

January 2008  
Back To Basics  
Proposed Budget



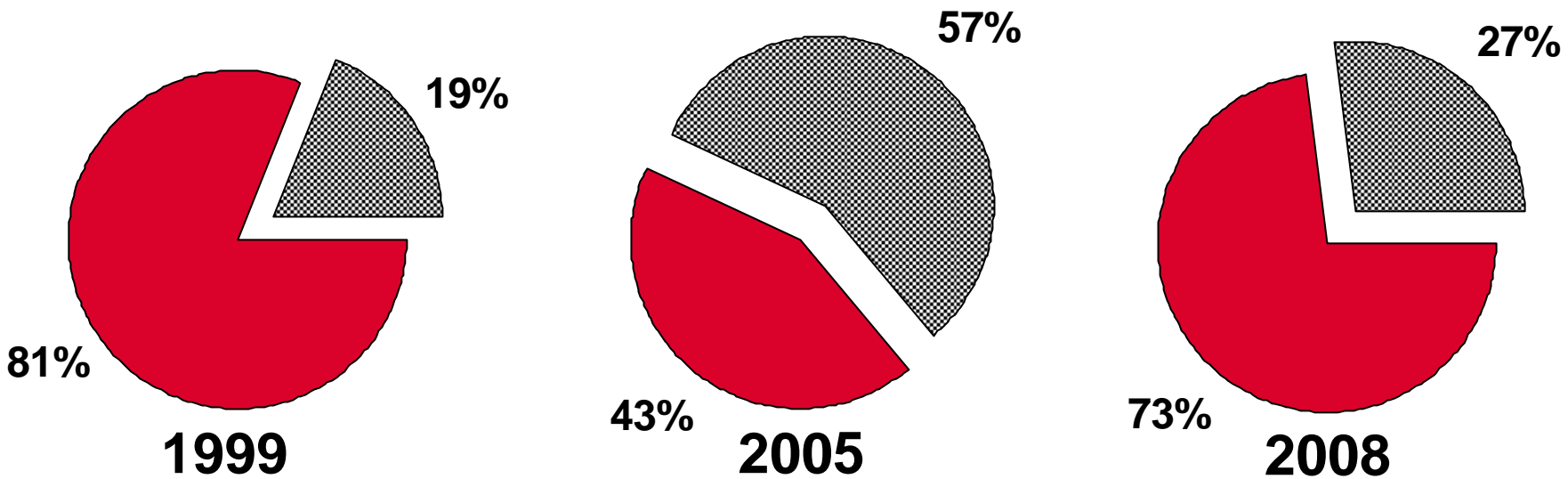
**Chicago Transit Authority**



President's  
Proposed  
FY 2008-2012  
Capital Program

# Capital Program Unfunded by 73%

- \$8.7 billion needed to reach a state of good repair
  - \$2.4 billion is funded
  - \$6.3 billion unfunded



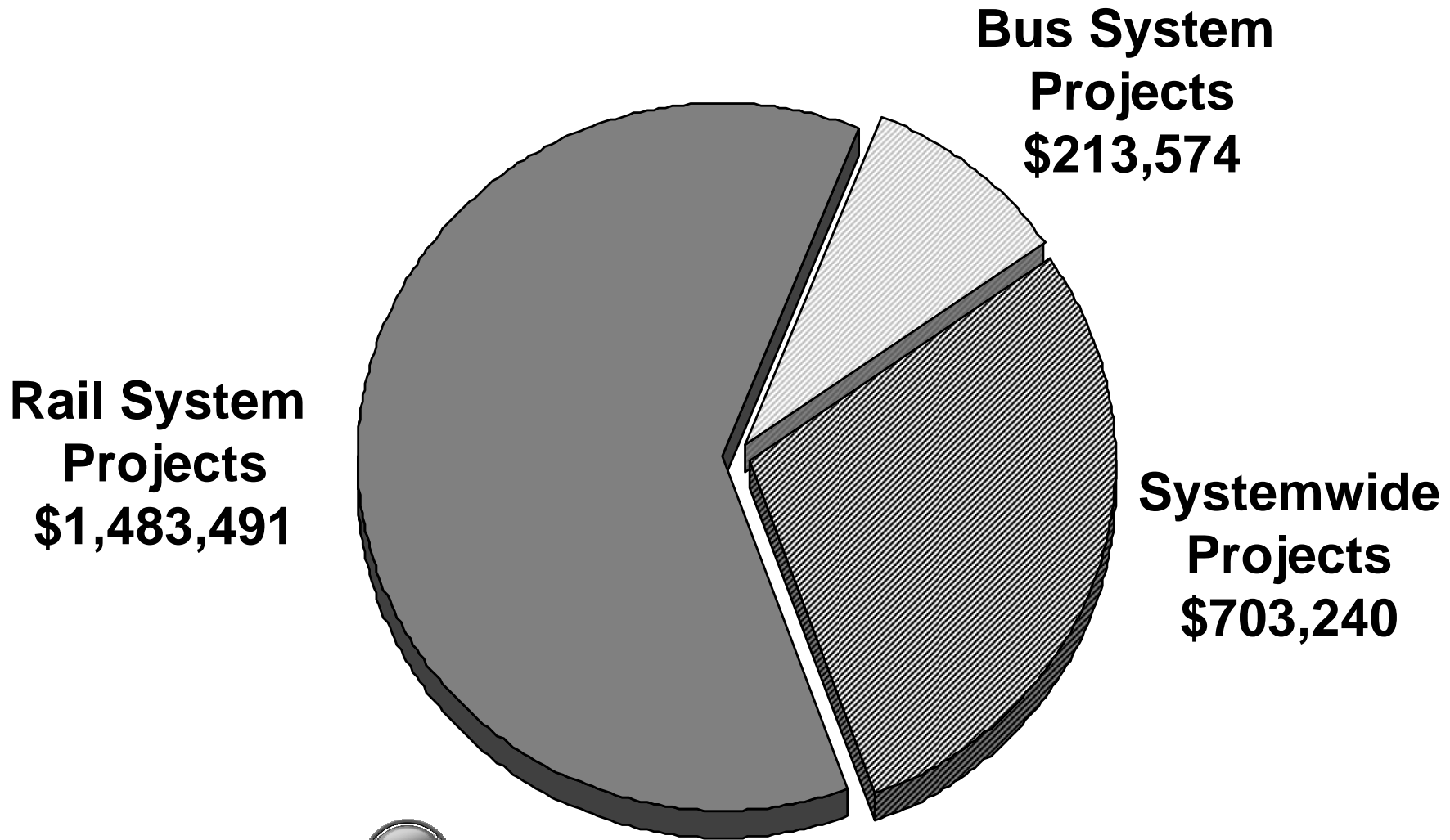
# **President's Proposed Capital Program Goals**

- 1. Eliminate slow zones in subways and throughout the system**
- 2. Fund periodic fleet overhaul programs and regular replacement of both bus and rail fleets**
- 3. Upgrade rail stations for CTA Customers**
- 4. Invest in technology to improve operational and management efficiency**



# Proposed FY 2008-2012 Capital Program

- **\$2.4 billion funded**



# This presentation

- Proposed 2008 - 2012 Capital Program
- Proposed 2008 Operating Budget Summary
- November 2007 Contingency Summary
- January 2008 Proposed Service Cuts, Fare Increases and Staffing Changes



# President's 2008 Proposed Budget

# Worse than 2007 Cuts

- Operating budget facing \$158 million shortfall
- CTA required by law to submit a balanced budget
- Will result in tremendous hardship to region
  - Est. 250,000 riders each day will be forced to seek other ways to get where they need to go
  - CTA's customers will face long waits and crowded buses and trains
  - Regional economy will suffer
  - Environment will suffer
  - Gridlock likely: Chicagoan commuters will be spending more than the 203 million hours they currently spend





# 2008 Budget Shortfall of \$158 Million

## ▪ **Givens:**

- **Administrative Cuts will be a significant part of the solution**
- **No more capital funds are available to supplement operating costs**
- **Legislative action needed to provide a long-term funding solution**

## ▪ **Options:**

- **Generate needed revenue from fare increases**
- **Generate savings from service cuts**
- **Operate service until all funds exhausted**
- **Generate savings through a blend of service reductions, fare increases, and employee cuts**



# 2008 Changes Add to 2007 Changes

- **Both service reductions and fare increases for the 2008 proposed scenario build on those of November of 2007**
  - **Elimination of 39 bus routes**
  - **Lay off of 637 CTA employees**
- **Changes must be implemented in January 2008**

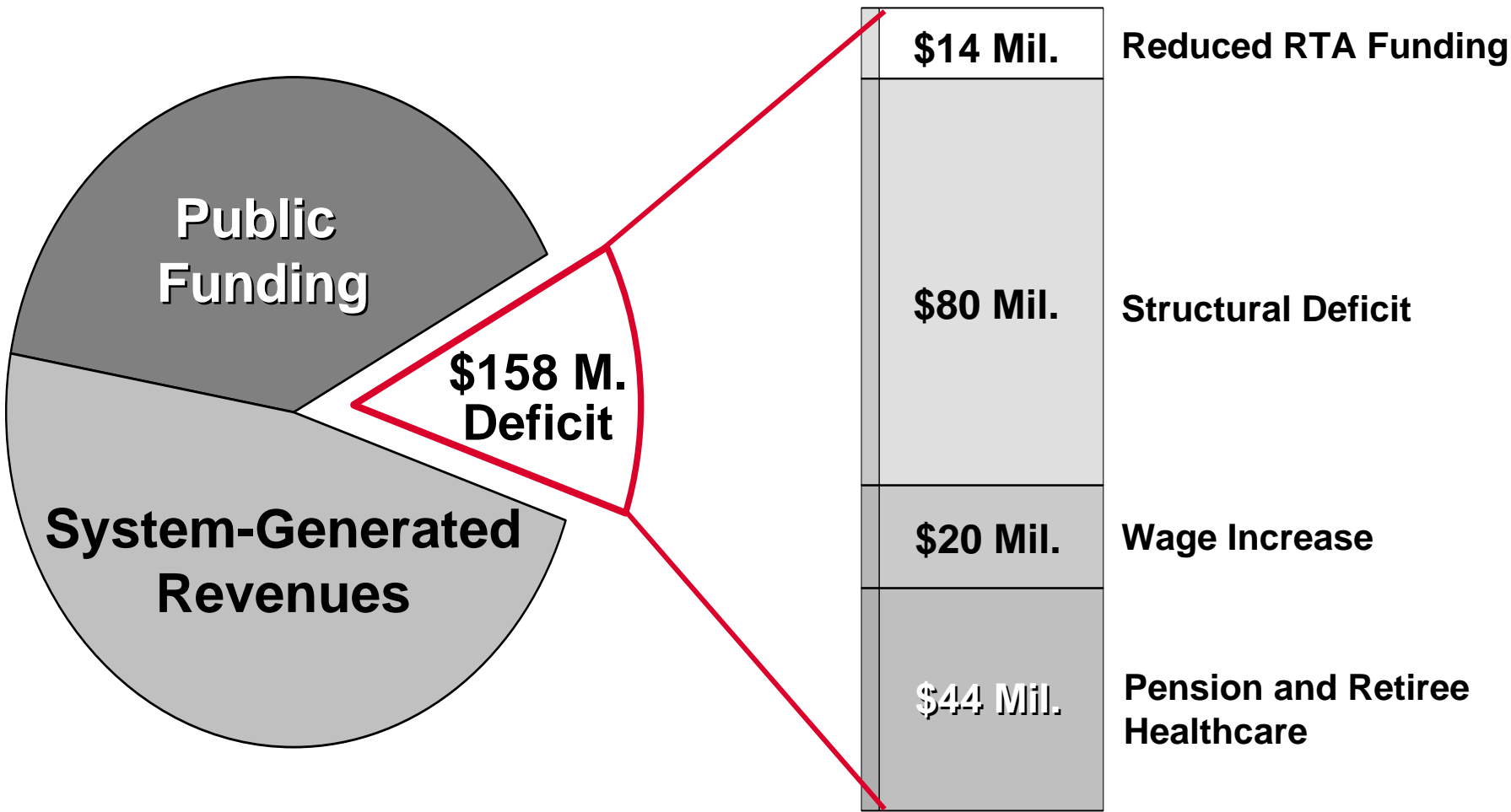


# Guiding Principles The Same

- 1. Maintains as much availability as possible for transit dependent customers**
- 2. Maintains key regional connections, where possible**
- 3. Spreads the burden in an equitable manner**
- 4. Makes provisions for people with disabilities, the elderly and students**
- 5. Meets Federal Guidelines**



# 2008 Operating \$158 Mil. Budget Deficit

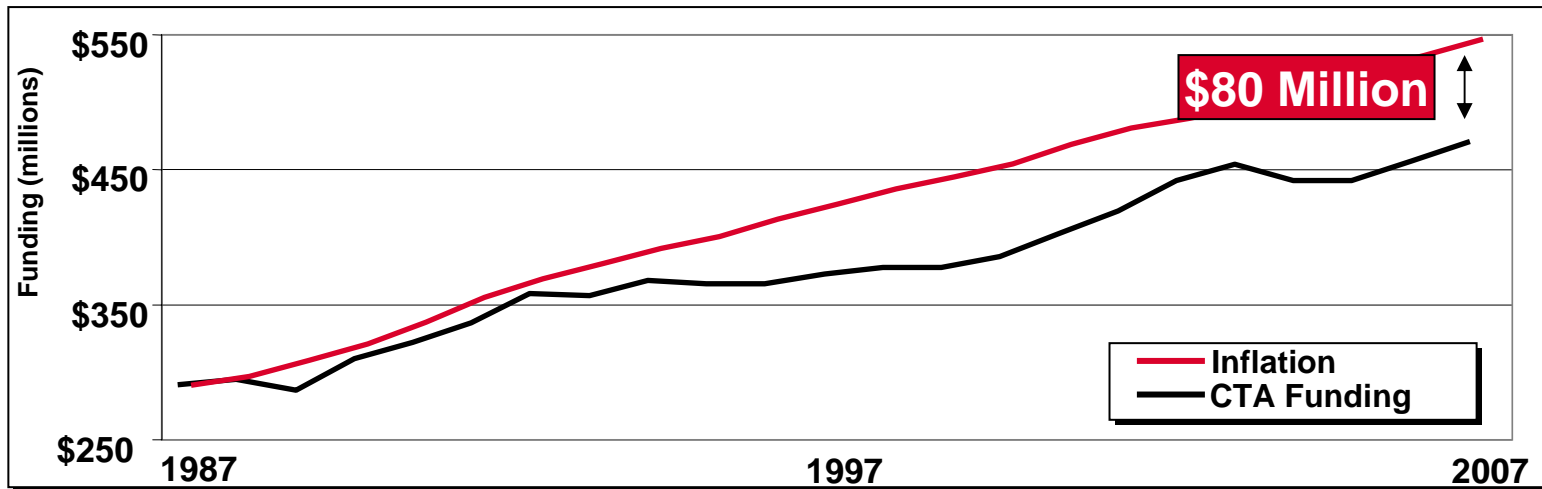


Contributing Factors

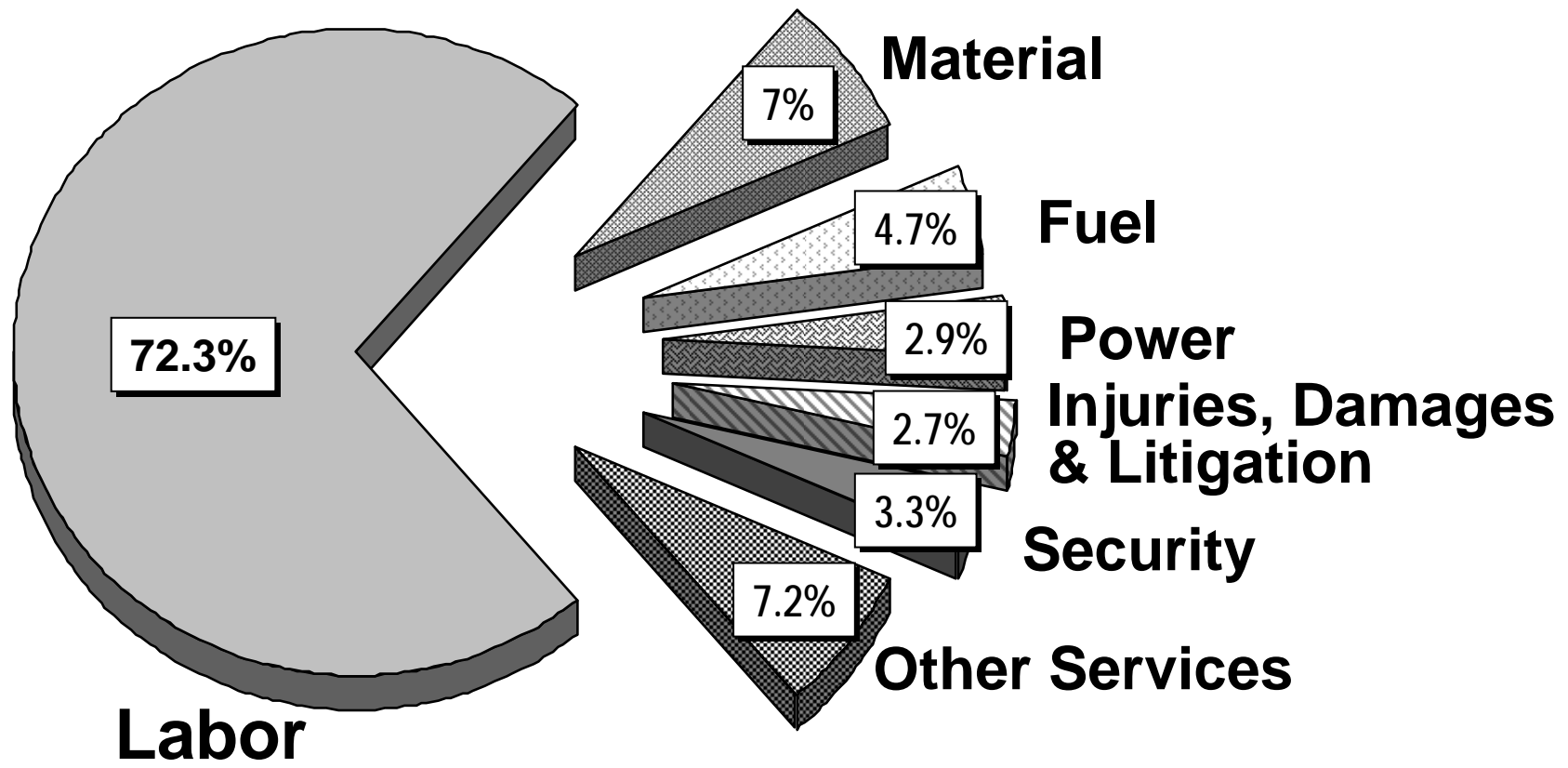


# No Way Out

- Public funding hasn't kept pace with inflation



# 2008 Proposed Operating Expenses



Total \$1.034 billion



# 2008 Proposed Operating Expenses

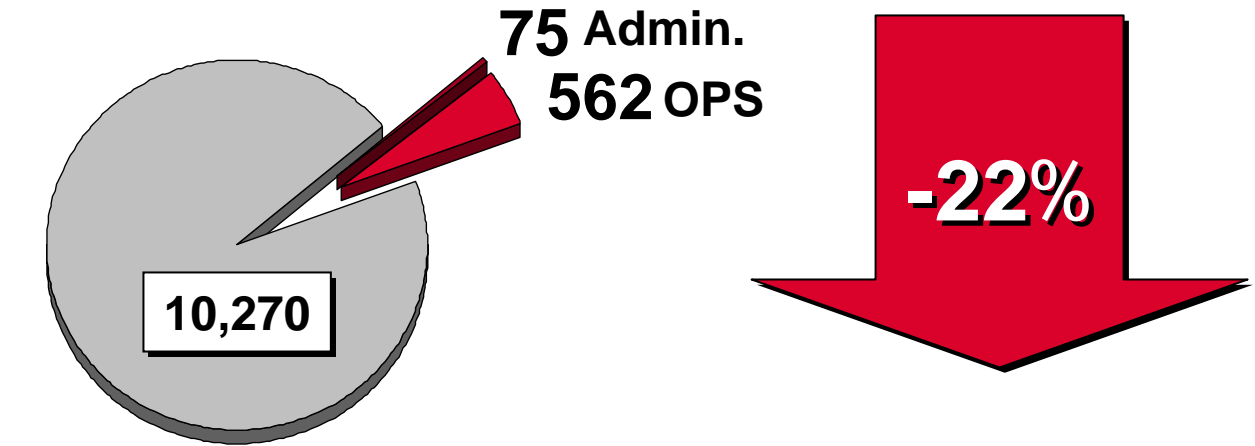
- **\$1.034 billion recommended includes:**
  - **Massive planned reduction in bus service**
  - **22% cut in CTA staff**

2007

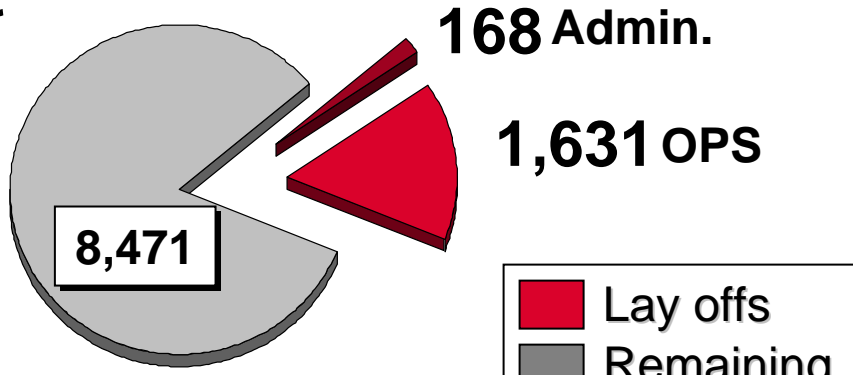
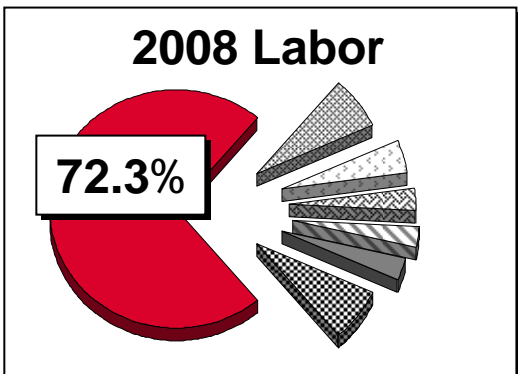


# 2008 Labor

- Nov. '07 and Jan. '08 proposed reductions leave CTA with 2,436 or 22% fewer staff



2007 Headcount



2008 Headcount

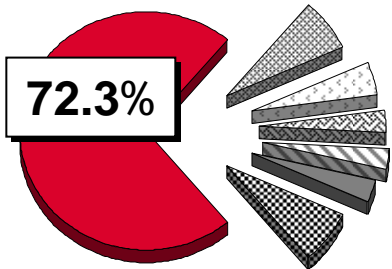




# 2008 Labor

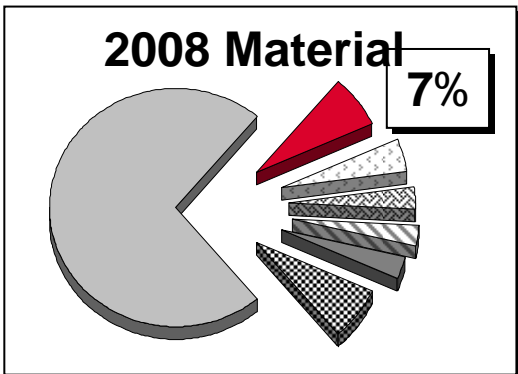
- 3 bus garages shut down
- Administrative staff 24.2% less than in 2003
  - Most cuts at CTA Headquarters
- 2008 lay-off letters must go out Nov. 1st

2008 Labor



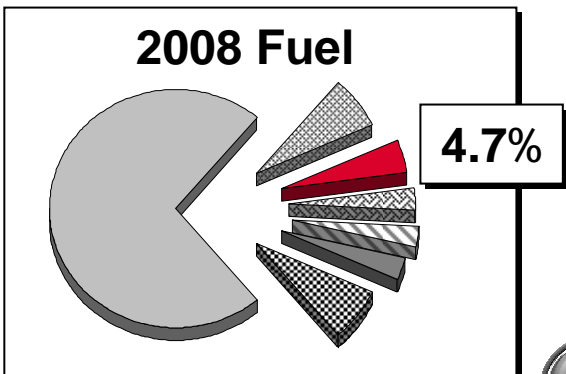
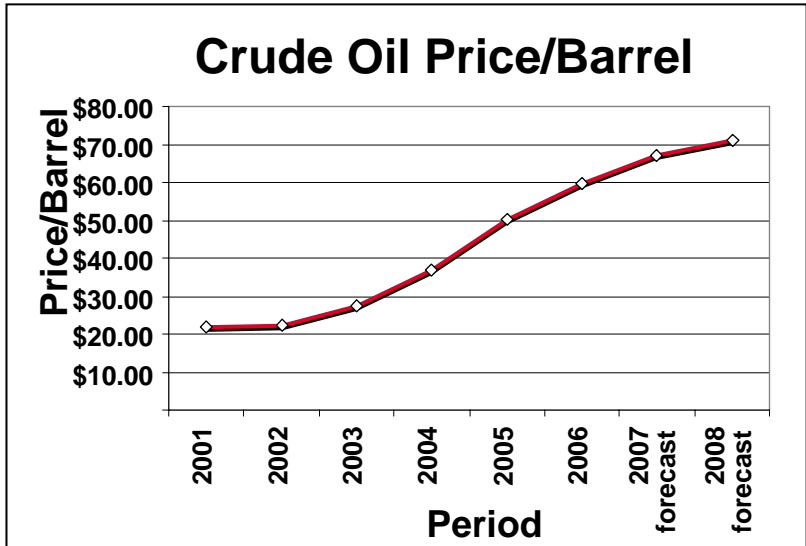
# 2008 Material

- **\$72.3 million recommended**
  - **Bus service cuts will result in the retiring of older fleet leading to lower bus maintenance costs**
  - **Bus service cuts will also result in increased rail usage which will tax the aging rail fleet requiring increased maintenance costs**



# 2008 Fuel

- **\$48.5 million recommended**
  - **Even with increasing fuel prices, '08 is less due to bus service elimination**



2007  
**\$20.1 M.**



# 2008 Power

- **\$29.8 million recommended**
  - **Jan. '07 lifting of decade-long energy rate freeze in Illinois impacted increase**

2007

**\$.07 M.**

2008 Power

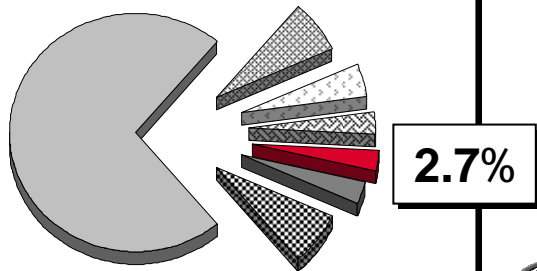
2.9%



# 2008 Injuries, Damages & Litigation

- **\$28 million recommended**
  - **In actuarial-recommended range**

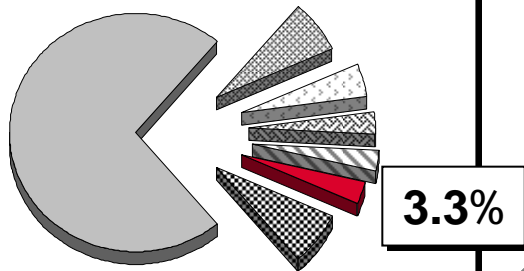
2008 Injuries etc.



# 2008 Security

- **\$33.6 million recommended**
  - **CPD, Evanston, and Oak Park police depts.**
  - **Contracts for guard and canine security**
  - **City provides approx. \$22 million in CPD Public Transportation Section at no charge**
  - **Reduced costs from surveillance cameras and sensors**

2008 Security



3.3%

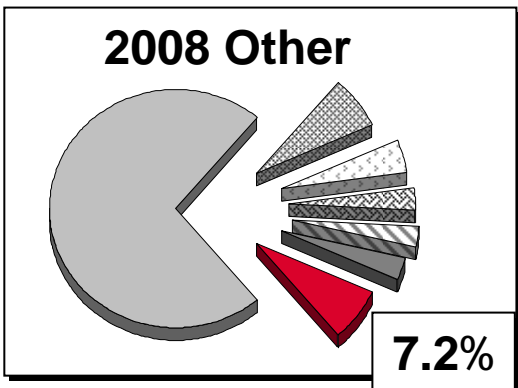
2007

**\$2.6 M.**



# 2008 Other Expenses

- **\$74 million recommended**
  - **Utilities for CTA facilities, advertising/marketing expenses, equipment/software maintenance, accounting, engineering, legal/consulting services, banking fees, and commissions for the sale of fare media**
  - **Facilities safety program**

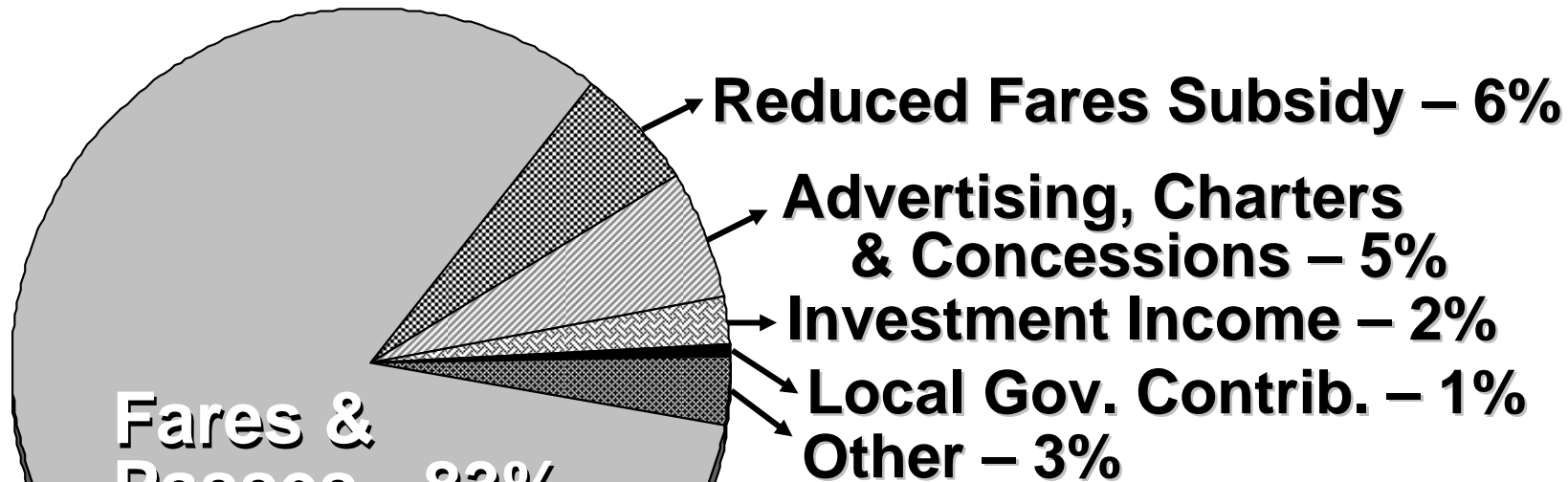


2007



# 2008 Proposed Revenues

- **\$562.008 million system revenues**



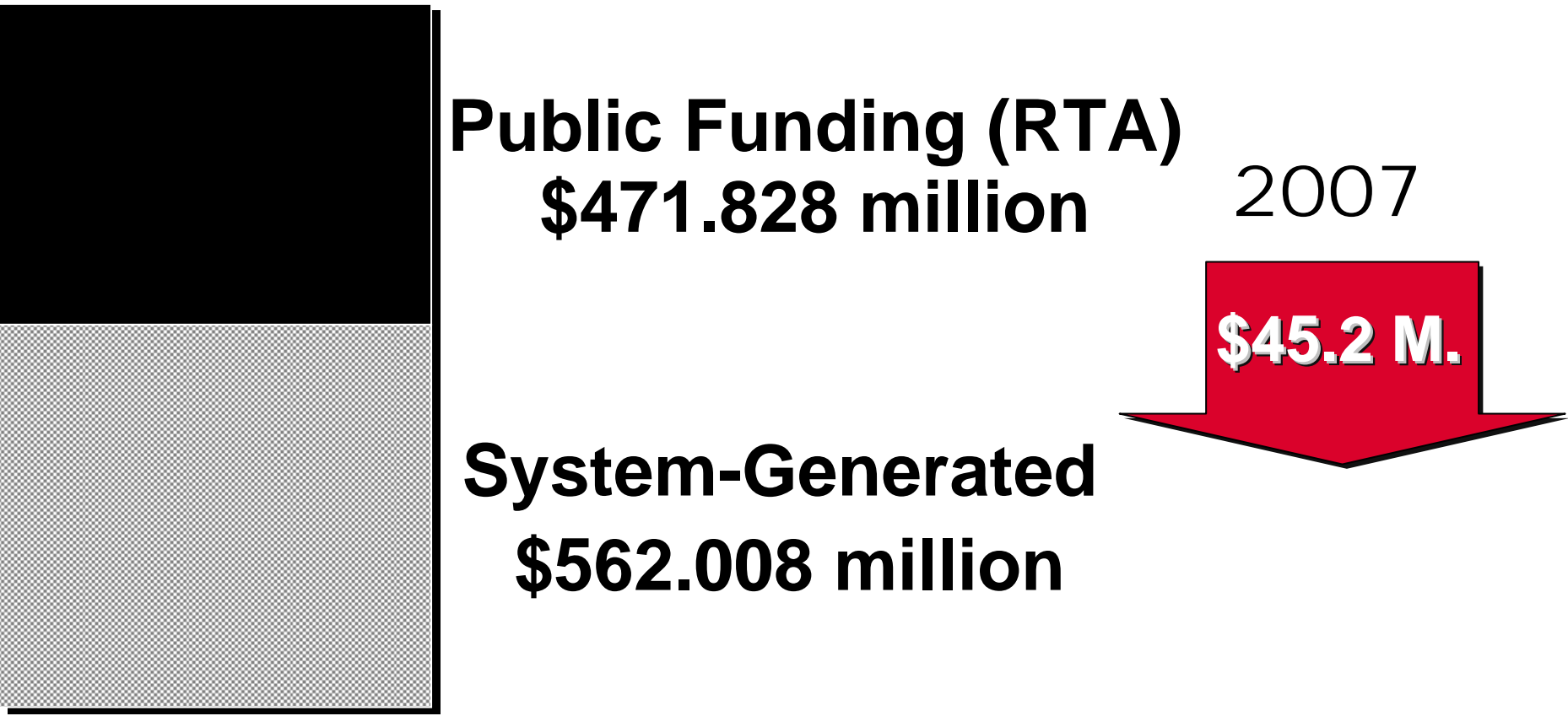
2007





# 2008 Proposed Revenues

- **\$1.034 billion revenues**



# CTA 2007 Contingency and 2008 Proposed Contingency



**Chicago Transit Authority**

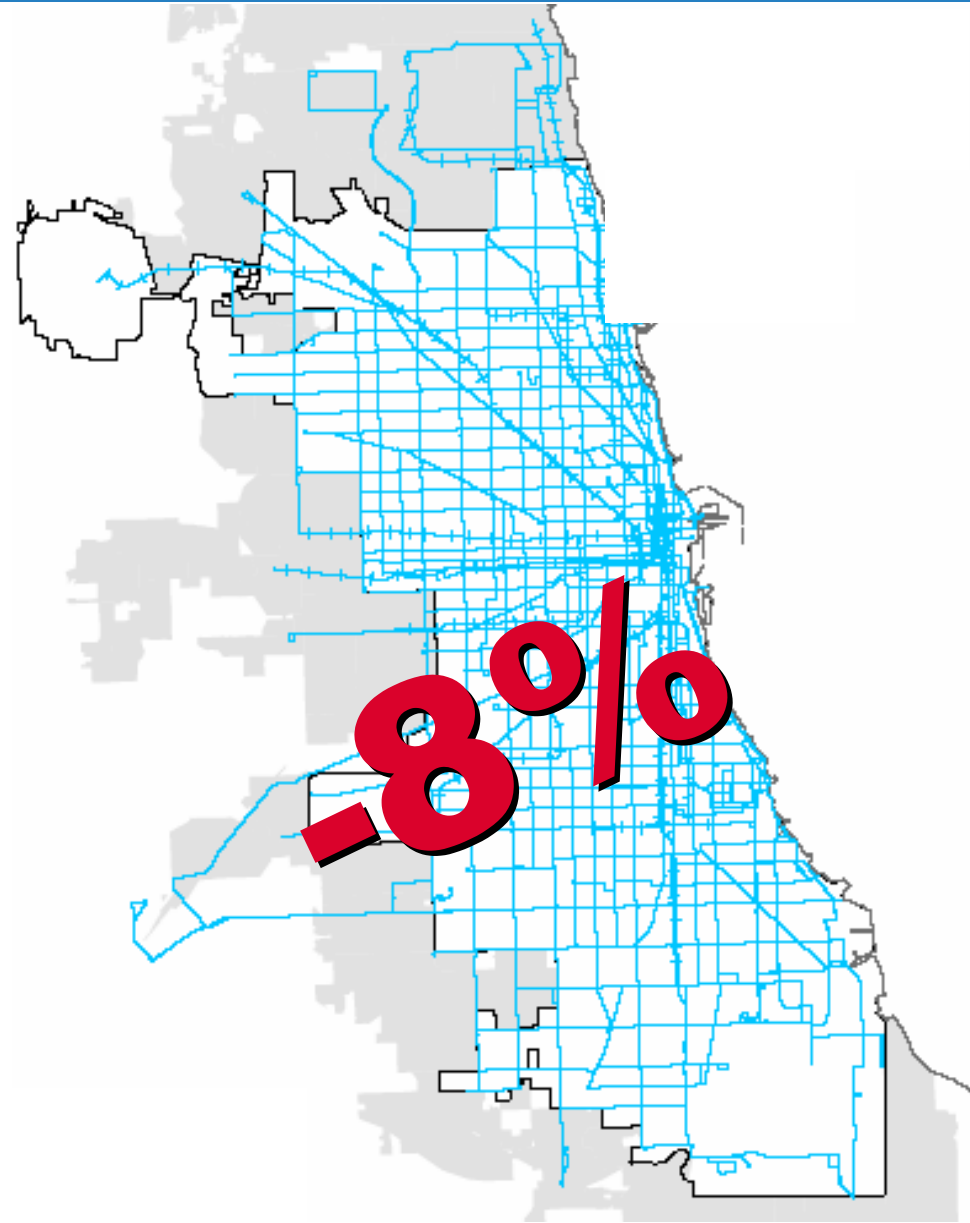


Chicago Transit Authority

# November 2007 Contingency Changes

# Nov. 4<sup>th</sup> Service Scenario

- **Most reductions in areas where other service exists**
  - 39 bus routes suspended
  - 115 bus routes operate at current level
  - 314 fewer buses during peak hours
  - Trains service unchanged



# November 4th Fare Increases

- No increase for Reduced Fare riders
- Pass users still receive discount
- Peak/Off-Peak Fare pricing for rail
- Incentives for Chicago Cards

FARE TYPE		Pre-Nov.	Post-Nov.
CASH: Bus	All Times	\$2.00	\$2.50
CASH: Rail	Non-PEAK	\$2.00	\$2.50
	PEAK	\$2.00	\$3.00
Reduced Fares	NO CHANGE		
Chicago Cards	20% - 39% savings over cash		
All Passes	11% - 20% Increase		

+ \$.50

+ \$.50

+ \$1.00

\$5.00 fee waived  
for Sept./Oct.



# Nov 4<sup>th</sup> Labor Impact

- **Lay Offs**
  - **562 operations**
  - **75 CTA administrative and support**





# January 2008 Proposed Fare Increases

# Jan. 6<sup>th</sup> Fare Increases

FARE TYPE			Current	Nov. '07	Jan. '08
CASH: Bus	CASH: Bus	<b>All Times</b>	<b>\$2.00</b>	<b>\$2.50</b>	<b>\$2.75</b>
Transit Card: Rail	Transit Card: Rail	<b>Non-PEAK</b>	<b>\$2.00</b>	<b>\$2.50</b>	<b>\$2.75</b>
		<b>PEAK</b>	<b>\$2.00</b>	<b>\$3.00</b>	<b>\$3.25</b>
Reduced Fares	Reduced Fares		<b>No Change</b>		
Chicago Card	Chicago Card	<b>Non-PEAK</b>	<b>\$1.75</b>	<b>\$2.00</b>	<b>\$2.25</b>
		<b>RAIL PEAK</b>	<b>\$1.75</b>	<b>\$2.00</b>	<b>\$2.50</b>





# 2008 Proposed Fare Increases

- Maintains incentives for Chicago Cards

<b>FARE TYPE</b>	<b>Current</b>	<b>Nov. '07</b>	<b>Jan. '08</b>
30-Day Pass	<b>\$75.00</b>	<b>\$84.00</b>	<b>\$94.00</b>
7-Day Pass	<b>\$20.00</b>	<b>\$23.00</b>	<b>\$25.00</b>
1-Day Pass	<b>\$5.00</b>	<b>\$6.00</b>	<b>\$7.00</b>



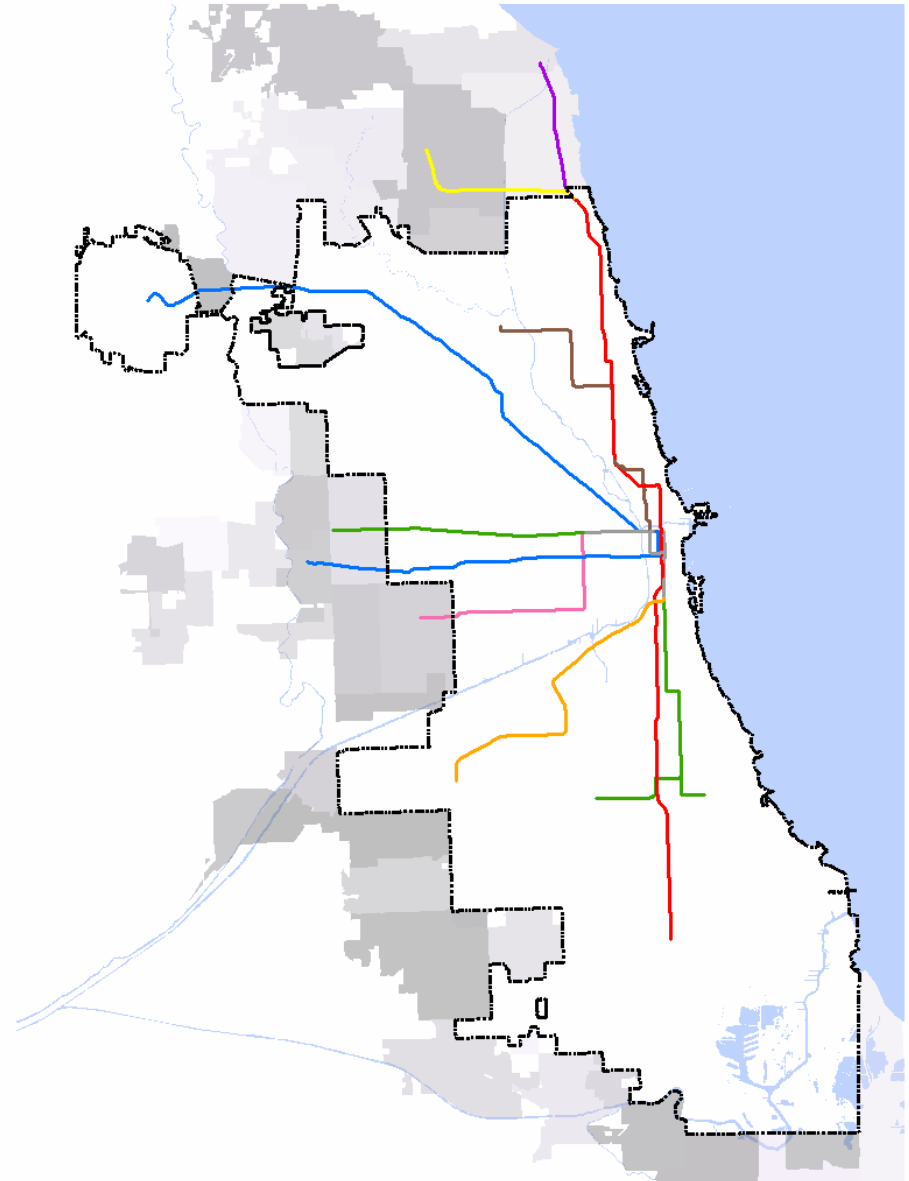


# January 2008 Proposed Service Reductions

# Proposed Rail Service Retained

## Rail Service

- **Reductions:**
  - **Purple Line Express**

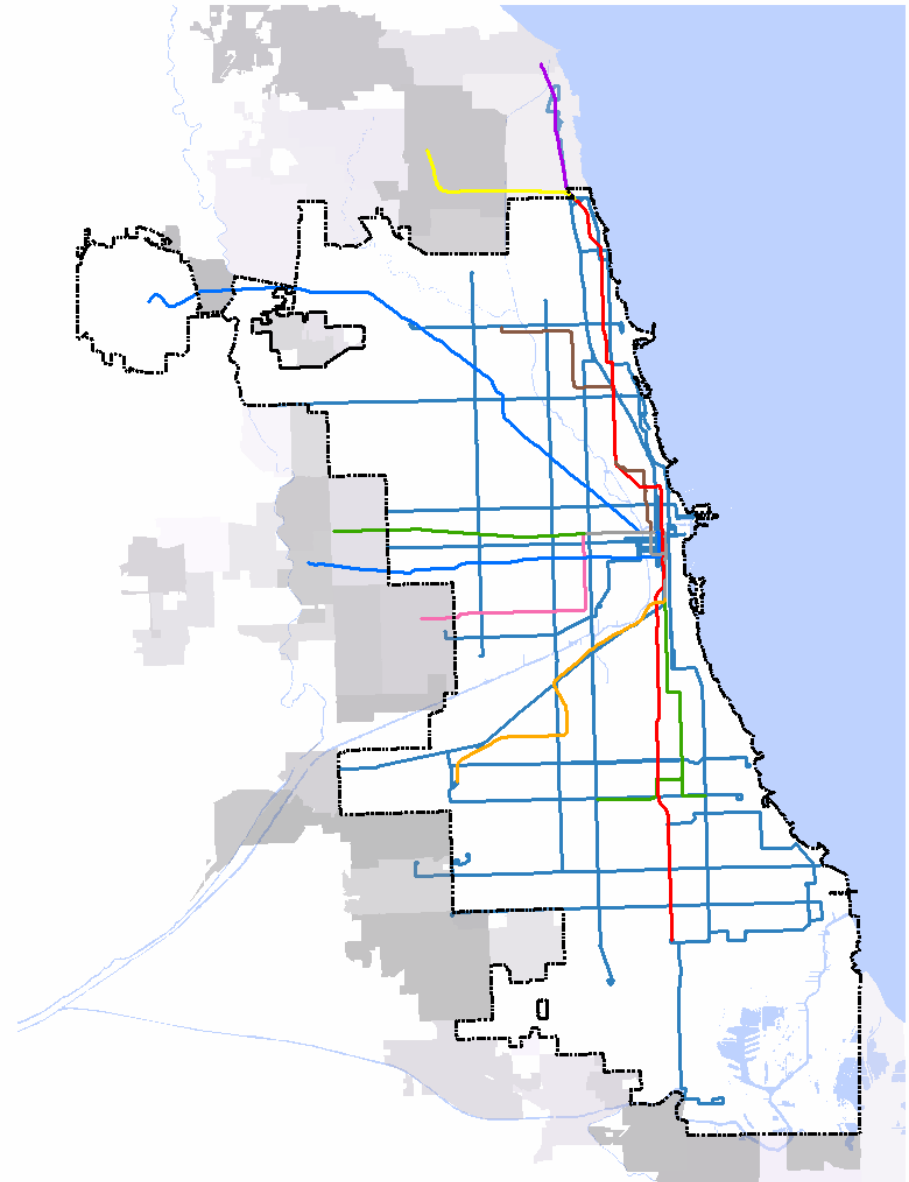


# Rail + Owl

Rail Service

Owl Network

- **19 Routes**
  - Enhances connection to rail lines



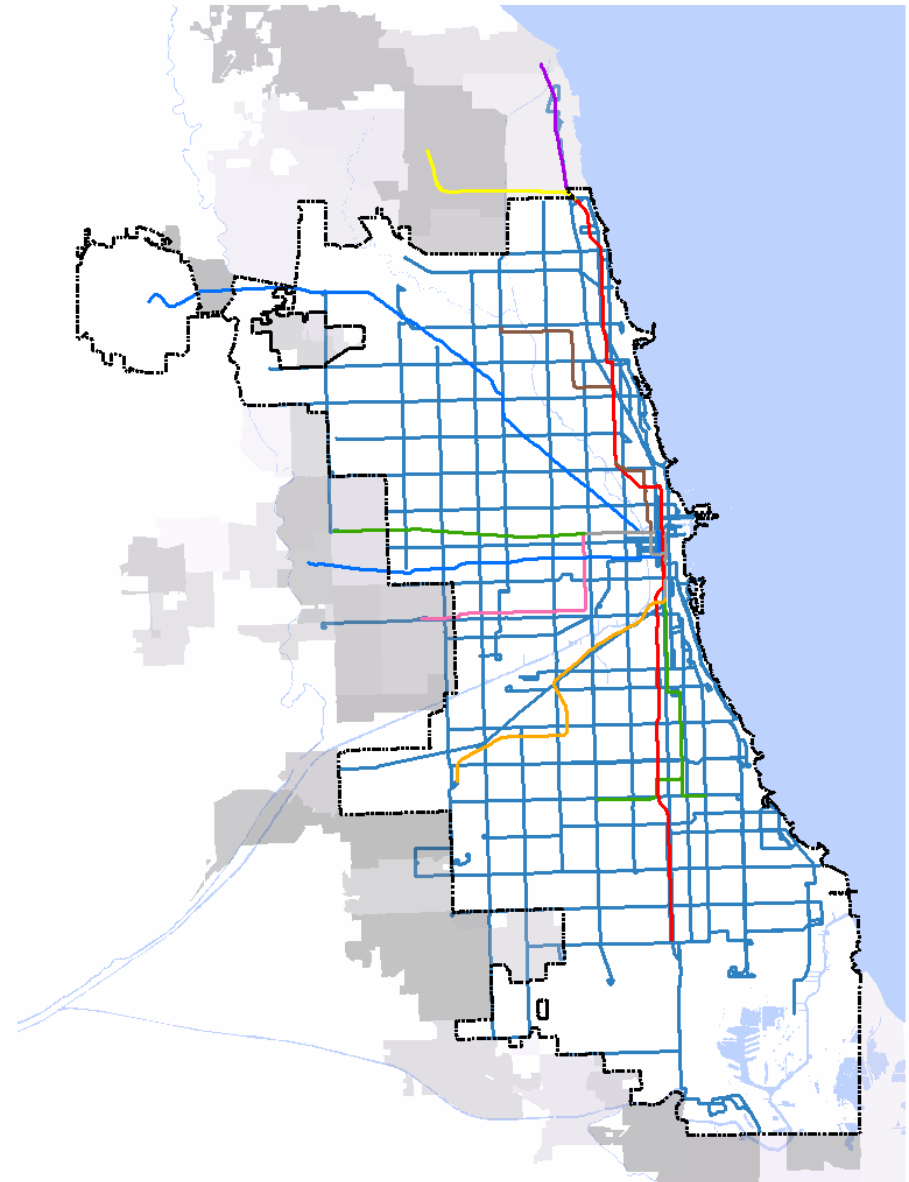
# Rail + Owl + Key

Rail Service

Owl Network

Key Route Network

- **46 Routes**
  - 1 mile grid



# Rail + Owl + Key + Subsidized

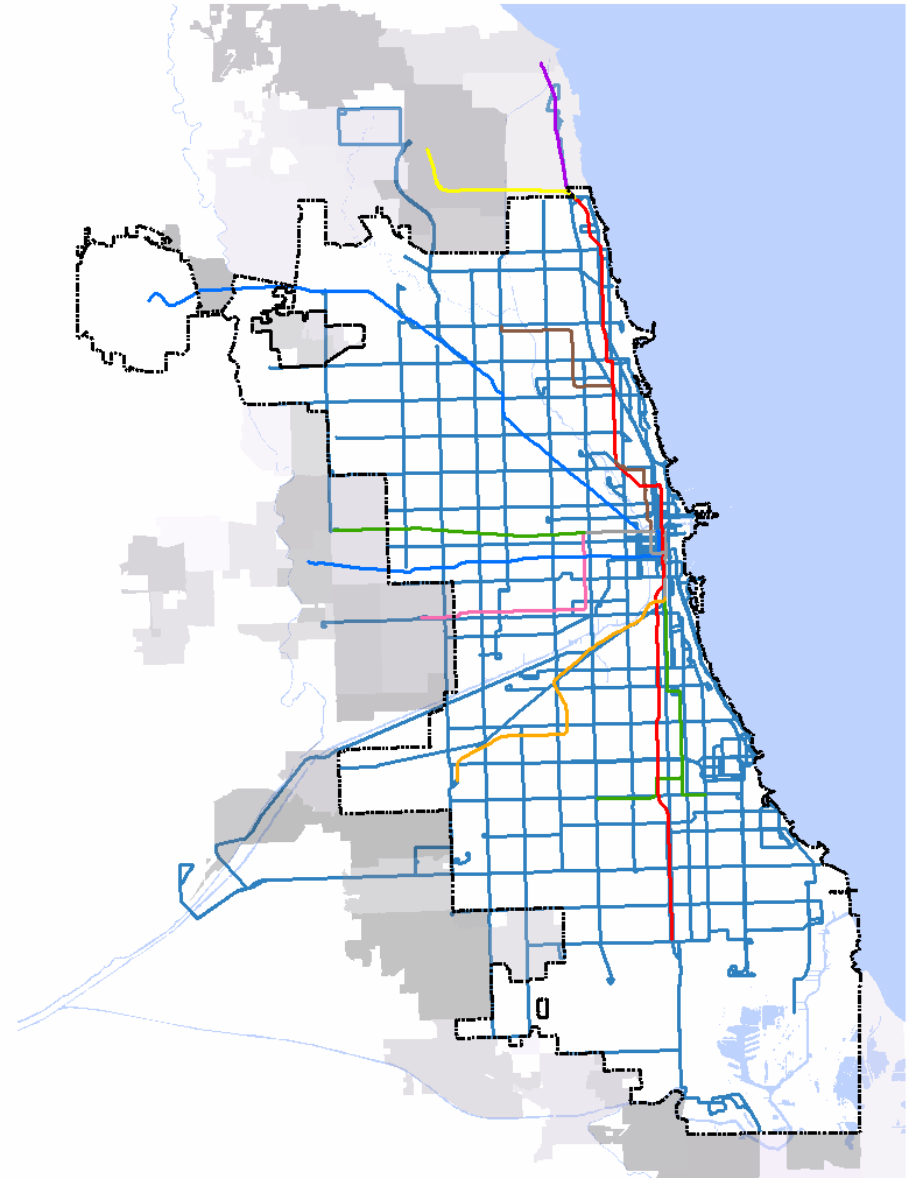
Rail Service

Owl Network

Key Route Network

Subsidized Service

- **15 subsidized routes**
  - Financial support from alternative sources



# Rail + Owl + Key + Subsidized + EJ

Rail Service

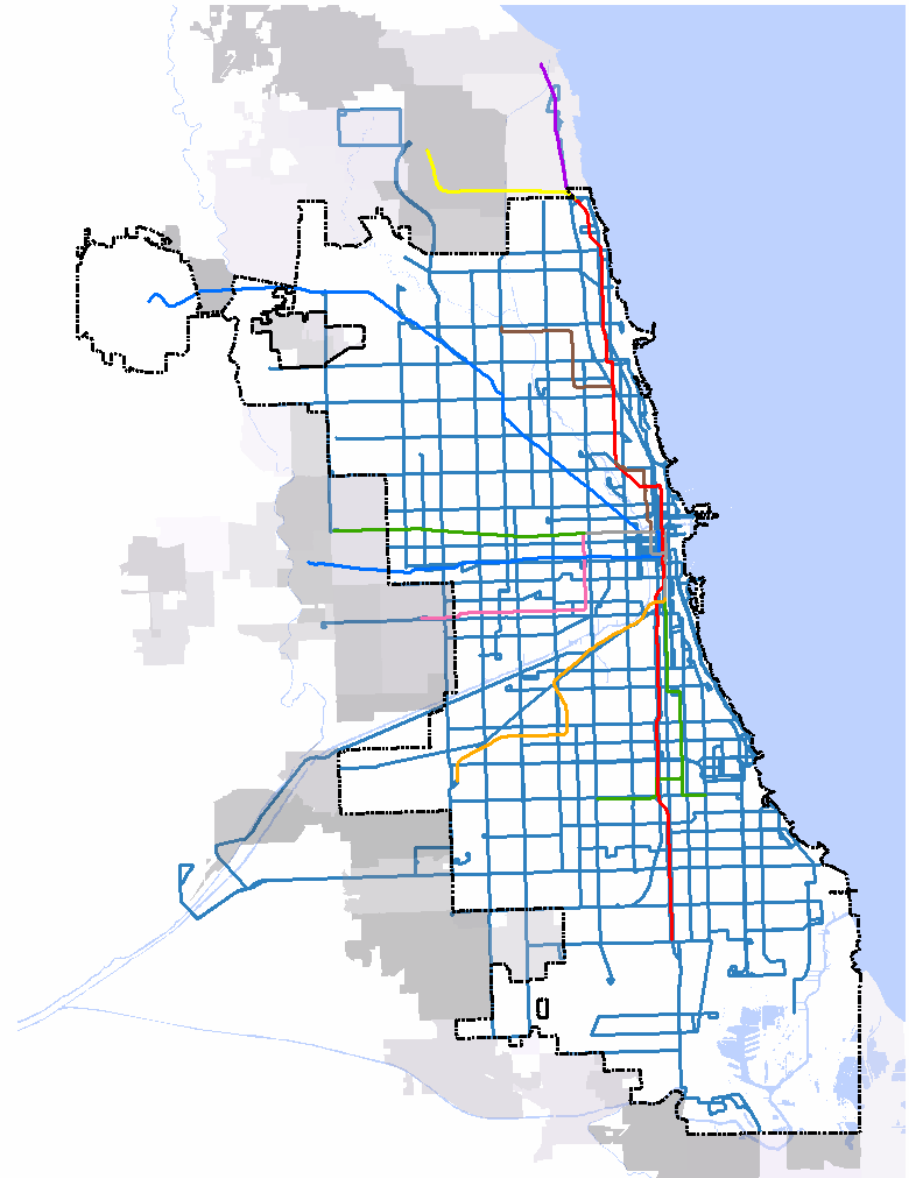
Owl Network

Key Route Network

Subsidized Service

Environmental Justice

- **Federal Requirements**
  - Title VI
  - Environmental Justice



# Rail + Owl + Key + Subsidized + EJ

Rail Service

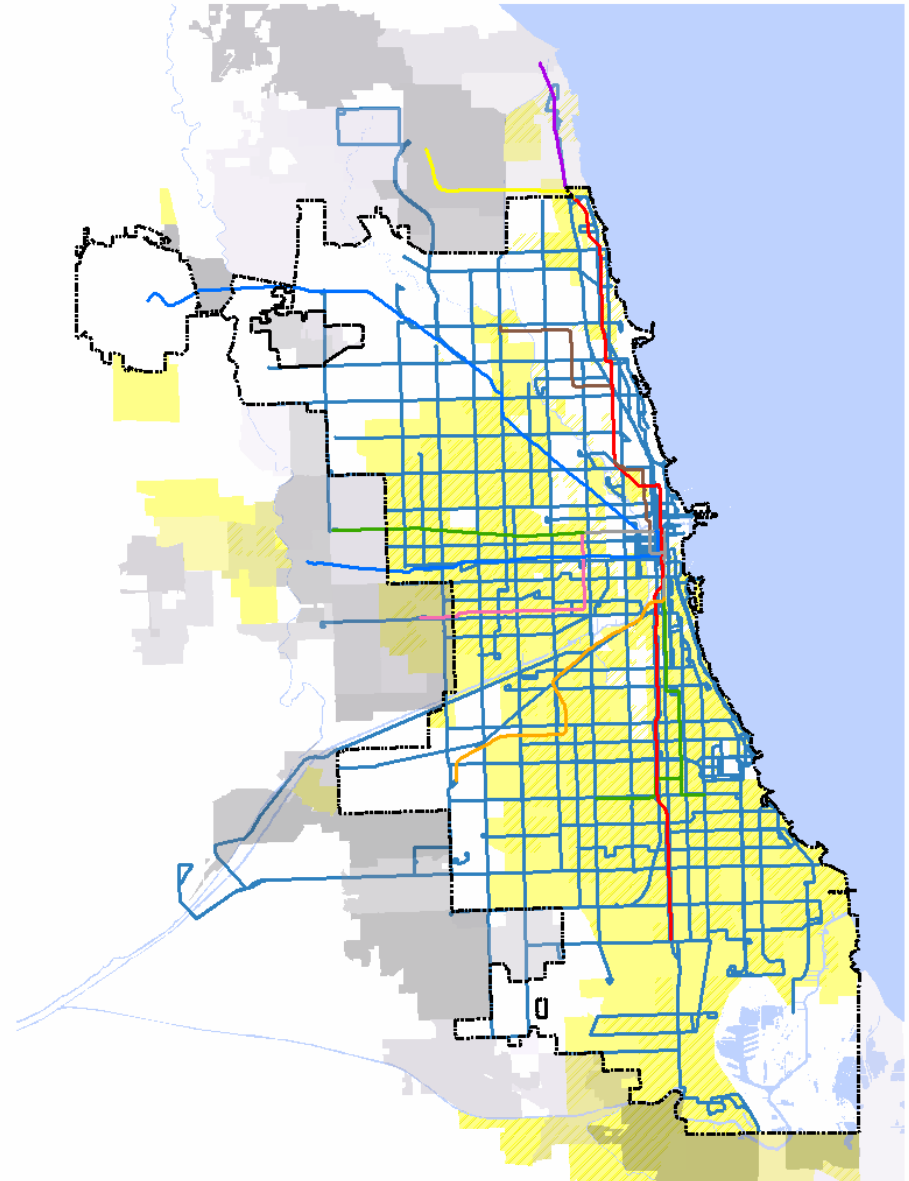
Owl Network

Key Route Network

Subsidized Service

Environmental Justice

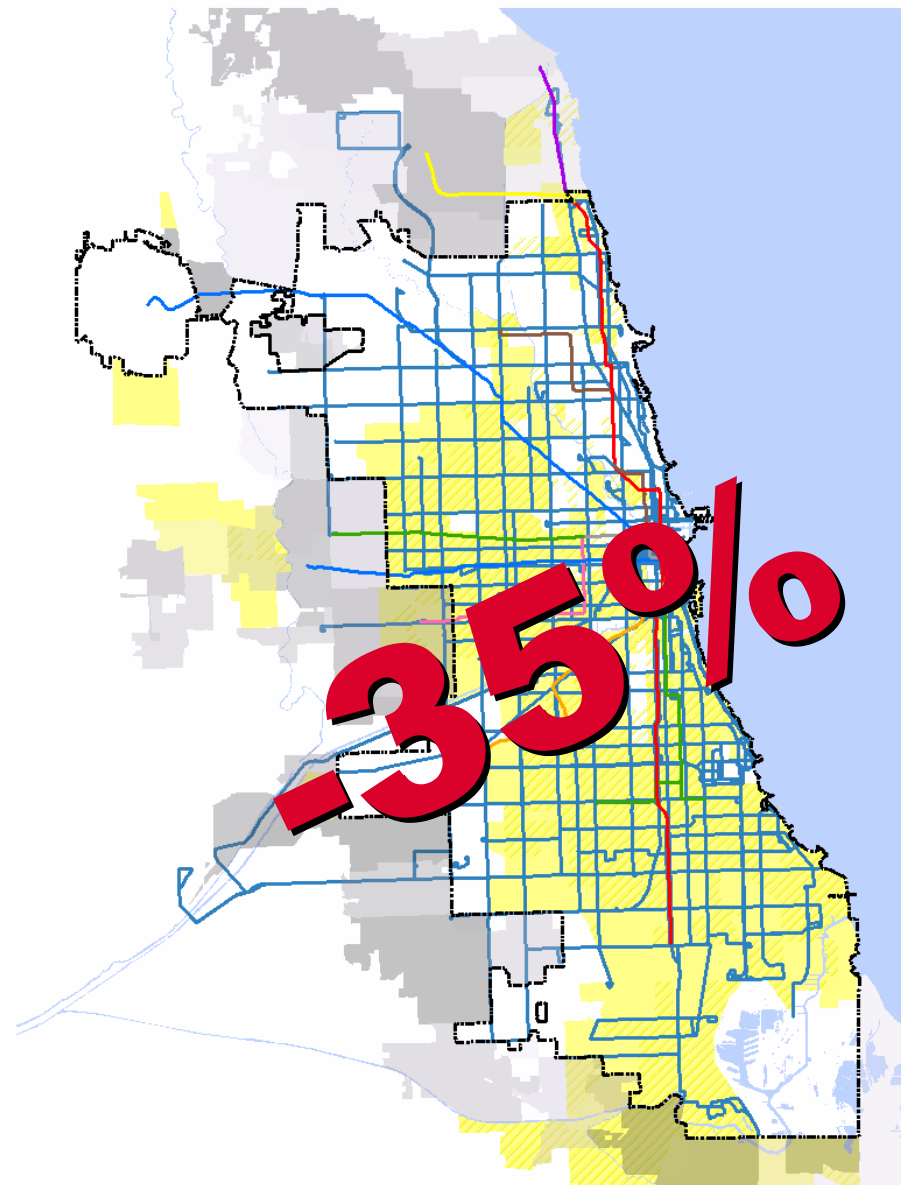
- **Federal Requirements**
  - Title VI
  - Environmental Justice





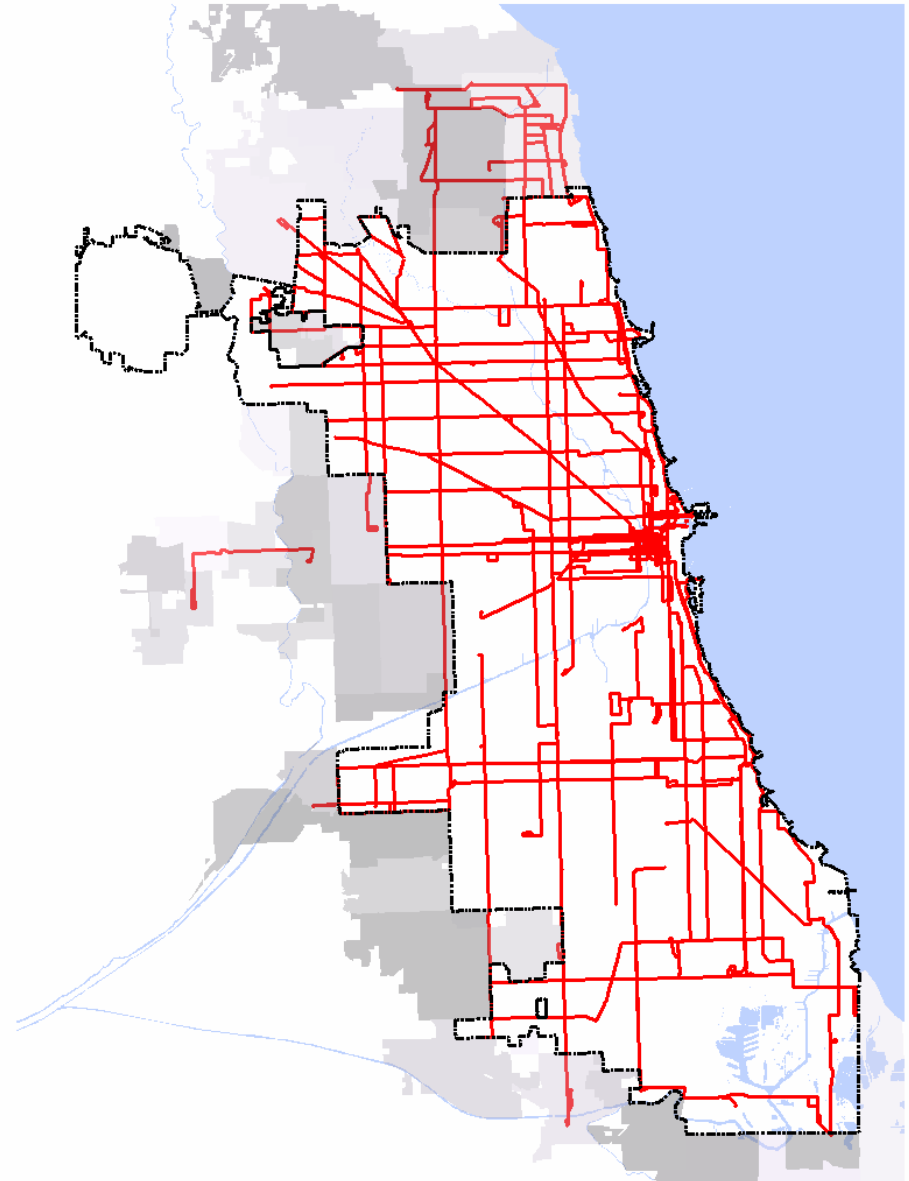
# 2008 Proposed Service

- **735 Fewer Buses**
  - **Initial ridership loss = 250,000/day**



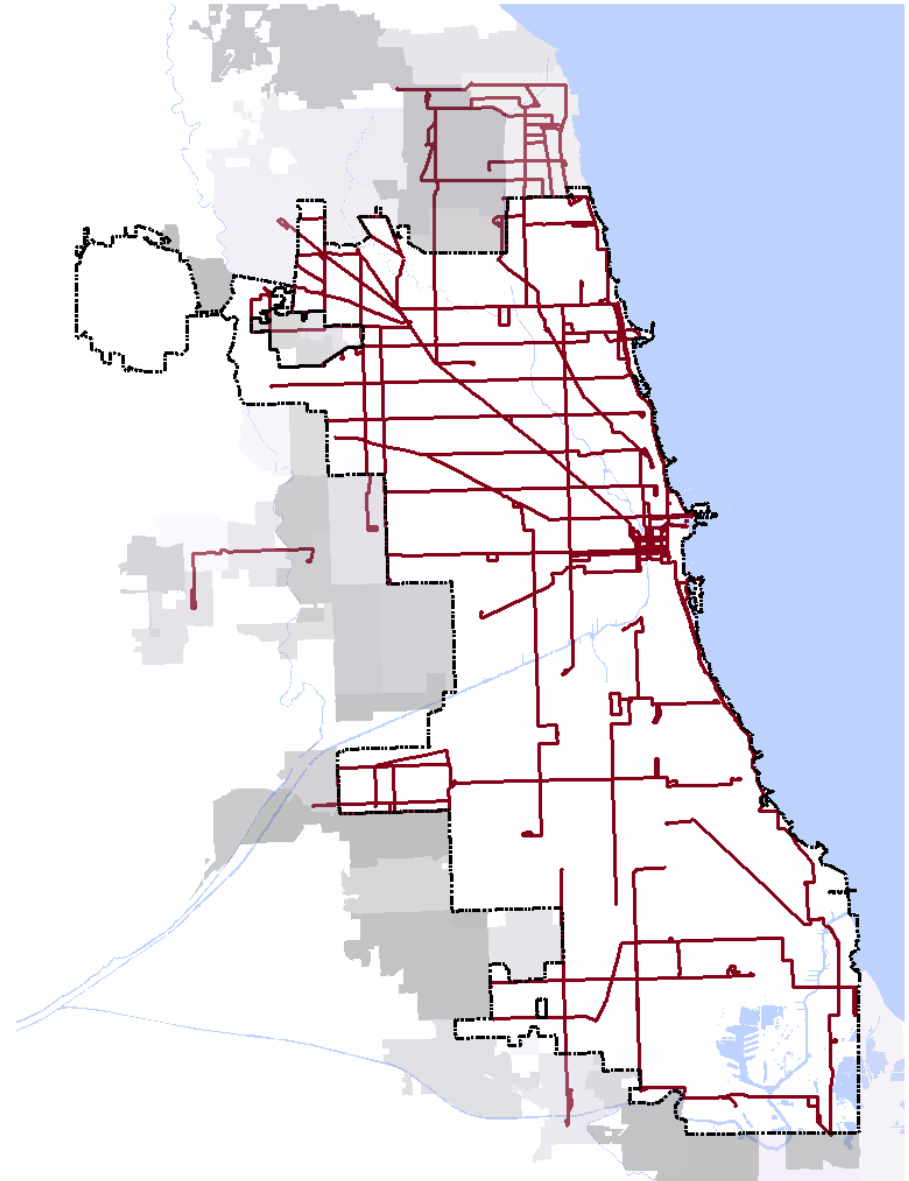
# 2008 Proposed Route Eliminations

- **53% of bus routes eliminated**
- **Includes 2007 elimination of 39 routes**



# Streets with No Service Left

- All have bus or train service within ½ mile





# January 2008 Proposed Staffing/ Infrastructure Changes

# Infrastructure/Staffing Reductions

- Reduction of 735 buses would result in the closing 3 bus garages
- Lay off of 1,631 operations positions
  - 2193 total operational cuts since Nov. '07
- Lay off of 168 administrative and support staff
  - 243 total administrative cuts since Oct. '07
- Total lay offs – 2,436



# CTA 2007 Contingency and 2008 Proposed Budget



**Chicago Transit Authority**