Meeting of the RTA Board of Directors

November 6, 2025

Welcome! Meeting Starts at 8:30 a.m.

Meeting Agenda: rtachicago.org

Regional Transportation Authority

1. Call to order

Pledge of allegiance

RTA Board of Directors meeting

- Roll call

4. Action items

4a. Ordinance establishing revised estimates of funding amounts available to the Service Boards for the 2026 Operating Budget

2026 SB 2111 overall impacts

- No service cuts
- No layoffs
- No fare increases in 2026
- Continued improvements to service quality and experience

Action Requested

- Approve revised 2026-2028 operating funding estimates
  - Incorporate estimates of new SB 2111 revenue sources after the effective date in second-half of 2026
    - Portion of State Sales Tax on Motor Fuel
    - Increase of 0.25% RTA Sales Tax pending RTA Board vote in June
- Maintain continuity of transit operations and planned enhancements until new funds begin flowing
- Preserve funding flexibility of remaining new revenues at the regional level to deliver system-wide improvements and allow for transition to NITA

SB2111 - Operations Revenue ($1.209B)

- **Sales Tax on Motor Fuel – Estimated $731M for RTA Region annually**
  - 85/15 statewide split ($860M total)
  - 5% of 6.25% sales tax on gas to fund transit operations beginning July 1, 2026
- **RTA Sales Tax Increase – Estimated $478M annually**
  - 1% - 1.25% on general merchandise in Cook County
  - 1.25% - 1.5% on qualifying food, drugs, and medical appliances in Cook County
  - 0.75% - 1% on general merchandise and qualifying food, drugs, and medical appliances in collar counties, with 0.25% still eligible for collar counties transportation or public safety costs
  - New increment (Sales Tax III) is not matched by the state (no PTF III)
  - RTA Board must approve increase within 60 days of June 1, 2026

SB2111 - Capital Revenue ($180M)

- **Interest on Road Fund Balance – Estimated $180M for RTA Region annually**
  - 90/10 statewide split ($200M total)
  - These funds will be programmed in a future capital amendment
  - No action is requested today on the Capital Program

2026-2028 new funding

$ Millions – Annual Public Funding	2026	2027	2028
Existing Operating Funding	**$2,568.1**	**$2,633.5**	**$2,686.8**
New 0.25% RTA Sales Tax “III” *(Estimated to begin August 2026)*	$199.2	$520.7	$531.1
5.0 pts of State 6.25% sales tax on gas *(Estimated to begin July 2026)*	$365.5	$731.0	$745.6
Total Operating Funding	**$3,132.8**	**$3,885.2**	**$3,963.6**
Increase from existing funding	$564.7	$1,251.7	$1,276.8
New Capital Funding			
Road Fund Interest from IDOT *(Estimated to begin July 2026)*	$180	$180	$180

2026 Funding Amendment – proposed marks remedy shortfalls

	2026 Adopted Marks	2026 Proposed Marks	$ Change
CTA	$1,377.0	$1,518.9	+$141.9
Metra	$635.9	$663.8	+$27.9
Pace	$251.6	$270.5	+$18.9
ADA Paratransit	$280.1	$280.1	+$0.0
RAP / TAP	$0.0	$56.7	+$56.7
Debt Service and JSIF	$59.2	$59.2	+$0.0
RTA Agency	$40.4	$40.4	+$0.0
Projected Regional Funds (Q4 2026)	$0.0	$319.2	+$319.2
Total	**$2,644.1**	**$3,208.8**	**+$564.7**

2027-2028 Funding Amendment

- RTA Act requires approval of two plan year estimates:
  - Staff proposes closing 2027 and 2028 funding gaps with baseline funding of CTA, Metra, and Pace
- A new formula will go into place in 2027 and require the new NITA Board to vote on a budget next year that funds:
  - NITA expenses and new priorities such as transit ambassadors
  - ADA paratransit
  - Provide 2025 Budget levels of funding to CTA, Metra, and Pace
  - Allocate the remaining public funding to agencies based on performance-based formula shares of vehicle revenue miles, vehicle revenue hours, ridership, and passenger miles

Recovery ratio changes in SB2111

- Lowered to 25% (budgeted) for 2026-2029 budgets (5% for ADA)
  - Must be reported to State upon budget adoption, or RFR is forfeited
  - Separate penalty for revenue shortfalls to 25%
  - Waiver of penalty for 2026
- Lowered to 20% (actual) for 2030 and beyond (5% for ADA)
- All adjustments removed, except security expense and ICE funding
  - RTA debt service must now be included, creating downward pressure
  - Legislative remedy anticipated for longer-term compliance

Recovery ratio – 2026 revised marks

- Ordinance revises 2026 requirements downward to levels achievable in the Service Boards' revised, proposed budgets and two-year plans
  - CTA 20%
  - Metra 22%
  - Pace 12%
  - ADA 5%
- Security expense exemption is authorized in proposed ordinance
- RTA will have to add a regional-level credit to meet 25% requirement in 2027 and 2028

Next steps

- Staff is requesting Board approval of the proposed ordinance:
  - Amend the 2026-2028 operating funding amounts to fully fund Service Board budgets
  - Lower the 2026 to 2028 recovery ratios to reflect the SB 2111 legislation
  - Ensure the remainder of 2026 budget calendar dates remain unchanged

3. Information items

3a. Legislative update

SB2111 - Operations ($1.209B) & Capital ($180M) Revenue

- **Operations: Sales Tax on Motor Fuel – Estimated $731M for RTA Region annually**
  - 5% of 6.25% sales tax on gas to fund transit operations beginning July 1, 2026
  - 85/15% statewide split, RTA region and downstate
- **Operations: RTA Sales Tax Increase – Estimated $478M annually**
  - 1% > 1.25% on general merchandise in Cook County
  - 1.25% > 1.5% on qualifying food, drugs, and medical appliances in Cook County
  - 0.75% > 1% on general merchandise and qualifying food, drugs, and medical appliances in collar counties, with 0.25% still eligible for collar counties transportation or public safety costs
  - New increment (Sales Tax III) is not matched by the state
  - RTA Board must vote on regional sales tax increase within 60 days of June 1, 2026
- **Capital: Interest on Road Fund Balance – $180M for RTA Region annually**

SB2111 – Board Structure and Transition

- Current RTA Board terms expire September 1, 2026; members can be reappointed
- New board structures for NITA and Service Boards, members appointed by September 2026
  - NITA Board 20 members, 5 from each subregion
  - Major decisions require supermajority of any 15 members or at least 12 directors; 2 from each subregion
  - 17 of 20 NITA directors also serve on one of the boards of each Service Board
  - Service Board Chairs and Executive Directors chosen by board members with majority vote;
    - All Board Chairs confirmed by Senate until Sept. 1, 2030
    - NITA Board and ED involved in choosing Service Board EDs, who are subject to approval and annual performance review by NITA Board; can be removed by NITA board
    - NITA Executive Director confirmed by Illinois Senate until September 1, 2030

SB2111 – Reform Overview

- NITA builds upon current responsibilities with new authority to:
  - Oversee fare polices and rider communications
  - Establish and oversee service standards
  - Conduct capital planning
- Recovery ratio suspended for fiscal year 2026; Reinstated 2027 at 25%, then 20% for 2030 and beyond
- Beginning in 2027, operating funding is distributed to CTA, Metra, and Pace using a new formula that includes:
  - Key metrics from the National Transit Database: vehicle revenue miles, passenger miles traveled, unlinked passenger trips, vehicle revenue hours
  - After 2030, service standards that will help guide appropriate levels of service for different communities

SB2111 – Key Dates and Deadlines

- June 1, 2026: Effective date for legislation; RTA board votes to approve sales tax within 60 days
- September 1, 2026: Terms of current RTA board members expire, can be reappointed
    - IDOT procures transition consultant
- Jan 1, 2027: NITA Law Enforcement Task Force recommendation due
- June 1, 2027: Vote on implementation of sworn law enforcement officer program
- July 1, 2027: NITA adopts transition plan ordinance
    - Transit ambassador program established
- December 2027: First service plan process begins for service standards funding allocations
- January 1, 2028: Process for unified fare system begins, to be implemented by 2030
- June 1, 2028: Expansion of fare programs, implementation of fare capping

5. Public Comment

6. New Business

Adjournment

The next meeting of the RTA Board of Directors is scheduled for Thursday, November 20.

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