

RTAChicago.org

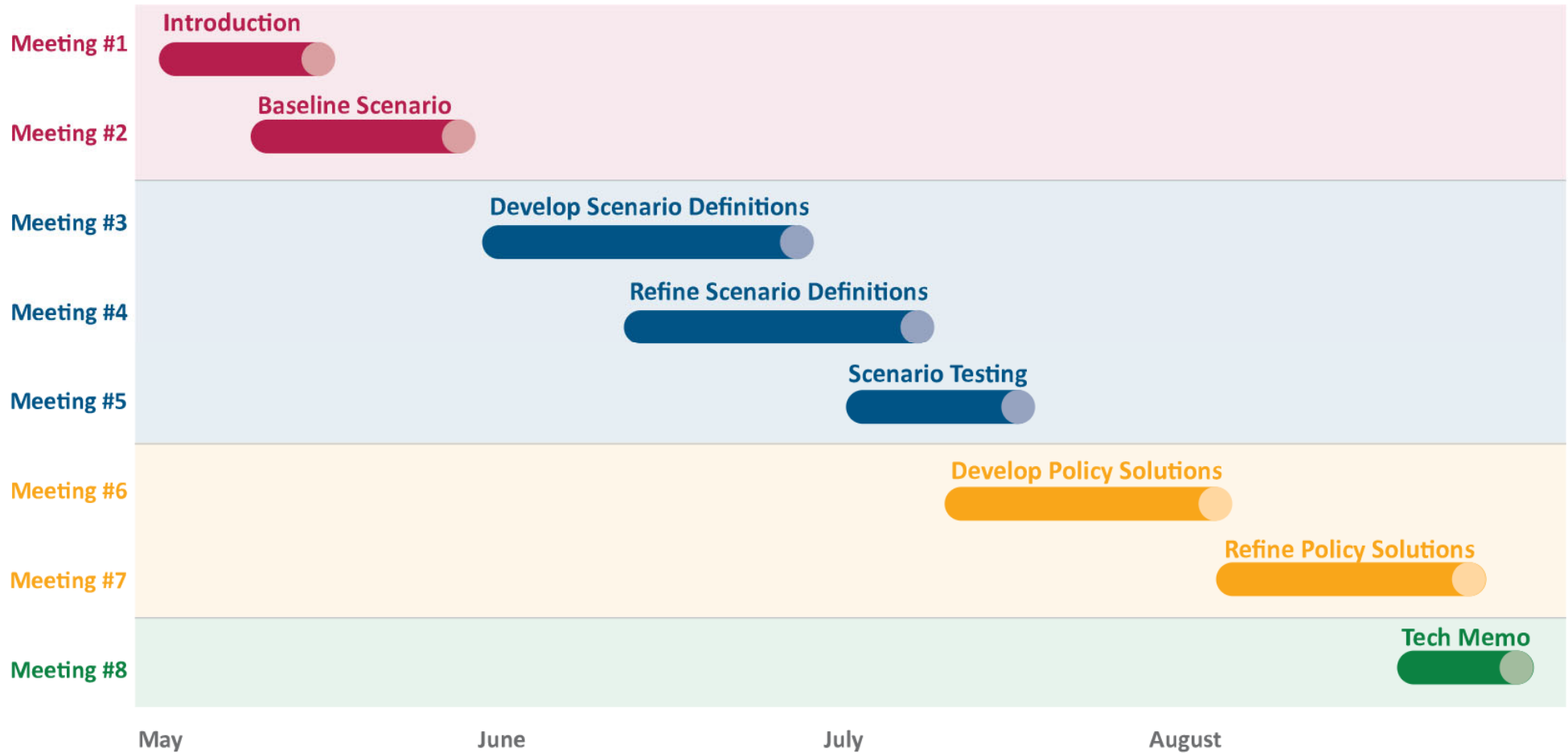
MEETING 5: 10-YEAR FINANCIAL PLAN TECHNICAL WORKING GROUP

JULY 7, 2022



MOVING YOU

10-YEAR FINANCIAL PLAN WORKING GROUP PROCESS



AGENDA

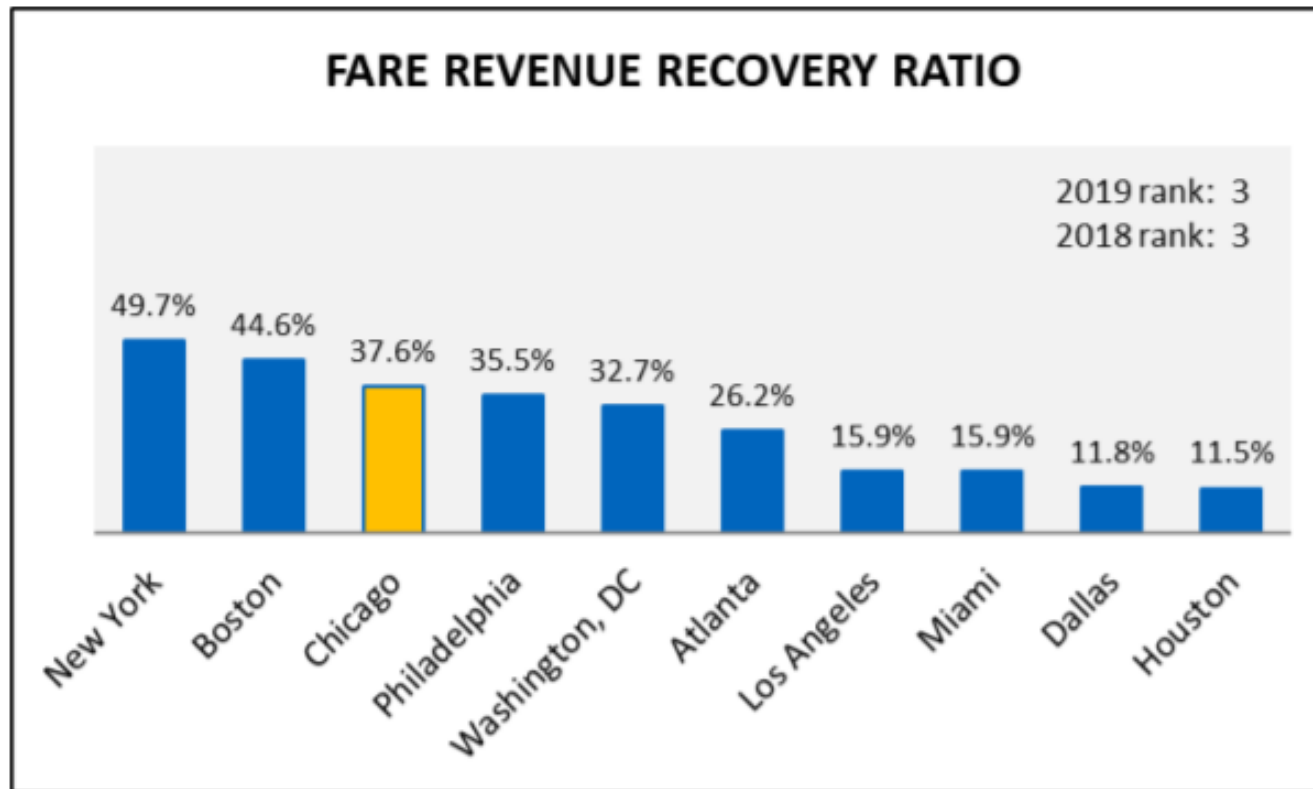
- Peer research, budget gaps
- Peer research, recovery ratios
- Refined scenarios / results
- Funding evaluation criteria status

PEER REVIEW – BUDGET GAPS

Transit Agency	Gap (\$)	Gap Year	Annual Operating Budget (\$)	Gap as % of Operating Budget	Ridership as % of pre-COVID
New York MTA	>\$2.0 B	2026	\$20.645 B (FY25)	9.7%	86% (FY25)
Los Angeles METRO	Approx \$1.0 B	2024	\$3.395 B (FY23)	29.5%	86% (FY23Q4)
Chicago RTA	\$730 M	2026	\$3.802 B (FY26)	19.2%	68% (FY26)
Washington, D.C. WMATA	\$519 M	2024	\$2.247 B (FY23)	23.1%	53% (FY23)
Philadelphia SEPTA	\$269 M	2027	\$1.76 B (FY27)	15.3%	74% (FY27)
Boston MBTA	\$473 M	2025	\$2.553 B (FY23)	18.5%	68% (FY23)
Dallas DART	NO PROJECTED GAP		\$580.36 M (FY22)	-	59% (YTD May22)
Houston METRO	NO PROJECTED GAP		\$740.55 M (FY22)	-	60% (YTD May22)
Denver RTD	NO PROJECTED GAP		\$775.8 M (FY22)	-	85% (FY22)



2019 FARE RECOVERY RATIO VS PEERS



PEER REVIEW – FAREBOX RECOVERY RATIOS

Transit Agency	Farebox Recovery Ratio Requirement	Comments
New York MTA	Yes, a farebox recovery amount is required to apply to state funds	\$0.40 per passenger or \$0.69 per passenger mile to apply for state operating funds
Los Angeles METRO	Yes, a farebox recovery ratio is required to apply for state funds	20% farebox recovery ratio to apply for state transit funds
Chicago RTA	Yes, state-mandated 50% farebox recovery ratio	Financial penalty for noncompliance
Washington, D.C. WMATA	None	
Philadelphia SEPTA	None	
Boston MBTA	Yes, state-mandated performance measure	MBTA was required to set farebox recovery ratio targets for FY15 – FY19. Program expired in FY19
Dallas DART	None	
Houston METRO	None	
Denver RTD	Yes, state-mandated 35% farebox recovery ratio	Repealed in 2021
Maryland MTA	Yes, state-mandated 35% farebox recovery ratio	Repealed in 2017

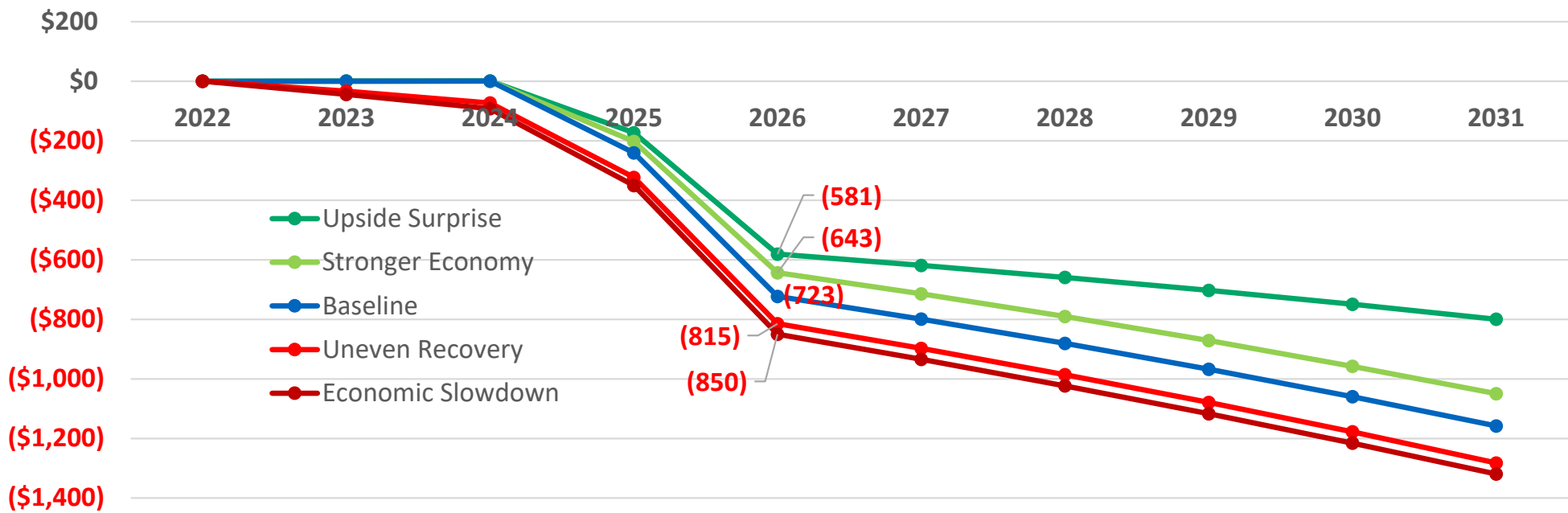
SCENARIOS - UPDATED

Scenario	Ridership (2026)	Ridership (2031)	Fare Increase	Sales Tax Growth	SB Expense Growth
Upside Surprise	80%	100%	No adjustment after 2024	4.5%	+0.5% from baseline
Stronger Economy	75%	80%	No adjustment after 2024	3.75%	+0.25% from baseline
Baseline (most likely)	68%	74%	No adjustment after 2024	3.0%	3.9%
Uneven Recovery	62%	70%	No adjustment after 2024	2.25%	-0.25% from baseline
Economic Slowdown	58%	70%	No adjustment after 2024	1.5%	-0.5% from baseline

7/15/2022

SCENARIO RESULTS - ANNUAL

Five Scenarios - Projected RTA System Results - Annual Net Result (dollars in millions)



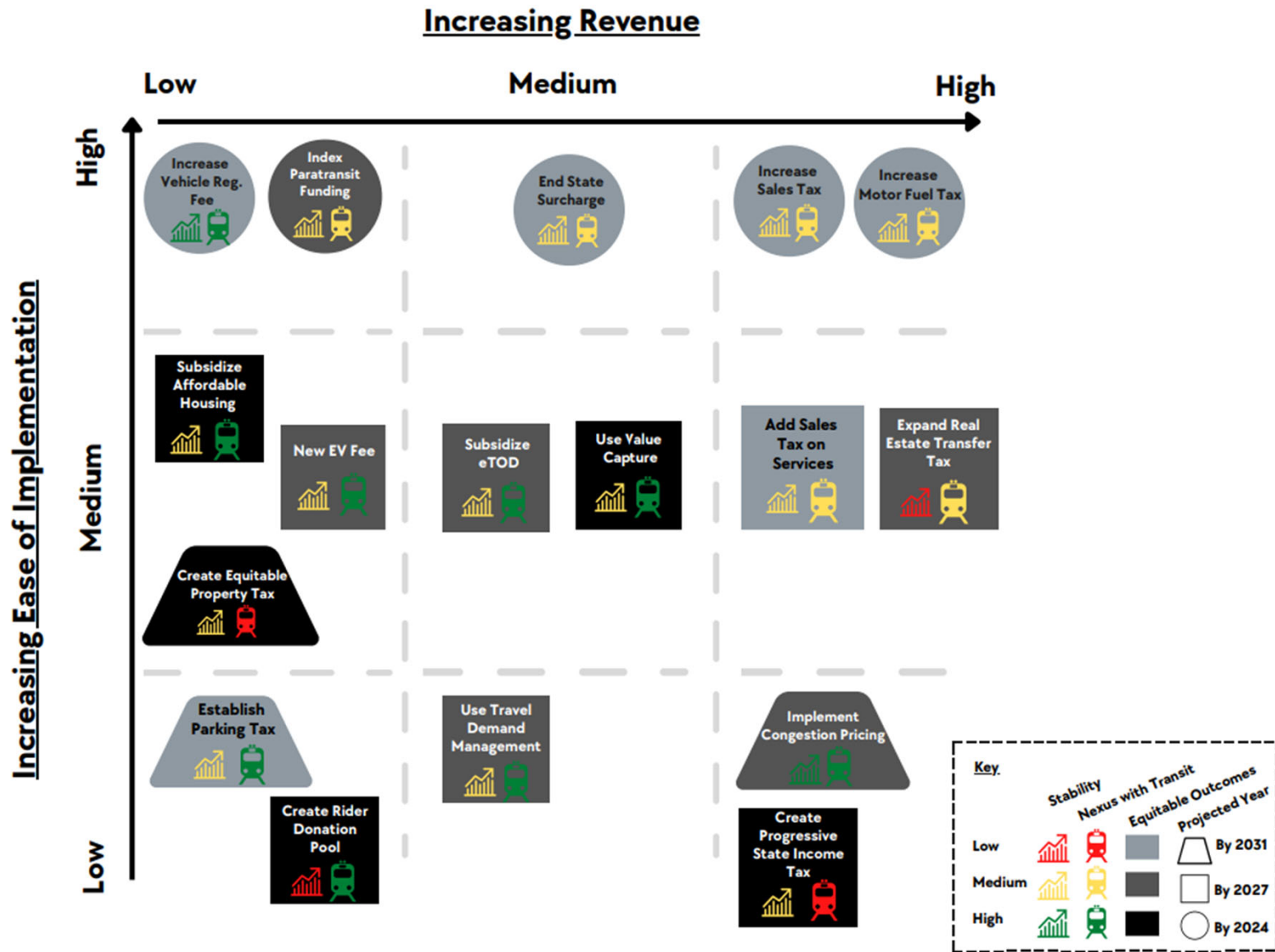
ALTERNATIVE REVENUE SOURCE EVALUATION: FRAMEWORK AND CRITERIA

Criterion	Definition
Revenue Yield	Amount of annual revenue generated: <ul style="list-style-type: none"> • Low: Less than \$10m per year • Medium: \$10m to \$100m per year • High: More than \$100m per year
Stability	Expected change in revenue amount from year to year (excepting inflation)
Equitable Outcomes	Extent to which the revenue source benefits disadvantaged groups
Nexus with Transit	Alignment with/support of regional public transit goals
Ease of Implementation	Resources needed to establish/maintain the revenue source and collect revenue
Projected Year of Implementation	Year in which enhanced revenue collection begins: <ul style="list-style-type: none"> • Low: Implemented in 2028 or later • Medium: Implemented between 2025 and 2027 • High: Implemented in 2023 or 2024

Note: Across all criteria, "Low" ratings are worse and "High" ratings are better



DRAFT FINDINGS



NEXT MEETING DATES

Every other Thursday at 1pm

July 21 (homework – review funding evaluation document to be provided week of July 11)

August 4, 18

September 1?

