, Montrose-Blue, California-Blue, Irving Park-Blue, Belmont-Blue, Racine-Blue, Pulaski-Blue, State/Lake (CDOT) – Loop, Berwyn-Red, Bryn Mawr-Red, Lawrence-Red and Argyle-Red.

Once construction is complete, CTA will have 117 accessible stations out of a total of 145 stations (81 percent). Of these, five are in Construction (Berwyn-Red, Bryn Mawr-Red, Lawrence-Red, Argyle-Red and Racine-Blue); one is in procurement for construction (Austin-Green); three are in design (Montrose-Blue, California-Blue and State/Lake-Loop); and five are in project planning, moving into design late 2023/mid-2024 (Irving Park-Blue, Belmont-Blue, Pulaski-Blue, Oak Park-Green and Ridgeland-Green).

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: Pulaski, Irving Park, and Belmont
- Green Line: Oak Park & Ridgeland
- Plans for future Station(s) on the Red and Blue Forest Park Lines.

In addition to these stations, CTA has \$37M in funding for elevator replacements and/or modernizations of existing elevators across the system. CTA is currently completing an inventory of these elevator conditions to be able to put construction packages together for these to be modernized or replaced.

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 1,800 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.. (See note #1 below.)
- Life-extending overhauls on up to 608 buses between 2023-2024 to extend their service life by four years and space out fleet replacements. (See note #2 below.)
 - The mid-life overhaul program as identified in the fleet management plan above calls for in 2023 and 2024 the ongoing overhaul of the 4300-Series buses and the start of work on the 7900-Series buses. The 4300-Series work continues into 2024 as planned, while the 7900-Series work is now scheduled to begin in late 2024 or early 2025.
 - The life extending overhaul for a select number of 1000-Series buses plan for 2024 is to be determined based on costs, market conditions, vendor availability, and CTA service needs. The work on these buses will begin in late 2024 or early 2025.

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 rail- Scars beyond the 400-car base order is dependent on agreement for production of option cars.
- 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 projected changes.

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, Transit is the Answer, 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. The plan 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.

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 is 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 six asset categories in CTA’s proposed FY2024-2028 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 FY24-28 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), 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 FY24-28 Capital Improvement Program by category:

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[Capital Improvement Program]

[Table: FY24-28 CIP by Asset Category (\$ in Thousands)]

Category	Title	2024	FY25-28	5Yr Funding
Bus Projects	Rolling Stock			
	Bus Maintenance	\$12,374	\$37,121	\$49,495
	Perform Mid-Life Bus Overhaul	\$20,430	\$66,796	\$87,226
	Replace Buses	\$41,478	\$253,547	\$295,025
	Sub-Total	\$74,282	\$357,465	\$431,747
Rail Projects	Modernization, Expansion & Improvements			
	Red Line Extension	\$385,481	\$318,883	\$704,363
	Sub-Total	\$385,481	\$318,883	\$704,363
	Power & Way Track and Structure			
	Infrastructure Safety & Renewal Program	\$9,596	\$128,788	\$138,384
	Sub-Total	\$9,596	\$128,788	\$138,384
	Rolling Stock			
	Perform Rail Car Overhaul	\$11,949	\$186,845	\$198,794
	Purchase Rail Cars	\$187,816	\$233,588	\$421,404
	Sub-Total	\$199,765	\$420,434	\$620,199
Systemwide Projects	Miscellaneous			
	All Station Accessibility Program	\$15,664	\$111,924	\$127,588
	Information Technology	\$9,101	\$10,612	\$19,713
	Equipment and Non-Revenue Vehicles Replacement	\$88,216	\$13,225	\$101,441
	Tactile Signage at CTA Bus Stops	\$1,697	\$0	\$1,697
	Farebox Replacement	\$23,811	\$0	\$23,811
	Train Tracker Digital Signage Upgrade	\$0	\$15,899	\$15,899
	Rehabilitate Rail Stations	\$3,000	\$6,000	\$9,000
	Implement Security & Communication Projects	\$8,000	\$55,569	\$63,569
	Subway Life Safety	\$0	\$18,000	\$18,000
	Capital Improvement Program Management	\$9,438	\$78,334	\$87,772
	Bond Repayment, Interest Cost, & Finance Cost	\$205,481	\$787,350	\$992,831
	Sub-Total	\$364,408	\$1,096,912	\$1,461,319
	Support Facilities & Equipment			
	Improve Facilities - Systemwide	\$34,217	\$67,643	\$101,860
	Electric Bus Facilities Engineering/Construction	\$24,610	\$133,000	\$157,610
	Sub-Total	\$58,827	\$200,643	\$259,470
	Capital Project Total	\$1,092,358	\$2,523,124	\$3,615,482
	CTA Share for Competitive Grants	-\$125	-\$500	-\$625
	Marks	\$1,092,233	\$2,522,624	\$3,614,857
	Marks/Variance	0	0	0

Core Requirements for the Five-Year Capital Improvement Program CIP.

The 2024-2028 CIP continues to prioritize projects that focus on improving safety, reliability accessibility, equity and meeting regulatory requirements. We have added a core requirement identifier to display the type of project the Agency is funding.

[Pie Chart: FY2024 – 2028 CIP by Asset]

Categories	Budget
Modernization, Expansion & Improvements	\$ 704,363
Systemwide Misc.	\$1,461,319
Rail Rolling Stock	\$620,199
Bus Rolling Stock	\$ 431,747
Systemwide Facilities	\$259,470
P&W Track and Structure	\$138,384

Core Requirements Type of Projects and their Implications for the Capital Program:

- Maintain and improve safety and reliability. This core requirement is focused on infrastructure improvements that improve the safety of passengers and staff, as well as security of the system. Investment in this category might include new and enhanced camera and communication systems, improved lighting at stations and facilities, or technologies for improved incident response. Ensuring that aging assets are maintained and replaced when needed to maintain the continuity of safe and reliable operations throughout the existing regional transit system is of paramount of importance to regional and Service Board capital programming processes.
- Achieve full accessibility. The agencies have been working for years to achieve full accessibility of the transit system to all riders, including those with physical disabilities. Investment in this category might include station and facility reconstructions to fully meet accessibility needs, replacement of aged elevators, new and upgraded signage and wayfinding systems, improvements for accessing bus stops and stations, or technology innovations to provide improved access to people with disabilities.
- Improve equity. These types of investments improve access to transit and access to opportunities across the large and diverse RTA region. This might include providing improvements to serve residents of low income and disinvested neighborhoods with reconstructed facilities or enabling new services to increase access to jobs and opportunities.
- Meet regulatory requirements. Meeting regulatory requirements that make the northeastern Illinois transit system safer and more accessible is an ongoing programming need. Investment in this category might include new systems such as Positive Train Control (PTC), new vehicle standards to meet crash or emission requirements, or technology to support security or reporting requirements.

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[Capital Improvement Program]

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 program is intended to obtain 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. Bus overhauls are necessary to maintain the fleet in a SOGR, reduce operating costs, and improve service.

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 overhaul and upgrades will minimize increases in operating costs associated with the maintenance of older equipment and allows for more reliable service to be provided. Newer buses have lower operating costs and ensure reliable service and reinforce CTA’s commitment to quality bus service.

[Pie Chart: FY24-28 Allocation for Bus Rolling Stock - \$432M (in percentages)]

Categories	Percent
Bus Maintenance	12%
Bus Overhaul	20%
Replace Buses	68%

Bus Maintenance - \$49.5M

Title: Bus Maintenance

Budget: \$49.5M

Core Requirement: Maintain and Improve Safety Reliability.

Description: 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.

Bus Overhaul - \$87.2M

Title: Life Extending Bus Overhaul - 430 buses (1000-Series)

Budget: \$6.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the Life-Extending Overhaul of on a select number of the CTA 1000-Series buses. Work will enable the buses to operate in service to 2028/2029. CTA is concurrently working on procuring up to 600 new buses to replace the remaining 1000-Series buses. With extending the life on these select buses, CTA will be able to level out the annual bus replacement need as it transitions to acquiring an all-electric bus fleet.

Title: Mid-Life Bus Overhaul – 450 buses (7900-Series)

Budget: \$80.5M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the mid-life overhaul of up to 450, 7900-Series Nova buses. 7900-Series Buses have been in service since 2014-2017.

Replace Buses - \$295.0M

Title: Purchase Six Electric Buses and Charging Equipment

Budget: \$2.6M

Core Requirement: Meet regulatory requirements.

Description: Purchase up to six (6) 40-foot, battery-powered, zero-emission, all-electric, fully accessible public transit buses with garage charging capabilities: including a spare parts inventory. Engineering includes development of specifications, pre-bid engineering meetings, onsite inspections of prospective bidders and/or their vendors plants, inspection of buses during production and acceptance of vehicles after delivery. Also included are necessary spare components and manpower costs associated with this procurement.

Title: Purchase up to 208 Electric Buses (4000-Series)

Budget: \$185.4M

Core Requirement: Meet regulatory requirements.

Description: Funding will 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 buses to the fleet in 2022. CTA currently operates 25 electric buses. CTA has exercised an option order to procure an additional twenty-two electric buses in 2023.

Title: Purchase up to 500 buses - Options

Budget: \$107M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding provides for the procurement of up to 500 buses to replace the 1000-Series buses that have been in service since 2006-2007. The contract consists of a base order for 100 buses and option(s) to acquire an additional 500 buses. The base order is complete, and all buses are in service, up to 200 of the option buses will be delivered through 2023, another 200 option buses in 2024, and remaining 100 buses is scheduled for delivery in 2025.

Rail 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 2024. When completed, the project will provide faster service, modernized stations, and improved mobility and accessibility to customers in more communities.

Red Line Extension Project Planning & Design - \$704.4M

Title: Red Line Extension

Budget: \$704.4M

Core Requirement: Improve Equity & Achieve Full Accessibility.

Description: 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:

- Reduces commute times within and south of the project area.
- Improves mobility and accessibility for transit-dependent residents in the project area.
- Improves rail transit service to this service area, allowing critical links between housing, jobs, services, and educational opportunities which will enhance neighborhood livability and vitality.
- Improves connections to other transit modes including regional commuter rail and suburban bus in the project area.
- Fosters economic development as new stations will serve as catalysts for neighborhood revitalization.
- Provides a modern rail car storage and shop facility to provide storage and maintenance for railcars.

Project Status

- RLE has made significant progress in the last several years and has successfully entered the Engineering phase of the federal New Starts funding program.
- CTA has chosen three qualified contracting teams to submit design-build proposals for project construction. Firms submitted their qualifications through a RFQ process in 2022. The following contracting teams were selected as being most qualified to design and build the extension: FH Paschen, Ragnar Benson, Milhouse and BOWA Joint Venture; Kiewit Infrastructure; and Walsh VINCI Transit Community Partners. These entities represent a variety of local, national, and international businesses. The contracting teams’ proposals will be considered on a variety of criteria, including experience, price, and other factors.
- CTA has begun the property acquisition process and has retained East Lake Management to manage all properties acquired for RLE. Demolition Design and Construction contracts will be retained for property demolition efforts, emphasizing DBE participation.
- The RLE Transit Supportive Development Plan (TSD) was completed and adopted by City of Chicago Plan Commission in May 2023. The TSD Plan is a proactive effort to create a guide for future development in the long-disinvested communities located near the RLE project area. The plan is the culmination of significant community engagement, agency coordination, and technical analysis.
- CTA expects major construction of this project to begin in late 2025. The project start date is dependent on securing full project funding.

[Picture: Diagram depicting the location of the stations on a map from 95th to 103rd]

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.

[Pie Chart: FY24-28 Allocation for Systemwide Track & Structure - \$138M (in percentages)]

Categories	Percent
Elevated Track and Structure	28%
Infrastructure Safety & Renewal Program	72%

Track & Structure - \$138.4M

Title: Infrastructure Renewal State of Good Repair (SOGR)

Budget: \$100M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for Track and Structure and Facilities Critical Needs SOGR programs.

Track Improvements at North Main Line (NML): Program would replace ties, track planking, turnout plates, diamond plates, fasteners, and contact rail chairs in the special trackwork at NML.

Systemwide Structural Renewal and Lead Abatement: This Program would address systemwide concrete spalling on embankment and viaduct structures. These structures are typically layered earthwork structure with concrete retaining walls that supports tracks, platforms, and/or station houses on a raised area.

Facilities Critical Needs Systemwide – Building Envelope Repairs and MEP Upgrades: Address current backlog of building improvements needed to bring CTA’s station, bus, and rail facilities

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[Capital Improvement Program]

into a state of good repair, including building envelope repairs and mechanical, electrical, and plumbing (MEP) upgrades. The building envelope includes the materials that comprise the foundation, wall assembly, windows, roofing systems, glazing, doors, and any other penetrations.

Systemwide – Employee Facilities: The purpose of this Program is to provide permanent employee restroom facilities at rail facilities and bus turnarounds where they do not exist to improve transit operator well-being. Currently portable toilet services are provided at several locations throughout the system via lease agreements entered with various third parties.

Title: Elevated Track & Structure Maintenance

Budget: \$38.4M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Project funds will be targeted to capital maintenance 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(s), while a more extensive rehabilitation is planned at the mid-life of the asset.

Rail Rolling Stock

CTA has a large fleet of over 1,400 rail cars operating on 224 miles of track each day serving 145 stations.

The Rail Overhaul Program is intended to correct critical defects and deficiencies discovered during inspection. Overhaul activities include major component rebuild and needed repairs to rail car bodies, providing improved reliability, comfort, and cost-effectiveness of transit service, making it more attractive and beneficial to customers. Scheduled maintenance activities and replacing rail cars at the appropriate time, generally at 30 plus years of age, allows CTA to improve the quality and service reliability of rail cars while reducing maintenance costs. As more rail cars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

CTA’s Rail Car Purchase Program will provide for the engineering, design services and project management to purchase new rail cars. All procurements will include post-delivery monitoring of vehicle performance and technical support for problem resolution through the warranty period.

[Pie Chart: FY24-28 Allocation for Rail Rolling Stock - \$620M (in percentages)]

Categories	Percent
Rail Overhaul	32%
Purchase Rail Cars	68%

Rail Car Overhaul - \$198.8M

Title: Rail Car Quarter Overhaul 5000-Series - 714 Cars

Budget: \$41.6M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the purchase and installation of components for overhaul work on 714 of the 5000-Series rail cars, which will include major component rebuild and repairs to the car structure, components, and interior designed to be performed on each rail car at approximately six to seven-year intervals. Work is currently underway and is estimated to be completed by FY2025.

Title: Life Extending Overhaul 2600/3200-Series rail cars

Budget: \$137M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This project will provide for the life extension overhaul for the 2600/3200-Series rail cars. CTA anticipates a life extending overhaul to the 2600/3200-Series due to the slower than projected stream of 7000-Series rail cars.

Title: Replace Video System on the 3200 and 5000-Series rail cars

Budget: \$20.2M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This project will replace the existing video system on the 5000-Series rail cars which is obsolete and no longer supported by the vendor. Replacement of video system is essential to CTA as safety and security of customers and employees is the top priority for the Agency.

Purchase Rail Cars - \$421.4M

Title: Purchase up to 846 Rail Cars 7000-Series

Budget: \$209.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Provide for the final phase funding for the purchase of the Base of 400 rail cars 7000-Series.

Title: Future Rail Car Purchase 9000-Series

Budget: \$211.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding to acquire new 9000-Series rail cars, CTA anticipates the contract will consist of a Base Order to purchase 300 cars and option(s) for an additional 246 cars. CTA purchased 600 of the 2600-Series rail cars from The Budd Company that were delivered between 1981 to 1987. There are currently 493 of the cars remaining in service. An ongoing 7000-Series procurement will replace a portion (approximately 190) of these cars. This future rail car procurement will fund base order, which is planned to replace the remaining ~300 of the 2600-Series cars and Option(s) to replace the 3200-Series cars.

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[Capital Improvement Program]

Systemwide Projects

Systemwide improvements such as Information Technology, Equipment and Non-Revenue Vehicles, Rehabilitate Rail Stations, Implement Security and Communication Projects, and enhancing customer amenities 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.

[Pie Chart: FY24-28 CIP Allocation for Systemwide Miscellaneous - \$1.46 Billion (in percentages)]

Categories	Percent
CTA Bond Repayment, Interest Cost & Finance Cost	68%
ASAP Rail Stations	9%
Rehabilitate Rail Stations	1%
Equipment and Non-Revenue Vehicles Replacement	7%
CIP Program Management	6%
Security & Communication Projects	6%
Farebox Replacement	2%
Information Technology	1%
Train Tracker	1%
Tactile Signage	0.1%

All Stations Accessibility Program - \$127.6M

In 2018 CTA completed the All-Stations Accessibility Program (ASAP) Strategic Plan that made 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. The project provides for implementation and construction work to retrofit or rebuild stations to make them vertically accessible.

Title: Rehabilitate Rail Stations - Oak Park and Ridgeland Construction - Lake Green Line (Partial)

Budget: \$29.1M

Core Requirement: Achieve full accessibility.

Description: This funding will provide for a portion of the construction phase for the Oak Park and Ridgeland Green Line Station ASAP projects.

Title: Rehabilitate Rail Stations - ASAP Next Phases

Budget: \$56.4M

Core Requirement: Achieve full accessibility.

Description: Project will provide for the next phases of the ASAP Program. Preliminary planned stations under next phases include Clybourn (Red), Cicero and Austin (Blue) and when/if discretionary funding becomes available would likely target additional stations on the blue line.

Title: Elevator and Escalator Program

Budget: \$42.1M

Core Requirement: Achieve full accessibility.

Description: As part of the ASAP effort, the CTA developed the Elevator and Escalator Replacement Program to strategically maintain existing passenger elevators and escalators across the rail system as vertical accessibility is expanded via ASAP. This program will upgrade or replace aging elevators and escalators within the system. While the specific scope of work for this program varies based on the existing conditions and type of each elevator/escalator and surrounding structure, the general scope of work includes demolition and/or removal of the existing equipment, modification of the existing structure, and fabrication and installation of the new escalator/elevator.

Information Technology - \$19.7M

Title: Upgrade Office Computer Systems

Budget: \$3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding provides for the continued upgrade/ replacement of desktop computers, printers, servers, software, associated peripherals and network systems.

Title: Upgrade Technology Enterprise Systems:

Budget: \$9.9M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the next anticipated upgrades of the Transit Operating Planning System (TOPS), Material Management and Information System Upgrade (MMIS) and Hastus applications. The TOPS application is used by Bus Operations, Rail Operations, Bus Maintenance, and Rail Maintenance for the pick, daily activities/ assignments, workforce management, payroll calculation/prep, and auto-assignment of employees to schedules. The MMIS application is used for managing repairs and issuing parts to the CTA Bus and Rail fleet. Funds will also provide for the update of the Hastus Planning/Scheduling software application used for planning, operations, customer information, and analysis.

Title: Bus Router and Intelligence Vehicle Network IVN's

Budget: \$6.8M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for necessary technological refresh of the bus routers and Intelligence Vehicle Network (IVN's) computer system on the buses to ensure the bus communications network and data management is optimized. CTA buses are currently equipped with these items that allow for the bus to communicate with control operations, and powers the related systems

including Bus Tracker, Transit Signal Prioritization, video feeds, automatic bus announcements, vehicle location, and bus arrival sign updates. The upgrade/refresh would be applied to the entire fleet of buses.

Equipment and Non-Revenue Vehicle Replacement - \$101.4M

Title: Equipment and Non-Revenue Vehicles Programs

Budget: \$6M

Core Requirement: Maintain and Improve Safety Reliability.

Description: CTA will invest funds annually to fund the phased replacement of aged equipment and vehicles used by CTA maintenance groups that include Bus, Rail, Power & Way, and Facilities. Types of equipment to be replaced include but are not limited to the following: floor scrubbers and sweepers, vehicle washer parts, jack stands, electrical hoists, shop cranes, utility trucks, forklifts, and payloaders.

Title: Non-Revenue Utility Vehicle Replacement – Infrastructure

Budget: \$2.5M

Core Requirement: Maintain and Improve Safety Reliability.

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Description: CTA will invest funds annually to fund a multi-year program to replace, renew, or lease vehicles assigned to the Utility Group with CTA Facility Maintenance. These vehicles are used to provide essential functions for maintaining safe and continuous operation of CTA rail and bus operations. These vehicles include trucks, vans, truck-mounted machinery, snowplows, mobile workspaces, and transport vehicles for other equipment, personnel, and supplies.

Title: Rail Borne Equipment

Budget: \$10M

Core Requirement: Maintain and Improve Safety Reliability.

Description: CTA will invest funds annually to fund a multi-year program to provide for the priority replacement of the Agency's rail borne equipment based on condition and age as reported in the CTA TAMP. The program will replace equipment such as but not limited to car movers, rail borne sewer vacuum, subway washer vehicle, rail profile grinder, rail cranes, two locomotive cranes (22 ton), two tie cranes w/ close clearance tie replacement head, sky trim tree trimmer, tie inserters, MKVI tamper and stabilizer.

Title: Ventra 3.0 Upgrade

Budget: \$83.0M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the complete overhaul of the Open Standards Fare System (OSFS), called Ventra. This will be the first major overhaul of this complex technology tool in nearly 10 years. The current system is at end of life and requires significant management and maintenance to keep the system functioning. Due to the age of the current back-office and Ventra hardware, CTA is not able to launch more modern customer investments or even augment existing processes to improve reliability. The Ventra system was initially launched in 2013/2014 and since that time, fare collection technology has drastically improved, due in large part of the Ventra system. The Ventra upgrade or Ventra 3 project will move CTA, Pace and Metra onto a modern, open architecture platform that harnesses technology enhancements and fare system advancements from the past ten years.

Farebox Replacement - \$23.8M

Title: Farebox Replacement

Budget: \$23.8M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Project objective is to replace 37-year-old farebox and vaulting equipment to streamline cash and coin collections. The new fareboxes will be installed on all CTA buses, and the new vaulting equipment and computer support will be installed at each CTA bus garage.

Train Tracker - \$15.9M

Title: Train Tracker

Budget: \$15.9M

Core Requirement: Meet regulatory requirements.

Description Project will provide for the comprehensive overhaul of CTA's Train Tracker Signage at rail stations and integrate with the Authority's Public Address PA system, with disaster recovery/business continuity solutions, increased reliability, and compliance with ADA.

Rehabilitate Rail Stations - \$9M

Title: Refresh and Renew Rail Stations

Budget: \$9M

Core Requirement: Maintain and Improve Safety Reliability.

Description: The Refreshed & Renewed Program is implemented to promote the continued safety, security and longevity of all CTA facilities including, not limited to: Rail Stations and Platforms, Bus Garages and Rail Shops across the system. Focusing on the Customer experience, both Internal and external, the program provides for improved overall lighting and wayfinding signage, newly painted & refreshed stations, safety, cleanliness, and appearance. .

Tactile Signage - \$1.7M

Title: Tactile Signage at CTA Bus Stops

Budget: \$1.7

Core Requirement: Achieve full accessibility.

Description: This project will install tactile signs at all bus stop poles where CTA public information signs are currently posted to provide information about the exact bus stop location to customers who are blind or have visual or cognitive disabilities.

Implement Security & Communication Projects - \$63.6M

Security and safety are paramount concern for the CTA organization. A professional security assessment of the CTA system identified priority investments in equipment and infrastructure to protect the public and the CTA employees as well as service continuity.

Title: Implement Security Projects

Budget: \$30M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This initiative will focus on identified priority investment in equipment and infrastructure to protect the public and the CTA employees as well as provide service continuity. Funds are intended for ongoing upgrades and the hardening of CTA's core security infrastructure networks.

Title: Public Address System

Budget: \$14M

Core Requirement: Meet Regulatory Requirements.

Description: The project will provide for the comprehensive overhaul of CTA's Public Address System to upgrade the Authority's PA system from antiquated and obsolete technology to modern digital technology with disaster recovery/business continuity solutions, increased capacity, and compliance with NFPA 130.

Title: Rail Station Communications Infrastructure Modernization

Budget: \$10M

Core Requirement: Meet Regulatory Requirements.

Description: The project will provide for the comprehensive rehabilitation, overhaul, and expansion of communications infrastructure at all CTA rail stations to support new and modern technologies for customer facing as well as life safety functions.

Title: Security Camera Modernization and Upgrade

Budget: \$9.6M

Core Requirement: Maintain and Improve Safety Reliability.

Description: The project will provide for the comprehensive overhaul of CTA's CCTV Security Camera Video System to upgrade the Authority's camera and video management system and communications transport system from antiquated and obsolete technology

to modern high-speed technology with disaster recovery/business continuity solutions, increased capacity, and inter-operability with City of Chicago OEMC.

Subway Life Safety - \$18M

Title: Subway Life Safety

Budget: \$18M

Core Requirement: Maintain and Improve Safety Reliability

Description: This Program includes projects that improve safety across the CTA Right of Way (ROW), particularly in the subway

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systems and facilities to help meet life safety requirements per applicable codes. Life safety code standards encompass the construction, protection and occupancy features necessary to minimize danger from the effects of fire, including smoke, heat, and toxic gases created during a fire. This includes proper means of egress, lighting enhancements, subway ventilation and others.

- 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

Bond Repayment, Interest and Finance Costs - \$992.8M

Title: Bond Repayment, Interest and Finance Cost

Budget: \$992.8M

Core Requirement: Maintain and Improve Safety Reliability.

Description: 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.

CIP Management - \$87.8M

Title: Program Management Construction

Budget: \$33M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Program Management (PM) provides ongoing support to CTA in the areas of, construction project oversight, construction-related planning, design, project scoping, estimating, project controls, closeout, and overall management of Infrastructure's Capital Construction Program.

Title: Program Development

Budget: \$3.1M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Provides for the development and administration of the FY 2024-2028 CIP program of projects. CTA's program development and support staff develops and maintains the regional Transportation Improvement Plan (TIP) and the State Transportation Plan (STIP) as required under federal regulations.

Title: Capital Improvement Program Support Service

Budget: \$11.6M

Core Requirement: Maintain and Improve Safety Reliability

Description: Project provides for Project Administration for the Federal Formula Granted capital projects. Supports a variety of tasks necessary to administer the project that include, but are not limited to, ensuring that quarterly and milestone progress reports are submitted on time, ensuring that sufficient funds are available for approved projects, reviewing and approving invoices for payment, submitting approved invoices for reimbursement, identifying and cataloging agency assets, preparing financial statements, and ensuring that approved projects meet expenditure goals established for the participation of DBEs.

Title: Discretionary Match

Budget: \$40M

Core Requirement: Achieve full accessibility & Maintain and Improve Safety Reliability.

Description: Funds provide local match contribution for federal competitive grants, some projects considered for funding include, but are not limited to: Bus Electrification, ASAP Program, and the new Procurement of 9000-Series Railcars.

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: FY24-28 Allocation for Systemwide Facilities - \$259 Million (in percentages)]

Categories	Percent
Improve Facilities Electrification	61%
Improve Facilities	39%

Improve Facilities Systemwide - \$101.9M

Title: Office Building Principal & Interest

Budget: \$30.9M

Core Requirement: Maintain and Improve Safety Reliability

Description: Provides for capitalized lease payments for the CTA’s central office administration building.

Title: Facility Maintenance

Budget: \$12.1M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for preventive maintenance work at various CTA facilities systemwide. CTA facilities as well as components within them receive preventive maintenance at regular intervals. This program would repair or replace key structural elements at station, bus and rail facilities that have been identified through structural inspections as being deficient.

Title: Critical Needs

Budget: \$10M

Core Requirement: Maintain and Improve Safety Reliability.

Description: The program would address the most immediate critical needs at CTA facilities systemwide to enable their safe and reliable operation.

Title: Skokie Shop Improvements

Budget: \$21M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Improvements to be made to CTA's rail heavy maintenance facility - Skokie Shops. Projects include but are not limited to reconfiguration of shop work areas, such as repurposing the truck wash machine area to HVAC/truck and for procurement of equipment such as replacement of wheel truing machine and construction of two additional rail body hoists.

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Title: Midway Shop - Wheel Truing Machine, Building Extension, and access track configuration

Budget: \$13.8M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Improve the efficiency of railcar maintenance at the Midway Rail Shop. The existing wheel truing machine is not efficient as it currently cannot facilitate truing all wheels on a railcar in one operation. Project scope includes an addition to the shop and construction of additional track to the north of the building, which will facilitate truing all wheels on a railcar pair in one operation.

Title: Rail Car Maintenance Facility Improvements

Budget: \$14M

Core Requirement: Maintain and Improve Safety Reliability.

Description Funding will be targeted to rail facility maintenance projects at various CTA shops. Plan scope of work will include items such as rehabilitating rail car hoist equipment at Rosemont and Harlem maintenance shops. Planning and design for additional rail car body hoist at Rosemont, and the replacement of the wheel truing machine at the 54th Shop.

Electric Bus Facilities Engineering/Construction - \$157.6M

CTA has committed to a full electrification of the bus fleet by 2040, providing significant air quality improvements to the region and the immediate vicinity of the garage facilities. Implementing this program will require garages to be converted to allow for routing servicing / charging of the buses as well as new maintenance requirements. The work will generally involve significant electrical upgrades, installation of charger infrastructure, and general updates to the facility to support the conversion to an electric fleet.

Title: Bus Garage Electrification - Chicago

Budget: \$17M

Core Requirement: Meet regulatory requirements.

Description: Continue programmed funds for the purchase of electric buses and modernization of electrical, communication and safety systems at the Chicago Bus Garage as part of CTA's efforts to transition to an all-electric bus fleet by 2040.

Title: Bus Garage Electrification – 103rd Garage

Budget: \$133M

Core Requirement: Meet regulatory requirements.

Description: CTA is also programming funds for the design and construction for the full electrification of the 103rd Street Bus Garage as part of the e-Bus implementation.

Title: 95th Terminal Electrification

Budget: \$7.6M

Core Requirement: Meet regulatory requirements.

Description: The project will install bus charging equipment at the 95th Street Terminal with associated electrical upgrades at the 95th Street rail traction power substation to support the equipment.

FY24-28 CIP Asset Category Comparison

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 Red Line Extension project that has now entered the engineering phase for this Major FTA Capital Investment Grant candidate project. Construction is scheduled to start in late 2025 and is dependent on securing full project funding.

Investment is made for the planning and initial construction necessary to upgrade operational support facilities including bus facilities to electrify the system, improvements to CTA's rail heavy maintenance facility to expand overhaul capacity, and the replacement of shop equipment and heavy-duty maintenance vehicles.

Significant investment is planned to make the next series of stations accessible on the Green, Blue, and Red Lines, to upgrade and modernize employee facilities, to rehabilitate track right of way and structure on the Red North Main Line.

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 to maintain operating standards. Over 80 percent of CTA’s SOGR needs are associated with the rail system.

The following chart details the level of investments by project type and use over the timespan of the five-year CTA Capital Investment Plan.

[Flowchart: Asset Comparison by Year (\$ in Millions); chart only shows amounts for mayor spending categories by year]

Category	FY2024	FY2025	FY2026	FY2027	FY2028
Red Line Extension	\$385.5	\$76.0	\$106.0	\$61.9	\$60.9
Financial Commitments	\$211.7	\$217.3	\$197.1	\$213.3	\$184.5
Rail Rollingstock	\$199.8	\$79.2	\$161.0	\$74.5	\$115.1
Facilities	\$166.4			\$87.6	\$55.4
Bus Rollingstock	\$74.3	\$113.0	\$93.7	\$82.4	\$68.2
Stations		\$37.5			\$56.4
Security			\$33.3		
Track				\$46.2	\$53.8

Competitive Grant Opportunities

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:

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. The Carbon Reduction Program (CRP) is a new funding source in FY2023. Similar in nature to the CMAQ program, CRP is focused on the reduction of Carbon Dioxide (CO2) emissions with project types identical to those eligible under CMAQ. All applications for CMAQ program funds will also be evaluated and considered for CRP.

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CMAP staff has recommended FY 2024-2028 CMAQ funding in the amount of \$100M 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 also received an award of \$30M in CMAQ funding for FY 2026.

In addition, CMAP staff has recommended FY 2024-2028 CMAQ funding in the amount of \$68M for the purchase of up to 40 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and up to five overhead chargers to power the electric buses. CTA also received an award of \$44.2M 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 FY 2023 in the amount of \$23.4M and CTA’s Bus Slow Zones Elimination Program construction portion of the project in FY 2023 in the amount of \$15.2M.

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 planning and funding program. Invest in Cook allows local and regional governments to apply for assistance funding planning and feasibility studies, engineering design, and construction improvements that advance the priorities set forth in the long-range transportation plan.

In 2023, CTA applied for the following two projects: Laramie Avenue and 50th Avenue Railroad Crossings and Bus Priority Corridor Study. CTA was awarded \$575,000 in Invest in Cook funding for the Bus Priority Corridor Study to advance planning for key bus corridors in the City of Chicago, which will identify concepts to dramatically improve bus service. The project will advance equity and mobility justice by enabling higher quality transit services to communities that have the greatest needs, mitigating congestion, improving air quality, and promoting economic development and access to opportunity.

The project will serve as a next step to implement the Better Streets for Buses Plan (BSB) a joint effort between CTA and the Chicago Department of Transportation that identifies a network of corridors in the City of Chicago to prioritize for infrastructure improvements for public bus service and a toolbox of treatments to consider as solutions. However, BSB will not assign specific treatments to specific corridors, so as a next step, the Bus Priority Corridor Study will conduct more in-depth analysis of select corridors from this established network.

Unfortunately, the Laramie Avenue and 50th Avenue Railroad Crossings project wasn't awarded. However, the proposed project would have corrected major defects at both crossings, which have been identified by geometry testing and which have resulted in slow zones. CTA forces would have rebuilt the crossings, including the removal of existing asphalt, rail, ties, and ballast, grading the area for new track panels, installing the new tracking, dropping the new ballast, and tamping the new track. CTA will use existing material and service contracts for ballast, asphalt, rubber crossing pads, and track materials to complete this project. Future funding will be sought for this project.

Department of Homeland Security (DHS) Transit Security Grant Program (TSGP) – Authorized by Congress in 2005, 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.

CTA has been awarded through TSGP since the program's inception and is currently implementing projects from Fiscal Years 2020, 2021, and 2023. These "legacy" projects relate to critical infrastructure security, cyber security and risk mitigation, rail station video monitoring, and collaboration with special teams of sworn CPD officers, including canine units. In FY2023, CTA was awarded \$13.M 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. In FY2023, CTA was awarded \$3.2M for Cyber Security Network Hardening, \$1.8M for Subway Underground Underwater Emergency Exit Intrusion Detection, \$3.9M for Critical Power Substation Physical Security Hardening, \$3.3M for Bus Yard Intrusion Detection Systems, and \$647,520 to support CPD's Transit Anti-Terrorism Surge Operations. TSGP funds do not require local matching.

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 \$100M. Eligible project categories include extensions to existing systems. In December 2020, FTA accepted CTA's request for the Red Line Extension

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[Capital Improvement Program]

project to enter the two-year Project Development (PD) Phase of the New Starts CIG Program. In August 2023, CTA received approval for entry into New Starts Engineering Phase and is targeting an FFCA 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.

In FY 2023, CTA applied for a RAISE grant at 95th Street Terminal to build on CTA's efforts for electric bus charging. This project would fund the initial installation of six (6) chargers, electrical equipment upgrades and the first Chicago Department of Transportation (CDOT) Divvy electric bike share program location on the South Side. CTA requested \$25M and received the full award for this \$38M project.

Low or No Emission Vehicle and/or Buses and Bus Facilities Grant Programs – The Federal Transit Administration (FTA) announced the opportunity to apply for \$1,221,350,117 in competitive grants under the FY 2023 Low or No Emission Grant Program (Low-No Program) and \$469,445,424 under the Grants for Buses and Bus Facilities Competitive Program (Buses and Bus Facilities Program). The purpose of the Low-No Program is to support the transition of the nation's transit fleet to the lowest polluting and most energy

efficient transit vehicles. The Low-No Program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses, including acquisition, construction, and leasing of required supporting facilities. The purpose of the Buses and Bus Facilities Competitive Program is to assist in the financing of buses and bus facilities capital projects, including replacing, rehabilitating, purchasing, or leasing buses or related equipment, and rehabilitating, purchasing, constructing, or leasing bus-related facilities.

In FY 2023, CTA applied to FTA's Low or No Emission Vehicle and Buses and Bus Facilities grant program for \$160,262,000 to begin the conversion of the 103rd Street Garage located at 1702 E 103rd St, Chicago, Illinois 60617, to support electric bus operations and to purchase up to 50 all-electric transit vehicles. The 103rd Street Garage conversion is a key element to completing the over \$2 billion investment in clean transit operations. 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.

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 applied for funding the 77th Street Garage/South Shops Master Plan Study. CTA applied for \$1.7M to complete the Study. CTA received an award of \$100.M for the project.

CTA has an aggressive plan to convert its fleet of nearly 1,800 buses to be all-electric by 2040. This requires modernization of CTA's seven (7) bus garages, one (1) heavy maintenance shop, and on-route charging infrastructure at major bus terminals. Electrification of the fleet will promote significant health benefits throughout CTA's service area, encouraging the use of transit to reduce congestion.

IDOT released a Notice of Funding Opportunity under its "Transit Statewide/Non-Metropolitan Transportation Planning – Federal Sec 5305(e)Program – Funds to pay for and oversee balanced and comprehensive planning, preliminary engineering, design, and evaluation studies of public and non-public transportation modes that are included in the metropolitan or statewide transportation planning process (49 USC 5305(e)). These studies shall help the successful applicant (Grantee) mitigate or resolve an intermodal transportation problem while also furthering one or more of the primary goals. listed as follows:

1. Increase accessibility and mobility of people and freight.
2. Enhance travel and tourism.
3. Increase security for motorized and non-motorized users.
4. Increase safety for motorized and non-motorized users.
5. Support economic vitality.
6. Enhance integration and connectivity across modes.
7. Promote efficient system management and operation.
8. Emphasize preservation of the existing transportation system.
9. Improve resiliency and reliability of the transportation system and reduce or mitigate the stormwater impacts of surface transportation.
10. Promote environmental protection, energy conservation, improved quality-of-life, and consistency between transportation improvements, land use, and economic development.

CTA submitted three applications:

- North Park and Forest Glen Garage Electric Bus Study, CTA applied for \$2.4M to complete the Study. This plan will advance CTA's "Charging Forward" plan by initiating the evaluation and planning of electric bus implementation at CTA's outdoor North Park and Forest Glen bus garages.
- Bus Priority Corridor Study, CTA applied for \$920,000 to complete the Study. The Study will advance planning for key bus corridors in the City of Chicago through its Bus Priority Corridor Study. This project, which aligns with the region's ongoing transit planning efforts, will further CTA's goal to dramatically improve bus speed and reliability performing by providing vital data collection, roadway analysis, and concept development for priority bus corridors.
- O'Hare Transit Access Feasibility Study, CTA applied for \$600,000 to complete the O'Hare Transit Access Feasibility Study. The O'Hare Transit Access Feasibility Study will analyze evolving travel patterns at O'Hare to evaluate and develop one or more transit station concepts that would allow CTA to better serve airport employees, travelers, and other visitors in the future. This will support increasing transit as the mode of access for O'Hare and will complement the Chicago Department of Aviation's (CDA) "O'Hare 21" long-term vision for a modern airport that will be an efficient and accessible international gateway to the world.

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.

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[Capital Improvement Program]

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 was granted \$118M in funding through the All-Stations Accessibility Program to complete the accessibility improvements on the Blue (O'Hare) Line Irving Park and Belmont Stations and the Blue (Forest Park) 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 Green Line ASAP and a portion of Design for the Harlem Station Bus Bridge. CTA continues to move forward with construction funds for ASAP Austin.

Additionally, CTA applied for the FY23-27 STP funds for CTA's Irving Park Station ASAP and Brown Line Western Station Improvements projects. The Irving Park ASAP project was denied; and the Western Brown Project funding was not able to be programmed for FY23 due to fiscal constraints. However, because CTA's project met all program eligibility requirements, it is eligible to be included in the contingency program at \$10M.

Areas of Persistent Poverty Program (AoPP) – This program supports FTA's strategic goals and objectives through timely and efficient investment in public transportation. This program also supports the Biden-Harris Administration's agenda to mobilize American ingenuity by building modern infrastructure and an equitable, clean energy future. AoPP seeks to achieve this goal through supporting increased transit access for environmental justice (EJ) populations (see FTA Circular 4703.1), 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 will 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 through regular communication with residents and other advocates to ensure that the project responds to and meets community needs.

In FY 2023, CTA successfully applied for \$778,500 in AoPP funds for a conceptual plan to reopen the historic station at Englewood (Green) Line Racine. The plan will address modern accessibility standards to ensure that neighbors of all abilities can benefit from this key investment into neighborhood revitalization.

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

In November 2022, CTA started the process with the USDOT Build America Bureau to seek a fourth TIFIA loan for \$365M million as part of the funding the Red and Purple Modernization Project. The amount has been reduced from \$622M 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.

CTA is selected to receive \$1.M in FY 2023 for two projects. These projects are: (a) Program development for the budget of \$625,000 to coordinate the provision of capital projects for customers within the service area. (b) CTA Loop Rail Capacity for \$400,000 which will analyze existing rail capacity and potential solutions to maximize capacity in the elevated Loop through rail simulation modeling.

Additionally, CTA is earmarked to receive \$838,226 in FY24 for Program Development to support regional objectives through strategic participation in the region’s transportation planning process including the development of the Regional Transportation Program (RTP) and the Transportation Improvement Program (TIP). It will facilitate CTA’s coordinating its own capital projects with regional programs and plans. Development of CTA’s five-year capital program includes projects located throughout CTA’s service area. This project will facilitate improved travel options, thereby providing congestion relief, throughout the city and region. Current and future CTA customers from all over the region will benefit from improved bus and rail service.

RTA 5310 Program -- The Regional Transportation Authority’s Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program is a federally funded program that aims to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options.

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In FY2023 CTA applied for two projects: the 79th Halsted Bus Terminal (not awarded) the Tactile Signage at CTA Bus Stops (awarded).

To make public transportation easier to navigate for people with disabilities, in 2018 CTA was awarded \$380,350 in RTA Section 5310 funds to develop a pilot program of tactile bus stop signage. The concept for this pilot was based on feedback CTA received from customers who are blind, low vision, and DeafBlind. CTA procured pilot tactile bus stop signs and installed them at over 2,000 bus stops on over a dozen major bus routes.

In 2023, after public outreach regarding the pilot program received positive feedback, CTA applied for additional RTA Section 5310 funds to support systemwide expansion of the tactile signage program. CTA’s application has been selected and recommended by the RTA for a full amount of \$1.3M. This award will support procurement and installation of tactile signs at over 8,000 additional bus stops.

Although these tactile signs are not required by Americans with Disabilities Act, the CTA strives to address transportation barriers experienced by individuals of all abilities. The installation of tactile signage at bus stops complements the CTA’s All Station Accessibility Program and highlights the agency’s commitment to accessibility through innovation to make taking public transit easier and more convenient for everyone.

Neighborhood Access and Equity Program (NAE, administered through “Reconnecting Communities”) – This program was created through the 2022 Inflation Reduction Act and seeks to promote neighborhood equity, safety, and affordable transportation access while mitigating negative environmental impacts. NAE funds are meant to assist economically disadvantaged communities, particularly those that have been harmed by past government policies such as red-lining and “urban renewal” in the 20th century. To improve equity, transit service, and the environment in the three Chicago communities of North Lawndale, West Garfield Park, and East Garfield Park, CTA is pursuing \$111M in NAE funds to replace track and drainage infrastructure along the Blue Line – Forest Park Branch between Kedzie Avenue and Pulaski Station. This project would tie into ASAP renovations at the Pulaski Station to improve transit access for residents of all abilities.

Rail Vehicle Replacement Program (Rail Program) -- FTA announced the opportunity to apply for \$600 million in FY 2022 and 2023 Section 5337 State of Good Repair Program funds for competitively selected rail vehicle replacement projects. The Rail Program assists States and local governmental authorities in funding capital projects to replace rail rolling stock. The purpose of the Rail Program is to modernize America’s transit system, focusing on maintaining a State of Good Repair for fixed-guideway rail transit. Eligible projects are the replacement of rail rolling stock.

CTA was awarded \$200M of the Rail Program funding to buy up to 300 new electric propulsion passenger railcars to replace older rail cars, operating since the 1980s. This project will improve CTA’s state of good repair needs as the average age of its rail fleet is nearly 40 years old.

Strengthening Mobility and Revolutionizing Transportation (SMART) Established through the 2021 Bipartisan Infrastructure Act, SMART grants are intended to support public sector demonstration projects using advanced community technologies to improve efficiency and safety. The program is structured to award planning grants in FY2022 and FY2023, with construction and implementation grants to advance successfully planning projects available in FY2024-2026.

CTA is hoping to win a SMART award for FY23 to support an innovation project, the Bus Queue Jump Pilot project. In collaboration with the Chicago Department of Transportation this project intends to improve safety and speed for transit riders toward a goal of increasing ridership by converting single vehicle trips to transit. Reducing traffic congestion and improving fidelity to schedules through the Bus Queue Jump Pilot project will make transit more attractive, particularly for Chicagoans commuting to highly congested commercial areas.

During FY2024-2028, CTA will continue to aggressively pursue additional funding under these, and any new 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 developing objective standards for measuring asset conditions and requiring recipients to develop a Transit Asset Management Plan (TAMP).

CTA established a TAMP program both in response to new TAM federal mandates and because of the need to manage system conditions and performance with 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.

[Picture: Color coded diagram used to describe condition of assets. Table below summarizes the ranking]

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

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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
2023	49%
2024	50%
2025	50%
2026	50%
2027	54%
2028	55%
2029	58%
2030	62%
2031	68%
2032	75%

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
2023	49%
2024	50%
2025	50%
2026	50%
2027	54%
2028	55%
2029	58%
2030	62%
2031	68%
2032	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
2023	59%
2024	66%
2025	68%
2026	71%
2027	76%
2028	78%
2029	80%
2030	80%
2031	81%
2032	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
2023	25%
2024	25%
2025	35%
2026	35%
2027	40%
2028	52%
2029	52%
2030	52%
2031	52%
2032	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
2023	25%
2024	31%
2025	32%
2026	32%
2027	32%
2028	33%
2029	33%
2030	34%
2031	36%
2032	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]

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[History Of The CTA]

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.

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[Department Overview]

Subsequent description of CTA departments.

Bus Operations: Bus Operations provides efficient, courteous, professional, safe, and reliable bus transportation.

Bus Maintenance: Bus Maintenance is responsible for the maintenance of the bus fleet, including mechanical maintenance and regular cleaning.

Rail Operations: Rail Operations provides efficient, courteous, professional, safe, and reliable rail transportation.

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.

Rail Station Management: Rail Station Management is responsible for the general cleaning of rail stations, terminals, and bus turnarounds including garbage and snow removal.

Control Center: 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.

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.

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.

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.

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.

Training & Workforce Development: Training & Workforce Development is responsible for creating and delivering learning opportunities to develop the CTA's workforce.

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.

EEO: EEO ensures CTA uses certified DBE's and does not discriminate in procurement, employment, or contracting services.

Diversity Programs: Diversity Programs 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.

Performance Management: 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.

Technology: Technology provides technology solutions and services to support the CTA and its riders.

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.

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[Department Overview]

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 Courts, Subrogation and Workers Compensation.

Planning: Planning is responsible for short- and long-range planning functions including bus and rail service planning and scheduling; strategic planning and ADA compliance.

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.

Internal Audit: Internal Audit provides independent evaluation and improvement of risk management, internal control and governance processes.

Innovation: Office of Innovation provides policy, research, and project management resources for innovative technology implementations, pilots, or proof of concepts across the agency.

Legislative Affairs & GCR: 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.

Equity & Engagement: Equity and Engagement focuses on equity, inclusion, and engagement within CTA.

Board of Directors: The Board of Directors is the governing arm of the CTA.

President's Office: The President's Office oversees the day-to-day operations of the CTA.

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.

[Table: FY24 Proposed Budget by Department Schedule \$ in Thousands]

DEPARTMENT	Labor	Material	Fuel - Revenue Equip	Power	Provision for Injuries & Damages	Purchase of Security Svcs	Other Expenses	Total Operating Expense
Bus Operations	532,708	798	-	-	-	-	586	534,092
Bus Maintenance	129,463	54,851	47,074	-	-	-	2,732	234,119
Rail Operations	164,139	609	-	-	-	-	496	165,243
Rail Maintenance	112,147	49,515	-	-	-	-	2,894	164,556
Rail Station Management	123,035	2,027	-	-	-	-	3,204	128,266
Control Center Operations	16,557	15	-	-	-	-	158	16,730
Infrastructure	152,452	17,565	-	36,229	-	-	48,735	254,982
Security	3,520	56	-	-	-	64,600	5	68,181
Safety	7,214	86	-	-	-	-	4,211	11,511
Purchasing & Supply Chain	24,526	261	-	-	-	-	3,884	28,670
Training & Workforce Development	30,578	367	-	-	-	-	3,889	34,834
Human Resources	8,360	41	-	-	-	-	2,947	11,348
Equal Employment Opportunity	1,414	9	-	-	-	-	2,402	3,825
Diversity Programs	1,991	9	-	-	-	-	1,441	3,441
Performance Management	2,567	0	-	-	-	-	638	3,206
Technology	15,476	660	-	-	-	-	60,268	76,404
Finance	13,442	43	-	-	-	550	10,533	24,569
Law	17,969	83	-	-	-	-	4,747	22,799
Planning	7,917	23	-	-	-	-	1,044	8,984
Communications	6,315	202	-	-	-	-	2,367	8,884
Internal Audit	1,099	2	-	-	-	-	310	1,410
Innovation	9,205	3,283	-	-	-	-	74,413	86,902
Legislative Affairs & GCR	1,529	2	-	-	-	-	676	2,207
Equity & Engagement	556	3	-	-	-	-	83	641
CTA Board	1,427	6	-	-	-	-	229	1,662
Office of the President	1,185	3	-	-	-	-	53	1,240
CTA Total***	1,359,830	130,628	49,074	36,729	19,850	65,150	334,528	1,995,789

[Table: FY24 Proposed Budgeted Headcount by Department Schedule]

DEPARTMENT	Non-STO*	STO**
Bus Operations	244	3,705
Bus Maintenance	1,025	
Rail Operations	284	837
Rail Maintenance	903	
Rail Station Management	403	892
Control Center Operations	102	
Infrastructure	1,149	
Security	26	
Safety	48	
Purchasing & Supply Chain	183	
Training & Workforce Development	168	
Human Resources	64	
Equal Employment Opportunity	9	
Diversity Programs	22	
Performance Management	14	
Technology	91	
Finance	111	
Law	120	
Planning	52	
Communications	50	
Internal Audit	6	
Innovation	58	
Legislative Affairs & GCR	9	
Equity & Engagement	2	
CTA Board	6	
Office of the President	4	
CTA Total***	5,154	5,434

* Budgeted positions include Capital-funded positions.

** Scheduled Transit Operations (STO) Full-Time Equivalents (FTE).

*** CTA total includes the non-departmental budget.

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 utilizes 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

CTA prefers 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, which is determined by the financing purpose.

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, 2023, CTA had \$158.9 million of outstanding capital line of credit notes for capital projects. The notes will be repaid with long-term bonds, reimbursed with federal formula or state PAYGO funds based on the funding source of the project.

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: i. the useful life of assets financed, ii. the terms and conditions of the lease, and iii. the budgetary limit, 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 issuance. The Debt Policy allows the Authority to issue debt on 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, 2023 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 12/31/2023	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")	\$1,539,420,000	2040	Sales Tax & Transfer Tax	A1 (stable)	AA (stable)	NR	AA (stable)
	Series 2010B	\$455,625,000	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	\$490,040,000	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	\$4,054,200,000						
GARVEES	2017 5307	\$56,950,000	2026	FTA 5307 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2021 5307	\$83,445,000	2029	FTA 5307 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2015 5337	\$43,680,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2017 5337	\$31,930,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2021 5337	\$21,095,000	2028	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
		Total Principal Outstanding	\$237,100,000					
Capital Leases	2006 PBC Bonds	\$48,150,000	2033	CTA Lease Payments	A2 (stable)	A+ (stable)	NR	NR
		Total Principal Outstanding	\$48,150,000					
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)	\$4,793,580,402						

* Based on CTA debt portfolio as of 9/1/2023

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[Debt Administration]

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 real estate transfer tax revenues 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. Debt service on the Series 2010B, 2014, 2017, 2020A, 2020B and 2022A bonds is accounted for in the 5-year Capital Improvement Program and is reimbursed with federal formula funds. Debt service for the Series 2008A&B bonds is accounted for in the operating budget.

[Bar Graph: Chicago Transit Authority Sales Tax Receipts Revenue Bonds Debt Service in Millions]

Date	Principal	Interest
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 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.

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[Debt Administration]

[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 Debt Service 2024-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
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:	\$1,539,420,000	\$1,122,339,670	\$2,661,759,670	

* Based on CTA debt portfolio as of 9/1/2023

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 for \$44.6M and Taxable Series 2010B (Build America Bonds) in the amount of \$505.4M 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 Debt Service 2024-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
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:	\$455,625,000	\$306,503,057	\$762,128,057	

*Based on CTA debt portfolio as of 9/1/2023

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2014, in the amount of \$555M along with a premium of \$45.2M. 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 Debt Service 2024-2049*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$640,135,462	\$1,195,135,462	

* Based on CTA debt portfolio as of 9/1/2023

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 \$296.2M, along with a premium of \$18.1M. 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 Debt Service 2024-2051*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$345,723,800	\$641,943,800	

* Based on CTA debt portfolio as of 9/1/2023

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 \$367.9M, along with a premium of \$43.6M. 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 Debt Service 2024-2055*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$416,874,800	\$784,769,800	

* Based on CTA debt portfolio as of 9/1/2023

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 \$534M.

[Table: SCHEDULE VI]

SCHEDULE VI: \$534,005,000 Sales Tax Receipts Revenue Bonds				
Series 2020B Debt Service 2024-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$490,040,000	\$173,990,349	\$664,030,349	

* Based on CTA debt portfolio as of 9/1/2023

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

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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 \$350M, along with a premium of \$37.9M. 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 2024-2057*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$459,825,150	\$809,825,150	

* Based on CTA debt portfolio as of 9/1/2023

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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
6/1/2024	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

[Bar Graph: Chicago Transit Authority 5337 Aggregate Debt Service in Millions]

Date	Principal	Interest
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
6/1/2024	24,270,000.00	4,835,250.00

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 \$176.9M along with a premium of \$21.6M. 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 Federal Transit Authority Section 5337 State of Good Repair Formula Funds Refunding Series 2015 Debt Service 2024-2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$43,680,000	\$4,439,000	\$48,119,000	

* Based on CTA debt portfolio as of 9/1/2023

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 Federal Transit Authority Section 5307 Urbanized Area Formula Funds Refunding Series 2017 Debt Service 2024-2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$56,950,000	\$5,787,500	\$62,737,500	

* Based on CTA debt portfolio as of 9/1/2023

[Table: SCHEDULE X]

SCHEDULE X: \$135,225 Capital Grant Receipts Revenue Bonds				
Federal Transit Authority Section 5337 State of Good Repair Formula Funds				
Refunding Series 2017 Debt Service 2024-2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$31,930,000	\$3,244,750	\$35,174,750	

* Based on CTA debt portfolio as of 9/1/2023

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 \$121M along with a premium of \$27.8M. 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.

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[Table: SCHEDULE XI]

SCHEDULE XI: \$99,325,000 Capital Grant Receipts Revenue Bonds				
Federal Transit Authority Section 5307 Urbanized Area Formula Funds				
Refunding Series 2021 Debt Service 2024-2029*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$83,445,000	\$19,050,250	\$102,495,250	

* Based on CTA debt portfolio as of 9/1/2023

[Table: SCHEDULE XII]

SCHEDULE XII: \$21,650,000 Capital Grant Receipts Revenue Bonds				
Federal Transit Authority Section 5337 State of Good Repair Formula Funds				
Refunding Series 2021 Debt Service 2024-2028*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31) *
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:	\$21,095,000	\$4,817,000	\$25,912,000	

* Based on CTA debt portfolio as of 9/1/2023

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, large-scale 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. Municipalities are also able to draw TIFIA funds on an "as needed" basis during a project, similar to a line of credit, 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 \$79.2M 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 compared to bond issuance.

[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)*
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:	\$77,954,171	\$43,811,420	\$121,765,591	

* Based on CTA debt portfolio as of 9/1/2023

** 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 \$120M in two tranches (Series 2015A-1 for \$42.6M and Series 2015A-2 for \$77.4M) 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 \$42.6M, with a final maturity date of December 1, 2029 and bearing an interest rate of 2.02 percent, and Series 2015A-2 Bond for \$77.4M, with a final maturity date of December 1, 2052 and bearing an interest rate of 2.31 percent. The estimated loan amortization and debt 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 compared to bond issuance.

[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)*
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	99,378,188
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	\$45,557,078	\$165,663,473	

* Based on CTA debt portfolio as of 9/1/2023

** 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 for CTA's Rail Car Purchase Program. The principal amount of the Rail Cars TIFIA loan is an aggregate total not to exceed \$254.9M, in two tranches (Series 2016A-1 for \$147M and Series 2016A-2 for \$107.9M) 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 \$147M with a final maturity date of December 1, 2049 and bearing an interest rate of 2.64 percent and Series 2016A-2 Bond for \$107.9M 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 compared to bond issuance.

[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)*
2024	-	3,927,647	3,927,647	275,146,072
2025	-	3,927,647	3,927,647	275,146,072
2026	-	3,927,647	3,927,647	275,146,072
2027	-	7,263,856	7,263,856	275,146,072
2028	-	7,263,856	7,263,856	275,146,072
2029	-	7,263,856	7,263,856	275,146,072
2030	4,174,447	7,263,856	11,438,304	270,971,625
2031	4,554,723	7,153,651	11,708,373	266,416,903
2032	4,945,037	7,033,406	11,978,443	261,471,866
2033	5,345,656	6,902,857	12,248,513	256,126,210
2034	5,756,851	6,761,732	12,518,583	250,369,359
2035	6,448,971	6,609,751	13,058,723	243,920,387
2036	6,619,224	6,439,498	13,058,723	237,301,163
2037	10,609,887	6,264,751	16,874,637	226,691,276
2038	11,119,389	5,984,650	17,104,039	215,571,887
2039	11,642,343	5,691,098	17,333,441	203,929,544
2040	12,449,173	5,383,740	17,832,913	191,480,371
2041	13,007,233	5,055,082	18,062,314	178,473,139
2042	13,809,427	4,711,691	18,521,118	164,663,711
2043	14,173,996	4,347,122	18,521,118	150,489,716
2044	14,777,591	3,972,928	18,750,520	135,712,124
2045	15,167,720	3,582,800	18,750,520	120,544,405
2046	15,568,147	3,182,372	18,750,520	104,976,257
2047	16,208,548	2,771,373	18,979,922	88,767,709
2048	16,636,454	2,343,468	18,979,922	72,131,255
2049	17,075,656	1,904,265	18,979,922	55,055,598
2050	7,263,801	1,453,468	8,717,268	47,791,798
2051	7,455,565	1,261,703	8,717,268	40,336,233
2052	7,652,392	1,064,877	8,717,268	32,683,841
2053	7,854,415	862,853	8,717,268	24,829,426
2054	8,061,772	655,497	8,717,268	16,767,654
2055	8,274,602	442,666	8,717,268	8,493,052
2056	8,493,052	224,217	8,717,268	-
Total:	\$275,146,072	\$142,899,883	\$418,045,955	

* Based on CTA debt portfolio as of 9/1/2023

** 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 long-term 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: Public Building Commission of Chicago Building Refunding Revenue Debt Service \$ in Millions]

Date	Principal	Interest
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 Payable (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 financed purchase 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 purchased the building to the CTA to be used as CTA headquarters. Rent payments due to the PBC from the CTA under the financed purchase 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 financed purchased 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 financed purchased 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 Financed Payment Schedule 2024-2033				
(Public Building Commission on behalf of Chicago Transit Authority)*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$48,150,000	\$13,729,540	\$61,879,540	

* Based on CTA debt portfolio as of 9/1/2023

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 influenced by national economic conditions with ridership and public funding trends providing additional context for the current economic conditions.

Prior to the COVID-19 pandemic, growing employment levels combined with high downtown parking costs increased the relative value of public transportation. As a result of the COVID-19 pandemic, local and national employment levels initially retracted substantially, and the unemployment rate was near historical highs. In the early phase of the pandemic, stay-at-home mandates and quarantine measures were enacted which drove a substantial increase in telework and procurement of online services, reducing all transportation modes. While ridership continues to increase since the reopening of the economy and return to school, it is still significantly below 2019 levels due to continued telework and hybrid work schedules.

Prior to the COVID-19 pandemic, the number of visitors coming to Chicago was on an upward trend reaching a record 60 million visitors in 2019. Due to the pandemic, the visitors dropped below 17 million in 2020, which had a material impact on ridership and local sales tax revenue. Since the economy reopened, local and national employment levels along with visitors rebounded as well. Total visitors increased to 49 million in 2022, reaching 80 percent of pre-covid levels, a 30 percent increase from 2021 tourism of 31 million. This positive visitor trend has continued in 2023, which helps drive improvement in CTA ridership.

Employment Levels

The seasonally adjusted non-farm employment in the Chicago metropolitan area increased to a monthly average of 4.8 million through August 2023. This represents an average monthly employment increase of 1.0 percent over 2022, compared to the National Employment YOY increase of 2.2 percent. For 2023, Chicago is pacing to exceed the total employment in 2019.

[Table: Average Monthly Non-Farm Employment 2018-2023]

Average Monthly Non-Farm Employment 2018-2023 (seasonally adjusted in thousands)						
	2018	2019	2020	2021	2022	2023
National	148,897	150,891	142,153	146,281	152,625	155,910
% Change	3.2%	1.3%	-5.8%	2.9%	4.3%	2.2%
Chicago Area	4,731	4,759	4,415	4,517	4,703	4,751
% Change	1.7%	0.6%	-7.2%	2.3%	4.1%	1.0%

Source: Bureau of Labor Statistics

Unemployment Rate

The Chicago metropolitan area seasonally adjusted unemployment rate averaged 4.1 percent through July 2023, a decrease of 0.5 percentage points compared to 2022. The national average of 3.6 percent remained unchanged compared to 2022.

[Line Graph: Chicago Area and National Unemployment Rate]

Year	Chicago Area	National
2018	4.2%	3.9%
2019	3.9%	3.7%
2020	9.7%	8.1%
2021	6.2%	5.4%
2022	4.6%	3.6%
YTD 2023	4.1%	3.6%

Source: Bureau of Labor Statistics

Fuel Prices

In March of 2020, consumer gas prices decreased due to the COVID-19 pandemic shutdown, ending the year with an average price of \$2.17. Diesel fuel prices also decreased to an average cost of \$2.55 per gallon. This price downturn gave way to reduced oil production and as the economy re-opened and demand renewed, prices began to increase with 2021 prices exceeding pre-pandemic levels. The Russian invasion of Ukraine and international oil production cuts drove 2022 prices to record highs, and the 2023 prices remain high due to supply and demand pressure and overall inflation. The oil production supply is lower than pre-pandemic levels due to reductions in international production (OPEC) coupled with lower domestic output. Since the beginning of 2023, domestic production has been increasing each month but was negatively impacted by high heat during the summer negatively impacting production. The reduced supply along with high summer travel demand resulted in higher prices in recent months, bringing the YTD average to \$3.57 for regular gas and \$4.20 for diesel.

[Line Graph: Unleaded Regular Gasoline + Diesel Fuel (Price per Gallon National Average)]

	Unleaded Reg. Gas	Diesel
2018	\$ 2.72	\$ 3.18
2019	\$ 2.60	\$ 3.06
2020	\$ 2.17	\$ 2.55
2021	\$ 3.01	\$ 3.29
2022	\$ 3.95	\$ 4.99
YTD 2023	\$ 3.57	\$ 4.20

Source: US Energy Information Administration

Consumer Price Index (CPI)

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer 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, increased fuel costs, post-pandemic wage increases, and other inflationary pressures continue to drive elevated CPI increases. Through August 2023, the national CPI is 3.5 percentage points lower than prior year, while the Chicago-area CPI is 3.9 percentage points lower than 2022. The CPI YOY continues to trend down from peak levels.

[Line Graph: Consumer Price Index Change]

Year	National	Chicago
2018	2.4%	1.8%
2019	1.8%	1.5%
2020	1.2%	1.1%
2021	4.7%	4.2%
2022	8.0%	7.6%
YTD 2023	4.5%	3.7%

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 2022 to 2023, industrial commodities remained relatively flat, fuel decreased 12.5 percent, and iron & steel decreased by 11.1 percent.

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[Economic Indicators]

Fuel is lower due to higher prior year cost driven by the Ukraine invasion. Iron and Steel PPI is lower due to reduced demand with an industrial production slow down combined with supply chain recovery.

[Clustered Bar Graph: Producer Price Index Change]

Year	I. C. less F.	Fuels	Iron & Steel
2018	3.5%	11.0%	12.2%
2019	0.3%	-7.1%	-6.5%
2020	-0.7%	-0.01%	-14.6%
2021	12.4%	38.9%	-71.3%
2022	10.1%	36.3%	6.7%
2023	0.5%	-12.5%	-11.1%

Source: Bureau of Labor Statistics

Gross Domestic Product (GDP)

GDP measures the value of goods and services produced in an area each year. The National GDP grew each year since 2010 before contracting substantially in 2020 due to the pandemic. From 2019 to 2020, the Chicago Metropolitan Area declining 5.4 percent, compared to a 2.2 percent decline nationally. In 2021, as the economy re-opened, Chicago Metropolitan GDP grew 6.4 percent compared to 2020, outpacing the national GDP growth of 5.8 percent. In 2022 and YTD 2023, the national GDP has grown by more normalized levels, achieving 1.9 percent and 2.0 percent respectively. Chicago 2022/23 data is not yet available.

[Line Graph: GDP Growth Rate Change in Percentage]

Year	National	Chicago
2017	2.3%	0.9%
2018	3.0%	2.7%
2019	2.5%	0.7%
2020	-2.2%	-5.4%
2021	5.8%	6.4%
2022	1.9%	
2023	2.0%	

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 raised the Fed fund rate seven times in 2022 and four times in 2023. The rate increased from 0.20 percent in March 2022 to 5.33 percent as of August 2023.

[Line Graph: Average Annual Federal Funds Rate in Percentage]

Year	Average
2018	1.8%
2019	1.6%
2020	0.1%
2021	0.1%
2022	1.7%
YTD 2023	4.8%

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 gradually increased from 2021 through 2023, averaging 3.72 in 2023. As of August 2023, the yield rose to 4.17 percent.

[Line Graph: Average Annual Ten-Year U.S. Treasury Yield in Percentage]

Year	Average
2017	2.3%
2018	2.9%
2019	2.1%
2020	0.9%
2021	1.4%
2022	3.0%
2023	3.7%

Source: US Department of Treasury

Historical Ridership

In the past 10 years, National transit ridership was gradually trending downward from a 2014 high of 10.7 billion due to low gas prices and additional mobility competitors, until 2020 when it dropped dramatically with the COVID-19 pandemic. While ridership has increased each year since 2020, it remains well below pre-pandemic levels due to increased remote work and hybrid schedules.

[Line Graph: National Historical Ridership in Millions]

Year	Number of trips
2012	10.5
2014	10.7
2016	10.4
2018	9.9
2020	4.7
2022	6.2

Source: American Public Transportation Association

Transit ridership in the Chicago region was trending upward in the early 2000's and peaking at 546 million trips in 2012. Since 2012, ridership has decreased due to new mobility competitors, and demographic changes and significantly due to the COVID-19 pandemic. While ridership has increased each year since 2020, it remains well below pre-pandemic levels due to increased remote work and hybrid schedules.

[Line Graph: Chicago Area Historical Ridership in Millions]

Year	Number of trips
2012	664
2014	630
2016	605
2018	468
2020	197
2022	244

Source: American Public Transportation Association

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.

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[Annual Budget Process]

[Flow Chart: Budget Calendar]

July 2023 – 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, 2023 – 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 19, 2023 – Public Release of CTA Budget. The statute requires that documents be available for public inspection 3 weeks prior to public hearing.

October 31, 2023 – Cook County Board Presentation. The CTA presents the budget to the Cook County Board.

November 9, 2023 – Public Hearing. Comments are received from the public.

November 15, 2023 – Chicago Transit Board Vote. The Chicago Transit Board incorporates any changes and adopts the operating budget, financial plans and five-year capital improvement plan.

November 16, 2023 – 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 14, 2023 – 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 2022 – 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 50 percent of the aggregate costs of providing such public transportation in those fiscal years. On July 28, 2023 the Illinois legislature extended recovery ratio relief through 2025 per Public Act 103-0281.

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

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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

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Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provide 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 non-recurring 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
CFRA Carbon-Free Energy Resource Adjustment
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

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[Acronyms]

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

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.

Carbon-Free Energy Resource Adjustment (CFRA) – A line item on ComEd customer bills that reflects the cost of carbon-free energy sources, such as solar and wind power.

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.

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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.

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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.

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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.

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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.

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