

Opportunities Ahead: Charting CTA's Path Forward



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

The current Mayoral appointees are Lester L. Barclay, Michael Eaddy, Michele A. Lee, and Roberto Requejo. 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



Roberto Requejo

Board Member

Appointed by: Mayor, City of Chicago



Rosa Y. Ortiz

Board Member

Appointed by: Governor, State of Illinois



Michael Eaddy

Board Member

Appointed by: Mayor, City of Chicago



Rev. Dr. L. Bernard Jakes

Vice-Chair

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



Nora Leerhsen

Acting President

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Dear CTA Riders:

At the Chicago Transit Authority (CTA), we take enormous pride in the fact that as a 24-hour transit agency delivering over 1 million rides per day, we know how to rise to every occasion and adjust to any scenario that comes our way. This ability to remain laser-focused on our core mission and values amidst any circumstance is one of our agency's greatest strengths – and it is a skill we are putting to great use during this very historic time for our agency on many fronts.

Across the board – from service delivery to staffing and ridership levels – CTA is the strongest it has been in years. Over the course of 2025, we have made dramatic gains in terms of service frequency and reliability, including the launch of added, frequent service across the city; executed new, data-driven security strategies; invested in innovative customer tools; unveiled new, modern stations; and built and deepened partnerships with key community stakeholders. Riders are reporting that they are seeing and feeling progress, and we are excited about planning for continued enhancements focused on delivering state-of-the-art transit service that is reliable, frequent, safe, and welcoming for all.

With this momentum, we stand ready to continue our intentional focus on enhancing our agency on behalf of our riders and employees. Under my vision for CTA, we are performance-focused, people-driven, centered in welcoming places, and rooted in dynamic partnerships. Being driven by these principles means that we are making historic strides in terms of analyzing the root causes of service impacts to inform impactful strategies, including innovative ways to manage service delivery and target investments in aging infrastructure. It also means we are using data and customer feedback in new ways to inform safety and security initiatives – and advancing key work in areas such as equitable transit-oriented development.

This momentum for our agency, however, requires investment to continue. At CTA we face the same scenario as transit agencies across the country: lower fare revenue from changing ridership patterns combined with rising expenses, which presents a sizable funding challenge. As transit agencies nationwide have done, CTA relied on one-time COVID-19 relief funding to support our operations since 2020. While we are the last major transit agency in the country to fully expend its relief funding, without a sustainable funding solution, the CTA is facing a significant structural funding deficit in 2026 that grows in 2027 and into the future.

At the time of creation of this budget, a funding solution has not yet been identified. As a result, we are preparing for three potential scenarios. It has been incredibly important to us here at CTA that we use this moment to lay out a vision for a thriving and vibrant transit system along with other scenarios. As a result, a total of three budget scenarios are provided:

Budget A: Baseline budget. This is CTA's plan to maintain current levels of service and deliver modest improvements for customers. CTA would receive enough funding to close the deficit, but we are aiming much higher than closing a gap.

Budget B: Growth budget. This is CTA's ambitious plan to take transit service to a level never seen in Chicago. This is our plan if CTA receives significant funding above what we receive today;

Budget C: Reduced budget. Without funding, CTA will be forced to make painful service cuts and employee layoffs that would impact every rider and every community in our region.

As we work with legislators and advocates to reach a solution, we have seen that this period presents a unique opportunity to connect with each other about the deeply felt value of our services to people in their daily lives. Over the past several weeks, we have held multiple town hall meetings across the city to hear directly from riders about what they want to see from transit in the future and about their concerns. We also used our popular "CTA Chats" community pop-up meetings to connect directly with riders across the system about service, safety, improvements and other rider priorities. These engagements are driving prioritization for our 2026 budgets and helping us to communicate with stakeholders on the importance of CTA and transit to riders.

As I look to the future, I am hopeful that we can look back on this period as one in which CTA was set on a course of transformational investment – one in which our agency grows to unprecedented levels and serves the people of our region in new and dynamic ways. At this crossroads for our agency, I am grateful for the partnerships, for our employees, and for our riders – and we stand ready to take CTA into the future.

Sincerely,



Nora Leerhsen

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Under the leadership of CTA Acting President Nora Leerhsen, the following four elements serve as guiding principles for the vision and direction that CTA is following to deliver on the needs of our riders and employees, as well as the communities we serve:

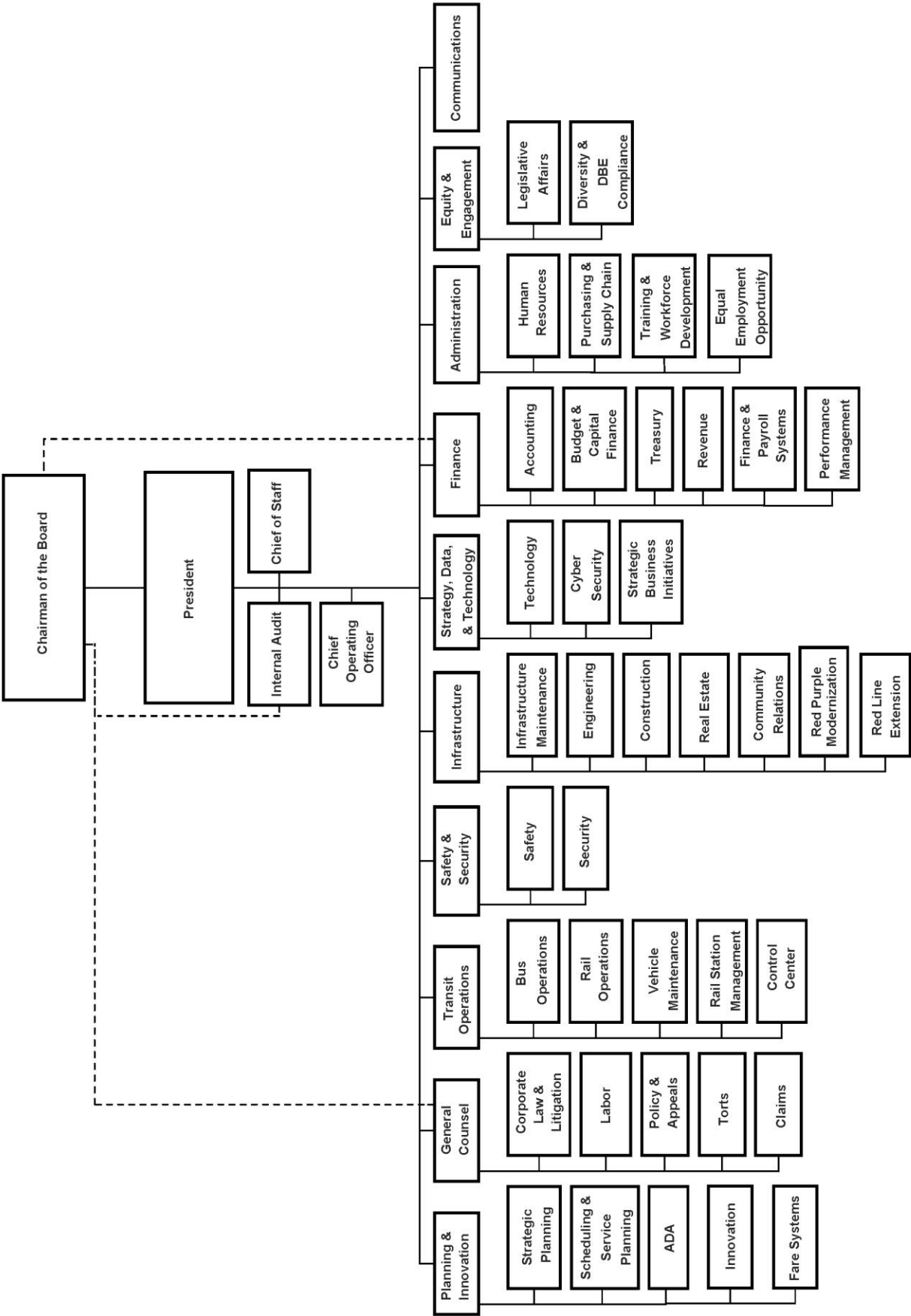
- **People-driven:** Without our riders or employees, there is no CTA. CTA is guided by the experiences of both riders and employees.
 - Elevating the journey of riders to being a fundamental element of service delivery planning and assessment.
 - Investing in our employees to ensure a safe working environment and opportunities for growth.
 - Enhancing ongoing rider and employee engagement for input and continuous improvement.
- **Centered in welcoming Places:** Intricately woven into the fabric of the communities we serve, CTA works to create a clean, welcoming atmosphere that reflects the vibrancy of these communities.
 - Providing a clean and comfortable travel environment for riders and employees.
 - Improving accessibility to expand the benefits of public transit to everyone.
 - Aggressively pursuing funding to modernize facilities, technology and tools.
 - Investing in public art, landscaping, and amenities for riders and employees.
 - Seeking out projects that enhance the delivery of our bus and rail services.
- **Performance-focused:** CTA uses rigorous data to ensure top level performance and premier service delivery and initiatives.
 - Delivering frequent and reliable bus and rail services.
 - Equipping riders with information and tools to enhance their travel.
 - Researching and investing in technology and solutions that improve services and the customer experience.
 - Maintaining ongoing, in-person communication through organized events and meetings.
- **Rooted in dynamic Partnerships:** CTA is guided by intentional dialogue and stakeholder input to avoid operating in a vacuum.
 - Actively seeking out and incorporating the unique perspectives of community organizations, labor unions, advocates, and those we serve.
 - Partnering with outside organizations to address larger societal issues that impact our services.
 - Promoting policies and opportunities centered on advancing transit and equitable transit-oriented development.
 - Coordinating with other transit agencies to enhance regional travel and improve connections.



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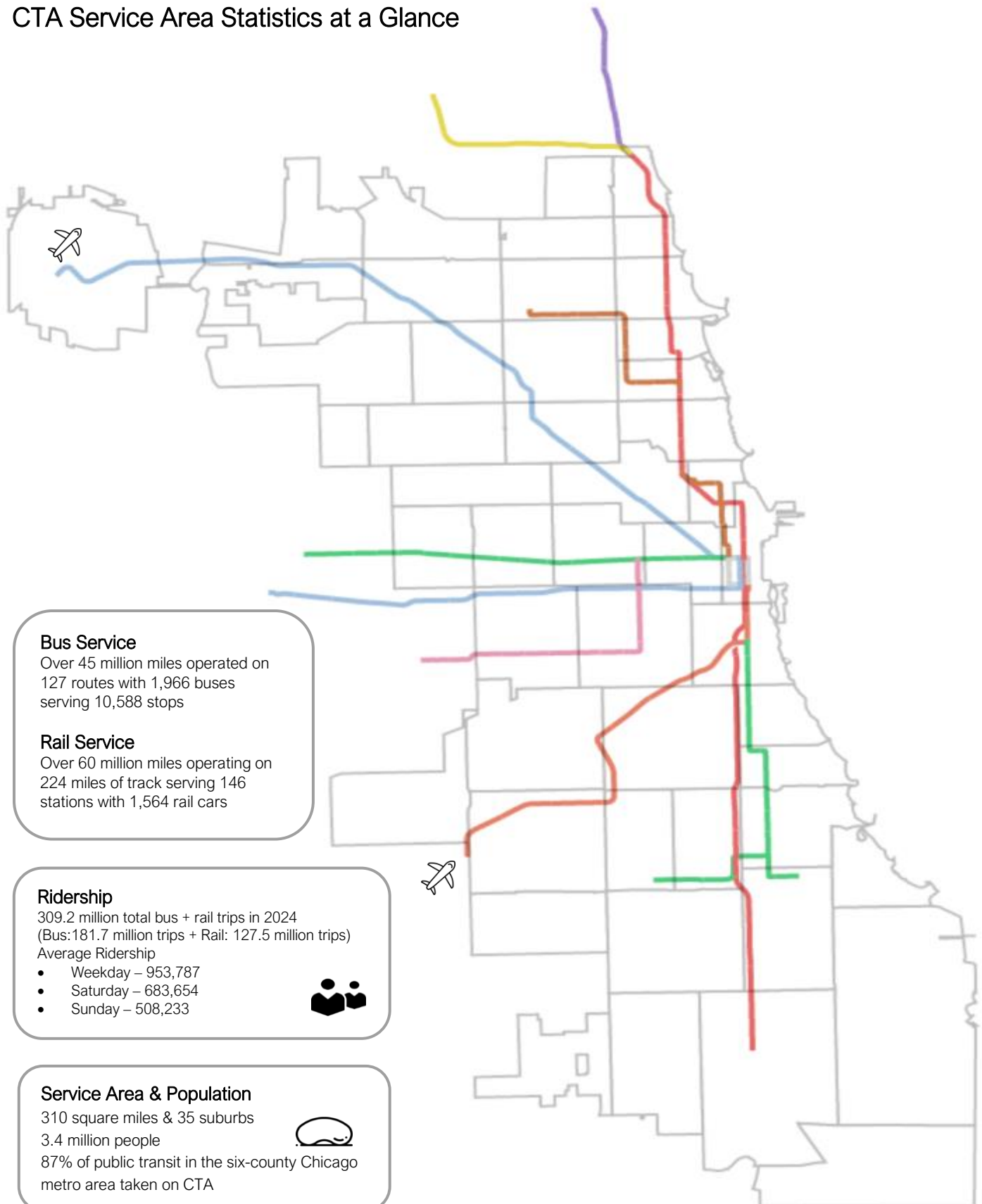
Chicago Transit Authority



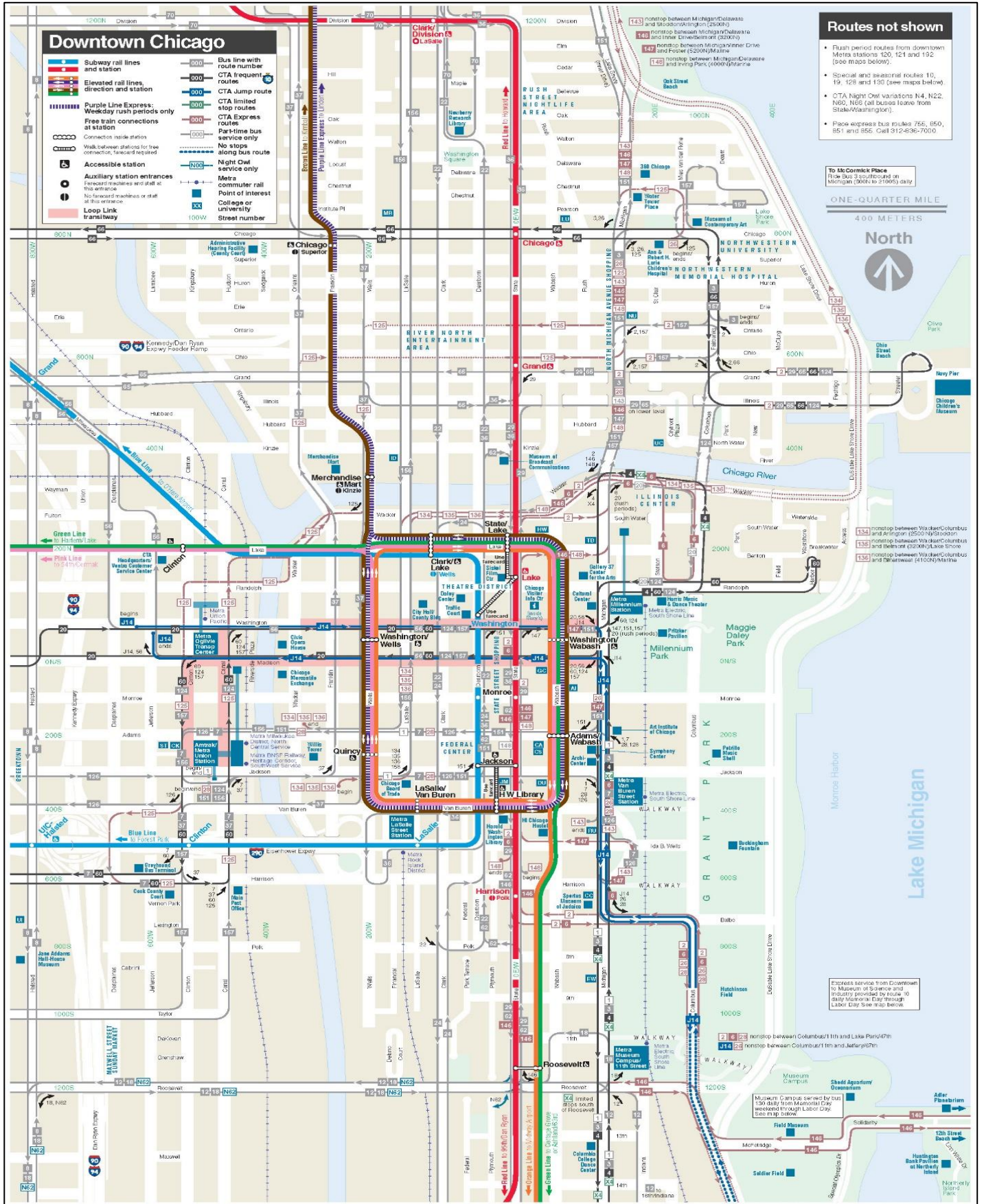
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CTA Service Area Statistics at a Glance







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We deliver quality, affordable transit services that link people, jobs and communities.



Chicago Transit Authority (CTA) employees work hard every day— 24 hours a day, 7 days a week, 365 days a year—to deliver on the agency's mission of safely and reliably transporting people to the places they need to go, while working with a variety of partners to strengthen transit services, which are critical to the city's economic vibrancy.

The following executive summary highlights the ways CTA works toward that mission all year long.

CTA has eight rail lines with 146 stations along 224 miles of track; and a bus network that provides more than 18,000 trips daily across 127 routes, serving nearly 11,000 bus stops.

In 2025, CTA continued to grow ridership by delivering on its goals of improving operations, enhancing the customer experience and investing more in safety and security initiatives, while never letting up on equity initiatives that make CTA and the city more inclusive.



The new Bus Frequent Network launched earlier this year, is a key factor behind the recent uptick in CTA rider satisfaction rates this Spring versus the same period last year.

Also in 2025, surveys completed by CTA riders showed that rider satisfaction is on a significant upswing. The surveys revealed that 69 percent of riders indicated satisfaction, an increase of eight percentage points over the same period a year ago. This satisfaction is directly correlated to significant investments the CTA has made in hiring, adding service and reliability measures like the Frequent Network (20 routes with service every 10 minutes or less during most periods), and Bus Tracker improvements.

According to the most recent survey data, CTA's most frequent riders showed the highest gains, with satisfaction among train riders growing by 10 percentage points and bus riders 9 percentage points year-over-year. Bus rider satisfaction for key factors related to real-time bus arrival accuracy and reliability are at their highest levels since the depths of the pandemic, and satisfaction related to wait time for the next bus exceeds 2018 levels by more than 14 percentage points (68 percent satisfied overall).

However, the CTA finds itself in unprecedented times. The gap between what customers deserve and what CTA can provide with existing public funding has grown significantly, not just since the onset of the pandemic, but over the

last decade which has seen continued ridership declines and rising costs. With the one-time federal pandemic funds running out and a lack of sufficient operating funding, CTA now faces the worst budget deficit in years. Further, among public transit agency peers around the country, the State of Illinois ranks last in public funding for transit. To address the historic underfunding, CTA has worked hard to be a responsible financial steward of this critical public service it provides, but we can't do it alone. CTA needs additional, sustainable funding to continue to thrive and drive economic mobility in the region.



CTA continues to advocate for funding reform that eliminates the significant funding disparity for the agency. CTA has historically provided 84 percent of the region's rides – and yet only receives 46 percent of the funding allocation. Further, costs of delivering service continue to rise across the board and existing revenue has not been able to keep pace. Contributing to that picture is that CTA ridership is at 71 percent of pre-pandemic ridership levels, led in part by new ridership patterns with more people working from home. These factors combined contribute to prolonged financial challenges for CTA without adequate public funding.

This budget book presents three budget scenarios for 2026

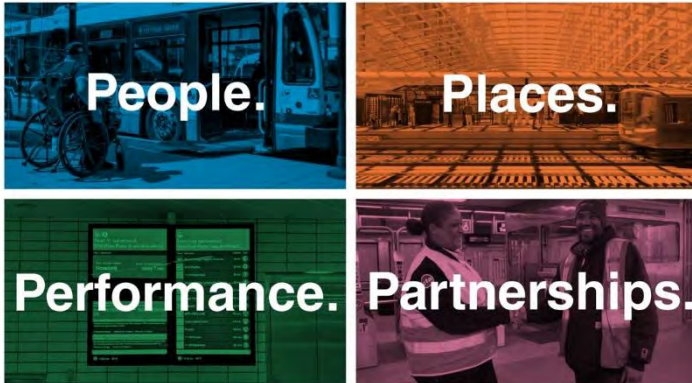
- **Budget A** – Baseline Budget that assumes typical state funding levels that solely address the existing structural funding gap.
- **Budget B** – Growth Budget that fixes the funding disparity and allows CTA to close its budget gap, plus make significant investments to deliver services being requested by riders.
- **Budget C** – Reduced Budget that has no additional funding to address the structural funding gap, resulting in a significant cut to service.

While CTA remains positive that a funding solution that preserves service for its customers can be reached, it is preparing for all scenarios going forward.

The following first discusses the initiatives and achievements from 2025, before detailing the impacts of the three budget scenarios for 2026. The three budget scenarios being presented maintain, build on, or reverse the success

of 2025. Each budget scenario is informed by the extensive outreach performed throughout 2025 to understand what is most important to riders and community members, and what CTA should prioritize regardless of funding.

This year, CTA engaged with over 8,000 riders directly through the CTA Chats events at rail stations and bus turnarounds throughout the network, three budget townhalls, and an online survey. This engagement is substantially informing the 2026 budget scenarios and the prioritization of CTA's work in the coming years.



A Year of Growth

2025 was a strong year for CTA in terms of enhancing service and customer experience, as well as strategic investments in safety and security, accessibility, and innovation.

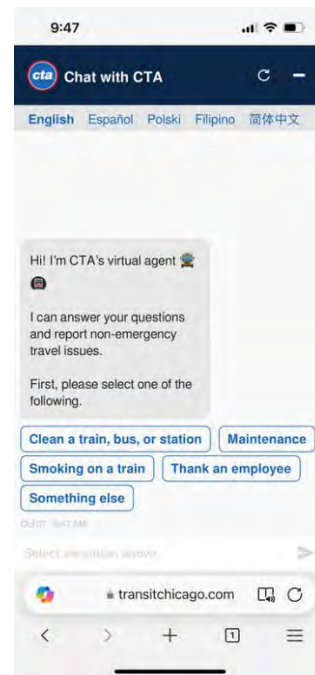
After turning a major corner in post-pandemic recovery efforts of rebuilding the workforce and providing more reliable services, the agency is now shifting its focus from ridership recovery to the future of Chicago public transit. It is a pivotal moment for the entire public transit industry, and at CTA, it is critical to remain working on a clear vision for moving forward.

The following sections reflect CTA's redefined priorities as an agency that is: people-driven, performance-focused, centered in welcoming places, and rooted in dynamic partnerships.



People

CTA provides more than 1 million rides per day and is supported by a workforce of more than 11,000. Without riders and employees, there is no CTA. The agency is driven by the experiences of both, and delivering on rider and employee priorities will be critical to its future success as one of the nation's largest and best transit agencies.



The CTA Chatbot has become an invaluable tool for riders, allowing them instant access to information, as well as the ability to report non-emergency matters.

Innovation

CTA Chatbot. CTA customers have embraced the Chatbot tool launched in 2024, with more than 68,000 conversations initiated since its inception. The responses from customers via the Chatbot are driving several new customer experience initiatives at CTA, such as ongoing anti-smoking and other Code of Conduct Missions being led by contracted security teams, plus the planning of new Safe Ride Ambassador pilots initially funded in the 2025 budget.



As part of Venra 3.0, new card readers such as this, will be deployed system-wide to improve the transit riding experience.

Fare System Enhancements. In 2025, the new and improved fareboxes were installed across CTA's bus fleet of nearly 2,000 vehicles. The fareboxes replace the three-decades-old fareboxes, providing a modern, easy-to-use fare collection option for riders paying with cash and coins on bus.

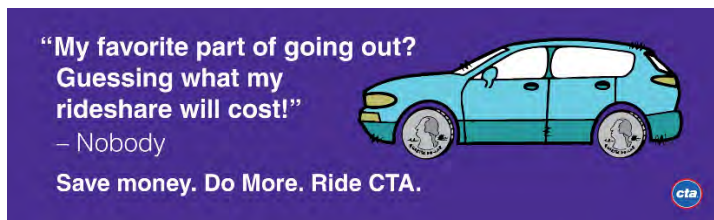
This fall, CTA began piloting the new Venra 3.0 system to gather customer feedback and thoroughly test the system before it officially launches in 2026. Venra 3.0 is a comprehensive upgrade of the Venra system that will transition Venra to a modern, open architecture platform that harnesses fare collection technology advancements from the past decade. This investment also allows for the development of future third-party integrations and partnerships, including further integrating fares with Metra and Pace. Venra

3.0 will also upgrade or overhaul existing field devices such as mobile validators, fare gates, and Ventra vending machines.



To help riders make informed travel decisions, new 55-inch digital displays were installed in the entrances of all four newly constructed RPM stations. The displays provide real-time travel information including bus and train arrival times, elevator outages, and the status of all rail lines.

Real-Time Information Displays. To increase customer access to real-time information, CTA installed new digital signage displays which, at 55-inches tall, provide real-time system travel alerts and elevator outages. These digital conveniences are installed at the newly reconstructed stations at Lawrence, Argyle, Berwyn and Bryn Mawr as part of the Red and Purple Modernization (RPM) Phase One project. And through grant funding from the RTA awarded this year, CTA plans to expand the digital displays to other CTA stations next year.



A creative from CTA's latest marketing campaign aimed at highlighting the cost savings of using public transit versus other travel options.

Marketing and Promotion

Marketing efforts in the past year focused on driving ridership, partnering with anchor institutions and strategic events, and communicating major network improvements to the public. The following campaigns highlight key achievements and strategic messaging:

- **CTA Affordability:** A campaign utilizing billboards and digital screens to promote the value of CTA by contrasting its low cost with city parking and rideshare prices.
- **Lollapalooza:** YouTube pre-roll ads successfully encouraged ridership to the festival, resulting in the highest rail ridership since 2019 that weekend.
- **Lollapalooza Merchandise:** CTA partnered with Lollapalooza to release a line of CTA officially branded merchandise. Artwork was done by local artist Ellen Ma and resulted in \$45,000 in sales.
- **Frequent Network:** An all-out blitz across the city was executed to inform the public about the launch of the new Frequent Network service arriving every 10 minutes or sooner.



A limited edition Lollapalooza T-shirt featuring the CTA, created in collaboration with local artist Ellen Ma to help encourage concert goers to take public transit to/from the event.

- **Chicago Fire:** CTA continued its partnership with the Chicago Fire soccer club for a second year. This partnership covered inclusion in all Know Before You Go emails, high priority placement on the FAQs on their webpage, messaging throughout every home game, signage at their new practice pitch, a how-to video featuring the team's mascot Sparky, and a fan contest to win a year of free CTA rides that resulted in over 5,000 entries.
- **Radio Partnerships:** CTA has partnerships with two major radio / streaming audio presences in Chicago - Audacy and ESPN Chicago. The partnerships include both live reads and recorded commercials encouraging CTA ridership.
- **"Save money. Do more."** CTA launched a campaign which drew attention to both the cost savings of CTA and the annoyances of other transportation options.



To ensure the delivery of reliable services, CTA continued with its hiring and training efforts in 2025 and is on track to add 2,000 new employees to its workforce this year.

CTA Workforce

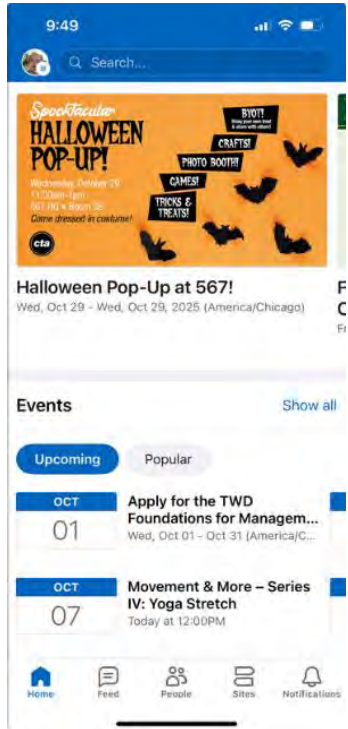
Hiring and Retention. CTA is a significant local employer with a growing workforce of more than 11,000 employees from Chicagoland, with a large majority identifying as minority. CTA is proud to have a dedicated and diverse workforce that has continually stepped up to meet various challenges the agency has faced in recent years and has kept the system running 24 hours a day, 7 days a week, for those who depend on public transit. The agency

remains committed to seeking out ways to attract and retain top talent to ensure buses and trains keep the City of Chicago moving.

CTA has maintained strong hiring momentum in 2025. On the rail side, more than 130 flaggers and over 100 new rail operators joined the workforce, bringing staffing close to historic levels.

CTA has also expanded its support for military veterans, with the number of veterans in the workforce rising by well over 100 since 2019. Veterans serve across departments, from frontline service delivery to senior leadership roles.

The total workforce today is more than 640 employees higher than it was in 2019, reflecting the agency's progress in rebuilding and expanding staff capacity to meet service delivery needs.



Screen shot of the newly launched MyCTA app, one of the latest measures launched by the Employee Engagement, Marketing, and Outreach unit to improve employee communications.

Over the past few years, CTA has made investments to make the process of applying for a good-paying CTA job easier and more convenient. The agency is on track to attend more than 100 job fairs in 2025; CTA's partnership with Olive-Harvey College to provide free classes that help bus operator candidates secure their commercial learners permit (CLP) continues, with more than 300 new hires benefiting from the program; and new technology now allows applicants to apply, test, and interview virtually or on-demand 24/7, making the hiring process more accessible than ever -- putting CTA on pace to add more than 2,000 new employees in 2025 to support the agency's service delivery plans.

CTA has also demonstrated a strong commitment to employee wellness through the launch of worksite fitness centers, the expansion of wellness programs, and the regular deployment of CTA Cares Employee Assistance Program (EAP) resources across field work locations

Employee Engagement. The creation of an Employee Engagement, Marketing, and Outreach unit has strengthened employee engagement and communication. To help further bolster engagement with employees, in 2025 the agency launched a new employee app, MyCTA, which provides prompt information regarding CTA news, highlights departments and employees and

their achievements, and promotes employee participation in a variety of events, wellness programs, and other offerings.

Workplace

Since October 2024, more than 160 employee events have been coordinated and hosted by the dedicated HR Employee Engagement, Marketing and Outreach team. These events include monthly diversity and heritage celebrations, recognition events such as graduations and employee spotlights, and employee appreciation activities. New initiatives this year included self-defense and dance classes, as well as monthly birthday celebrations and karaoke for employees to enjoy during their lunch hour. These events were delivered both virtually and/or on-site across agency locations to maximize reach.



Business owners attend an outreach event at Columbus Park in May; one of several outreach events hosted by CTA to help foster connections and opportunities for small, local businesses.

Most notably, two new employee resource groups were recently launched: Women Empowered (WE@CTA) and Pride@CTA, bringing the total number of resource groups to three. These groups offer employees additional platforms to engage, connect, and develop professionally and are the driving force to many of the events and programming planned for 2026. Collectively, these efforts have reached over 9,000 employees and continue to drive a more connected, inclusive, and engaged workforce.



This spring, the HR Engagement team also coordinated a day of giving back to communities we serve via the CTA Clean and Green program in which teams of CTA volunteers were deployed throughout the city to help spruce up community spaces.

CTA Podcast

This year, CTA also launched the new Moving Experiences: Stories of the CTA podcast. Hosted by Acting President, Nora Leerhsen, the podcast features CTA employees and thought leaders sharing their perspectives on the transit industry. Podcasts so far have included conversations with Chicago historian, Sherman “Dilla” Thomas; the Red Purple Modernization Phase One project management team; the women leaders in transit operations, and employees who exemplify the success of the CTA Second Chance program.



CTA Acting President Leerhsen and Chicagoan historian Sherman “Dilla” Thomas discuss the historical and cultural significance of CTA in Chicago during the Moving Experiences podcast episode “If it has a name, it has a history”.

Creating Opportunities

While CTA’s primary focus is to provide high-quality transit service to riders, the agency’s impact is much more. CTA is always working to extend the investments made in public transit to the communities served. As a result, the agency is a leader in creating job and business opportunities for small and disadvantaged businesses, and providing them with the tools for success.



Business owners attend an outreach event at Columbus Park in May; one of several outreach events hosted by CTA to help foster connections and opportunities for small, local businesses.

DBE and SBE Contract Opportunities. CTA evaluates all contracts for small business enterprise (SBE) and disadvantaged business enterprise (DBE) opportunities to establish goals and maximize contract opportunities.

CTA takes a proactive and innovative approach to support the success of small businesses that do, or plan to do, work with the agency. This includes programs such as the Building Small Businesses Program, which helps small firms access funding to build capacity; the Small Business Educational Series, featuring industry leaders who teach small business owners how to successfully pursue and manage projects and contracts; and a mentor-protégé program.

CTA also has a DBE Advisory Committee made up of small businesses, small business support organizations and other stakeholders; and a SBE Program that sets-aside some contracts to create more prime contracting opportunities for small businesses. Since the inception of the program in 2013, more than 125 firms have been awarded \$78 million in SBE contracts.

Job Opportunities on Contracts. While the CTA is a major employer in Chicago, the agency recognizes and pursues the creation of workforce opportunities beyond its staff.

In 2019, the Chicago Transit Board approved the Contracting Careers Opportunity Policy, which amended 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 Workforce Innovation and Opportunity Act (WIOA)-eligible workers.

CTA now regularly adds workforce goals for WIOA-eligible workers, union apprentices, and residents of economically disadvantaged areas (EDAs) on all major construction contracts. As of September 2025, EDA residents within the CTA Service Area logged 127,000 labor hours on construction projects and earned \$6.9 million in wages; apprentices logged over 64,000 labor hours and earned over \$2.7 million in wages.

CTA partners with workforce assistance agencies, Chicago Women in Trades and HIRE 360, to provide opportunities for workforce training, apprenticeships and careers. These organizations provide training and resources to prepare individuals for upcoming construction industry positions on projects, and provide candidates to prime and subcontractors when they have hiring needs.

CTA also works with Chicago Women in Trades, Metropolitan Family Services, and Revolution Workshop, to prepare individuals for building trade apprentice exams and acceptance into the U.S. Department of Labor-approved apprenticeship programs.

CTA has also continued to partner with City of Chicago and State of Illinois agencies in Citywide Career Fair events, which in Spring 2025 drew over 500 participants.

Second Chance. The CTA Second Chance program is one of the largest of its kind in the country, with more than 300 participants each year. The program is a strong model that prepares people who are returning residents, and others with barriers to employment, to re-enter the workforce.

CTA has served nearly 3,500 people through this invaluable program and over 780 have secured permanent employment at CTA since its establishment in 2011, with several later being promoted to management positions. Countless others have secured permanent jobs elsewhere because of their successful experience in this program.

One Summer Chicago. Since 2016, CTA has 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, in 2025, CTA offered seven-week paid, part-time internships to over 270 local high school freshman, sophomore, junior and senior students from 31 different high schools.



CTA Acting President Leerhsen meets with a cohort from the 2025 One Summer Chicago class of interns at CTA, which this year included more than 270 young adults.



Performance

CTA strives to maintain top-level performance through rigorous data review and continuous tracking of bus and rail service delivery. A consistent focus on recruitment, hiring, and training has added over 5,000 employees in the last two years, enabling a significant expansion of service. Today, CTA is providing 24 percent more bus and 23 percent more rail service compared to 2022. CTA anticipates hiring 1,100 new operators to sustain this growth by the end of the year.

Bus Service

Frequent Network. Earlier this year, CTA launched the “Frequent Network,” implementing bus service that arrives every 10 minutes or sooner on 20 key bus routes throughout the service area. The frequent service is offered between 6 a.m. and 9 p.m. on weekdays and 9 a.m. to 9 p.m. on weekends. The added service was rolled out throughout the 2025, with the final four routes to be launched in December 2025.

Route Extensions and Realignment. To unlock new riders, capture new mobility patterns, and provide a better experience for existing riders, CTA invested in new route extensions and realignments that bring much needed connections throughout the bus network.



A map showing the 20 bus routes and when they will be active on the new Frequent Bus Network in 2025. So far, 16 out of the 20 are now active, with the remaining four being activated with the winter schedule.

In 2025, CTA extended the #53 Pulaski, one of its busiest bus routes, to the Richard J. Daley College and the Ford City Mall and also extended the route's overnight owl service to the Orange Line Pulaski station. The agency also shortened the #53A South Pulaski and created a better transfer connection for riders at the Orange Line Pulaski station. The Pulaski realignment is expected to add 2,000 additional daily riders and brings more frequent service and one-seat rides to communities on the south and west side, including Little Village, Garfield Park, Albany Park and many more.

CTA extended the #93 California/Dodge southbound along Kedzie and California Avenue, connecting streets to the Logan Square Blue Line station. Sunday service is also offered as part of this enhancement. These changes closed a 1¼-mile transit gap in north-south bus service between Western Avenue and Kimball Avenue, from Belmont Avenue to Montrose Avenue in Chicago. Extending the route created multiple benefits, including service to over 62,500 people, access to over 37,500 jobs, plus connections to the Blue Line, as well as the #76 Diversey, #77 Belmont, #78 Montrose, #80 Irving Park, #94 California, and #152 Addison bus routes.

Rail Service

Slow Zone Reductions. Slow zones peaked in February 2025 with 30.2 percent of the system under a slow zone, which require trains to travel at reduced speeds because of track conditions. Between February and May, the agency was able to significantly reduce slow zones to just 18.5 percent systemwide. The percentage of slow zones increased during summer 2025 following the CTA's annual diagnostic ultrasonic rail testing, in which running rail is tested for internal and surface defects. This testing is done to ensure the safety and reliability of CTA infrastructure, and to identify defects before they fail. The defects found during testing require mitigations such as slow zone implementation and rail replacement. CTA maintenance crews are working daily to deliver and install new rail at these locations to mitigate defects and remove the associated slow zones. The agency expects these efforts will lead to a reduction in slow zones to levels recorded in May 2025.

Recent areas of slow zone remediation work have included the Lake Street and South Main branches of the Green Line.



Continued capital investments and funding is critical to allowing CTA to replace worn out track and infrastructure that is beyond its useful life and in need of replacement. Shown is a stretch of track where trains were once limited to operating at 15 m.p.h.

Substation Modernization. CTA trains are powered by 600-volt traction power, which makes investment and modernization of electric substations across the city vital to providing reliable service to transit customers. To increase access to reliable power, in 2025, the agency constructed substations on the Blue Line at Damen and Barry along with a traction power tie house at Canal. CTA is also currently building a new substation at Morgan on the Forest Park Branch of the Blue Line, which is expected to open in 2026.



Places

CTA is dedicated to delivering a safe, clean, and welcoming experience for every rider and employee who enters a CTA facility or vehicle. The agency's strategy focuses on both targeted maintenance and major capital improvement projects designed to renovate or rebuild outdated facilities. These modern access points are being enhanced with beautifully curated works of art to reflect the spirit and vibrancy of the communities CTA serves.

System Investments

All Stations Accessibility Plan (ASAP) Program

In 2018, CTA released its ambitious multi-phased All Stations Accessibility Plan (ASAP), to make all CTA stations vertically accessible to customers with disabilities and mobility challenges by 2038. Currently, the agency's bus fleet and rail fleets are fully accessible, and more than two-thirds of rail stations are accessible as well. CTA is committed to making the rail system fully accessible to those who use mobility devices and has made great progress in advancing the ASAP program.

Projects outlined under ASAP will be completed in four phases. Currently, Phase One is fully funded at \$423.5 million and will be completed by 2027, and Phase Two projects are currently 45 percent funded and are expected to be completed by 2028. Phases Three and Four are not yet funded.



Rail Station Modernization. In 2025, CTA reopened five reconstructed stations that included making them accessible with elevators and escalators as part of the agency's ASAP Program.

Four newly built Red Line stations at Lawrence, Argyle, Berwyn and Bryn Mawr were opened as part of the \$2.1 billion Red and Purple Modernization (RPM) Phase One Project, replacing century-old stations. In October 2025, the rebuilt Racine station on the Blue Line was re-opened as a fully accessible station with an elevator.

CTA has begun work to make the main entrance to the Austin Green Line station accessible by adding a new elevator and escalator and making other enhancements. The main stationhouse has been closed for the work, but the station remains open to customers during the construction via the auxiliary entrance at Mason Street. Project work is expected to be completed in early 2026.

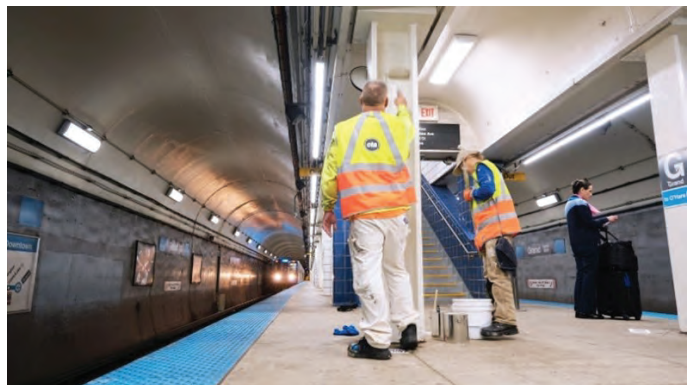


Argyle was one of four Red Line stations that re-opened this July after being completely rebuilt and made fully accessible as part of RPM Phase One work.

Red Line Extension. More than 50 years after the project was promised, CTA signed a Full Funding Grant Agreement with the Federal Transit Administration (FTA) for \$1.9 billion to build the 5.5-mile Red Line Extension from 95th Street to the city's southern border near 130th Street. The project includes four new Red Line stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street. The agency anticipates breaking ground in 2026 and completing the project in 2030.

Blue Line Modernization. Much of the infrastructure along the Blue Line's Forest Park Branch is original, dating back to 1958, with less than half of the 11 rail stations accessible to people who use mobility devices. Overall speed and reliability of rail service on the branch has declined, with more than 81 percent of the branch under slow zones that require trains to operate at reduced speeds for safety.

Forest Park Rebuild. As part of the Forest Park Branch Rebuild project, the agency completed full replacement of a portion of the branch's track infrastructure between the UIC-Halsted and Clinton Blue Line stations. As part of this project, the Racine station is also being rebuilt in phases to make it fully accessible. Its main stationhouse is now open featuring a new elevator, a longer platform and new stairs that replace the ramp that once connected the platform to street level at Racine Avenue. The Loomis Street auxiliary entrance is now closed for reconstruction. Future phases of the Forest Park Branch Rebuild are being planned as funding becomes available.



In fall 2025, the Grand Blue Line station received a variety of improvements and repairs, including a fresh coat of paint as part of the Refresh & Renew program.

Refresh & Renew. To be good stewards of rail stations, CTA performs routine repairs and long-term maintenance as part of the annual "Refresh & Renew" program. By the end of 2025, maintenance crews will have performed an estimated \$6.5 million in repairs and maintenance at over 40 rail stations and bus turn-arounds across the CTA service region.

Security

Anti-Smoking Missions. Smoking on CTA property has been a persistent challenge for the agency and its customers. In 2025, CTA increased its efforts to stop smoking by working with the Chicago Police Department (CPD) and contracted security guards to lead regular anti-smoking missions at locations flagged by customers via the CTA Chatbot tool. Since the start of the year, police have issued a total of almost 3,500 citations for smoking in general, with over 100 issued through these missions alone.

ZeroEyes Pilot. In 2024, CTA began piloting a proactive Artificial Intelligence (AI)-based software that leverages CTA's security cameras to specifically monitor for the presence of brandished firearms and provide alerts and images to police and the CTA Control Center after detection and human verification. After a successful pilot, CTA has now started the process to expand this technology across the rail system.

Saturation Missions. This past spring, CTA began concentrated, strategic deployments of K9 security teams to patrol stations and trains in the evening and overnight hours along corridors with report of disturbances. Through the end of August, major crimes in the targeted areas have decreased 12 percent, and arrests are up 117 percent.

System Safety

Track Trespassing Technology. To combat the challenge of unauthorized individuals on CTA tracks and prevent injuries and death, the CTA has under way two pilot programs to address Right-of-Way (ROW) intrusions. In 2024, the agency issued a challenge statement seeking such solutions through the CTA Innovation Studio, an initiative designed to allow private partnerships to pilot solutions and new technologies to overcome some of the agency's biggest challenges. Currently, the agency is working with technology industry experts and AI technology to detect and alert CTA operations staff to ROW intrusions. The pilot programs leverage existing and new camera technology to visually detect intrusions, as well as the use of a fiber optic vibration sensing device that monitors for large objects falling on the tracks. CTA will continue piloting these technologies throughout the fall and winter through the Innovation Studio program and will look to scale successful pilots in 2026.



In response to rider feedback, several types of missions are being conducted across the system by both CTA security guards and officers from the Chicago Police Department to address unruly behaviors like smoking.

Public Art

The CTA continues to add to the collection of original public artwork, which has nearly doubled over the last decade to include more than 100 permanent and temporary works of art across all eight rail lines and multiple bus facilities. This remarkable collection of public art includes mosaics, art glass, sculptures and interactive installations created by nationally and internationally acclaimed artists, many of whom are local.

In 2025, several new pieces were added to this collection, including four eye-catching, colorful works of art that reflect the local neighborhoods around the rebuilt RPM stations: Lawrence, Argyle, Berwyn and Bryn Mawr stations. The newest addition to the collection is the artwork commissioned and installed at the Racine Blue Line station in October 2025.



Five new, permanent works of art were commissioned and added to the four newly rebuilt and fully accessible rail stations as part of RPM Phase One.



To evolve and truly meet the needs of riders and the communities served by CTA, it is important for the agency to continue its work to engage external stakeholder input and intentional, ongoing dialogue with riders, community organizations, labor unions and transit advocates to explore and expand partnerships that can create opportunities for greater positive impact.



Through a partnership with Cook County Health, five additional CTA rail stations across the Red, Blue, Green and Pink lines are now equipped with machines that dispense free Narcan.



This fall, CTA held its first-ever community workshop to help brainstorm and collect ideas for addressing security concerns on the system through non-law enforcement measures.

Safe Ride Ambassador Program. In 2025, the agency held its first-ever Transit Community Safety workshop with partners in the behavioral health, community engagement and public safety fields to discuss innovative solutions that can better support riders and address security concerns on the system. Coming out of the workshop are plans to launch various crisis intervention and violence interruption ambassador pilot programs in 2026.

Narcan Dispensers. In partnership with Cook County Health (CCH), the CTA in fall 2025 launched a pilot featuring new vending machines that dispense free naloxone at five rail stations (47th Red Line, Wilson Red/Purple line, Jefferson Park Blue Line, Harlem/Lake Green Line and Central Park Pink Line) to reverse the effects of opioid overdoses. This program may be expanded in future years.

Outreach and Services for the Unhoused. People seeking shelter on public transit is nationwide issue, as well as here in Chicago. To help address this issue, in 2023 CTA entered into an intergovernmental agreement with the City of Chicago's Department of Family and Support Services (DFSS), allowing us to tap into their social service contracts for outreach to those using CTA as a place to shelter. That work continued in 2025.

CTA budgets \$2 million every year to fund these services, with the goal of assisting the unhoused on CTA with shelter placement, a variety of services based on their needs, and ultimately stable or permanent housing opportunities.

The outreach is conducted every day across multiple shifts on the CTA's Red and Blue lines – the two rail lines that operate 24/7, while dedicated initiatives such as Accelerated Moving Events (AMEs) serve to streamline the housing process by allowing clients to complete multiple steps in one setting. Over the past two years, and more than 200 people who were previously sheltering on CTA have now moved to stable or permanent housing.

CTA also has a partnership with the Chicago Department of Public Health (CDPH) for additional outreach to the unhoused by The Night Ministry, whose mission is to provide housing support and health care to those who are unhoused or experiencing other needs.

The Night Ministry's outreach is conducted two nights a week at the end of the Red and Blue lines, which are the two CTA rail lines that run 24 hours a day / 7 days a week. Their work is funded by CDPH and includes providing the unhoused with necessities such as food and clothes, access to showers, medical and legal services, and referral to other services and housing opportunities.

In 2024, The Night Ministry awarded the CTA with the Lamplighter Awards, for CTA's commitment to their mission.

Dedicated Shelter Spaces Support. Between 2023 and 2025, CTA outreach efforts facilitated more than 260 shelter placements of unhoused individuals from Red and Blue Line trains, in addition to making dozens of permanent housing connections. Dedicated initiatives such as Accelerated Moving Events (AMEs) streamlined the housing process by allowing clients to complete multiple steps in one setting. These efforts improve stability for unhoused individuals and provide a better overall rider experience.



Transit Supportive Development

The CTA has made a goal of leveraging public transit investments to generate and support sustainable and inclusive community growth in the form of Transit Oriented Development (TOD) and Equitable Transit Oriented Development (ETOD). Key projects delivered in 2025 include:

- **95th Street Corridor.** CTA and the City of Chicago Department of Planning and Development (DPD) worked together to develop the 95th Street Corridor Plan – an ETOD plan for a two-mile section of 95th Street between Halsted Street and Cottage Grove Avenue. The Plan leverages the opportunity provided by public transit improvements for sustainable and inclusive community growth in the form of ETOD -- a planning approach that promotes walkable, mixed-use development near train stations and major bus lines that provide amenities for nearby residents while prioritizing investment in disinvested communities and preventing displacement.
- **Transit Supportive Development (TSD) Plan and Red Line Extension.** In partnership with community stakeholders in the Red Line Extension Project footprint, CTA and DPD published a Transit-Supportive Development Plan as a guide for the future development around the four future stations at 103rd Street, 111th Street, Michigan Avenue and 130th Street, which are part of long-disinvested communities on the Far South Side.
- **TOD and Red and Purple Modernization (RPM) Phase One.** With support from local elected officials, CTA and DPD also established a TOD plan for the Phase One Project area in East Lakeview, near the Belmont Red Line station and near the elevated Red Line in Uptown and Edgewater. As of fall 2025 plans are underway to issue Requests for Proposals for development that will be complimentary to the newly rebuilt Red Line and new rail stations.



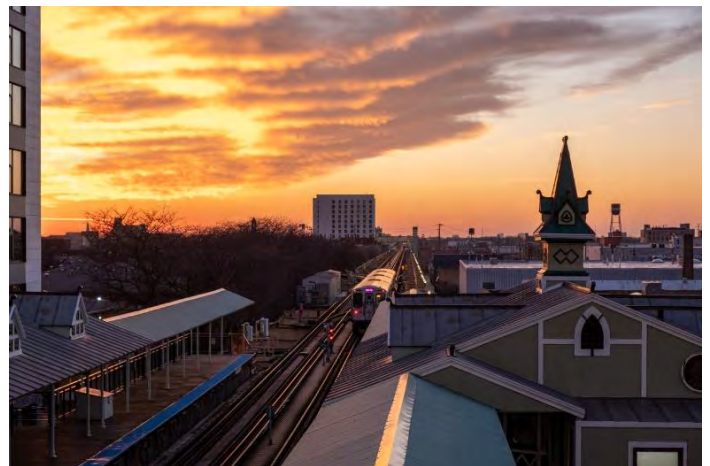
A small portion of the 95th Street Corridor, located just east of the reconstructed 95th/Dan Ryan Terminal, that is included as part of ongoing ETOD planning efforts.

CTA: 2026 and Beyond

Public transit plays a critical role for the Chicago region. It starts with providing 80 percent of the region's transit rides, and it extends well beyond that. The agency's stations and facilities are important centerpieces for neighborhoods across the city's 77 community areas and more than 30 surrounding suburbs. These communities are tied together not only by CTA rail and bus service, but also by the convenient connections to Metra, Pace and the Divvy bikeshare systems.

The CTA has developed best-in-class workforce and small business programming to make it easier for people to connect to training, jobs and contracting with us.

Without adequate funding, the ability to accomplish these vital functions for the Chicago region is significantly curtailed. With funding to support growth and expansion of the transit network, CTA can increase its commitment to enhancing connectivity, bringing full accessibility and inclusion for all, and leading the region and the country in transit innovation.



Ridership

While CTA ridership continues to grow since the pandemic, CTA and other U.S. transit agencies were experiencing persistent ridership declines before the pandemic. Since the 2008 Great Recession led to transit service cuts at agencies across the country, such as WMATA in D.C. and MBTA in Boston, transit ridership in the U.S. has been slowly and steadily declining. In Chicago, CTA was forced to make significant service cuts in 2010 – reducing approximately 16 percent of bus service and 9 percent of rail service – which contributed to a 20 percent ridership decline over 10 years. These cuts in 2010 came after a nearly 10 percent service cut that the agency made in the late 1990s, often referred to as the Booz-Allen cuts. As transit service has been reduced, the effect has been declining ridership as riders opt for other transportation methods or forgo trips.

2025 Ridership Details

CTA has made a concerted effort to win back riders post-COVID-19, and ridership has continued to rebound with year-over-year growth of 4 percent thus far in 2025. This comes after double-digit annual growth from 2022 thru 2024. In 2025, the agency's ridership continued to return as service levels were increased above pre-COVID-19 service levels. Systemwide ridership has reached 70 percent of pre-pandemic (2019) ridership levels. CTA's 2025 forecast projects system ridership of 320 million rides by the end of the year, an increase of 11.6 million rides over 2024.

COVID-19 has had a lasting impact on transportation patterns across the Chicago region, including more people regularly working from home, growth of micromobility use (e.g., bikes and scooters), the replacement of trips with home delivery services, and more people using transit for leisure trips. While weekday ridership continues to represent the majority of rides on the system, weekend ridership share of total rides continues to increase. On average in 2025, Saturday and Sunday ridership are 84 percent and 85 percent of pre-pandemic levels, respectively, while weekday ridership is only 67 percent of pre-pandemic levels.

Ridership recovery in Chicago and nationally has been driven by bus ridership return. In 2024, bus ridership had a 12 percent year-over-year growth, but in 2025, bus ridership growth has started to slow. In 2025, bus ridership is 78 percent of pre-pandemic levels with a 2 percent year-over-year growth. Much of the bus ridership growth in 2025 has been driven by the implementation of the CTA Frequent Network – which consists of 20 bus routes with service spacing of 10 minutes or better from 6 a.m. to 9 p.m. on weekdays, and 9 a.m. to 9 p.m. on weekends.

With the Frequent Network, CTA is exceeding pre-pandemic bus service levels and is providing more frequent and reliable service during the midday, evening and weekends—aligning with rider feedback on where they wanted to see more bus service. In fact, the Frequent Network routes have been growing at a faster pace than non-Frequent Network routes in 2025. Some examples include 18 percent ridership growth on the #60 Blue Island/26th route; 10 percent increase on the #J14 Jeffrey Jump; and five percent on the #20 Madison route.

Rail ridership had been lagging bus ridership recovery in recent years, but in 2024 and 2025, rail ridership experienced a notable recovery. In 2024, year-over-year rail ridership increased 9 percent, followed by a six percent increase in 2025. Rail ridership has, as of fall 2025, reached 61 percent of pre-pandemic levels, a reflection of investments CTA has made to improve service frequency and reliability and efforts to modernize stations.

By 2025, CTA restored pre-pandemic rail service levels and increased rail service on some lines, including the Blue Line. Additionally, CTA was able to increase train speeds along the North Red Line with the completion of the Red and Purple Modernization (RPM) Phase One

project in 2025. That project included reconstructing and reopening on July 20, 2025, four fully accessible Red Line stations (Argyle, Berwyn, Bryn Mawr and Lawrence).

CTA marked the one-year anniversary of the opening of the new Damen Green Line station in summer 2025. The Damen station has helped to drive ridership growth along the entire Lake Street branch of the Green Line with over 238,000 rides provided during the first year of service (August '24 thru June '25), which accounted for 4.7 percent of the Lake Street branch ridership.

Special events continue to contribute to ridership performance. The St. Patrick's Day Parade, Lollapalooza, Chicago Marathon, Sueños Festival, Riot Fest, Pride Parade, sporting events, concerts, and others added over 1 million total rides in 2025, with ridership matching and even at times exceeding pre-pandemic levels for some special events.

2026 Ridership and Beyond

The following illustrates projected ridership impacts of each of the budget scenarios and the impact of investments and cuts could have on systemwide ridership.

In all proposed 2026 budget scenarios, CTA will implement fare increases, which are projected to have some impact on ridership. Based on prior fare increases in the 2000s, it is estimated that this fare increase will decrease systemwide ridership by 2.5 percent in 2026 and 0.25 percent in 2027 – across all three scenarios. CTA sees this impact as manageable given the overall affordability of fares and other efforts being implemented to mitigate negative impacts on riders.

2026 Baseline Budget

In the baseline budget scenario, CTA is budgeting 317 million systemwide rides – consisting of 180.7 million bus rides and 136.3 million rail rides. This would be a decrease of 3 million rides compared with the 2025 forecast for systemwide ridership, attributable to the anticipated impact of the fare increase that will go into effect February 1, 2026. By 2027, CTA projects 320.8 million systemwide rides, about level with rides forecasted for 2025, and 324.4 million systemwide rides in 2028. On a percentage basis, CTA estimates a one percent year-over-year growth in ridership in 2027 and 2028 following the estimated decline in ridership in 2026.

2026 Growth Budget

If significant funding is invested in the CTA that is beyond what is needed to address its operating budget gap, the agency expects to continue the ridership growth experienced in 2024 and 2025. The first year of expansionary investments would be 2026, with the effect of total ridership of 320 million, in line with the 2025 forecast. CTA expects that impacts from the 2026 fare increase would be offset by additional service investments that are included in the proposed 2026 Growth budget. By 2027, the service investments would be fully implemented, which CTA expects would lead to steady, sustainable year-over-year ridership growth. In this scenario, the agency expects systemwide ridership would reach 72 percent of pre-pandemic levels in 2027 and 73 percent of pre-pandemic levels in 2028, which is approximately 8 million more rides in 2027 and 7 million more rides in 2028.

2026 Cut / Reduced Budget

If CTA does not receive the funding it needs and is forced to make significant service cuts in mid-2026, ridership is expected to show a steep decline in 2026 and again in 2027. For the potential service cuts that would be required under this budget scenario, the CTA anticipates a total ridership decline of 10.1 percent. The potential cuts would not be effective until mid-2026, which is estimated to lead to a 5.2 percent decline in the first year, and then an additional 5.1 percent ridership decline in 2027. By 2028, CTA would expect that the ridership decline would slow, with total

ridership landing at 64 percent of pre-pandemic levels. In future years, ridership will likely continue to decline, which could prompt more service cuts and lead to even further ridership erosion.

2026 Fare and Pass Pricing

CTA last increased base fare levels in 2018. Since then, base fares have remained flat, unadjusted for inflation or cost growth. To encourage ridership growth after the pandemic, unlimited ride pass prices were reduced and the first transfer fee of \$0.25 was eliminated.

If current fares were adjusted to match the pace of inflation since the last increase in 2018, CTA fare and pass prices would be roughly 30% higher today. As an example, the single-ride rail fare of \$2.50 in 2018 would have been \$3.22 in 2024.



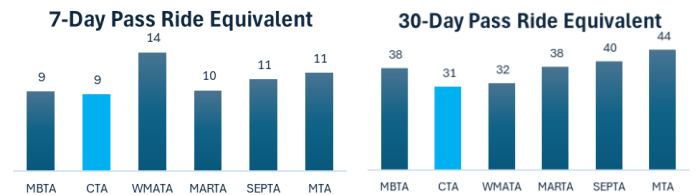
Inflation based on transportation CPI from Federal Reserve Economic Data

For fiscal year 2026, CTA is proposing a modest fare increase to provide additional net revenue with minimal ridership impact. Implementing the following fare changes will enable CTA to sustain essential service levels and reliability while limiting the need for service cuts amid rising operational costs.

Fare and price plan change details:

- Base fare for both bus and rail increases \$0.25
- Increase unlimited-ride pass prices to align with single-ride fare increases:
 - 1-Day Pass increasing \$1
 - 7-Day Pass increasing \$5
 - 30-Day Pass increasing \$10
 - Regional Connect Pass increasing \$15
- Ventra single-ride tickets increase to \$3.50
- Pay-as-you-go payments increase to \$3, for those using contactless debit or credit cards (plastic and digital wallet) directly at the Ventra readers. These higher fees are to offset additional merchant expenses
- Elimination of the 3-day pass to streamline fare offerings
- Reduced fares will continue to be at or under 50 percent of full fares, complying with federal requirements

When evaluating unlimited ride pass increases, CTA considered how the pass price compares to the cost of a single ride. The “pass ride equivalent” measures how many single rides would equal the price of an unlimited pass. CTA’s unlimited passes remain priced lower than those of most peer agencies, offering riders greater value and requiring fewer rides to make the pass worthwhile. This pricing strategy encourages more riders to purchase passes, increasing the share of pass sales and supporting more consistent, recurring revenue for CTA.



Note- Used most comparable single ride fare agencies with varying products. WMATA offers tiered pricing, and the midpoint was included for comparison

Youth Student Fares

The proposed fare change also includes changes to better support grade school and high school students riding CTA.

First, the time-of-day and day-of-week restrictions on the discounted student fares will be eliminated. Under the existing policy, reduced student fares are only available on weekdays between 5:30 a.m. and 8:30 p.m. This proposed change will eliminate those restrictions, so students can pay the discounted fare to get to extracurricular activities, jobs, internships, and other activities on weekends and non-school days throughout the year, including summer months.

In addition, CTA will introduce new 7-day and 30-day student passes that provide unlimited rides for elementary, middle, and high school students across the Chicago region. These new passes build on the existing reduced student fare by offering an even deeper discount and greater flexibility.

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Full details of new fare structure are:

	Current Effective 2/20/23	Proposed Effective 2/1/2026
CTA Regular Fare Type		
Full Bus Fare ^[1]	\$2.25	\$2.50
Full Rail Fare ^[1]	\$2.50	\$2.75
Full Fare Cash (Bus only; no transfers)	\$2.50	\$2.75
PAYGO ^[2]	\$2.25 bus/\$2.50 rail	\$3.00 bus/\$3.00 rail
Single Ride Ticket ^[3]	\$3.00	\$3.50
CTA/Pace 1-Day/24-Hour Pass	\$5	\$6
CTA/Pace 3-Day/72-Hour Pass	\$15	
CTA/Pace 7-Day Pass	\$20	\$25
CTA/Pace 30-Day Pass	\$75	\$85
Regional Day Pass ^[4]	\$2.50	\$3.00
Regional Connect Pass ^[4]	\$30	\$45
O'Hare Station Fare ^[5]	\$5	\$6
Reduced Fare Types ^[6]		
Reduced Fare Bus	\$1.10	\$1.25
Reduced Fare Rail	\$1.25	\$1.25
Reduced Fare Cash (Bus Only, no transfers)	\$1.25	\$1.25
CTA/Pace 30-Day Reduced Pass	\$35	\$40
Reduced O'Hare Station Fare	\$1.25	\$2.00
Student Fare ^[7]		
Bus & Rail Student Permit Fare	\$0.75	\$1.00
Student Fare Cash (Bus Only)	\$0.75	\$1.00
Student 7-day Pass (New)		\$7.50
Student 30-day Pass (New)		\$30
#128 Soldier Field Express		
All Roundtrips	\$5	\$6
	\$2.50 reduced fare	\$3.00 reduced fare

Notes to Fare Table:

[1] Fares paid with Ventra Transit Account Value.

[2] PAYGO - 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] Regional day pass requires initial purchase of Metra day pass and Regional Connect Pass requires initial purchase of Metra 30-day pass.

[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 addition, CTA also offers reduced fares to children aged 7-11.

[7] The Student Reduced Fare is for children 7-20 with a valid CTA Student Riding Permit. The current fare is available on school days between 5:30 a.m. and 8:30 p.m. The proposed fare will be valid on all days and at all times.

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The new fare and unlimited ride pass pricing, along with expense reductions, will help CTA to work toward a balanced budget.

The fare increases will be effective February 1, 2026.

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2020 – 2028 Baseline Operating Budget
Schedule

(\$ in Thousands)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
<u>Operating Expenses</u>					
Labor	1,135,354	1,155,509	1,134,269	1,204,887	1,352,028
Material	74,800	90,499	105,052	114,673	129,197
Fuel	37,125	30,779	27,201	37,581	41,478
Power	24,656	25,105	18,323	27,298	35,802
Provision for Injuries and Damages	22,000	31,680	31,680	20,200	29,850
Purchase of Security Services	19,976	15,680	23,944	69,115	91,627
Other Expenses					
Pension Obligation Bonds (Net)	105,735	105,986	106,042	88,842	77,047
Contractual Services	94,100	97,212	109,531	117,463	140,931
Utilities, Non-Capital Grant, Travel, Leases, Other	19,403	25,448	18,083	23,278	23,990
Other Debt Service	4,677	7,318	7,424	7,369	18,578
Other Expenses Total	223,916	235,964	241,081	236,951	260,546
Total Operating Expenses	\$ 1,537,826	\$ 1,585,216	\$ 1,581,549	\$ 1,710,707	\$ 1,940,529
<u>System Generated Revenue</u>					
Fare and Passes	232,830	242,864	290,891	328,810	351,099
Reduced Fare Subsidy	14,829	14,606	14,606	15,227	16,640
Advertising, Charter & Concessions	20,898	26,687	33,387	29,285	31,521
Investment Income	1,221	261	3,690	9,214	12,822
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	39,286	40,239	28,168	24,530	23,579
System Generated Revenue	\$ 314,063	\$ 329,658	\$ 375,742	\$ 412,066	\$ 440,662
<u>Public Funding</u>					
Sales Tax I	336,135	437,632	476,787	498,149	526,689
Sales Tax II	61,352	86,901	73,098	75,357	79,332
PTF II	63,929	78,046	89,618	92,967	95,950
RETT	51,023	71,118	79,926	53,284	58,691
PTF II on RETT	12,600	17,198	18,301	14,302	13,726
Non-Statutory Funding - PTF I	208,361	252,325	288,691	300,927	311,340
Non-Statutory Funding - Sales Tax I	910	-	19,784	23,400	27,739
ICE*	5,624	7,175	7,668	-	-
Public Funding	\$ 739,933	\$ 950,395	\$ 1,053,872	\$ 1,058,386	\$ 1,113,468
Relief/Reserve Funds	\$ 483,829	\$ 305,163	\$ 151,936	\$ 240,254	\$ 386,399
Balancing Actions	-	-	-	-	-
Total Operating Revenue	\$ 1,537,826	\$ 1,585,216	\$ 1,581,549	\$ 1,710,706	\$ 1,940,529
<u>Short-term Borrowing</u>					
Balance					
Recovery Ratio***	56.26%	47.10%	53.70%	47.72%	47.72%
Required Recovery Ratio	54.75%	54.75%	54.75%	42.00%	42.00%

* As of 2023 ICE Funds will be distributed after exact amounts are known and grant agreements have been executed for approved capital projects. ICE Funds are included in the Capital Improvement Program (CIP)

**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.

(\$ in Thousands)	2025 Budget	2025 Forecast	2026 Baseline Budget	2027 Plan	2028 Plan
<u>Operating Expenses</u>					
Labor	1,448,229	1,456,109	1,549,919	1,596,417	1,660,273
Material	153,351	134,755	151,772	155,688	159,674
Fuel	48,476	44,896	43,244	44,175	45,725
Power	56,806	37,220	48,094	48,522	48,790
Provision for Injuries and Damages	22,262	50,349	34,840	45,021	46,822
Purchase of Security Services	85,148	85,148	82,149	84,613	87,152
Other Expenses					
Pension Obligation Bonds (Net)	86,947	86,947	85,793	83,219	79,891
Contractual Services	194,184	152,629	181,715	189,028	194,698
Utilities, Non-Capital Grant, Travel, Leases, Other	43,260	37,711	33,580	34,277	35,069
Other Debt Service	17,860	17,239	20,460	19,185	19,641
Other Expenses Total	342,251	294,526	321,547	325,709	329,299
Total Operating Expenses	\$ 2,156,522	\$ 2,103,003	\$ 2,231,565	\$ 2,300,144	\$ 2,377,733
<u>System Generated Revenue</u>					
Fare and Passes	369,089	362,228	393,986	402,070	406,525
Reduced Fare Subsidy	17,432	18,304	19,176	19,176	19,176
Advertising, Charter & Concessions	33,271	31,554	33,813	35,165	36,572
Investment Income	5,000	32,715	10,650	7,215	7,576
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	26,160	27,644	22,831	23,516	24,221
System Generated Revenue	\$ 455,952	\$ 477,445	\$ 485,455	\$ 492,142	\$ 499,070
<u>Public Funding</u>					
Sales Tax I	528,932	582,964	602,213	617,268	629,613
Sales Tax II	68,130	88,182	86,306	84,774	82,395
PTF II	97,693	106,276	110,904	113,920	116,249
RETT	57,485	65,091	67,043	70,395	73,915
PTF II on RETT	14,059	15,985	17,246	17,599	18,479
Non-Statutory Funding - PTF I	316,225	340,925	366,095	368,567	375,938
Non-Statutory Funding - Sales Tax I	39,351	39,351	109,769	53,157	54,478
ICE*	-	-	17,390	-	-
Public Funding	\$ 1,121,875	\$ 1,238,773	\$ 1,376,965	\$ 1,325,680	\$ 1,351,066
Relief/Reserve Funds	\$ 578,695	\$ 386,784	\$ 256,944	\$ -	\$ -
Balancing Actions	-	-	\$ 112,200	\$ 482,323	\$ 527,597
Total Operating Revenue	\$ 2,156,522	\$ 2,103,003	\$ 2,231,565	\$ 2,300,144	\$ 2,377,733
<u>Short-term Borrowing</u>					
Balance					
Recovery Ratio***	52.50%	47.95%	54.75%	54.75%	54.75%
Required Recovery Ratio	42.00%	42.00%	54.75%	54.75%	54.75%

* As of 2023 ICE Funds will be distributed after exact amounts are known and grant agreements have been executed for approved capital projects. ICE Funds are included in the Capital Improvement Program (CIP)

**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.

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2026 Proposed Baseline Operating Budget

The 2026 proposed Baseline Operating Budget reflects the CTA being funded to address its structural budget gap, but no additional funding for significant investments. This is how CTA has been funded in the past, which enables the agency to continue the positive momentum from 2025 in improving service reliability and convenience. However, this budget scenario does not allow for the transformational expansion necessary for CTA to grow our overall market share of trips, drive more sustainable and resilient communities, or significantly advance economic investments in our region.

Under a Baseline Budget, CTA will maintain all existing programming and initiatives, while continuing to find efficiencies within the organization to lower expenses and achieve some new programs. This approach allows us to continue our commitment to increased service levels, as well as launch new initiatives that advance the delivery of transit services to the next level for the benefit riders, residents and businesses.



People

New Employee Safety Engagement Program

To deepen CTA's commitment to providing a safe working and travel environment, CTA will invest in the development of a safety-focused employee engagement program to elevate employee safety throughout the system. Recognizing that employees can, and do, play an important role in keeping riders and the public safe, this program will provide additional educational resources, such as forums to discuss and solicit employee and manager feedback on various safety topics, strategic and targeted safety campaigns and rewarding safe behavior.

Chatbot Phase 2

CTA will also launch the next phase of CTA Chatbot, which was rolled out in summer 2024 to provide riders with an easy way to communicate about non-emergency topics such as cleanliness and service. This next phase will provide customers with a more personal experience through additional AI investments that will enable the Chatbot to more readily understand customer reports, requiring fewer follow-up questions. It would also collect more details about incidents to increase resolution rates and provide more details and information on service. These enhancements build on the existing Chatbot tool to enable future investments, including creating a process for riders to track progress on issues and be notified of resolution.



Places

Blue Line Forest Park Branch Modernization Program Office

CTA will establish a Blue Line Forest Park Branch Modernization Program Office as part of its Baseline Budget. The office will be funded through CTA's capital program and will serve as a dedicated team to advance planning for the modernization of the Forest Park Branch of the Blue Line, in partnership with the Illinois Department of Transportation (IDOT) and the Chicago Metropolitan Agency for Planning (CMAP) through the joint I-209 Eisenhower Expressway/Blue Line Corridor Development Office to create a strategic vision and infrastructure plan for the 13-mile long corridor along I-290 expressway and the Forest Park Blue Line branch.

This dedicated team will work to advance planning for the modernization and rebuilding of the branch, so various aspects of this work become shovel-ready as funding opportunities become available; similar to CTA's approach to advancing the Red Line Extension Project on the far south side of Chicago.

Modernization of the branch would include work to make the stations accessible and replace critical infrastructure such as the tracks, power, and drainage systems. These upgrades would not only improve current service reliability but would also support the corridor's ability to meet future ridership demands through accessibility and increased electrical capacity needed for modern railcars or the addition of more railcars on the branch.

This work will build on the success of the recent Forest Park Rebuild program which completely rebuilt three miles of track and infrastructure from UIC-Halsted to IMD stations and modernized the Racine Blue Line station.

Enhanced Vehicle Cleaning Pilot

Having clean buses, trains, and stations consistently ranks as a top priority for customers. While CTA already has robust cleaning regimens, including daily cleanings, and monthly deep cleans and power-washing – and every vehicle and station start the day having been cleaned – under the proposed Baseline Budget, CTA will conduct a pilot for mid-line railcar cleaning to address cleanliness issues that occur after trains have been in service for several hours. This builds on the expansion of cleaning personnel added in the 2024 and 2025 budgets.

Refresh & Renew Program Expansion

Our robust Refresh & Renew program will be enhanced to incorporate additional customer-friendly improvements that include greening/landscaping, benches designed for children and more station art. These enhancements would be added within the existing \$6.5M annual program budget.



Performance

Bus Service Reliability

While customer satisfaction with bus service frequency has improved, especially with the launch of the Frequent Bus Network, customers continue to want more investments in improving bus service reliability. In 2026, CTA will continue driving forward the bus infrastructure planning projects and implementations identified with the Better Streets for Buses Plan in partnership with CDOT, including:

- Bus Corridor Plan study, which includes studying five bus corridors for investments, including Bus Rapid Transit;
- Bus Priority Zones implementations, which are specific infrastructure improvements at an intersection or pinch point; and
- Transit Signal Priority (TSP) corridors and centralized TSP.

Additionally, CTA will launch a comprehensive review of 'running time' across the bus network to identify how travel patterns and vehicular traffic post-COVID are impacting bus service reliability (e.g. large gaps in service or bus bunching), and to identify potential bus schedules that need more running time or less running time or other schedule adjustments to improve reliability. Running time is the amount of time it takes for a bus to operate its entire route – terminal to terminal. As part of every quarterly schedule change, CTA does evaluate running time, but this comprehensive review deep dives into the entire route and determines potential schedule changes to ensure more accurate service reliability. Additionally, this comprehensive work will support the Better Streets for Buses Plan by providing further insights into the corridors and locations that need more specific infrastructure treatments to improve bus reliability. CTA will implement schedule changes over multiple schedule cycles throughout 2026 and into 2027. This is anticipated to be cost neutral.

Strategic Technology Plan

Technology investments have helped make transit easier for customers to navigate. To build on this, a new executive-level Technology Project Steering process will be created to elevate the way CTA invests in and uses technology. This would establish a 5-year plan based on the CTA's overall strategic plan and priorities, while refocusing the Technology Department to manage the following important tasks:

- Support the systemwide scaling of new, innovative customer experience technology, as well as those that support the agency's overall strategic plan;
- Maintenance, upgrades, and refreshes of hardware and software;
- Cyber Security;
- IT support/service desk

Additionally, major technology infrastructure needs prioritized in the Strategic Technology Plan will be programmed in the CTA's capital improvement program, and managed like all other infrastructure investments projects.



Partnerships

Focus on Equitable Transit Oriented Development (ETOD) and Other Transit Policy

As part of the proposed Baseline Budget, CTA will add two positions to work on driving strategy for critical cross-agency transit policy strategies, initiatives, and partnerships that promote and leverage transit to connect people to opportunities that improve their lives. The added resources will focus on redefining CTA's role in ETOD from more passive participant to driving large-scale TODs and creating strategies to bolster activation around transit hubs. This team would lead partnership developments with the City of Chicago's Department of Planning and Development, community-based organizations and other stakeholders around technical assistance programs for TOD developers and businesses, plus explore the potential for CTA to become a grantor or even direct developer in TOD.

Under a Growth Budget, CTA proposes creating a fully staffed transit policy group that would do similar work, but at a larger scale, including but not limited to more ETOD, sustainability, innovation initiatives.

Expanded Accessibility Initiatives and Outreach

To further expand initiatives that increase accessibility to transit and the experience of riders with disabilities, CTA will add a position to focus on this important work. This will include initiatives that:

- Drive critical accessibility tool deployment, such as those that improve way-finding on transit;
- Increase coordination with the Chicago and Illinois Departments of Transportation (CDOT and IDOT) to increase accessibility;
- Expand front-line employee training on accessibility and supporting disabled riders;
- Strengthen partnerships and relationships with impacted communities.

Focus on Strategic Partnerships

In 2025, CTA created a variety of new opportunities to engage and hear from riders and stakeholders as it worked to address fiscal and other challenges, and to build upon recent significant service improvements. Much of this has occurred through a series of in-person engagements, including in-station CTA Chats with management, budget townhall meetings, and a stakeholder workshop to discuss innovative ways to address security concerns.

To build upon this unprecedented level of engagement and strengthen the work and services CTA provides to riders and communities across region, CTA will dedicate resources to continue regular stakeholder outreach and engagement, and seek out strategic partnerships to address both opportunities and challenges before CTA.

Chicago Police Department Resources

At the foundation of CTA's multi-pronged approach to security is the Chicago Police Department (CPD), which provides law enforcement for the CTA through the Public Transportation Section, and supplements it with officers and detectives from police Districts across the city, as well as crime deterrence tools and strategies.

The CPD Public Transportation Section is a police unit dedicated to CTA that is responsible for patrolling CTA rail stations, trains, and buses 24 hours a day. This unit conducts a variety of proactive patrols to increase their visibility to the public, and is responsible for investigating crimes when they do occur.

As a supplement to CPD's Public Transportation Section and District police officers, CTA also budgets funding out of its annual operating budget to allow police officers from CPD to sign up to patrol the CTA on their days off.

Under the proposed baseline budget, CTA will increase the amount budgeted for CPD to further increase police resources assigned to work on CTA, by reallocating some funding within the Security Services budget.

Safe Ride Ambassador Pilots

To complement the work of law enforcement provided by the Chicago Police Department (CPD) and suburban police departments, CTA has partnered with a variety of external stakeholders to design Safe Ride Ambassador models to pilot. These pilots seek to test various response and engagement models to compassionately connect people on CTA in visible crisis with support services, de-escalate potentially troubling situations, and also build positive relationships with the broader transit rider community by addressing questions or concerns they may raise.

As part of this process, CTA recently held its first-ever Transit Community Safety Workshop where law enforcement, other security experts, transit advocates, mental health and social service professionals, and community-based organizations came together to offer their input and expertise to co-design the Safe Ride Ambassador models that will launch in 2026.

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2025-2028 Consolidated Financial Overview

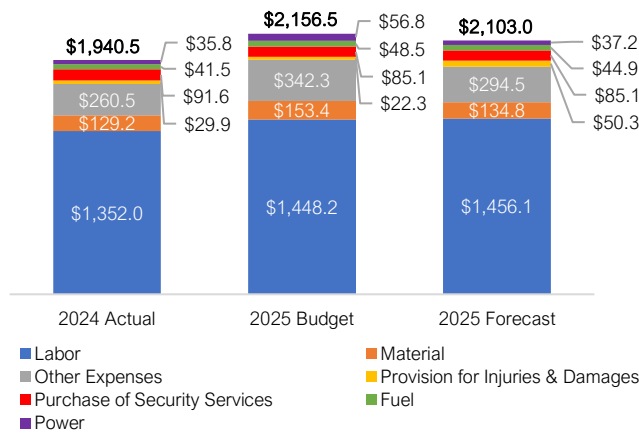
The Consolidated Financial section provides a comprehensive financial overview of the 2025 operating budget forecast, 2026 baseline budget, and 2027-2028 Financial Plan.

In Thousands	2025 Forecast	2026 Baseline Budget	2027 Plan	2028 Plan
System Generated Revenue	\$ 477,445	\$ 485,455	\$ 492,142	\$ 499,070
Public Funding	\$1,238,773	\$1,376,965	\$1,325,680	\$1,351,066
Total Operating Revenue	\$1,716,219	\$1,862,421	\$1,817,821	\$1,850,136
Total Operating Expenses	\$2,103,003	\$2,231,565	\$2,300,144	\$2,377,733
Relief/Reserve Funds	\$ 386,784	\$ 256,944	\$ -	\$ -
Remaining Relief/Reserve Funds	\$ 256,944	\$ -	\$ -	\$ -
Required Budget Balancing Actions	\$ -	\$ 112,200	\$ 482,323	\$ 527,597

Totals may not add due to rounding

2025 Operating Expense Budget Forecast

2025 Forecast Budget Overview (\$ in Millions)

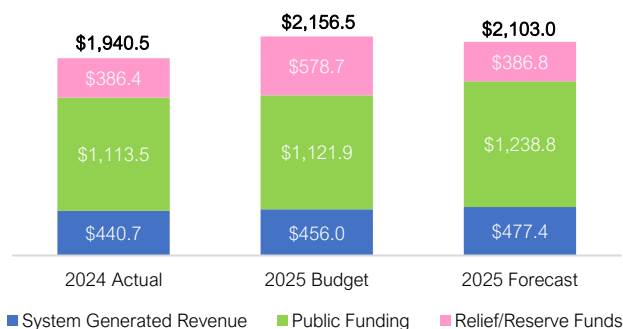


Totals may not add up due to rounding.

The 2025 Operating Expense forecast is \$2,103.0 million, which is \$53.5 million or 2.5 percent lower than the 2025 budget and a \$162.5 million or 8.4 percent increase over 2024 actuals.

The main drivers of favorable expense are contractual services, traction power and material expense, which were partially offset by increased damage reserve for injuries and damages. Contractual services accounts for 77.6 percent of the operating expense favorability.

2025 Revenue Forecast Overview (\$ in Millions)



Totals may not add up due to rounding.

The 2025 Operating Revenue forecast excluding relief/reserve funds is \$1,716.2 million, favorable to the budget by \$138.4 million and an increase of \$162.1 million or 10.4 percent over 2024 actuals.

System-Generated Revenue accounts for 27.8 percent of Operating Revenue (excluding relief/reserve funds). The 2025 forecast for system-generated revenue is \$477.4 million, \$21.5 million or 4.7 percent higher than the budget and \$36.8 million or 8.3 percent higher than 2024 actuals. Fare and passes contribute 75.9 percent of system-generated revenue and are forecasted to be \$6.9 million lower than budget and \$11.1 million higher than 2024 actuals. The remaining 24.1 percent of system-generated revenue derives from non-farebox revenue, which is forecasted at \$115.2 million, an increase of \$28.4 million or 32.6 percent over budget and \$25.7 million higher than 2024 actuals.

The 2025 forecast for Public Funding is \$1,238.8 million, \$116.9 million higher than the budget and \$125.3 million higher than 2024 actuals. Increased sales tax receipts are the main driver behind the increased projection for higher public funding consistent with historical levels.

The 2025 forecasted budget deficit is \$386.8 million compared to the budgeted deficit of \$578.7 million. Reserve funds will be used to close this gap, representing a 33.2 percent reduction in fund usage compared to budget. The inclusion of reserve funds brings the 2025 total operating revenue forecast to \$2,103.0 million.

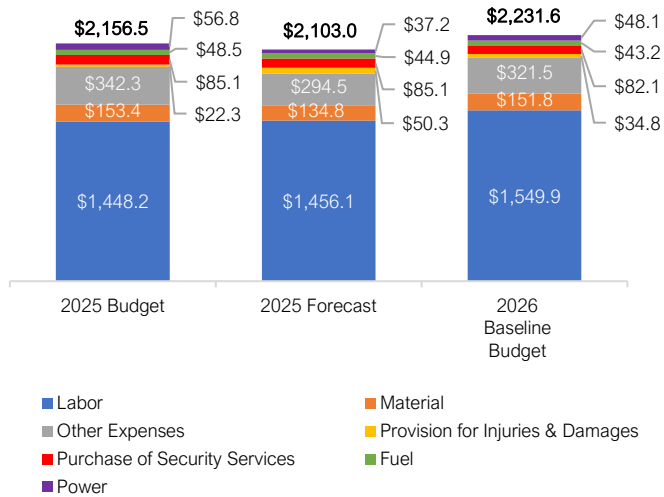
2026 Proposed Operating Budget

The 2026 proposed Operating Expense budget reflects the CTA's commitment to improved service and continued growth. There is an operating budget gap of \$112.2 million, which will be closed with additional funding.

The 2026 budgeted operating expenses of \$2,231.6 million are \$75.0 million, 3.5 percent higher than the 2025 budget and \$128.6 million higher than the 2025 forecast. The key driver behind the increased expense is labor, specifically increased fringe benefit expenses due to higher health insurance costs and worker's compensation costs. Through cost containment measures, the CTA has been able to minimize the overall impact of increasing expenses. Since 2015, over \$1 billion in cost savings and non-farebox revenue growth initiatives have been implemented helping CTA maintain its status as one of the most efficient transit agencies in the country.

As part of its ongoing commitment to maintain an efficient organization, CTA identified further efficiencies to pursue in 2025 and 2026 with a target level of cost containment, revenue growth, or cost reduction of approximately five percent of 2024 expenses. Examples of these include reducing expenses associated with cash collection, increasing parking lot rates, and reducing the length of trains during off-peak periods leading to lower material and power expenses. These and other efficiencies allowed CTA to reduce 50 positions from the budget and lower expenses for fuel, power, materials, and contractual services below their original forecasts.

2026 Expense Budget Overview (\$ in Millions)

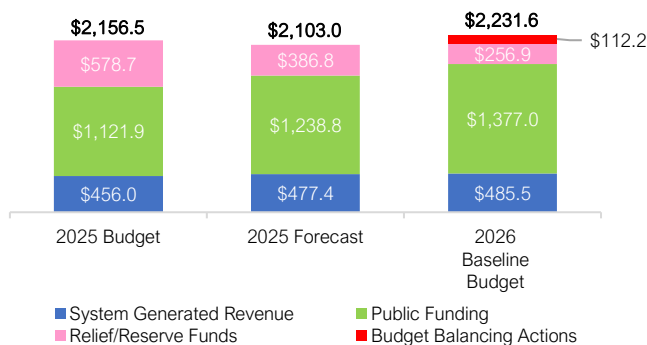


Totals may not add up due to rounding.

The 2026 Operating Revenue budget excluding reserve funds is \$1,862.4 million, \$284.5 million or 18.0 percent higher than the 2025 budget and \$146.2 million higher than the 2025 forecast. System-generated revenue is budgeted at \$485.5 million for 2026, \$29.5 million higher than 2025 budget and \$8.1 million higher than 2025 forecast. Farebox revenue budget of \$394.0 million, \$24.9 million or 6.7 percent higher than the 2025 budget and \$31.8 million, 8.8 percent higher than 2025 forecast. 2026 Public Funding is budgeted at \$1,377.0 million, an increase of \$225.1 million over budget and \$138.2 million over 2025 forecast.

The remaining reserve funds are expected to be \$256.9 million at the beginning of 2026. This, along with additional one-time public funding, will leave a gap of \$112.2 million to balance the 2026 budget.

2026 Revenue Budget Overview (\$ in Millions)



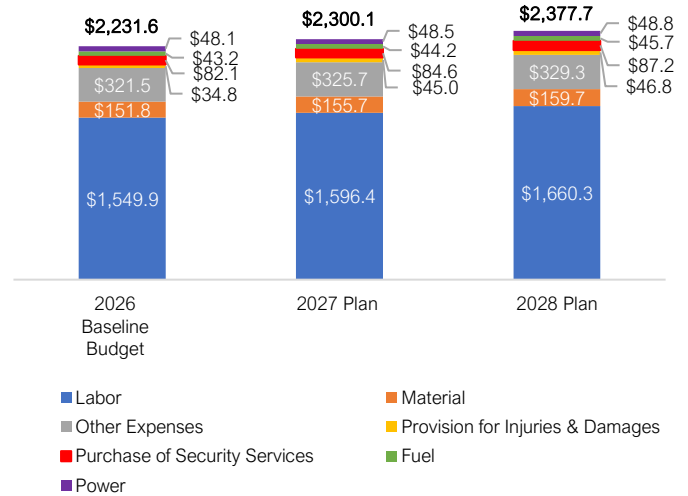
Totals may not add up due to rounding.

2027-2028 Financial Plan

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

Operating expenses are estimated to be \$2,300.1 million in 2027 and \$2,377.7 million in 2028. Compared to the 2026 budget, operating expenses are expected to grow by \$68.5 million, 3.1 percent in 2027 and grow by \$77.6 million 3.4 percent in 2028.

2027 - 2028 Expense Budget Overview (\$ in Millions)



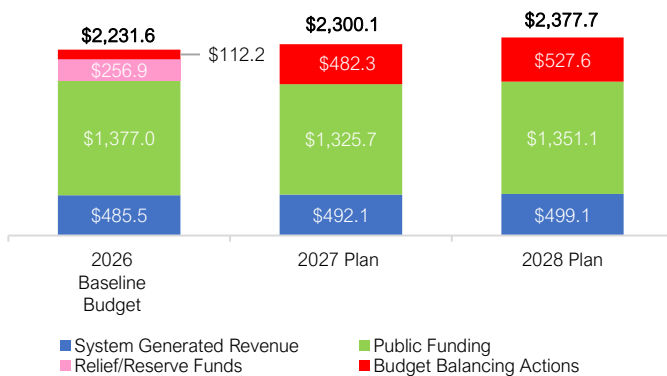
Totals may not add up due to rounding.

The two-year financial plan projects operating revenue will decline from \$1,862.4 million in 2026 to \$1,817.8 million in 2027 and increase to \$1,850.1 million in 2028. The reduction from 2026 to 2027 is the result of a one-time additional allocation of \$74.0 million of non-statutory funding and an additional \$9.2 million in ICE (RTA Innovation, Coordination, and Enhancement) funding which was allocated to operating budget in 2026. In 2027, farebox revenue increases \$8.1 million, 2.1 percent over 2026 budget and 2028 plan increases \$4.5 million, 1.1 percent increase over the 2027 plan. Ridership retention compared to 2019 levels are projected to be 70.4 percent and 71.2 percent in 2027 and 2028, respectively. The projection for farebox revenue is 68.7 percent and 69.5 percent for 2027 and 2028 compared to 2019. Both ridership and farebox revenue continue to show year over year gains.

Public funding is expected to decrease by 3.7 percent in 2027 and increase 1.9 percent in 2028. The decrease in 2027 is due the previously mentioned one-time allocations in 2026. The expectation of higher sales tax receipts and increased Real Estate Transfer Tax (RETT) continue in the plan years.

In 2027, the CTA will have a projected budget gap of \$482.3 million and \$528.2 million in 2028. There will be no reserve funds available, and the CTA would be solely reliant on budget balancing actions to close a projected budget gap. In the absence of additional operating funds, the CTA will need to identify additional revenue sources and/or expense reductions to close the remaining budget gaps in 2026-2027.

2027 - 2028 Revenue Budget Overview (\$ in Millions)

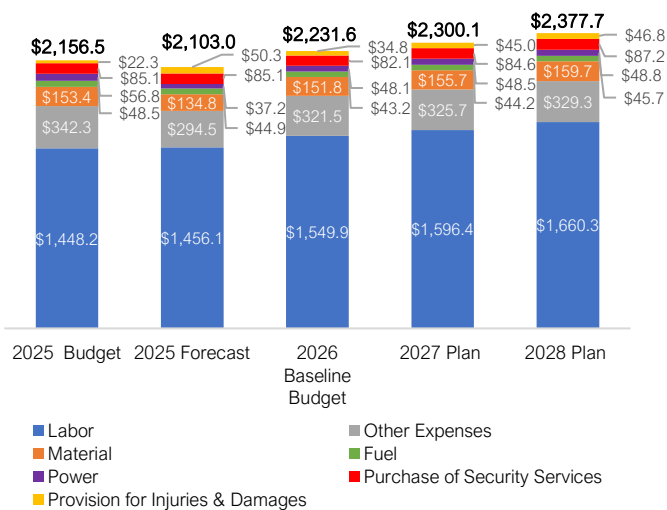


Totals may not add up due to rounding.

FY2026 Operating Budget Consolidated Operating Expenses

This section discusses in detail each of the major expense categories for the 2025 Operating Budget and Forecast, 2026 Proposed Budget and 2027-2028 Financial Plan:

2025 - 2028 Expense Budget Overview (\$ in Millions)



Totals may not add up due to rounding.

Labor

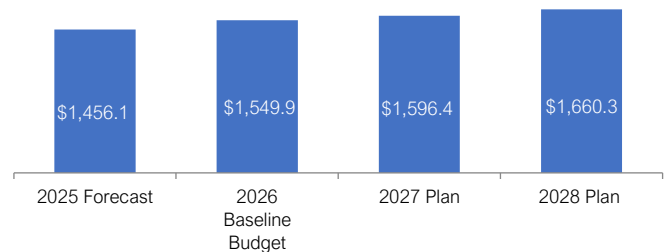
Labor represents approximately 69 percent of total operating expenses. The 2025 labor expense is forecasted to be \$1,456.1 million which is \$7.9 million, or 0.5 percent, higher than the budget of \$1,448.2 million. The higher labor expense is driven by higher fringe benefit expenses and unbudgeted costs related to retention payments and back-pay/arbitration settlements. The Amalgamated Transit Union ("ATU") Locals 241 and 308 signed a collective bargaining agreement (CBA) which included wage increases of 1.50 percent and 1.75 percent effective 1/1/25 and 7/1/25, respectively. At the time the 2025 budget was developed, the CBA had not been finalized. Compared to 2024 actuals, labor is forecasted to increase \$104.1 million. The forecast accounts for a continued decline in the labor vacancy rate, which is due to the Authority's continued focus on recruitment and retention. The factors

mentioned above related to wage rates and fringe benefit costs also contribute to the increase in labor from 2024 to 2025.

The 2026 labor expense is budgeted to be approximately \$1,549.9 million, which is a \$101.7 million, or 7.0 percent, increase from the 2025 labor budget, and a \$93.8 million, or 6.4 percent, increase from the 2025 forecast. The budget for scheduled service is projected to increase by approximately 4.5 percent. Although service levels will remain flat, wage rates will increase by 2.00 percent and 2.50 percent on 1/1/26 and 7/1/26, respectively, due to the agreement reached between the CTA and the ATU which expires on December 31, 2026. Unscheduled service is expected to increase as the number of special events across the city increase along with increased construction across the CTA system. The 2026 labor budget also reflects contractual wage increases for non-ATU unions and higher fringe benefit expenses, as noted above.

Labor expenses are projected to increase 3.0 percent in 2027 to \$1,596.4 million and 4.0 percent in 2028 to \$1,660.3 million.

Labor Expenses (\$ in Millions)



Budgeted Positions

Budgeted Positions			
	2024	2025	2026
Non-STO*	5,154	5,259	5,208
Bus STO**	3,705	3,906	3,906
Rail STO**	1,729	1,746	1,755
Total*	10,588	10,911	10,869

*Total includes Capital-funded positions.

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

Through 2025, CTA had steadily expanded its workforce to support its goal of improving the rider experience. The 2026 budget reflects a slight decrease in position count, driven by the elimination of long-term vacancies and ongoing efficiencies. The 2026 budgeted workforce level allows the CTA to continue to deliver on its goals of improving operations, infrastructure, safety, security and customer experience. High service delivery rates on bus and rail will continue to be achieved.

Scheduled Transit Operations (STO) Positions

The slight increase in Rail Scheduled Transit Operations ("STO") positions is due to a higher number of customer service assistant (CSA) positions at rail stations. These CSA positions not only provide riders with assistance with fares, routing, schedules and connection points, but also serve to assist riders with disabilities and as the first point of contact in emergency situations. Bus Scheduled Transit Operations ("STO") positions remain relatively flat to the FY25 budget. The small increase in bus STOs is consistent with the slight increase in budgeted service levels from FY 2024 levels.

Non-Scheduled Transit Operations Positions

The net reduction of 51 non-scheduled transit operations positions is comprised of the following changes:

- 51 positions that have been vacant for over a year and deemed to be non-essential were eliminated. These positions were spread evenly across administrative and operations departments.
- 6 positions were eliminated due to the outsourcing of operations and maintenance of the new fareboxes installed on all buses. The investment in new fareboxes provides a better customer experience for cash-paying customers, creates a more efficient cash collection process, improves data reporting and accuracy, and will provide cost savings for CTA.
- 6 positions were added, including the following:
 - 2 positions in Human Resources: 1 for talent assessment supporting the hiring process and 1 for support in managing the wellness and benefits programs for employees.
 - 1 position in Training and Workforce Development to support increased training requirements.
 - 2 positions in Safety: 1 to assist with the implementation of the safety assurance components of the Safety Management System, which is a federally and state required transit safety program; and 1 to administer the Safety and Security Certification process for the Red Line Extension project, which is funded through the capital project.
 - 1 position in Technology to focus on management of IT asset inventory.

The 2026 Labor budget will repurpose vacancies to allow for new positions to support the following initiatives:

- Employee safety focused program to proactively engage and connect with employees on safety topics.
- Vehicle cleanliness through the development of a pilot program focused on additional rail car cleaning.
- Strategic partnerships through resources dedicated to expand relationships with critical stakeholders, including but not limited to community-based, transit advocacy, and business organizations; local government agencies; the philanthropic community; and the community at large.
- Equitable Transit-Oriented Development (ETOD) that serves as a tool for neighborhood vitality.
- Accessibility initiatives to improve access to transit by persons with disabilities.

Pension Contributions

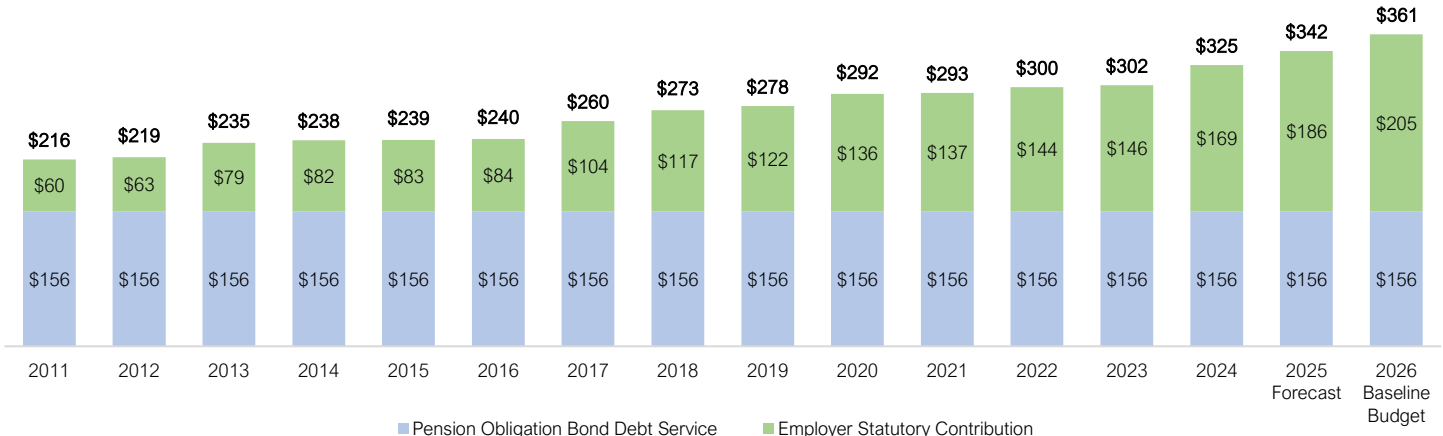
In 2008, the CTA became one of the first public entities in the State of Illinois to enact pension reform with the fund goal to meet at least 90 percent of its projected liabilities by 2059. The legislation has a three-part annual required contribution test. Each year, an actuary determines whether the 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 increase the CTA and employee contributions. If the fund does not meet its target rate of return of 7.75 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. The estimated amount is \$186 million in 2025, a 7.1 percent increase from the projected 2024 contribution. In 2025, both employee and CTA contribution percentages are projected to remain static, 13.795 percent for the employee contribution and 27.590 percent for the CTAs contribution. 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 to its pension plans have seen a corresponding increase due to recent pension reform legislation, which is supplemented by employee contributions deducted directly from paychecks. Contribution rates are influenced by investment performance and other variables. If the market underperforms, pension costs may rise in the future, necessitating the CTA to implement cost-saving measures or seek additional revenue to fulfill these obligations. This proactive approach aims to ensure the sustainability of the pension system while maintaining financial stability for the agency.

CTA Pension Contribution Rates (per 2008 Legislation)		
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%
2020-2024	13.324%	26.647%
2025-2026	13.795%	27.590%

CTA Total Employer Pension Fund Contributions (\$ in Millions)

Material

Material expense for 2025 is forecasted to be \$134.8 million, which is \$18.6 million, or 12.1 percent below the budget, but \$5.6 million higher than 2024 actuals.

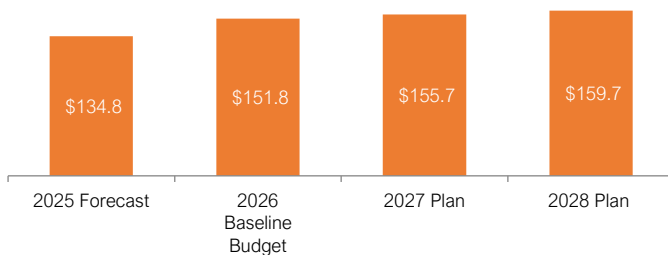
For 2026, material expenses are projected at \$151.8 million representing 6.8 percent of the total operating budget. This is \$1.6 million lower than the 2025 budget and \$17.0 million higher than the 2025 forecast. The decrease in material compared to 2025 reflects reduce vehicle maintenance costs, driven by scheduled overhauls for both bus and rail cars, as well as warranty coverage for the 7000 – series rail cars.

CTA will continue proactive maintenance of its bus and rail fleet, focusing on high-failure parts for railcars and major component systems related to buses, as well as infrastructure. This proactive strategy is designed to maintain and enhance service reliability by replacing components that are leading contributors to mechanical delays to CTA's bus and rail fleet.

The CTA recently received the last 100 new clean diesel buses, and 569 out of the 600 total new buses are now in service. These new warrantied vehicles allow the Authority to retire the oldest buses in the fleet and help to reduce material and maintenance costs.

The financial plan projects material expenses to be \$155.7 million in 2027, and \$159.7 million in 2028, growing 3.0 percent annually. These figures reflect the expected increased costs to maintain CTA's bus and rail fleet and assumes inflation reduces.

Material Expenses (\$ in Millions)

Fuel & Power

CTA is forecasted to spend \$44.9 million on diesel fuel for buses in 2025. This is up \$3.4 million, or 8.2 percent from 2024, when the annual spending on diesel fuel was \$41.5 million. The 2025 forecast is \$3.6

million, or 7.4 percent, below the budgeted expense of \$48.5 million. Fuel consumption for 2025 was budgeted at 16.5 million gallons, while the forecast is 16.4 million gallons, or 1 percent less than budget. This represents a consumption increase of 11.1 percent from 2024 actual to 2025 forecast as CTA has been able to steadily maintain over 98 percent of service delivered and ridership has continued to increase, leading to additional miles and increased passenger weight on buses, which results in greater fuel usage.

CTA is budgeting diesel fuel expenditures for the bus fleet to be \$43.2 million in 2026. This budget is \$5.2 million, or 10.8 percent lower than the 2025 budget of \$48.5 million, and \$1.7 million lower than the \$44.9 million 2025 forecast diesel spend. The 2026 budget assumes CTA will consume 16 million gallons of diesel fuel, slightly less than the budget and forecast for 2025. CTA recently received the last delivery of the new 7900 series buses, completed an overhaul of the articulated 60-foot buses, and in 2026 is scheduled to start the life-extending overhaul of its 1000 series buses, which are over 18 years old, as well as the mid-life overhaul of its original 7900 series buses that are now 10 years old, which is expected to positively impact the fleet's overall fuel-efficiency. In October 2021, CTA executed a new diesel supply contract, which covers a base term of three years of fuel supply – 2023 through 2025 – and includes two additional option years – 2026 and 2027. CTA continued its practice of fixed price purchasing for 2026, locking in 70 percent of expected consumption in advance, which allows CTA fuel expenses next year to reflect a significant decrease compared to the 2025 budget despite volatility in diesel market pricing due to geopolitical factors, constrained supply, and high global demand. Combined with spot market pricing for the remaining 30 percent of expected consumption, CTA's 2026 budgeted unit price of diesel is \$2.70 per gallon versus the current average unit price of \$2.73 per gallon in 2025.

The Two-Year Financial Plan projects diesel fuel costs to be \$44.2 million in 2027 and \$45.7 million in 2028. 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 buses. At the time of budgeting, CTA has not yet locked any fuel purchases for 2027, but it's closely monitoring the diesel market and will 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 2025 forecasted expenditure for CTA's traction (rail system) electric power is \$37.2 million. This is \$19.5 million, or 34.5 percent,

lower than the budgeted expense for the year; and up \$1.4 million, or 4.0 percent, versus 2024 actual spending of \$35.8 million.

Supply side costs have pushed 2025 forecasted spending above 2024 actual expenditures. For 2025, CTA fixed supply prices are forecasted at \$64.58/MWh for Traction accounts, these prices exceeded 2024 Traction prices by 40 percent. The uptick in costs reflects record-high-capacity costs set by PJM, the body overseeing the electrical grid in several states including Illinois.

For 2026, CTA is budgeting \$48.1 million in expenses for Traction (rail system) electric power. The 2026 budget is \$8.7 million, or 15.3 percent, lower than the 2025 budget of \$56.8 million, and \$10.9 million more than the 2025 forecast of \$37.2 million. CTA received a credit from ComEd in 2025 that lowered expenses on a one-time basis. The 2026 budget assumes CTA will consume 390 million kilowatt-hours of electricity, which is 11.5 percent lower than the 2025 budget. This revised assumption more accurately reflects post-COVID power usage patterns.

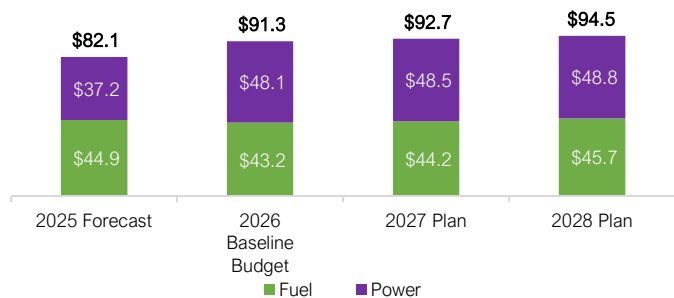
Lower anticipated usage is one factor driving CTA's Traction electricity costs lower in 2026 relative to the FY2025 budget. Additional factors contributing to lower budget-over-budget costs include a drop in ComEd's CFRA rider. The 2026 budget assumes a CFRA value that is 58 percent lower than the 2025 budget. That said, certain Traction cost components remain at 2025 highs or are increasing. Notable among these are ComEd Base Rates and PJM Capacity costs.

CTA had a flat, fixed rate on its electricity supply for 2020 through 2024, which helped provide budget certainty and insulate CTA from significant market volatility. The 2025 budget was determined based on an estimate of the supply charges provided by CTA's current electricity suppliers, but the final cost was determined through the RFP process that resulted in a 1-year extension. While the 2026 budget forecast was based on an estimate of the supply charges provided by CTA's current electricity suppliers, CTA recently finished the review process of an RFP to acquire power supply for 2026, and signed a 3-year contract with Shell, which will provide CTA more cost certainty for 2026 and beyond.

The proposed Two-Year Financial Plan projects CTA's traction power expenses to be \$48.5 million in 2027 and \$48.8 million in 2028. During this period, CTA projects consumption and expense levels to be basically flat year-to-year, with no significant pricing changes under the new contract.

The rail fleet continues to transition to alternating current motors featuring regenerative braking. The 7000-Series, currently in delivery has regenerative braking which is also found on the 5000-series. 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. As of August 2025, there are 242 new 7000-series rail cars that have been accepted and are in use on the Blue Line.

Fuel and Power Expenses (\$ in Millions)



Totals may not add up due to rounding.

Purchase of Security Services

The budget for the purchase of security services consists of expenditures related to intergovernmental agreements (IGA) for additional officers from the Evanston, Oak Park, Forest Park, and Chicago police departments, as well as contracts for private security services. The Public Transportation Unit of the Chicago Police Department also provides services during its regular patrols at no expense to CTA and therefore are not reflected in these expenses.

Expenses for 2025 are forecasted to be \$85.1 million, which is at budget for the year, and 7.1 percent lower than 2024 actual expenses. The 2025 decrease versus the 2024 actual expenses is driven by the Agency's transition from having broadly deployed regular unarmed guards to strategically-deployed canine units across key locations to engage in targeted missions and provide more effective patrolling. These deployments include CTA rail station coverage on a 24/7 coverage cycle, including a variety of targeted enforcement missions; as well as bus details, graffiti missions, and patrols of CTA facilities.

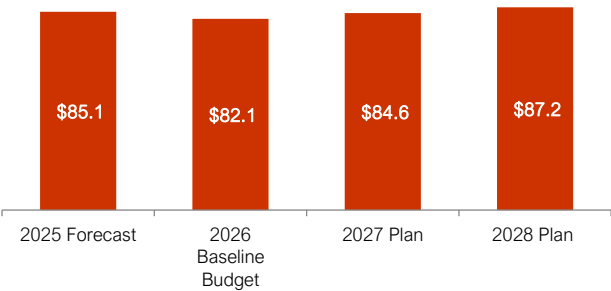
This continuous evaluation of effectiveness of deployments and targeted interventions, in addition to the Chicago Police Department (CPD) officers patrolling the CTA system, have helped improve the safety and security of CTA users across the system. Through the beginning of September of 2025, crime on the Red Line has decreased 14% compared to the same time last year; and on the Blue Line, crime has decreased 30%.

For 2026, CTA has budgeted security services at \$82.1 million. The 2026 budget continues the 2025 vision to strategically deploy security personnel, such as canine teams, to areas of attention. It also includes an additional investment of \$5 million to bring more Chicago Police officers into the system.

The full 2026 budget also reflects a reallocation of some Security Services resources, as well as the addition of other funding, for new pilots and initiatives that are non-security personnel and therefore not reflected in the Purchase of Security Services expense line, but which help address safety and security issues more holistically and contribute to CTA's goal of enhancing spaces to feel clean, safe, and welcoming. These programs include pilots for crisis intervention ambassadors, violence interruption specialists, and additional rail car cleaning; the expansion of the current gun detection technology pilot; additional support for shelter placements for individuals experiencing homelessness; and chatbot upgrades for rider feedback and reporting of issues.

The 2026 budget underscores the CTA's commitment to enhancing safety and security for both passengers and employees. For the 2-Year Financial Plan, purchase of security services is projected to be \$84.6 million in 2027 and \$87.20 million in 2028. The annual growth rate is projected to be 3.0 percent for 2027 and 2028, due to annual contractual increases with private security firms.

Security Services Expenses (\$ in Millions)



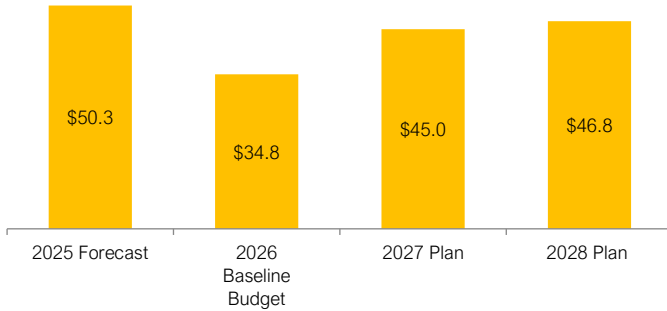
FY26 BUDGET

BASELINE OPERATING BUDGET

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. In 2025, CTA has experienced an increase in the amount and dollar value of claims, lowering the funded ratio of the reserve. To address this, CTA will contribute to the reserve at the higher liability level estimated from the most recent actuarial analysis. The 2025 forecast is \$50.3 million. This allows CTA to set its contribution level to \$34.8 million in 2026. Expenses are projected to increase \$10.2 million in 2027 and \$1.8 million in 2028, respectively, reflecting the mid-point estimate.

**Provision for Injuries and Damages Expenses
(\$ in Millions)**



Other Expenses

The Other Expenses category includes expenses such as contractual services, utilities, legal fees, advertising, bank fees, consulting services, other miscellaneous expenses, debt service for TIFIA loans and outstanding pension obligation bonds. The interest expense on Pension Obligation Bonds (POB) in 2026 is \$85.8 million.

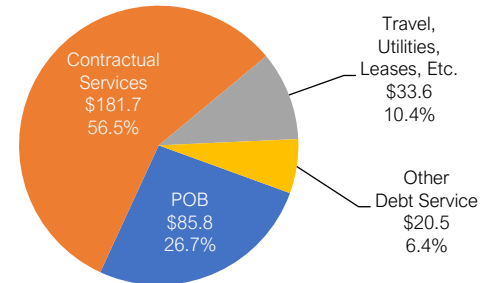
Other Expenses are forecasted to end 2025 at \$294.5 million, which is \$47.72 million, or 13.9 percent lower than budget. The lower forecasted expenditures are due to projected lower actual expense than budgeted, for contractual services, utilities, non-capital grant, travel, leases, and other general expenses categories. Compared to 2024, Other Expenses are forecasted \$33.9 million, or 13.0 percent higher than 2024 actual expense.

In 2026, Other Expenses are budgeted to be \$321.5 million, a decrease of \$16.3 million, or 4.8 percent, compared to the 2025 budget. Utility expenses in the 2026 budget are \$3.3 million lower than 2025 budget driven by lower usage projections. Non-Traction Power usage is projected to decrease from 135,000 MWh in 2025 to 114,556 MWh in 2026. The lower usage estimates help to offset the rate increases for Non-Traction Power of 10.0 percent and 19.0 percent for Natural Gas.

Utility Unit Cost	2025 Forecast	2026 Baseline Budget	2027 Plan	2028 Plan
Non-Traction Power MWh	\$121.78	\$133.93	\$134.94	\$135.67
Natural Gas Dth	\$8.07	\$9.60	\$9.71	\$10.27

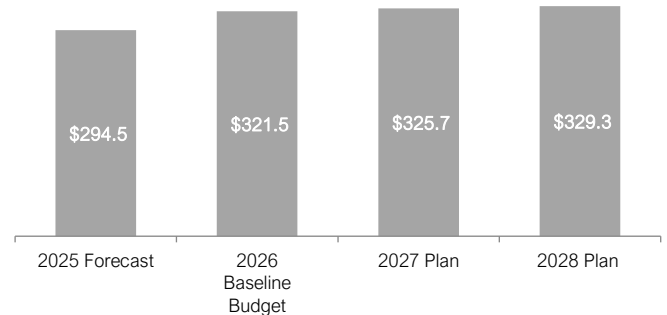
Contractual services are 56.5 percent of the Other Expenses budget, driven by fare systems, IT support, operating systems, cameras, drug testing, property management, and others. It is estimated to decrease by \$8.0 million in 2026 compared to the 2025 budget, due in part to delaying certain projects, such as the development of a regional trip planning and mobility app. The remaining 42.9 percent of Other Expenses is divided up amongst POB expense 26.7 percent, Debt Service 6.4 percent, and other miscellaneous expenses (i.e., travel, utilities, leases, etc.) 10.4 percent. These other miscellaneous expenses combined total \$33.6 million in 2026, a decrease of \$9.6 million, or 22.3 percent less than 2025 budget.

Other Expenses by Category (\$ in Millions)



For the 2-Year Financial Plan, Other Expenses are projected to be \$325.7 million in 2027 and \$329.3 million in 2028. These increases are driven primarily by the execution of projects which were delayed in 2026.

Other Expenses (\$ in Millions)



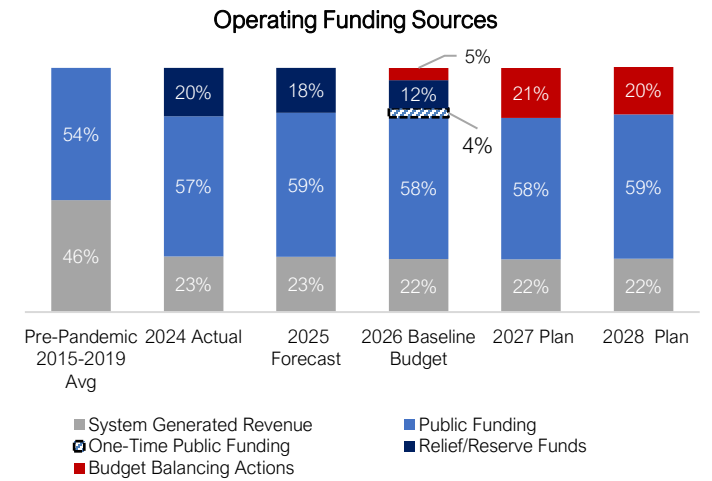
Operating Funding Summary

As it stands today, funding for CTA operations is derived from three primary sources:

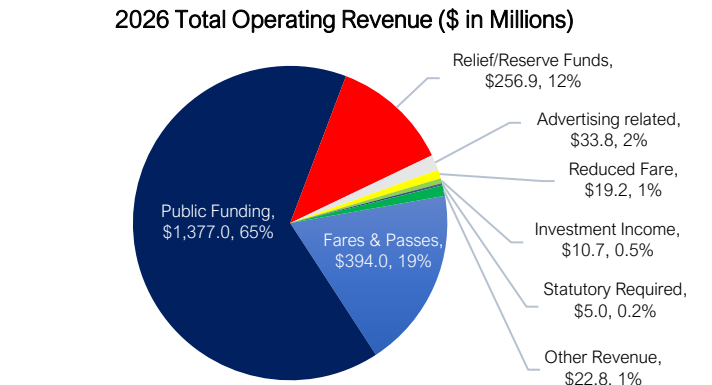
- 1. System-generated revenue from fares and other sources
- 2. Public funding: Provided through the Regional Transportation Authority (RTA) and
- 3. Reserve funding: From CTA's Designated Operating Reserve

For 2026, the total budgeted revenue is \$2,231.6 million, with system-generated revenue contributing \$485.5 million or 21.8 percent, public funding contributing 58.0 percent or \$1,293.8 million, a one-time additional public funding allocations of \$83 million, or 3.7 percent, and reserve funding accounting for 11.5 percent or \$257.0 million. A gap of 5.0 percent, or \$112.2 million remains.

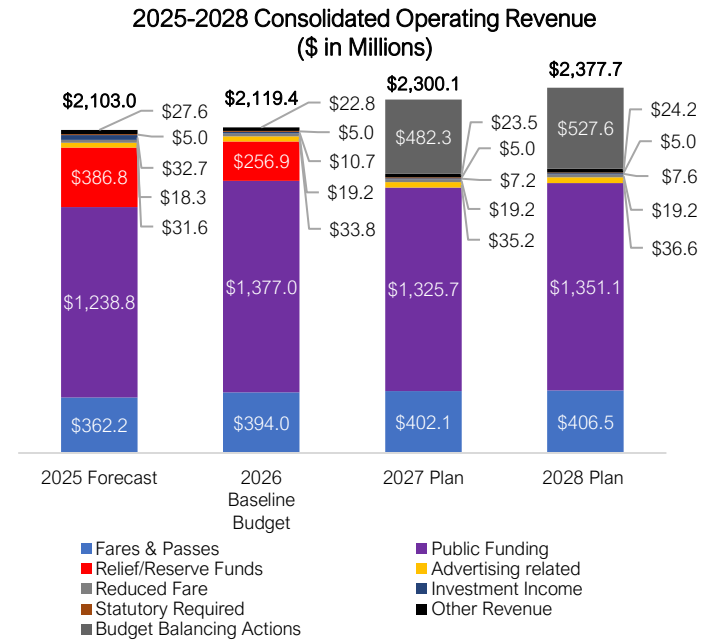
As with all major transit systems in the U.S., CTA faces a gap between operating revenues and expenses post-pandemic. CTA has maintained service using available reserve/relief funds longer than any other major transit agency and still maintains a robust recovery ratio even in this new normal.



Public funding has risen significantly, driven by the extension of the local sales tax to online purchases, the legalization of cannabis, and the effects of inflation. For 2025, public funding is projected to grow by \$125.3 million over 2024, reaching \$1,238.8 million. This increase, combined with higher system-generated revenue, reduces the reliance on reserve funds in 2025 and preserves more of those dollars for 2026. As a result, reserve funds are now expected to last until the second half of 2026. For 2026, baseline public funding is projected to rise by 4.4 percent, and will be supplemented by one-time allocation's of \$83 million.



Consolidated Operating Revenues



Totals may not add up due to rounding.

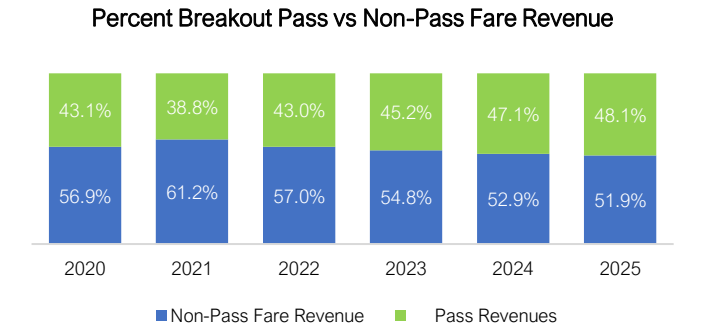
System-Generated Revenue

System-Generated Revenue comes directly from the operations of the CTA. This 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 such as concessions and parking lot revenue. These diverse revenue streams play a critical role in funding the CTA's services and initiatives.

Fares and Passes

The President's proposed 2026 budget recommends a fare increase to help offset rising operating costs and partially close the budget gap expected when reserve/relief funds are exhausted in mid-2026. Details of the fare increases can be found in the fare and pricing section.

Farebox revenue comprises the largest segment of system-generated revenue at 81.1 percent. The 2026 budget for farebox revenue is \$394.0 million, which is \$31.8 million higher than the 2025 forecast and \$24.9 million higher than 2025 budget. Positive ridership trends and the additional revenue from the previously detailed pricing changes are driving the positive impact on farebox revenue.



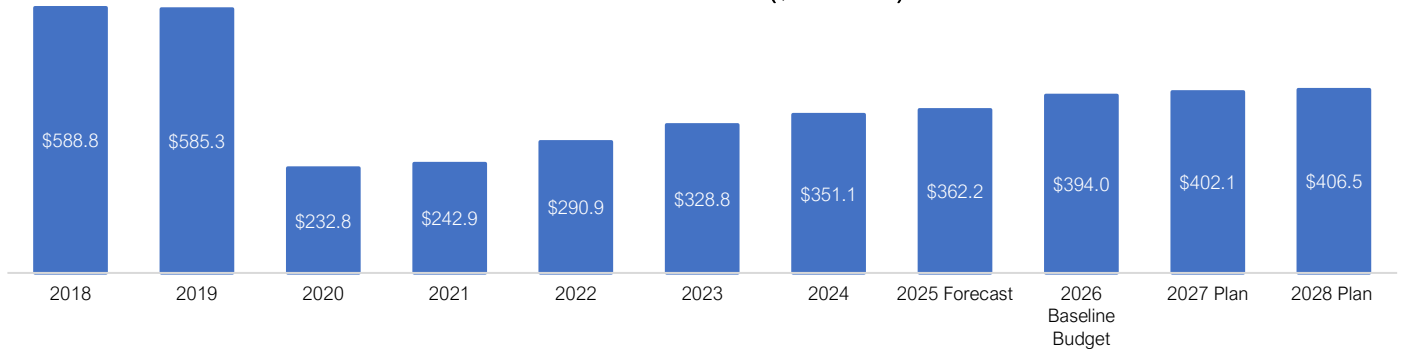
For the 2027 and 2028 plan years farebox revenue is expected to be \$402.1 million and \$406.5 million, respectively.

In 2019, pass revenue comprised 40 percent of total farebox revenue. Since the unlimited-ride passes, the ratio of pass revenue has increased each year. The shift to passes from pay-as-you-go fares and a higher percentage of bus riders has resulted in a decline of the system wide average fare. Affordable unlimited ride passes typically encourage higher ridership with little revenue impact. The increase in ridership has compensated for the resulting decline in average fare, resulting in an overall increase in farebox revenue. In the 2026 budget, farebox

retention rate compared to 2019 is 67 percent, while ridership retention rate is 70 percent compared to 2019.

Through August 2025, pass revenue is \$113.6 million or 47.7 percent of farebox revenue and \$1.7 million higher than budget. Pay-As-You-Go (PAYG) fares are \$124.8 million or 52.3 percent of farebox revenue and \$6.1 million lower than budget. The average fare is \$1.13 which is \$0.11 higher than budget. The average fare is forecasted to be \$1.13. at the end of 2025. Pay-As -You Go fares budgeted at \$195.2 million in 2026 and passes at \$198.8 million or 49.6 percent and 50.4 percent, respectively. The average fare for 2026 is budgeted at \$1.25, driven by the increased fares proposed in 2026.

Farebox Revenue Overview (\$ in Millions)



Ridership

Ridership is expected to remain at 70 percent of 2019 levels in 2026. The CTA 2025 forecast projects system ridership of 320.8 million rides, lower than budget by 12.9 percent and up 11.6 million over 2024.

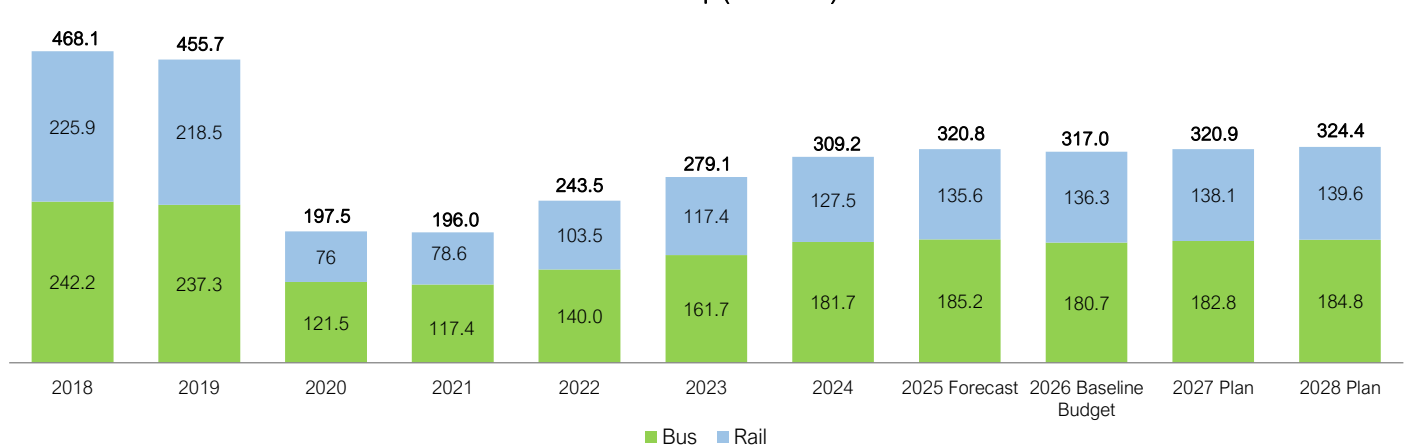
While ridership has continued to improve since the pandemic, there has been a definitive shift in the mobility patterns of CTA riders. While weekday ridership continues to be most rides, weekend ridership percentage of total rides continues to increase.

In the 2026 budget scheduled bus service and rail service are flat to the 2025 budget. The CTA continues to meet and even exceed 2019 service levels,

reaffirming its commitment to meeting the needs of all riders. The CTA 2026 budget continues to address the evolving mobility patterns of riders, ensuring that the CTA provides reliable and responsive transit options as the community's needs change.

In 2026 the CTA has budgeted 317.0 million rides consisting of bus rides of 180.7 million and rail rides of 136.3 million. This represents a decrease of 3.8 million system rides, or 1.2 percent below the 2025 forecast. Bus rides are decreasing by 4.5 million rides or 2.4 percent while rail rides increase by 0.7 million or 1 percent in 2026. The net reduction in ridership is due to the increase in fare and pass pricing in 2026. The 2027 Plan estimates, 320.9 million system rides, an increase of 3.9 million rides over 2026 budget and the 2028 Plan estimates 324.4 million rides a year over year increase of 3.5 million rides.

CTA Ridership (in Millions)



Non-Farebox Revenue

Reduced fare subsidy revenue (RFR) is the State of Illinois' reimbursement of revenues foregone by 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. This reduced fare subsidy only covers a portion of the actual free and reduced rides provided by the CTA annually. Prior to 2015, the state funded the subsidy to the CTA at \$28 million. In 2025, the fare subsidy increased from \$16.6 million to \$18.3 million. The State of Illinois fiscal year 2026 budget increases the RFR subsidy by 4.8 percent to \$19.2 million. The 2-Year Financial Plan assumes the subsidy will continue to be appropriated at the same level in 2026 and 2027.

Advertising, charters, and concessions revenues includes advertisements on buses, trains, and stations, as well as income from concessions and other non-farebox sources. As ridership continues to recover, advertising demand has strengthened, and the agency is actively pursuing new opportunities to expand this revenue stream.

Advertising, charters, and concessions revenues for 2025 are forecasted to be \$31.6 million, which is \$1.7 million less than budget reflecting lower than anticipated advertising demand. The 2026 budget is \$33.8 million or \$2.2 million higher than the 2025 forecast. For the Two-Year Financial Plan, revenue from advertising, charters, and concessions is expected to grow to \$35.2 million in 2027 and \$36.6 million in 2028, an annual increase of \$1.4 million in each plan year.

Investment Income is revenue earned on cash balances held at financial institutions. Interest income for 2025 is forecasted to be \$32.7 million, which is \$27.7 million higher than 2025 budget and \$19.9 million higher than 2025 actuals due to large investable funds from the operating reserve and higher market interest rates. In the face of recent Federal Reserve actions, investment income in 2026 is budgeted at \$10.7 million, which reflects reduced interest and the exhaustion of the operating reserve. For the Two-Year Financial plan, investment income is estimated to reduce to \$7.2 million in 2027 and \$7.6 million in 2028 due to further reduction in market rates and the lower relief/reserve balances.

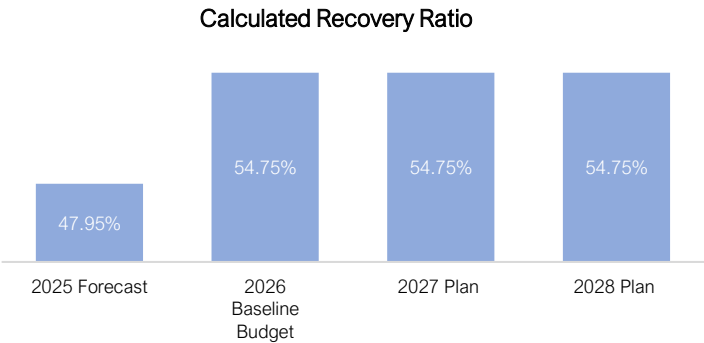
Statutory Required Contributions as required by the Regional Transportation Authority Act requires the City of Chicago to contribute \$3.0 million and Cook County to contribute \$2.0 million annually toward CTA operations. The level of statutory contributions is forecasted to remain unchanged for plan years 2026 and 2027.

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

For 2025, other revenue is forecasted to be \$27.6 million or \$1.6 million higher than the 2025 budget due to higher than budgeted non-capital grant revenue. For 2026, other revenue is budgeted at \$22.8 million, or \$4.8 million lower than 2025 forecast. Key drivers of the reduced 2026 budget are non-capital grant revenue and lower rental revenue as a result of the sale of a CTA owned property. For the 2-Year Financial Plan, Other Revenue is expected to grow by \$0.69. million in 2027 to \$23.5 million and by \$0.69 million to \$24.2 million in 2028 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.

Recovery Ratio measures the percentage of expenses a Service Board must pay against the revenue it generates. System-generated revenues, Recovery Ratio 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. In 2022, the Illinois State Legislature

granted a reduction in recovery ratio for 2021 through 2023 and further extended the waiver through 2025. Beginning in 2026, the waiver granted by the RTA has expired, thereby requiring recovery ratio for the CTA to return to the initial 54.75 percent set forth in the RTA Act. The recovery ratio is inclusive of reserve funds and balancing actions.



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FY26 BUDGET

BASELINE OPERATING BUDGET

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 that 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.

\$ in Thousands	Actual 2022	Actual 2023	Actual 2024	Forecast 2025	2026 Baseline Budget	2027 Plan	2028 Plan
Total Operating Expenses	\$1,581,549	\$1,710,707	\$1,940,529	\$2,103,003	\$2,231,565	\$2,300,144	\$2,377,733
Total System Generated Revenue	375,742	412,066	440,662	477,445	485,455	492,142	499,070
Funding Requirement	1,205,807	1,298,641	1,499,868	1,625,557	1,746,110	1,808,002	1,878,663
Public Funding *	1,053,872	1,058,386	1,113,468	1,238,773	1,376,965	1,325,680	1,351,066
Relief/Reserve Funds	151,935	240,255	386,399	386,784	256,944	-	-
Budget Balancing Actions	-	-	-	-	112,200	482,323	527,597
Short-term Borrowing	-	-	-	-	-	-	-
Net Funding Available (PBV)	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Fund balance - unrestricted net position:							
Beginning Balance	\$(3,278,695)	\$(3,146,052)	\$(3,180,988)	\$(3,180,988)	\$(3,180,863)	\$(3,180,425)	\$(3,179,939)
Net operating results (PBV)	-	-	-	-	-	-	-
Less: other obligations**	164,926	(34,056)	463,351	-	-	-	-
Less: capital expended from net position (PBV)	(991)	(880)	(730)	126	438	486	-
Ending Balance	\$(3,114,760)	\$(3,180,988)	\$(2,718,367)	\$(3,180,863)	\$(3,180,425)	\$(3,179,939)	\$(3,179,939)

*Implementation of GASB 68 resulted in \$1.2 billion reduction in unrestricted net position (FY2015)

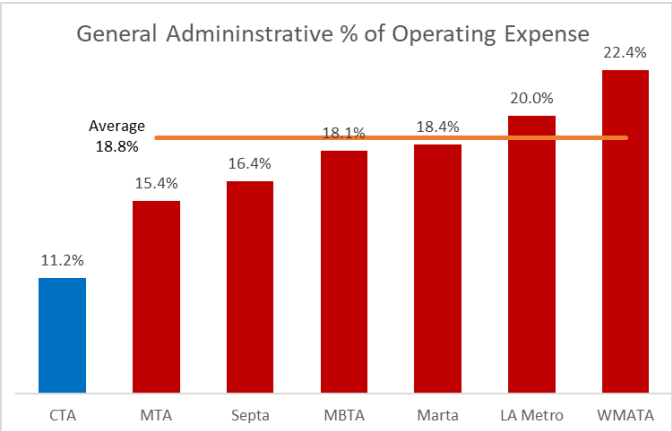
** Includes expenditures from prior years' positive budget variance

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Building a More Efficient, Sustainable CTA

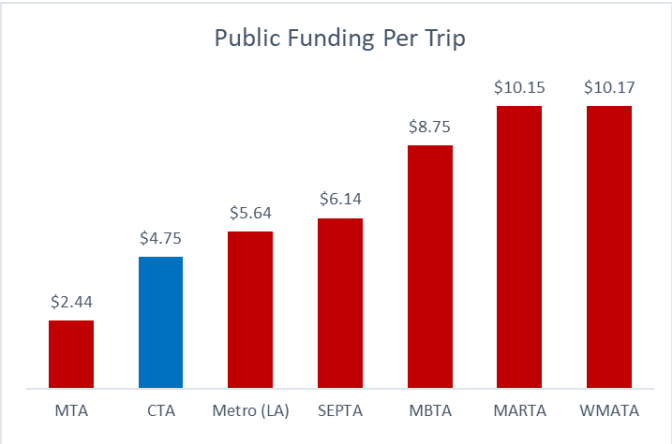
CTA has remained fully committed to operating as efficiently as possible, reflected by the numerous efficiency measures completed in all areas of the business. In the past 10 years, CTA has realized over \$800 million in savings and revenue growth, through efficiencies such as investments in technology, position eliminations and freezes, changes to procurement management programs, health care changes, fare collection enhancement, fuel and power hedging, and many others.

The majority of CTA's operating budget is dedicated to labor, which accounts for 67% of the expense, with almost 90% of the workforce comprised of bargained-for employees directly performing front-line or other essential functions. CTA's operating approach has positioned the agency as a leader amongst peers in major efficiency metrics, including overhead expense ratio and public funding per trip:



Sourced from FTA's National Transit Database (NTD) – 2023 actuals

General Administrative (G&A) expense % is an indicator of operational efficiency and fiscal discipline. With the lowest GA expense as a % of operating expense, CTA is effectively managing overhead—spending less on back-office functions like HR, finance, and management—while prioritizing direct service delivery.



Sourced from FTA's National Transit Database (NTD) – 2023 actuals

Lower public funding per trip is a positive indicator of efficiency and effective resource utilization. CTA's position compared to peers reflects positive results in the following:

1. Cost Efficiency

CTA is providing more rides for every public dollar received—delivering strong service output relative to subsidy levels.

2. Operational Effectiveness

CTA's fare revenue, non-farebox income, and cost efficiencies are helping offset expenses, reducing the burden on taxpayers.

3. Financial Sustainability

Efficient use of public funding helps CTA stretch limited resources further, especially important as relief funds wind down and long-term funding solutions are needed.

The Regional Transportation Authority (RTA) annually publishes a modal peer review comparing CTA to national peer agencies. In the latest report, CTA again leads the industry with better than average measures of efficiency for operating cost per vehicle revenue hour, operating cost per trip, fare revenue per passenger trip, and fare recovery ratio – in spite of having the highest average age of bus fleets among its peers.

CTA again in 2025 has conducted a comprehensive organizational review to identify sustainable cost efficiencies and new revenue opportunities that will support long-term financial stability. As part of the budgeting process, all departments submitted efficiency initiatives, which have been incorporated into the 2026 budget.

These opportunities include the following:

- Labor Efficiencies of \$25 million from 30 targeted initiatives, including expanding the use of part-time bus operators, eliminating non-critical vacant positions, and reducing overtime costs through more effective staffing practices.
- Material/Fuel/Power Efficiencies of \$20 million from 18 initiatives, including Rail Optimization through scheduling and adjusting train lengths, bus overhaul program and rail replacement program.
- Contractual Services Efficiencies totaling \$15 million across 12 initiatives, achieved through transitioning consultant functions to in-house staff, reducing telecommunications expenses, efficiencies, and leveraging alternative security solutions.
- Non-Farebox Revenue growth of \$10 million from 17 initiatives, driven by increased parking lot revenue, expanded billboard revenue, new advertising opportunities from policy changes, new sponsorships, and additional investment income.

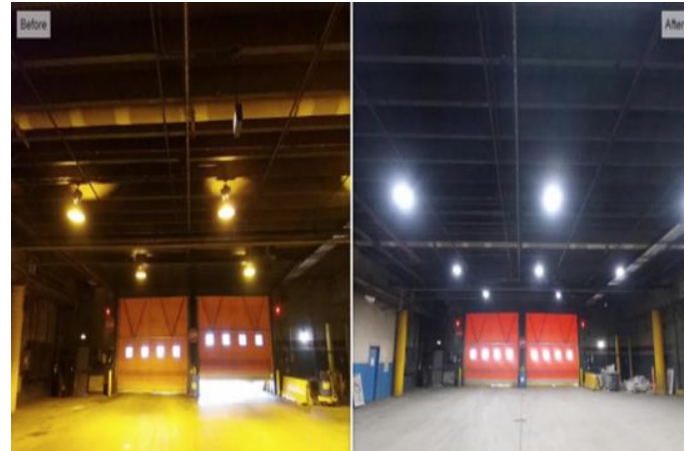
CTA remains committed to continuously improving operations and cost efficiency, while staying focused on meeting the needs of all riders.



New buses operate at 80% lower repair and maintenance cost per mile - \$.47 compared to \$2.32 for older buses.



New railcars incur 52% lower repair and maintenance cost per mile - \$.56 vs \$1.16 for the older cars.



Lighting upgrades in bus garages and rail shops, along with more fuel-efficient buses, reduce regional emissions with cost savings of \$3 million per year.



Dedicated bus lanes speed up CTA and Pace buses; every one mile per hour improvement in speed across the system saves \$80M in travel time savings.

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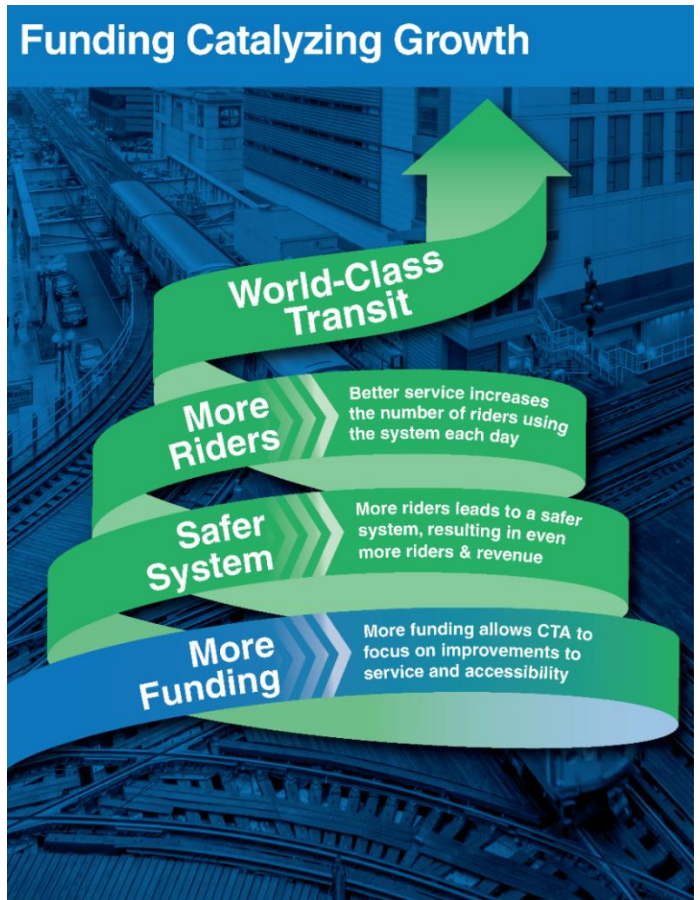
In addition to more convenient boarding, new fareboxes reduce mechanical failures, collection errors, and maintenance, saving \$1 million annually in operational labor expense.



Chicago's regional economy relies on CTA to connect workers to jobs, customers to businesses, students to school, patients to healthcare, patrons to restaurants and concerts, and residents throughout the region to economic opportunity. Transit contributes \$35 billion in annual economic impact to the region; this impact is more than that of the technology, food, manufacturing, and arts and culture industries.

CTA prepared a 2026 Growth Operating Budget that reflects the transformational investments that are possible when CTA receives funding similar to the levels detailed in the 2023 Plan of Action for Regional Transit (PART). This report detailed funding levels of \$1.5 billion more for regional transit - CTA, Metra, and Pace.

Under current state funding formulas, CTA receives 46 percent of total transit funding, while providing more than 80 percent of all transit trips in the region. The proposed 2026 Growth Budget assumes CTA would receive additional funding commensurate with the economic benefit and total percent of rides CTA delivers to the region. This type of transformational investment in CTA could support the levels of service and customer experience that communities want and deserve and is fitting for a world class city like Chicago.

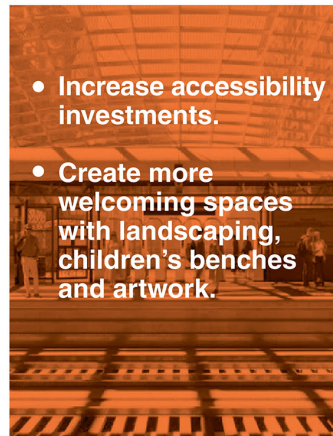
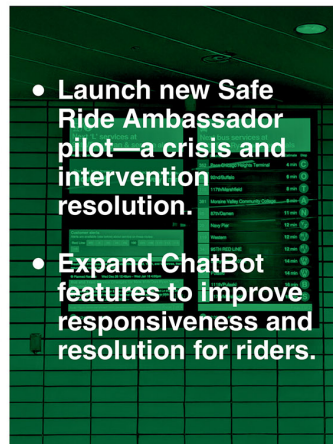


If CTA received just one additional dollar per ride, public funding per rider would still be well below the industry average, but CTA would have an additional \$300 million+ to invest in service.

In this budget scenario, CTA would:

- Continue the positive momentum from service improvements and new initiatives launched in 2025 including the Frequent Network;
- Launch more initiatives to address riders' top concerns like cleaning, safety and service reliability;
- Expand upon the new initiatives outlined in the 2026 Baseline Budget proposal;
- Go above and beyond to create more tools and service enhancements customers want and deserve, taking Chicago transit service to the next level.

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People

At the core of CTA's mission of delivering quality, affordable transit services that link people, jobs, and communities, are the riders and their experience. In the 2026 Growth Budget, CTA dedicates resources to enhance the customer experience from new technology tools to new training initiatives.

Elevating the Customer Experience

In the proposed Growth Budget, CTA would allocate more resources to refine and further cultivate the customer-centric culture. This would be achieved through best-in-class training, coaching, systems, processes, and campaigns that better equip leaders to inspire excellence, and provide clear ways for the practical, daily application of customer service across various roles and services.

Chatbot Enhancements

CTA is focused on expanding and improving customer engagement tools to gain better insights into issues facing riders and provide more transparency into issue resolution by CTA staff.

CTA launched the Chat with CTA Chabot in 2024. The initial version of this digital chat tool allowed riders to report issues in real time and, in return, provided CTA with valuable information about issues that need to be addressed or feedback on what the agency is doing right.

Under the Growth Budget, CTA would have the funding to expand the development of additional Chatbot features and capabilities beyond the enhancements already planned in the Baseline Budget scenario. Additional enhancements could include:

- Two-way communication opportunities so riders receive alerts when their concern has been addressed;
- Further integration with back-end systems to automatically generate internal work orders for rider reports related to maintenance or infrastructure needs;
- More data analytics capabilities that allow deeper analysis on trends;
- Full Customer Relationship Management (CRM) system, like the City's 311 System, which allows customers and CTA's Customer Service Department to seamlessly engage on issues, resolution to those issues, service changes and new initiatives.

The cost of these additional enhancements is estimated between \$20 million and \$30 million and can be scaled based on funding made available.

Expanded Accessibility Initiatives and Outreach

The proposed Growth Budget would add more personnel and resources to further expand initiatives focused on increasing accessibility to transit and the experience of riders with disabilities. This includes coordinating with the Chicago and Illinois Departments of Transportation (CDOT and IDOT) on projects that increase accessibility. Initiatives this team would drive include:

- Drive critical accessibility tool deployment, such as those that improve way-finding on transit;
- Cultivating partnerships and increasing coordination with transportation agencies, such as the Chicago and Illinois Departments of Transportation (CDOT and IDOT), to increase accessibility to transit;
- Expand front-line employee training on accessibility and supporting disabled riders;
- Strengthen partnerships and relationships with impacted communities, including creating more opportunities for outreach.

The cost of these additional accessibility investments is estimated to be up to \$2 million.

Enhanced Fare Programs

CTA has continuously experimented with and deployed innovative fare products and programs to improve affordability for riders, attract new riders and improve regional coordination with other area transit agencies. In fact, CTA was a leader when it rolled out the UPass college fare program and the open-standards Ventra fare payment system.

Under the Growth Budget, CTA, in partnership with Metra and Pace, would continue to drive the technology implementation necessary to achieve more regional fare integration as well as pursue other opportunities to grow public transit ridership through programs with employers and major, large-scale events. CTA would also be able to more fully support low-income riders by pursuing additional programs, such as fare capping or reduced fares, to insure equitable access.

The total value of these additional investments in new fare products and programs is estimated to be up to \$50 million.



Performance

CTA closely tracks various metrics and data that serve as key indicators to CTA's operations. The agency uses this information to assess its performance, make improvements, and share performance indicators with the public.

Service reliability and service frequency are key priorities for customers. Under a Growth Budget, CTA can focus on investing in more tools that improve overall service reliability and identify new service opportunities to boost frequency on bus and train. The overall cost of making the following investments would require some one-time funding and ongoing, sustainable operating funding. Additionally, capital funding would further support these service investments.

Bus

More than 90 percent of residents in the CTA region live within a short walk of a CTA bus route. CTA's bus route network is expansive and provides critical mobility to downtown workers, students, the elderly, and people with disabilities. Under the Growth Budget, CTA would make critical investments in service frequency, reliability and new connections to ensure the network can better serve existing riders as well as unlock new ridership.

- **More Frequent Bus Service:** To build upon the significant improvements in service frequency and reliability made as a result of CTA's intensive hiring efforts, in 2025, CTA launched the Frequent Network on 20 bus routes across Chicago – an initiative to provide bus service every 10 minutes or sooner. While a transformative investment, only 15 percent of all the CTA bus routes are currently part of the Frequent Network. Under the proposed 2026 Growth Budget, CTA would add 20 more routes to the Frequent Network, for a total of 40 bus routes, or 31 percent of all the routes. This would establish a frequent route every mile across the CTA service area with 10 minutes or better service all day, every day. *This is estimated to require an investment of up to \$150 million.*
- **Bus Route Extensions and New Connections:** Using the feedback from riders provided through the CTA Bus Vision Project, CTA would seek to attract new riders by creating new route extensions, longer spans of service and realignment of the bus network. CTA would also invest in new types of service and new extensions that bring convenient connections throughout the bus network, like the recent realignment of the #53 Pulaski bus route that provides one-seat service directly to Richard J. Daley College, and the one-mile extension of the #9 Ashland bus route. The realignment of the Pulaski bus route adds 2,000 additional daily riders and brings more frequent service and one-seat rides to communities on the south and west side, including Little Village, Garfield Park, Albany Park and many more. *This is estimated to require an investment of up to \$50 million.*

- **Bus Priority Infrastructure:** While much of the investments to implement bus priority infrastructure would be invested within capital and infrastructure programming, CTA would prioritize the planning and engagement of the Bus Priority Corridor program within the Growth Budget to ensure these corridors are shovel ready when community engagement is completed and CDOT agrees to implement the recommended bus priority infrastructure up to and including Bus Rapid Transit (BRT). CTA is focused on identifying capital funding to invest in achieving BRT on all or a portion of the five corridors currently being studied for BRT implementation. CTA would also prioritize investments in key tools that create a better bus experience with customer amenities (bus stop designs, digital signage, etc.) and methods to speed up the buses (e.g., Transit Signal Prioritization). *This is estimated to require an investment of up to \$50 million.*
- **Bus Reliability:** There are numerous tools used across the transit industry to improve the reliability of bus service. With additional investments, CTA can speed up and support new technologies and processes that improve the overall customer experience. *These investments are estimated to be up to \$15 million and may include:*
 - Having advanced tools for bus and rail supervision and control;
 - Networkwide review of on time performance and ability to make adjustments to the schedules plus address potential capital needs with CDOT
 - Better communication during disruptions in service; and
 - Faster responses to delays.

Rail

CTA's rail network provides fast, reliable service across the region, but the rail network is aging and requires significant, ongoing funding to ensure long term viability.

- **More Frequent Rail Service:** While rail service is currently provided frequently, CTA would seek to achieve an eight-minute or better frequency across every line all day, every day. *It is estimated the additional rail service requires up to \$30 million more each year.*
- **Slow Zone Elimination Projects on Various Lines:** Due to CTA's aging infrastructure and the lack of adequate funding to address all of its growing State of Good Repair (SOGR) needs, CTA institutes slow zones along aging rail lines to maintain safe travel. With additional funding, CTA would create a program to more comprehensively eliminate, as well as proactively prevent, slow zones on various lines for faster, smoother, and more reliable rail service -- modeled after the Fast Tracks program launched in 2018 and funded through a ride-hailing fee.

Slow zones are areas where train speeds are restricted for safety. Commonly, this occurs if a section of track is in need of repairs or replacement because it is beyond its service life or deterioration has been identified during regular specialized track inspections. Slow zones are also sometimes established temporarily in work zones over a period of ongoing construction work.

Each month, the CTA's Performance Dashboard on its website is updated to show the percentage of rail tracks with slow zones, based on discrete repairs made and new slow zone areas established. *The investments needed to address rail slow zones are estimated to be as high as \$300 million, and would be invested over multiple years.*



Places

CTA is focused on delivering a safe, clean and welcoming experience for every rider and employee who enters one of its facilities or vehicles. The Growth Budget would enable CTA to expand and accelerate targeted maintenance and planning for major capital improvement projects.

Refresh & Renew Program Expansion

Created in 2019, Refresh & Renew is a program intended to keep CTA stations, as well as bus and employee facilities in a state of good repair with routine maintenance that enhances the safety, security and overall look and feel of facilities. Some of the more comprehensive improvements include improved platform amenities, removal of outdated fixtures and equipment; and concrete, utility, and plumbing line repairs. Cosmetic upgrades are also made, including painting, lighting upgrades, replacement of old or damaged signage, repair of surfaces (e.g., columns, walls, railings, fencing/gates and platform fixtures), cleaning and power washing.

In the proposed Growth Budget, additional funding would be allocated to the program, raising the annual budget to \$9.5 million. The added funds would be used towards measures aimed at making stations, bus turnarounds, and employee facilities more welcoming with improved greenspaces and landscaping, public art installations and performances, station furniture designed for children, and other amenities intended to create a pleasant environment for riders and employees.

The cost for additional Refresh and Renew investments is estimated to be up to \$3 million.

Enhanced Vehicle and Station Cleaning Program

Clean buses, trains and stations consistently rank as a top priority for customers. CTA already has robust cleaning regimens for its stations and fleet – including daily vehicle cleanings, and monthly deep cleans of vehicles and regular power-washing of stations. CTA trains and buses go into service every day thoroughly cleaned; however, to keep transit clean throughout the day on a system as large as CTA's with more than one million rides every day requires more resources.

In the proposed Growth Budget, CTA would add cleaning teams to do more deep cleaning of stations and vehicles plus enhance the mid-day and mid-route rail car cleanings being piloted under the Baseline Budget. CTA would also have cleaning crews strategically deployed to do targeted cleaning campaigns and blitzes based on customer feedback data, and to more quickly respond to real-time reports of cleanliness issues.

The cost for additional cleaning investments is estimated to be between \$10 million and \$25 million.



Partnerships

CTA is focused on expanding its partnerships to address challenges and opportunities that help improve the services and benefits CTA provides to its riders and the communities it serves.

Focus on Equitable Transit Oriented Development (ETOD) and Other Transit Policy

As part of the proposed Growth Budget, CTA would create a fully staffed Transit Policy unit to develop critical cross-agency transit policy strategies, initiatives, and partnerships that promote and leverage transit to connect people to opportunities that improve their lives.

Under a Growth Budget, the resources dedicated to this work would be an expansion of the transit policy personnel being added under the proposed 2026 Baseline Budget to start similar work at a smaller scale. Resources added under both the Growth and Baseline budgets, would have a special focus on redefining CTA's role in ETOD from more passive participant to driving large-scale TODs and creating strategies to bolster activation around transit hubs. This team would lead partnership developments with the City of Chicago's Department of Planning and Development, community-based organizations and other stakeholders around technical assistance programs for TOD developers and businesses, plus explore the potential for CTA to become a grantor or even direct developer in TOD.

The Transit Policy group would also work on other initiatives that, like ETOD, prioritize transit and focus on increasing the positive impact CTA can have on the riders and the communities it serves. These would include coordinating sustainability and resiliency initiatives, like zero emissions bus fleet; solar panel deployment; and shared charging infrastructure. It would also work on advancing innovation by driving wider adoption of modern tools like Machine Learning or artificial intelligence to improve service and the customer experience.

The cost of creating a more robust Transit Policy organization is estimated to be up to \$3 million.

Expanded Strategic and Community-Based Partnerships

In 2025, CTA created a variety of new opportunities to engage and hear from riders and stakeholders as it worked to address fiscal and other challenges, as well as to discuss the opportunities possible with more funding. To build upon this increased level of stakeholder engagement and leverage the Strategic Partnership resources outlined in the proposed 2026 Baseline Budget, CTA would add even more resources to expand and increase the frequency of stakeholder outreach to pursue input and partnerships that promote continuous improvements to the service and customer experience CTA provides.

The added resources would also serve to explore the creation of a not-for-profit arm and philanthropic partnerships for programs, services, and other endeavors that expand the positive impact CTA can have on the communities it serves.

The cost for additional resources to work on Strategic Partnerships is estimated to be up to \$2 million.

Safe Ride Ambassador Pilots

To complement the work of law enforcement, provided by the Chicago Police Department (CPD) and suburban police departments, CTA is partnering with a variety of external stakeholders to design Safe Ride Ambassador models to pilot. These pilot programs seek to test various response and engagement models to compassionately connect people on CTA in visible crisis with support services, de-escalate potentially troubling situations, and also build positive relationships with the broader transit rider community by addressing questions or concerns they may raise.

As part of this process, CTA recently held its first-ever Transit Community Safety Workshop where law enforcement, other security experts, transit advocates, mental health and social service professionals, and community-based organizations came together to offer their input and expertise to co-design the Safe Ride Ambassador models that will launch in 2026.

Under a Growth Budget, CTA would triple the number of ambassadors for models deemed successful under the pilot phase.

The cost for an expansion of the Safe Ride Ambassador program is estimated to be between \$8 million and \$12 million.

Expanded Second Chance Opportunities

With additional funding in the proposed 2026 Growth Budget, CTA would expand the Second Chance apprenticeship program to provide more job opportunities and include more positions beyond current program positions focused only on vehicle and station cleaning.

CTA's Second Chance Program is a nationally recognized program that provides valuable job skills and career opportunities to Chicago residents who face challenges re-entering the workforce. It takes a holistic approach to preparing individuals to be self-sufficient – not only providing jobs to returning residents, victims of abuse and others who face barriers to employment – but also offering a wide range of training, education, mentoring, and networking opportunities.

It is one of the largest and most established programs for returning residents, with more than 3,200 participants and over 700 individuals who, at the end of their apprenticeship, have successfully gained permanent employment at CTA or with private-sector employers..

The cost for an expansion of the Second Chance program is estimated to be between \$5 million and \$10 million.

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2020 – 2028 Reduced Operating Budget
Schedule

(\$ in Thousands)

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
<u>Operating Expenses</u>					
Labor	1,135,354	1,155,509	1,134,269	1,204,887	1,352,028
Material	74,800	90,499	105,052	114,673	129,197
Fuel	37,125	30,779	27,201	37,581	41,478
Power	24,656	25,105	18,323	27,298	35,802
Provision for Injuries and Damages	22,000	31,680	31,680	20,200	29,850
Purchase of Security Services	19,976	15,680	23,944	69,115	91,627
Other Expenses					
Pension Obligation Bonds (Net)	105,735	105,986	106,042	88,842	77,047
Contractual Services	94,100	97,212	109,531	117,463	140,931
Utilities, Non-Capital Grant, Travel, Leases, Other	19,403	25,448	18,083	23,278	23,990
Other Debt Service	4,677	7,318	7,424	7,369	18,578
Other Expenses Total	223,916	235,964	241,081	236,951	260,546
Expense Reduction Credit					
Total Operating Expenses	\$ 1,537,826	\$ 1,585,216	\$ 1,581,549	\$ 1,710,707	\$ 1,940,529
<u>System Generated Revenue</u>					
Fare and Passes	232,830	242,864	290,891	328,810	351,099
Reduced Fare Subsidy	14,829	14,606	14,606	15,227	16,640
Advertising, Charter & Concessions	20,898	26,687	33,387	29,285	31,521
Investment Income	1,221	261	3,690	9,214	12,822
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	39,286	40,239	28,168	24,530	23,579
System Generated Revenue	\$ 314,063	\$ 329,658	\$ 375,742	\$ 412,066	\$ 440,662
<u>Public Funding</u>					
Sales Tax I	336,135	437,632	476,787	498,149	526,689
Sales Tax II	61,352	86,901	73,098	75,357	79,332
PTF II	63,929	78,046	89,618	92,967	95,950
RETT	51,023	71,118	79,926	53,284	58,691
PTF II on RETT	12,600	17,198	18,301	14,302	13,726
Non-Statutory Funding - PTF I	208,361	252,325	288,691	300,927	311,340
Non-Statutory Funding - Sales Tax I	910	-	19,784	23,400	27,739
ICE*	5,624	7,175	7,668	-	-
Public Funding	\$ 739,933	\$ 950,395	\$ 1,053,872	\$ 1,058,386	\$ 1,113,468
Relief/Reserve Funds	483,829	305,163	151,936	240,254	386,399
Budget Balancing Actions	-	-	-	-	-
Total Operating Revenue	\$ 1,537,826	\$ 1,585,216	\$ 1,581,549	\$ 1,710,706	\$ 1,940,529
Short-term Borrowing Balance					
Recovery Ratio***	56.26%	48.79%	53.70%	47.72%	50.24%
Required Recovery Ratio	54.75%	54.75%	54.75%	42.00%	42.00%

* As of 2023 ICE Funds will be distributed after exact amounts are known and grant agreements have been executed for approved capital projects. ICE Funds are included in the Capital Improvement Program (CIP)

**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.

FY26 BUDGET
REDUCED OPERATING BUDGET SCHEDULE

(\$ in Thousands)	2025 Budget	2025 Forecast	2026 Reduced Budget	Reduced Budget 2027 Plan	Reduced Budget 2028 Plan
<u>Operating Expenses</u>					
Labor	1,448,229	1,456,109	1,440,302	1,206,993	1,255,272
Material	153,351	134,755	149,242	121,437	124,545
Fuel	48,476	44,896	39,079	35,340	36,400
Power	56,806	37,220	44,544	39,790	40,984
Provision for Injuries and Damages	22,262	50,349	34,840	22,021	22,902
Purchase of Security Services	85,148	85,148	82,149	62,430	64,303
Other Expenses					
Pension Obligation Bonds (Net)	86,947	86,947	85,793	93,079	96,802
Contractual Services	194,184	152,629	170,661	141,009	144,676
Utilities, Non-Capital Grant, Travel, Leases, Other	43,260	37,711	30,467	31,127	31,936
Other Debt Service	17,860	17,239	20,460	19,185	19,631
Other Expenses Total	342,251	294,526	307,381	284,400	293,044
Expense Reduction Credit			-	-	(33,329)
Total Operating Expenses	\$ 2,156,522	\$ 2,103,003	\$ 2,097,538	\$ 1,772,410	\$ 1,804,121
<u>System Generated Revenue</u>					
Fare and Passes	369,089	362,228	373,158	361,448	365,492
Reduced Fare Subsidy	17,432	18,304	19,176	19,176	19,176
Advertising, Charter & Concessions	33,271	31,554	32,813	30,375	31,590
Investment Income	5,000	32,715	10,650	7,215	7,576
Statutory Required Contributions	5,000	5,000	5,000	5,000	5,000
Other Revenue	26,160	27,644	22,831	23,516	24,221
System Generated Revenue	\$ 455,952	\$ 477,445	\$ 463,628	\$ 446,730	\$ 453,055
<u>Public Funding</u>					
Sales Tax I	528,932	582,964	602,213	617,268	629,613
Sales Tax II	68,130	88,182	86,306	84,774	82,395
PTF II	97,693	106,276	110,904	113,920	116,249
RETT	57,485	65,091	67,043	70,395	73,915
PTF II on RETT	14,059	15,985	17,246	17,599	18,479
Non-Statutory Funding - PTF I	316,225	340,925	366,095	368,567	375,938
Non-Statutory Funding - Sales Tax I	39,351	39,351	109,769	53,157	54,478
ICE*	-	-	17,390	-	-
Public Funding	\$ 1,121,875	\$ 1,238,773	\$ 1,376,965	\$ 1,325,680	\$ 1,351,066
Relief/Reserve Funds	578,695	386,784	256,944	-	-
Budget Balancing Actions	-	-	-	-	-
Total Operating Revenue	\$ 2,156,522	\$ 2,103,003	\$ 2,097,538	\$ 1,772,410	\$ 1,804,121
Short-term Borrowing Balance					
Recovery Ratio***	52.50%	47.95%	54.75%	54.75%	54.75%
Required Recovery Ratio	42.00%	42.00%	54.75%	54.75%	54.75%

* As of 2023 ICE Funds will be distributed after exact amounts are known and grant agreements have been executed for approved capital projects. ICE Funds are included in the Capital Improvement Program (CIP)

**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.

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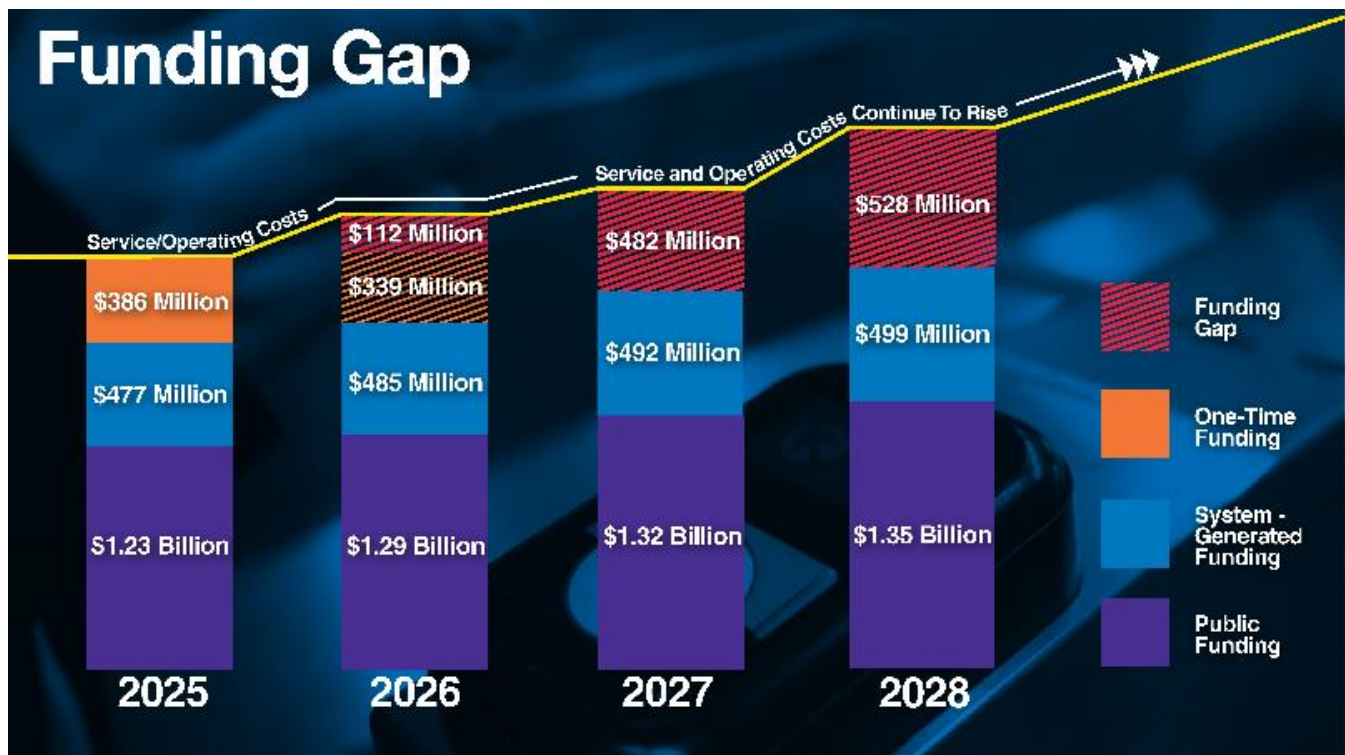
2026 Proposed Reduced Operating Budget

CTA and transit agencies across the country have relied on federal COVID-19 relief funding to support daily operations since 2020. These relief dollars provided one-time funding for transit agencies to continue delivering bus and rail service without disruption during the pandemic as well as the necessary funding stability as public transit recovered from the pandemic. Unfortunately, CTA will expend this funding by summer 2026--; making CTA the last major transit agency in the country to run out of its relief funding, due in large part to its ongoing focus on service efficiency.

CTA is facing a large structural funding gap that starts in 2026. This gap was caused by shifts in transit ridership post pandemic, inflationary pressures causing significant cost growth, plus it has the lowest state funding amongst its peers in states like New York, Pennsylvania, California and Massachusetts. All these pressures taken together create a structural funding challenge.

While it continues to advocate for equitable and sustainable transit funding from the state and remain positive that a funding solution will be identified, CTA must be responsible and start planning now for a scenario where, if no new funding is identified, it is forced to significantly reduce spending and make substantial reductions to service.

Structural Funding Deficit



CTA's 2025 Operating Budget is forecasted to rely on \$386 million in funding from one-time and other non-recurring sources. This one-time funding is projected to run out by summer 2026 and if no alternative funding sources are identified, there will need to be significant cuts to CTA's workforce and transit services to close the funding shortfall and balance the budget.

The 2026 structural budget gap is projected to be \$451 million which will be filled in part with the following one-time sources:

- \$257 million in remaining reserve funding and other non-recurring sources
- \$74 million in additional 2026 funding allocated by the RTA to CTA, which includes \$9 million in RTA Innovation, Coordination and Enhancement (ICE) project funding

- \$8 million in ICE funds previously designated for CTA capital which will now be used for operating

Once all available, one-time funding is exhausted, the projected 2026 funding shortfall is \$112 million. CTA will maintain service at baseline levels for as long as possible in 2026 before making service cuts to close the gap in the second half of 2026. The annual funding gap will be \$482 million in 2027, and \$528 million in 2028, and there are no one-time funding sources to fill this gap in 2027 or 2028.

CTA will take every action available to mitigate the overall funding shortfall through fares and efficiencies, but the funding shortfall is too large to be addressed through those means alone. CTA will only be able to address the gap through significant cuts to CTA services if no additional funding is identified.

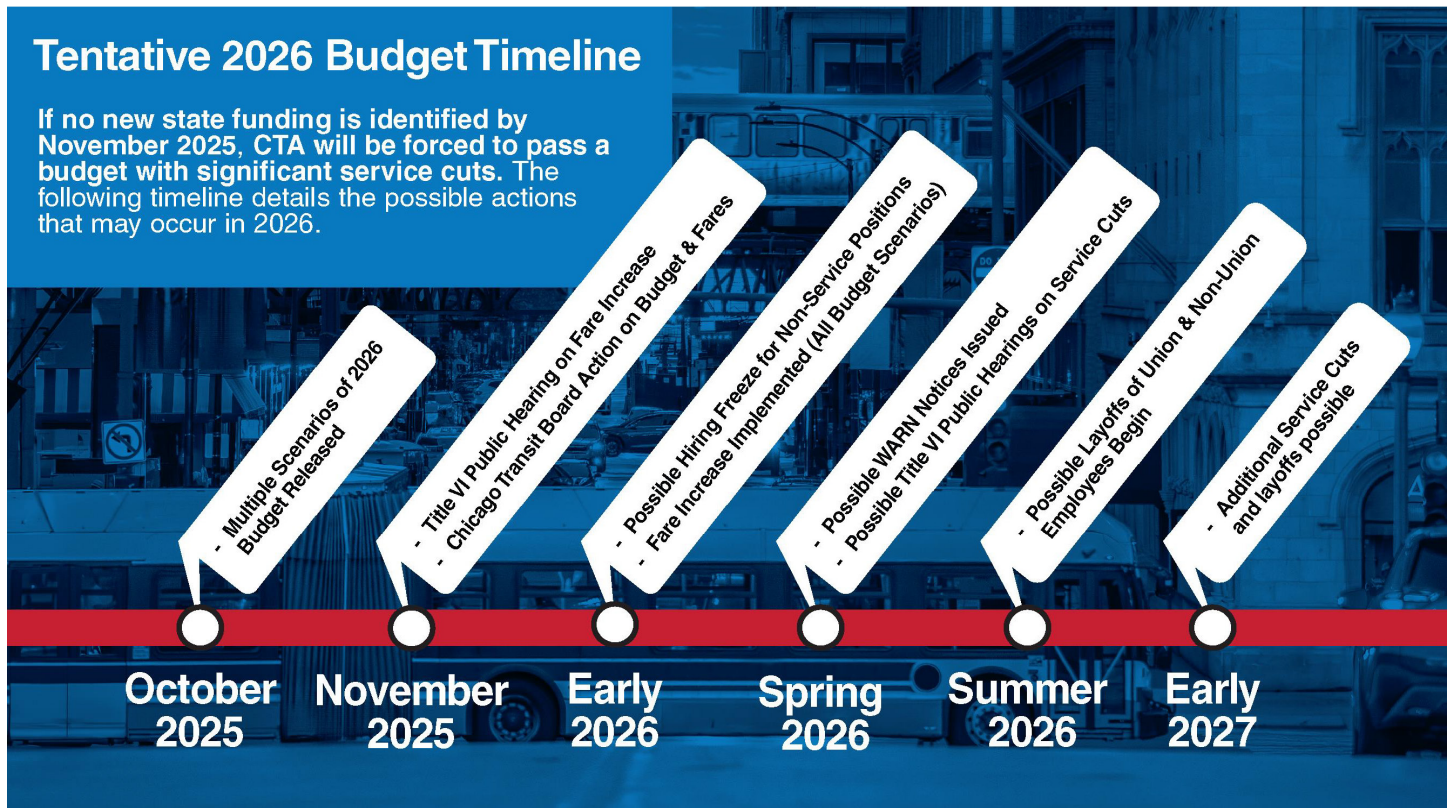
Timeline

While the additional one-time funding does delay cuts to later in 2026 than initially estimated, CTA still faces a significant funding shortfall.

At the beginning of 2026, CTA will take various actions to bring down spending and achieve savings from non-union positions and various support or administrative functions. Hiring will be restricted to the most critical positions, and programs will be paused in advance of decreasing expenses through workforce reductions and service cuts, which would occur in mid-2026. CTA will make cuts to administrative and management personnel first, before any cuts are made to service.

Following these initial actions, CTA will look to make two rounds of bus and train service reductions – the first cut in August 2026 and a second cut by March 2027. Both service cuts will result in layoffs of bus and rail operators as well as other support functions including management, maintenance, cleaning, and others. The process will follow the statutory guidelines for layoffs and the terms of applicable collective bargaining agreements.

The following timeline provides the various actions CTA will need to take between the introduction of the 2026 budget and early 2027.



Impact of Structural Budget Deficit

CTA will take every action to reduce the impact on riders and its employees of any potential service cuts, but a structural deficit beginning in mid-2026 and reaching \$482 million by the start of 2027 will impact every rider and every community in the region.

The vast majority of the operating budget is spent directly on delivering bus and rail service including funding going directly to bus and train operators, customer service representatives, vehicle maintenance costs, and other costs associated with service delivery. While CTA will take every action to reduce the impact of potential cuts on riders and front-line operating staff, the level of cuts required to address the structural budget gap will cause significant and irreversible impact on riders' ability to move around the region and has the potential to diminish the overall economic vitality of the region.

To close the structural funding gap by the start of 2027, CTA may be forced to cut \$482 million from the operating budget. These potential cuts may result in a large number of positions eliminated and employees laid off. By early 2027, CTA anticipates it may be forced to cut as many as 1,700 non-union and union positions with many layoffs beginning in summer 2026.

The resulting cuts will reduce bus and train service by at least 21 percent by early 2027. This will be the largest service cut CTA has been forced to take in its modern history. CTA will plan to make half the service cuts in summer 2026 and the remaining service cuts in early 2027.

CTA has been forced to make tough service cut decisions before due to funding constraints. In 1997, the consulting firm Booz-Allen & Hamilton was hired to recommend a restructuring proposal for service reductions. That report was adopted and extensive cuts were made. At that time, fifteen bus routes were eliminated along with evening, owl or weekend service reduced on 24 of the 46 key bus routes due to low ridership. Five other bus routes were shortened. Owl service on three rail lines was also eliminated.

In 2010, CTA again was forced to make service cuts. These cuts resulted in the elimination of 9 express bus routes, reduction in the hours of service on 41 bus routes, and less frequent service daily on 119 bus routes. In addition, Archer Garage, which was a 102 year old facility, was closed and 287 vehicles were retired due to the reduction in bus service. Service was reduced on all 7 rail lines every day; providing less frequent service throughout the rail network. This loss of service and infrastructure to expand service along with other compounding factors caused a 20 percent decline in ridership over the last decade.

Without additional funding, beginning in 2026, CTA will look to first make support and administrative cuts. Examples include, but are not limited to:

- Eliminating all open vacancies, and implementing a hiring freeze at the start of 2026 for all non-union support or administrative functions;
- Laying off hundreds of non-union or exempt staff;
- Ending internships and various professional development and support programs for CTA employees and small business enterprises;

- Significantly curtailing customer marketing, market research, and rider communication tools like the CTA ChatBot;
- Ending various innovative programs and tools, like outreach programs for riders experiencing homelessness, and investment in rail intrusion technology and/or;
- Reducing cleaning activities on vehicles and at stations.

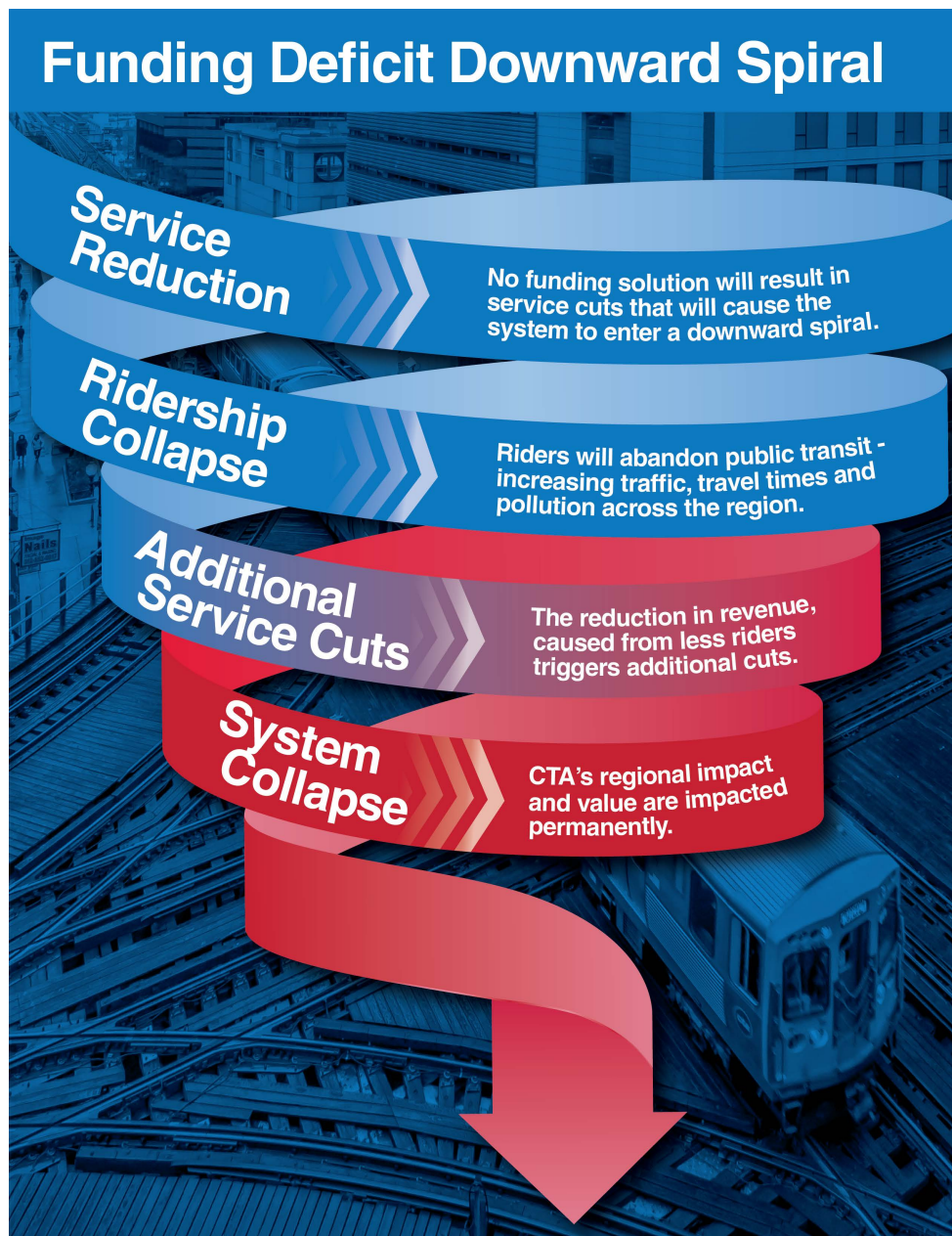
CTA will also be forced to start preparing for service reductions, including following relevant statutory and collective bargaining agreement requirements and associated timelines.

As part of this process, CTA will review every bus route and every rail line for overall productivity, equity, route coverage, and alternative transit service, including Metra and Pace service – with the goal of trying to reduce some of the impacts of service cuts on riders. This will be an intensive process further informed by the recent CTA townhalls and other customer engagements, as well as the federally required Title VI equity analysis.

Any potential service cuts will take a targeted approach in an attempt to reduce the impacts of the reductions. Potential service cuts will vary by route or line, and will utilize a toolkit of approaches to mitigate impacts, including:

- **Potential Bus Route Elimination** – Shrinking the bus network from a bus route every approximately ½ mile to a bus route only every mile.
- **Potentially Eliminating Some Midday, Late Night, Early Morning or Overnight Service** – Rail and bus service on some routes or lines may not start until later in the morning or may end earlier in the evening, plus there could be potential cuts to service in the middle of the day or overnight service.
- **Potentially Closing Some Rail Stations and Ending Service at Some Bus Stops** – Service may be ended to some stations and bus stops reducing the facility and staffing costs associated with servicing the customer and maintaining the infrastructure.
- **Potential Significant Vehicle Crowding and Longer Wait Times Due to Less Frequency** – Service frequency may be significantly reduced resulting in fewer buses and trains coming each hour, which will cause crowding on all buses and trains and may mean customers are unable to board a bus or train. This may result in 9.1 million hours lost by Chicagoans waiting for less frequent service.

The potential cuts CTA may be forced to make will be some of the deepest cuts the agency has ever had to make to modern service. These potential cuts may kick off a downward spiral where transit service continuously becomes less useful and reliable for the region, causing further declines in ridership and leading to further cuts.



Argonne National Lab and the Massachusetts Institute of Technology (MIT) analyzed the potential impact of massive transit cuts on regional mobility and the regional economy. The study found that without public transit travel times for everyone, including drivers in their personal car, will be 35 percent higher. It also found that the region could lose \$35 billion in economic generation with transit – this is a larger impact than the impact of the food industry, manufacturing sector and the tech sector have on the region.

2025-2028 Consolidated Financial Overview

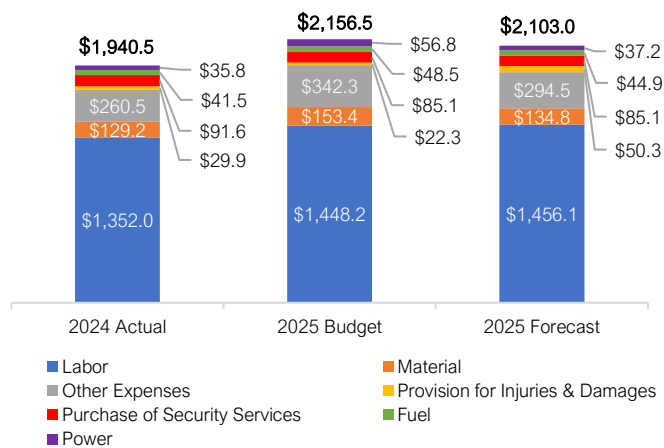
The Consolidated Financial section provides a comprehensive financial overview of the 2025 forecast, 2026 proposed reduced operating budget, 2026 baseline operating budget and 2027-2028 Financial Plan. Under the reduced budget scenario, the 2025 forecast remains unchanged.

In Thousands	2025 Forecast	2026 Reduced Budget	2027 Reduced Plan	2028 Reduced Plan
System Generated Revenue	\$ 477,445	\$ 463,628	\$ 446,730	\$ 453,055
Public Funding	\$ 1,238,773	\$ 1,376,965	\$ 1,325,680	\$ 1,351,066
Total Operating Revenue	\$ 1,716,219	\$ 1,840,593	\$ 1,772,410	\$ 1,804,121
Expense Reduction Credit	\$ -	\$ -	\$ -	\$ (33,329)
Total Operating Expenses	\$ 2,103,003	\$ 2,097,538	\$ 1,772,410	\$ 1,804,121
Reserve Funds	\$ 386,784	\$ 256,944	\$ -	\$ -
Remaining Relief/Reserve Funds	\$ 256,944	\$ -	\$ -	\$ -

Totals may not add up due to rounding

2025 Operating Expense Budget Forecast

2025 Forecast Overview (\$ in Millions)

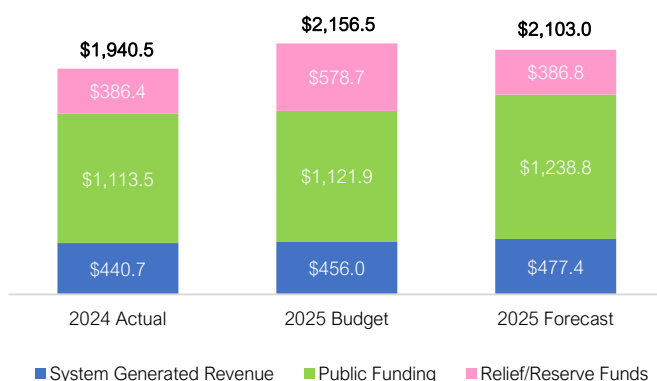


Totals may not add up due to rounding

The 2025 Operating Expense forecast is \$2,103.0 million, which is \$53.5 million or 2.5 percent lower than the 2025 budget and a \$162.5 million, an 8.4 percent increase over 2024 actuals.

The main drivers of favorable expense to 2025 budget are contractual services, traction power and material expense, which were partially offset by increased damage reserve for injuries and damages. Contractual services accounts for 77.6 percent of the operating expense favorability.

2025 Revenue Forecast Overview (\$ in Millions)



Totals may not add up due to rounding

The 2025 Operating Revenue forecast excluding relief/reserve funds is \$1,716.2 million, favorable to the budget by \$138.4 million and an increase of \$162.1 million or 10.4 percent over 2024 actuals.

System-Generated Revenue accounts for 27.8 percent of Operating Revenue (excluding relief/reserve funds). The 2025 forecast for system-generated revenue is \$477.4 million, \$21.5 million or 4.7 percent higher than the budget and \$36.8 million or 8.3 percent higher than 2024 actuals. Fare and passes contribute 75.9 percent of system-generated revenue and are forecasted to be \$6.9 million lower than budget and \$11.1 million higher than 2024 actuals. The remaining 24.1 percent of system-generated revenue derives from non-farebox revenue, which is forecasted at \$115.2 million, an increase of \$28.3 million or 32.6 percent over budget and \$25.7 million higher than 2024 actuals.

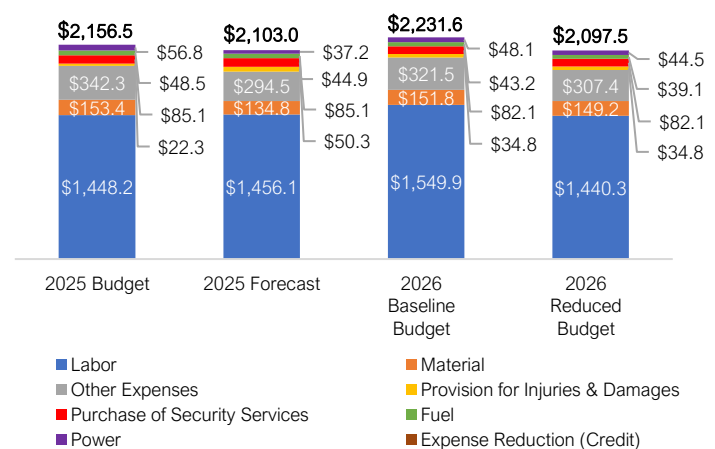
The 2025 forecast for Public Funding is \$1,238.8 million, \$116.9 million higher than the budget and \$125.3 million higher than 2024 actuals. Increased sales tax receipts are the main driver behind the increased projection for higher public funding.

The 2025 forecasted budget deficit is \$386.8 million compared to the budgeted deficit of \$578.7 million. Reserve funds will be used to close this gap, representing a 33.2 percent reduction in fund usage compared to budget. The inclusion of reserve funds brings the 2025 total operating revenue forecast to \$2,103.0 million.

2026 Reduced Operating Budget

The 2026 proposed reduced Operating Expense budget reflects the impact of no additional funding beyond the current Public Funding levels. Under this scenario the CTA will be forced to implement service cuts, layoffs and additional expense reductions. The CTA will implement these service cuts in a phased approach. The initial reduction is planned to occur mid-2026, with the next phase taking place in the spring of 2027. This approach will allow CTA to better assess and manage the impact of these reductions and should additional funding become available, make it easier for the CTA to restore service and reinstate its workforce.

2026 Expense Budget Overview (\$ in Millions)



Totals may not add up due to rounding

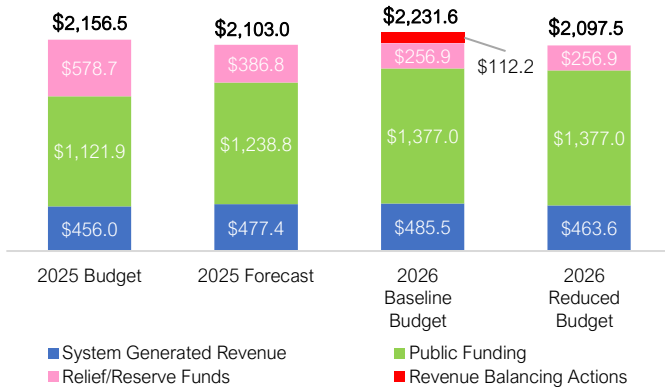
The 2026 budgeted operating expenses of \$2,097.5 million is \$134.1 million or 6.0 percent lower than the 2026 baseline budget and \$5.5 million lower than the 2025 forecast. Labor expense is the key driver of the lower operating expense, driving 81.8 percent of the decrease. The decrease is due to the service costs and associated workforce reduction planned for summer of 2026. The remaining 18.2 percent of reduced operating expense due to the elimination of non-critical activities and programs from the 2026 reduced budget.

FY26 BUDGET

The 2026 reduced Operating Revenue budget excluding relief/reserve funds is \$2,097.5 million, \$134.1 million or 6.0 percent lower than the baseline budget and \$5.6 million lower than the 2025 forecast. The overall reduction in Operating Revenue captures the impact of a reduction in ridership resulting from the service cuts implemented in the summer of 2026. A proposed fare increase is planned to take effect February 1, 2026. However, due to anticipated service cuts and reduced ridership, the net impact results in lower farebox revenue compared to the 2026 baseline budget.

System-generated revenue is budgeted at \$463.6 million, \$21.9 million lower than 2026 baseline budget and \$13.8 million lower than 2025 forecast. Farebox revenue budget of \$373.2 million, is \$20.8 million or 5.3 percent lower than the 2026 baseline budget and \$10.9 million, 3.0 percent higher than 2025 forecast. 2026 Public Funding is budgeted at \$1,377.0 million, remains unchanged under this scenario.

2026 Revenue Budget Overview (\$ in Millions)



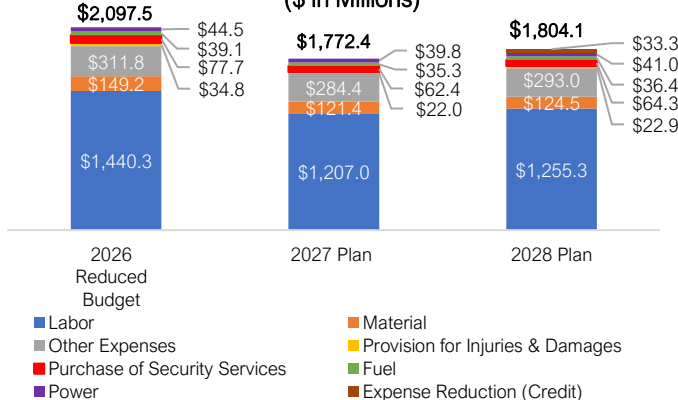
Totals may not add up due to rounding.

2027-2028 Financial Plan

The two-year financial plan shows the full impact of the service cuts and reduction in workforce that the CTA is forced to implement without additional funding. 2027 represents a full year of service reduction and 2028 assumes a continuation of this service level. In 2027 the budget is balanced, however in 2028 the CTA will need to identify additional expense reductions, as part of its' balanced budget.

Operating expenses are estimated to be \$1,772.4 million in 2027, a decrease of \$325.1 million or 15.5 percent from 2026. In 2028 operating expenses are \$1,804.1 million, an increase of \$31.7 million or 1.8 percent over 2027. The increase in expenses from 2027 to 2028 is primarily due to inflationary pressures.

2027 - 2028 Expense Budget Overview (\$ in Millions)

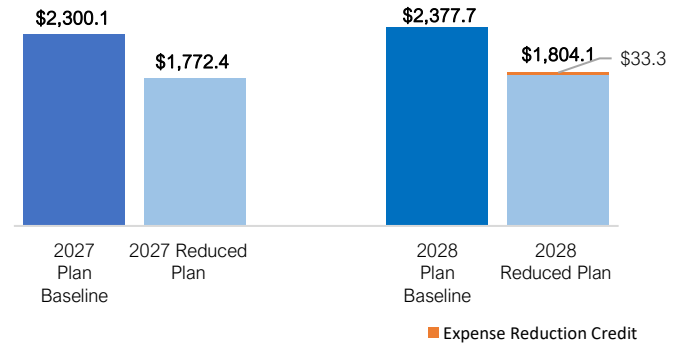


Totals may not add up due to rounding.

REDUCED OPERATING BUDGET

Comparing the two-year plans in the reduced scenario to the baseline scenario, operating expenses decline by \$527.7 million, or 22.9 percent in 2027 and decline by \$573.6 million, or 24.1 percent in 2028. The decline is driven primarily by reduced labor expense associated with service cuts and associated reduction in workforce.

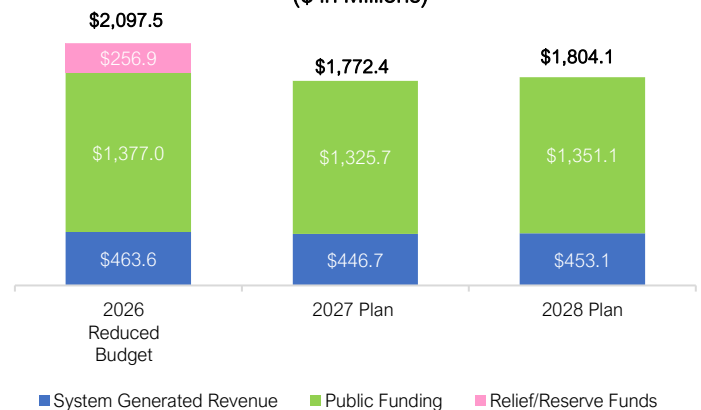
Two-Year Plan Operating Expense Comparison



Totals may not add up due to rounding.

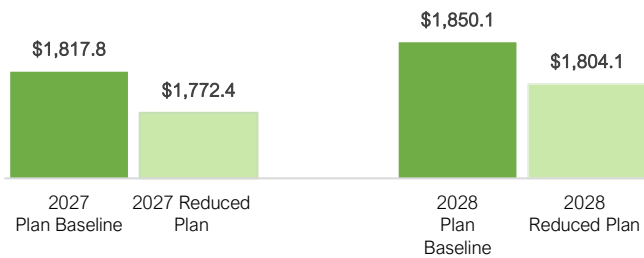
Operating revenue will be \$1,772.4 million in 2027, a decrease of \$68.2 million from 2026 operating revenue excluding relief/reserve funds, and increases to \$1,804.1 million in 2028, an increase of \$31.7 million over 2027. The reduction from 2026 to 2027 is driven by the elimination of one-time additional allocations of \$83.0 million of public funding; \$64.6 million in sales tax and PTF funding, \$9.4 million in RTA ICE fund from other agencies, and \$8.0 million in ICE funds shifting from capital to operating expense. In 2027, farebox revenue decreases \$11.7 million, or 3.1 percent, from the 2026 budget and increases \$4.0 million, or 1.1 percent, in 2028 over the 2027 plan. Ridership retention compared to 2019 levels are projected to be 66.7 percent and 67.4 percent in 2027 and 2028, respectively. The projection for farebox revenue is 61.8 percent and 62.4 percent for 2027 and 2028 compared to 2019. Both ridership and farebox revenue continue to show year over year gains.

2027 - 2028 Revenue Budget Overview (\$ in Millions)



Totals may not add up due to rounding.

Two-Year Plan System Generated Revenue Comparison



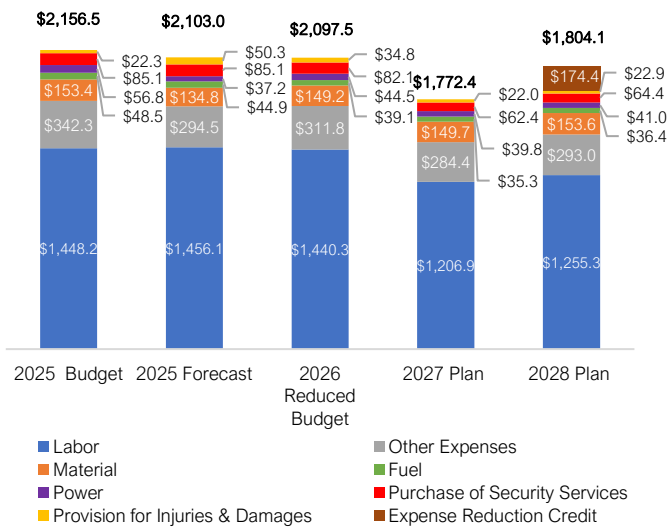
The differences between Plan years under the reduced budget scenario and baseline scenario is driven by the decrease in ridership resulting from service cuts.

Public funding is expected to decrease by 3.7 percent in 2027 and increase 1.9 percent in 2028. The decrease in 2027 is due the previously mentioned one-time allocations in 2026. The expectation of higher sales tax receipts and increased Real Estate Transfer Tax (RETT) continue in the plan years.

FY2026 Operating Budget Consolidated Operating Expenses

This section discusses in detail each of the major expense categories for the 2025 Operating Budget and Forecast, 2026 Proposed Budget and 2027-2028 Financial Plan:

2025 - 2028 Expense Budget Overview (\$ in Millions)



Totals may not add up due to rounding.

Labor

The 2026 reduced labor budget is estimated to be approximately \$1,440.3 million, which is a \$7.9 million, or 0.5 percent, decrease from the 2025 labor budget, and a \$15.8 million, or 1.1 percent, decrease from the 2025 forecast. The 2026 reduced budget is a \$109.6 million, or 7.1 percent, decrease from the 2026 baseline budget.

As described above in the summary section, service cuts would happen in a phased approach, with the initial cuts starting in the summer of 2026. On an annualized basis, bus service would be reduced by approximately 22.2% and rail service would be reduced by 16.6%. The service cuts

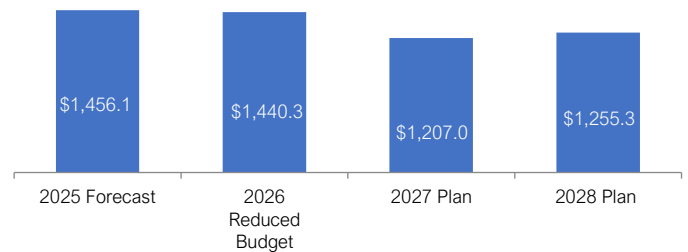
would result in reductions to all areas of CTA's workforce (see the chart below, "Budgeted Positions").

The reductions to workforce directly responsible for delivering bus and train service is estimated to be 537 positions. Service support positions, such as bus and rail car mechanics, maintenance personnel, clerks, instructors, and operations managers would be reduced by about 105. Additionally, about 313 cuts would be made to non-union and union positions that are not directly responsible for service. Layoffs of these non-service employees would occur before the service cuts in 2026. The reductions are partially offset by contractual wage increases for ATU and non-ATU unions and higher fringe benefit expenses, as described above in the baseline budget section of the book.

In 2027, labor expenses would be projected to decrease by another \$233.3 million, or 16.2 percent, to \$1,207.0 million. The reduction reflects the full year of cuts that would have begun in the summer of 2026.

Workforce directly responsible for delivering service would be reduced by another 574 positions in 2027; and support positions would be reduced by 151. Labor budget is then forecasted to increase by 4.0 percent in 2028 to \$1,255.3 million due to wage progression as employees gain seniority and move through the progression schedule and thus earn a higher wage.

Labor Expenses (\$ in Millions)



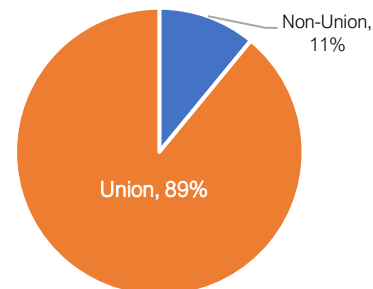
Budgeted Positions

	Position Count			Change 2027 Plan vs 2026 Baseline
	2026 Baseline Budget	2026 Reduced Budget	2027 Reduced Plan	
Total CTA without STO*	5,208	4,789	4,638	(570)
Bus STO positions**	3,906	3,588	3,039	(866)
Rail STO positions**	1,755	1,535	1,510	(245)
Total CTA	10,869	9,913	9,188	(1,681)

*Total includes Capital-funded positions.

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

Union vs. Non-Union Workforce - As of September 30, 2025



Pension Contributions

In 2008, the CTA became one of the first public entities in the State of Illinois to enact pension reform with the fund goal 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 increase the CTA and employee contributions. If the fund does not meet its target rate of return of 7.75 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. The estimated amount is \$167 million in 2025, a 7.1 percent increase from the projected 2024 contribution. In 2025, both employee and CTA contribution percentages are projected to remain static, 13.795 percent for the employee contribution and 27.590 percent for the CTAs contribution. 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 to its pension plans have seen a corresponding increase due to recent pension reform legislation, which is

supplemented by employee contributions deducted directly from paychecks. Contribution rates are influenced by investment performance and other variables. If the market underperforms, pension costs may rise in the future, necessitating the CTA to implement cost-saving measures or seek additional revenue to fulfill these obligations. This proactive approach aims to ensure the sustainability of the pension system while maintaining financial stability for the agency.

While pension contribution rates do not change under this reduced budget scenario, the value of the employer statutory contribution decreases by \$14.0 million due to lower base wages and salaries due to a reduction in workforce.

CTA Pension Contribution Rates (per 2008 Legislation)		
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%
2020-2024	13.324%	26.647%
2025-2026	13.795%	27.590%

CTA Total Employer Pension Fund Contributions (\$ in Millions)

Material

Under the reduced budget scenario, the material budget for 2026 is projected at \$149.2 million representing 7.1 percent of the total operating budget. This figure is \$4.1 million lower than the 2025 budget and \$14.5 million higher than the 2025 forecast.

Compared to the baseline budget, material expense is \$2.5 million lower, representing 1.7 percent decrease. The decrease is

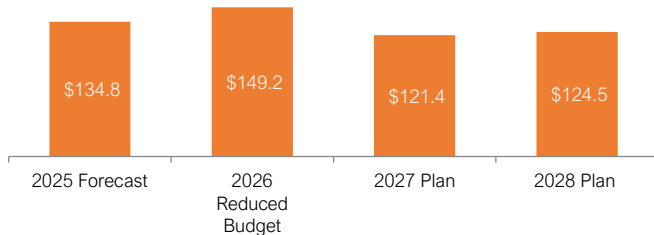
concentrated in maintenance expenses, which account for about 70 percent of material budget. The reduction in expenses represents the potential decrease in the number of vehicles needed to provide daily service at peak times. Given the projected decrease in regular miles driven by the fleet, fewer vehicles will need to go through CTA's regular Preventative Maintenance Program (PMP) and fewer vehicles will need miscellaneous repairs due to usage and deterioration.

FY26 BUDGET

The financial plan projects material expenses to be \$121.4 million in 2027, and \$124.5 million in 2028, growing 2.6 percent annually.

The 2027 plan is \$34.3 million lower and the 2028 plan is \$35.1 million lower than the 2027 and 2028 baseline plans, respectively. The reduction in material expense reflects the lower number of vehicles needed due to the decrease in service.

Material Expenses (\$ in Millions)

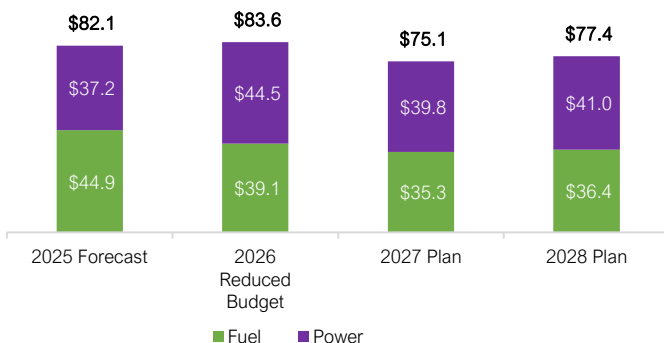


Fuel & Power

Under this scenario, CTA's Fuel budget of \$39.1 million for 2026 represents a decrease of \$5.8 million compared to the 2025 Forecast, and a \$4.1 million reduction compared to the baseline budget of \$43.2 million. The decrease is a direct result of the estimated 23.0 percent reduction in service starting the second half of 2026, which will continue through the future years. The total estimated gallons for 2026, which under the baseline budget is expected to be at 16 million, will see a decrease to 14.7 million under this scenario, and a further reduction to 12.8 million in 2027 when the full year of the impact in service materializes. If the reduction in service continues, the 2027 expenses for fuel are estimated to be \$35.3 million, and in 2028 \$36.4 million.

Traction power under this scenario is budgeted at \$44.5 million for 2026, an increase of \$7.3 million compared to the 2025 forecast, but a decrease of \$3.5 million compared to the baseline budget. The large increase compared to the 2025 Forecast is a result of a one-time credit received during 2025 from ComEd, which lowered the expenses for the year. Under this scenario, CTA is projecting consume 319 MWh for 2026 compared to 390 MWh for the baseline budget. If the reduction in service continues, the 2027 expenses for traction power are estimated to be \$39.8 million, and \$41.0 million in 2028.

Fuel and Power Expenses (\$ in Millions)



Totals may not add up due to rounding.

Purchase of Security Services

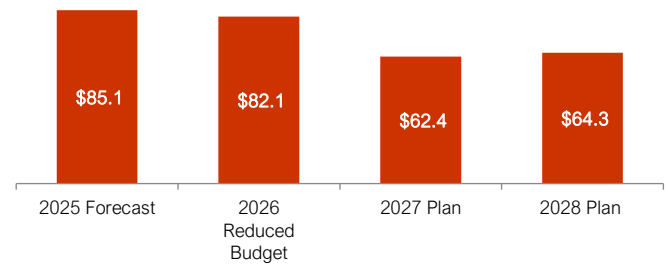
The budget for the purchase of security services consists of expenditures related to intergovernmental agreements (IGA) for additional officers from the Evanston, Oak Park, Forest Park, and Chicago police departments, as well as contracts for private security services. The Public Transportation Unit of the Chicago Police

REDUCED OPERATING BUDGET

Department also provides services during its regular patrols at no expense to CTA.

Under this scenario, CTA plans to maintain the level of security at the same level as the baseline budget. As such, for 2026, the CTA budget for security services is estimated at \$82.1 million, a \$3.0 million decrease, or 3.5 percent, compared to the 2025 budget and forecast. Although this reflects a decrease, the 2026 budget aligns with anticipated shifts in resources from unarmed security guards towards other areas of investments that will help us address safety and security issues from other angles, such as crisis intervention and violence interruption. The 2026 budget underscores the CTA's commitment to enhancing safety and security for both passengers and employees. For the 2-Year Financial Plan, purchase of security services is projected to be \$62.4 million in 2027 and \$64.3 million in 2028.

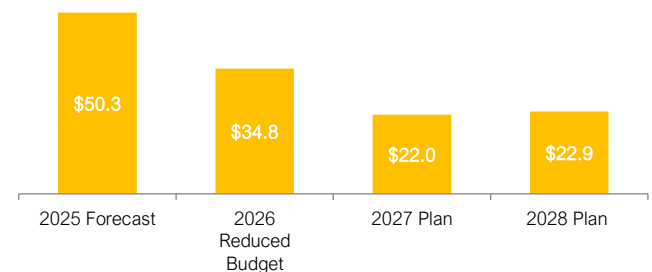
Security Services Expenses (\$ in Millions)



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. In 2025, CTA has experienced an increase in the amount and dollar value of claims, lowering the funded ratio of the reserve. To address this, CTA will contribute to the reserve at the higher liability level estimated from the most recent actuarial analysis. The 2025 forecast is \$50.3 million. This allows CTA to establish sufficient reserves, such that the expense level in 2027 is estimated to be \$22.0 million and \$22.9 million in 2028.

Provision for Injuries and Damages Expenses (\$ in Millions)



Other Expenses

The Other Expenses category includes expenses such as contractual services, utilities, legal fees, advertising, bank fees, consulting services, other miscellaneous expenses, debt service for TIFIA loans and outstanding pension obligation bonds. The interest expense on Pension Obligation Bonds (POB) in 2026 is \$85.8 million.

Other Expenses are forecasted to end 2025 at \$294.5 million, which is \$47.7 million, or 13.9 percent lower than budget. The lower forecasted expenditures are due to the timing and lower actual expense than budgeted, for contractual services, utilities, non-capital grant, travel, leases, and other general expenses categories.

FY26 BUDGET

REDUCED OPERATING BUDGET

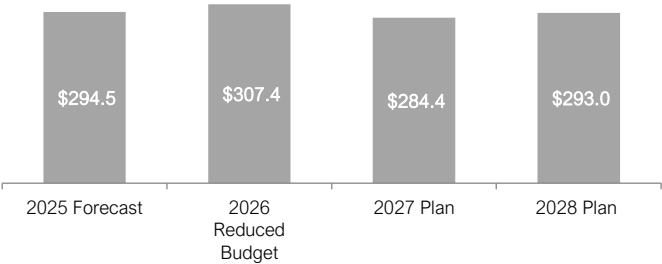
In 2026, Other Expenses are budgeted to be \$307.4 million, a decrease of \$34.8 million, or 10.2 percent, compared to the 2025 budget. Utility expenses in the 2026 budget are \$3.3 million lower than 2025 budget driven by lower usage projections. Non-Traction Power usage is projected to decrease from 135,000 MWh in 2025 to 114,556 MWh in 2026. The lower usage estimates help to offset the rate increases for Non-Traction Power of 10.0 percent and 19.0 percent for Natural Gas.

Utility Unit Cost	2025 Forecast	2026 Cut Budget	2027 Plan	2028 Plan
Non-Traction Power MWh	\$121.78	\$133.93	\$134.94	\$135.67
Natural Gas Dth	\$8.07	\$9.60	\$9.71	\$10.27

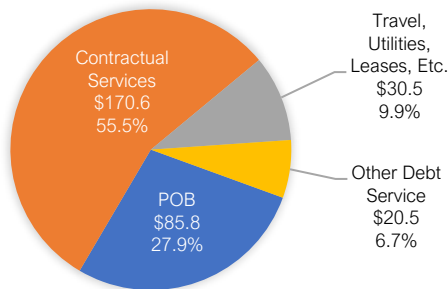
Contractual services are 55.5 percent of the Other Expenses budget, driven by fare systems, IT support, operating systems, cameras, drug testing, property management, and others. It is estimated to decrease by \$23.5 million in 2026 compared to the 2025 budget. The remaining 43.8 percent of Other Expenses is divided up amongst POB expense 27.5 percent, Debt Service 6.6 percent, and other miscellaneous expenses (i.e., travel, utilities, leases, etc.) 9.8 percent. These miscellaneous expenses combined total \$30.5 million in 2026.

Compared to the 2026 baseline budget Other Expenses are \$14.2 million lower, a reduction of 4.4 percent. The additional reduction represents the postponement or elimination of additional non-critical programs and activities such as delaying the launch of the regional mobile app, scaling back general office operations, and shifting to in-house services.

Other Expenses (\$ in Millions)



Other Expenses by Category (\$ in Millions)



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For the 2-Year Financial Plan, Other Expenses are projected to be \$284.4 million in 2027 and \$293.0 million in 2028. These decreases represent the reduction and/or elimination of non-critical programs that the CTA has identified due to reduced service delivery and to balance the budget.

Operating Funding Summary

As it stands today, funding for CTA operations is derived from three primary sources:

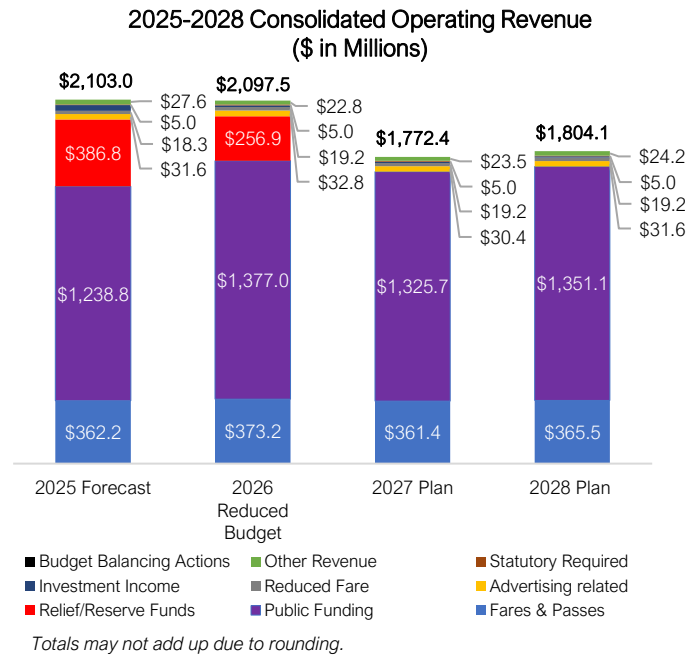
- 1. System-generated revenue from fares and other sources
- 2. Public funding: Provided through the Regional Transportation Authority (RTA) and
- 3. Reserve funding: From CTA's Designated Operating Reserve

For 2026, the total budgeted revenue is \$2,097.5 million, with system-generated revenue contributing \$463.6 million or 22.1 percent, public funding contributing 65.6 percent or \$1,377.0 million, a one-time additional public funding allocation of \$83.1 million, or 3.9 percent, and reserve funding accounting for 12.3 percent or \$257.0 million.

As with all major transit systems in the U.S., CTA faces a gap between operating revenues and expenses post-pandemic. CTA has maintained service using available relief funds longer than any other major transit agency and still maintains a robust recovery ratio even in this new normal.

Public funding has risen significantly, driven by the extension of the local sales tax to online purchases, the legalization of cannabis, and the effects of inflation. For 2025, public funding is projected to grow by \$125.3 million over 2024, reaching \$1,238.8 million. This increase, combined with higher system-generated revenue, reduces the reliance on reserve funds in 2025 and preserves more of those dollars for 2026. As a result, reserve funds are now expected to last until the second half of 2026. For 2026, baseline public funding is projected to rise by 4.4 percent, and will be supplemented by a one-time allocation of \$83.1 million.

Consolidated Operating Revenues



System-Generated Revenue

System-Generated Revenue comes directly from the operations of the CTA. This 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 such as concessions and parking lot revenue. These diverse revenue streams play a critical role in funding the CTA's services and initiatives.

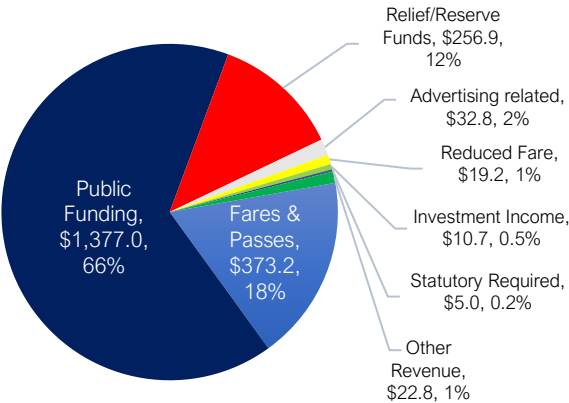
Fares and Passes

The President's Proposed 2026 Budget recommends a fare increase to help offset rising operating costs and partially close the budget gap expected as relief/reserve funds are exhausted. Beginning in early 2026, base fares would rise by \$0.25 for full-fare bus, full-fare rail, reduced rail, and student fares—marking the agency's first base fare increase in eight years. Transfers remain free. Pay-as-you-go fares, for those using credit cards directly, will increase by \$0.75 for bus and \$0.50 for rail, while single-ride tickets will rise by \$0.50. The CTA/Pace 1-Day Pass and the O'Hare Station fare will each increase by \$1. Multi-day passes would also see adjustments, with the CTA/Pace 7-Day Pass increasing by \$5, the 30-Day Pass by \$10, and the Regional Connect Pass by \$15. Due to low demand, the CTA/Pace 3-Day Pass would be discontinued helping to streamline fare offerings.

Reduced fares will continue to be at or under 50 percent of full fares, complying with federal requirements, increasing \$0.15 for bus, \$5 for CTA/PACE 30-day, and \$0.75 for O'Hare Station. The reduced rail and bus cash fares will remain unchanged

In addition, the proposal takes student riders into account by introducing new Student 7-Day and 30-Day passes, priced at \$7.50 and \$30, respectively. These passes would provide students with greater savings for frequent riders and provides a deeper discount compared to the higher costs of paying per ride for frequent riders. In addition, this budget proposes eliminating the day and time restrictions on these fares to allow grade school and high school students to have unlimited rides on passes and travel at a lower fare at any time.

2026 Total Operating Revenue (\$ in Millions)



	Current Effective 2/20/23	Proposed Effective 2/1/2026
CTA Regular Fare Type		
Full Bus Fare ^[1]	\$2.25	\$2.50
Full Rail Fare ^[1]	\$2.50	\$2.75
Full Fare Cash (Bus only; no transfers)	\$2.50	\$2.75
PAYGO ^[2]	\$2.25 bus/\$2.50 rail	\$3.00 bus/\$3.00 rail
Single Ride Ticket ^[3]	\$3.00	\$3.50
CTA/Pace 1-Day/24-Hour Pass	\$5	\$6
CTA/Pace 3-Day/72-Hour Pass	\$15	
CTA/Pace 7-Day Pass	\$20	\$25
CTA/Pace 30-Day Pass	\$75	\$85
Regional Day Pass ^[4]	\$2.50	\$3.00
Regional Connect Pass ^[4]	\$30	\$45
O'Hare Station Fare ^[5]	\$5	\$6
Reduced Fare Types ^[6]		
Reduced Fare Bus	\$1.10	\$1.25
Reduced Fare Rail	\$1.25	\$1.25
Reduced Fare Cash (Bus Only, no transfers)	\$1.25	\$1.25
CTA/Pace 30-Day Reduced Pass	\$35	\$40
Reduced O'Hare Station Fare	\$1.25	\$2.00
Student Fare ^[7]		
Bus & Rail Student Permit Fare	\$0.75	\$1.00
Student Fare Cash (Bus Only)	\$0.75	\$1.00
Student 7-day Pass (New)		\$7.50
Student 30-day Pass (New)		\$30
#128 Soldier Field Express		
All Roundtrips	\$5	\$6
	\$2.50 reduced fare	\$3.00 reduced fare

Notes to the Fare Table:

[1] Fares paid with Ventra Transit Account Value.

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

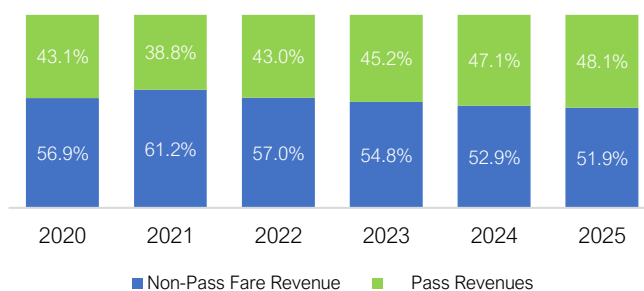
[3] Single Ride Ticket fare includes transfer for bus and rail.

[4] Regional day pass requires initial purchase of Metra day pass and Regional Connect Pass requires initial purchase of Metra 30-day pass.

[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 addition, CTA also offers reduced fares to children aged 7-11.

[7] The Student Reduced Fare is for children 7-20 with a valid CTA Student Riding Permit. The current fare is available on school days between 5:30 a.m. and 8:30 p.m. The proposed fare will be valid on all days and at all times.

Percent Breakout Pass vs Non-Pass Fare Revenue

In 2019, pass revenue comprised 40 percent of total farebox revenue. Since the pandemic, the ratio of pass revenue has increased each year. The shift to passes from pay-as-you-go fares and a higher percentage of bus riders has resulted in a decline of the system wide average fare. Affordable unlimited ride passes typically encourage higher ridership with little revenue impact. The increase in ridership has compensated for the resulting decline in average fare, resulting in an overall increase in farebox revenue. In the 2026 budget, farebox retention rate compared to 2019 is 67 percent, while ridership retention rate is 70 percent compared to 2019.

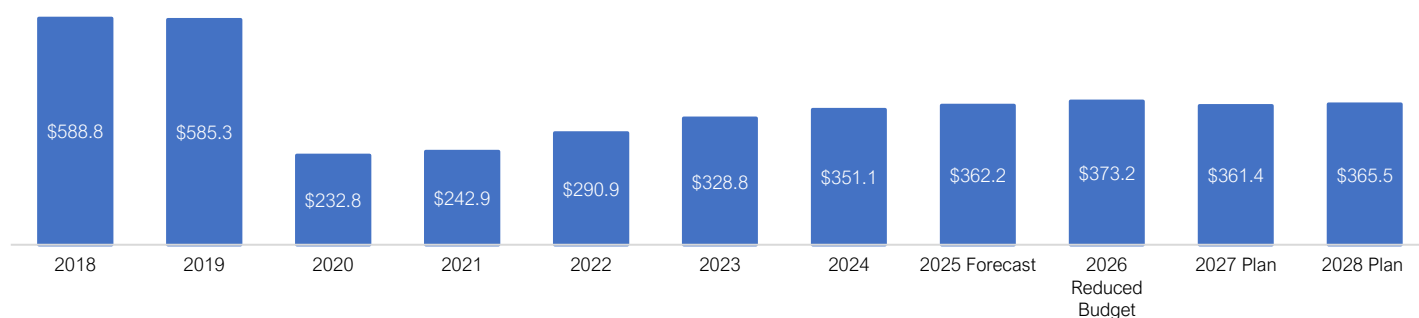
Through August 2025, pass revenue is \$113.6 million or 47.7 percent of farebox revenue and \$1.7 million higher than budget. Pay-As-You Go (PAYG) fares are \$124.8 million or 52.3 percent of farebox revenue and \$6.1 million lower than budget. The average fare is \$1.13 which is \$0.11 higher than budget. The average fare is forecasted to be \$1.13. at the end of 2025. PAYG fares budgeted at \$195.2 million in 2026 and passes at \$198.8 million or 49.6 percent and 50.4 percent, respectively. The average fare for 2026 is budgeted at \$1.25, driven by the increased fares proposed in 2026.

Farebox revenue comprises the largest segment of system-generated revenue at 81.1 percent. The 2026 budget for farebox revenue is \$394.0 million, which is \$31.8 million higher than the 2025 forecast and \$24.9 million higher than 2025 budget. Positive ridership trends and the additional revenue from the previously detailed pricing changes are driving the positive impact on farebox revenue.

For the 2027 and 2028 plan years farebox revenue is expected to be \$402.1 million and \$406.5 million, respectively.

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Farebox Revenue Overview (\$ in Millions)

Ridership

The CTA 2025 forecast projects system ridership of 320.8 million rides, lower than budget by 12.9 percent and up 11.6 million over 2024.

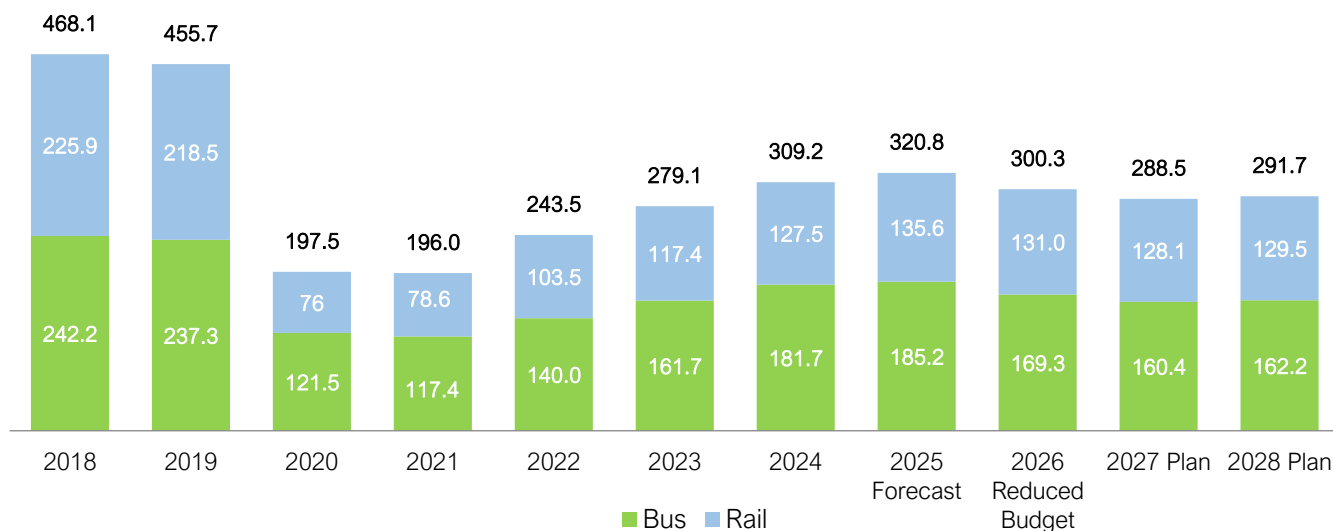
While ridership has continued to improve since the pandemic, there has been a definitive shift in the mobility patterns of CTA riders. While weekday ridership continues to be most rides, weekend ridership percentage of total rides continues to increase. In 2019, weekday rides were 82.2 percent of total rides in 2025 that percentage is 78.5 percent. Saturday rides were 9.7 percent in 2019 and currently account for 11.8 percent of total rides. Similarly, Sunday rides in 2019 were 8.1 percent of total rides and currently comprise 9.7 percent of total rides.

In the 2026 budget scheduled bus operations and rail operations are flat to the 2025 budget. The CTA continues to meet 2019 service levels, reaffirming its commitment to meeting the needs of all riders. The CTA

2026 reduced budget assumes a reduction of service in August required to close the funding gap. Further details can be found in the ridership and fare section.

In 2026 the CTA has budgeted 300.3 million rides consisting of bus rides of 169.3 million and rail rides of 131.0 million. This represents a decrease of 20.5 million system rides, or 6.4 percent, below the 2025 forecast. Bus rides are decreasing by 15.9 million rides or 8.6 percent while rail rides decrease by 4.6 million or 3.4 percent in 2026. The net reduction in ridership is due to the service reductions. The 2027 Plan estimates 288.5 million system rides, a decrease of 11.8 million rides below 2026 budget, due to additional service reductions in early 2027 required to close additional funding gap. The 2028 Plan estimates 291.7 million rides a year over year increase of 3.2 million rides.

CTA Ridership (in Millions)



Non-Farebox Revenue

Reduced fare subsidy revenue (RFR) is the State of Illinois' reimbursement of revenues foregone by 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. This reduced fare subsidy only covers a portion of the actual free and reduced rides provided by the CTA annually. Prior to 2015, the state funded the subsidy to the CTA at \$28 million. In 2025, the fare subsidy increased from \$16.6 million to \$18.3 million. The State of Illinois fiscal year 2026 budget increases the RFR subsidy by 4.8 percent to \$19.2 million. The 2-Year Financial Plan assumes the subsidy will continue to be appropriated at the same level in 2026 and 2027.

Advertising, charters, and concessions revenues includes advertisements on buses, trains, and stations, as well as income from concessions and other non-farebox sources. As ridership continues to recover, advertising demand has strengthened, and the agency is actively pursuing new opportunities to expand this revenue stream.

Advertising, charters, and concessions revenues for 2025 are forecasted to be \$31.6 million, which is \$2.3 million less than budget reflecting lower than anticipated advertising demand. The 2026 budget is \$33.8 million or \$2.2 million higher than the 2025 forecast. For the Two-Year Financial Plan, revenue from advertising, charters, and concessions is expected to decrease to \$30.4 million in 2027 and \$31.6 million in 2028. Advertising revenue reduction is due to reduced ridership and the contractual agreement that links them together.

Investment Income is revenue earned on cash balances held at financial institutions. Interest income for 2025 is forecasted to be \$32.7 million, which is \$27.7 million higher than 2025 budget and \$19.9 million higher than 2025 actuals due to large investable funds from the operating reserve and higher market interest rates. In the face of recent Federal Reserve actions, investment income in 2026 is budgeted at \$10.7 million, which reflects reduced interest and the exhaustion of the operating reserve. For the Two-Year Financial plan, investment income is estimated to reduce to \$7.2 million in 2027 and \$7.6 million in 2028 due to further reduction in market rates and the lower relief/reserve balances.

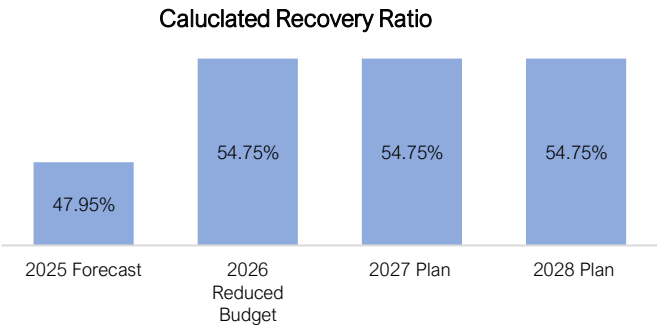
Statutory Required Contributions as required by the Regional Transportation Authority Act requires the City of Chicago to contribute \$3.0 million and Cook County to contribute \$2.0 million annually toward CTA operations. The level of statutory contributions is forecasted to remain unchanged for plan years 2026 and 2027.

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

For 2025, other revenue is forecasted to be \$27.6 million or \$1.6 million higher than the 2025 budget due to higher than budgeted non-capital grant revenue. For 2026, other revenue is budgeted at \$22.8 million, or \$4.8 million lower than 2025 forecast. Key drivers of the reduced 2026 budget are non-capital grant revenue and lower rental revenue as a result of the sale of a CTA owned property. For the 2-Year Financial Plan, Other Revenue is expected to grow by \$1.1 million in 2027 to \$24.0 million and by \$1.2 million to \$25.2 million in 2028 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.

Recovery Ratio measures the percentage of expenses a Service Board must pay against the revenue it generates. System-generated revenues, Recovery Ratio 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. In 2022, the Illinois State Legislature granted a reduction in recovery ratio for 2021 through 2023 and further extended the waiver through 2025. Beginning in 2026, the waiver granted by the RTA has expired, thereby requiring recovery ratio for the CTA to return to the initial 54.75 percent set forth in the RTA Act. The recovery ratio is inclusive of reserve funds and balancing actions.



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Public Funding

The majority of the CTA's public funding for operating needs passes through the Regional Transportation Authority (RTA). The RTA Act, as passed in 1983 and amended in 2008, established a framework for distributing public funding to the Chicago Transit Authority (CTA) and other service boards. The funding mechanisms can be categorized as follows:

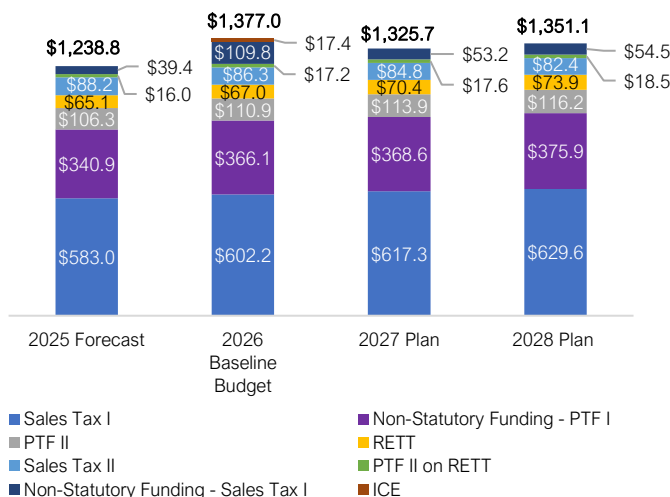
- **Formula Allocations:** A portion of the funds is allocated to the service boards based on a predetermined formula. This formula considers factors such as ridership, operating costs, and service levels, ensuring that funding aligns with the needs of each service board.
- **Discretionary Allocations:** Other funds are distributed at the RTA's discretion. Various factors can influence these allocations, including strategic priorities, specific projects, or unforeseen circumstances that may impact service boards.

Public funding has three sources authorized under state statutes: 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 how it is allocated among the three Service Boards is included in this section.

For 2026, public funding (including ICE funds) is projected by the RTA to total \$1,377.0 million, an increase of \$255.1 million, or 22.7 percent, over the 2025 budget. This amount includes \$74 million in one-time RTA funding allocations to help close the forecasted budget gap, which includes \$65 million from PTF and sales tax revenue and \$9 million from ICE revenue. Excluding these one-time allocations, public funding is projected at \$1,302.9 million, an increase of \$181.1 million, or 16.1 percent, over the 2025 budget. In addition, in 2026, ICE funds of \$8 million, previously designated for capital, will be applied to operating expenses.

For the Two-Year Financial Plan, RTA public funding for CTA in 2027 is projected to decrease by 3.1 percent, reflecting the \$74 million in one-time funding received in 2026. However, excluding the one-time allocation, 2027 funding is 2.5 percent higher than the 2026 budget and is expected to grow by an additional 1.9 percent in 2028.

2025-2028 Consolidated Public Funding
(\$ in Millions)



Sales Tax Revenue per 1983 Formula

The RTA Sales Tax serves as the primary operating revenue source for the Regional Transportation Authority (RTA) and its three service boards: CTA, Metra, and Pace. Here's a breakdown of how this funding mechanism works:

Sales Tax Structure

- **Geographic Scope:** The tax is imposed across the six-county RTA region in northeastern Illinois.
- **Tax Amounts:**
 - City of Chicago and Cook County: A one percent sales tax on all sales. In Cook County, the sales tax is one percent on food and drugs and 0.75 percent on all other sales with the state providing a replacement amount equivalent to 0.25 percent of all other sales.
 - Collar Counties (DuPage, Kane, Lake, McHenry, Will): A 0.25 percent sales tax on sales.

Revenue Distribution

- **Retention and Distribution:**
 - The RTA retains 15 percent of the total sales tax revenue.
 - The remaining 85 percent is allocated to the service boards based on the Operating Funding Allocation Chart, which reflects operational needs and ridership metrics.

Overall, the RTA Sales Tax framework is crucial for ensuring reliable funding for public transit operations, helping to bridge the gap between fare income and operational expenses.

RTA Sales Tax Revenue

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

Sales Tax I - FY26 Sales Tax Revenue (\$ in Thousands)

Sales Tax Revenue (in thousands)				
	Chicago	Suburban Cook County	Collar Counties	Total
CTA	\$ 417,002	\$ 185,210	\$ -	\$ 602,213
Metra	-	\$ 339,552	\$ 136,101	\$ 475,653
Pace	-	\$ 92,605	\$ 58,329	\$ 150,934
RTA	\$ 73,589	\$ 108,947	\$ 34,311	\$ 216,847
Total:	\$ 490,591	\$ 726,315	\$ 228,741	\$ 1,445,647

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 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 regional sales tax rate 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 typically included in the Capital Improvement Program (CIP) but will be applied to operating expenses for 2026 based on the funding gap.

Total Funding and Ridership

The CTA works closely with Metra and Pace, together serving nearly 370 million rides annually, and this ridership continues to increase. The CTA accounts for 84 percent of public transit ridership in the Chicago area and will receive 49.8 percent of the total RTA funding, which includes \$65 million from one-time non-statutory Sales tax and PTF revenue allocation and \$9 million in additional one-time ICE funding. The ridership to funding disparity continues to present a significant risk to the CTA's ability to maintain reliable service with essential schedules for our customers.

RTA funding allocations and ridership are outlined in the chart below:

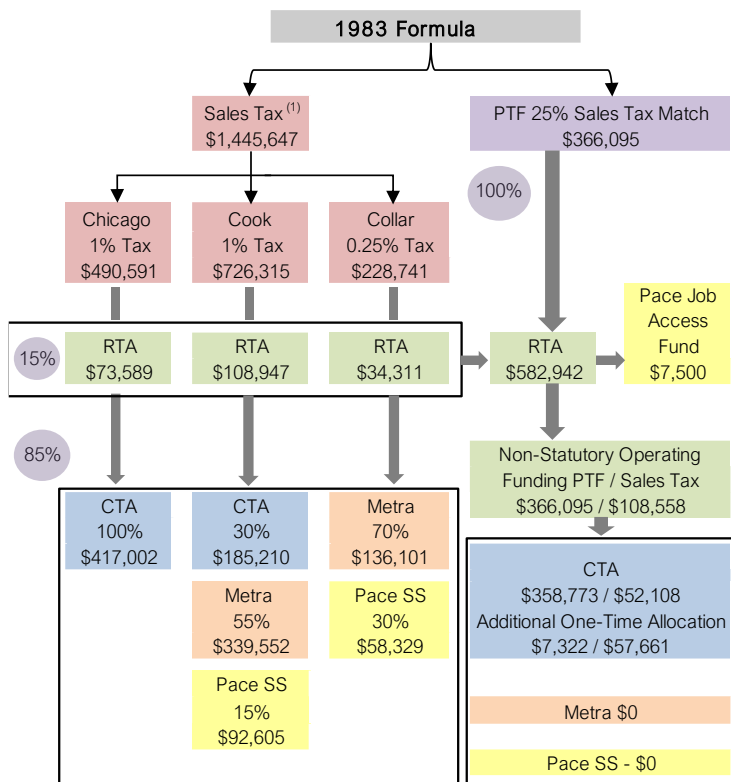
2026 Public Funding Allocation Charts (\$ in Thousands)

2026 Service Board Funding	RTA	CTA	Metra	Pace -SS	Pace - Paratransit	Total
Sales Tax I & PTF I	\$582,942	\$602,213	\$475,653	\$150,934	\$0	\$1,811,742
Sales Tax II & PTF II	\$0	\$197,210	\$160,233	\$53,411	\$268,564	\$679,418
RTA Non-Statutory	(\$474,653)	\$410,881	\$42,338	\$21,434	\$0	\$0
Real Estate Transfer Tax (25% PTF)	\$0	\$17,246	\$0	\$0	\$0	\$17,246
RTA Suburban Community Mobility Funds	\$0	\$0	\$0	\$39,767	\$0	\$39,767
RTA South Suburban Job Access Fund	(\$7,500)			\$7,500		\$0
State Funding for ADA	\$0	\$0	\$0	\$0	\$11,500	\$11,500
RTA Agency Revenue	\$20,648	\$0	\$0	\$0	\$0	\$20,648
State Financial Assistance (ASA/AFA)	\$99,131	\$0	\$0	\$0	\$0	\$99,131
ICE Funding	\$19,883	\$0	\$0	\$0	\$0	\$19,883
2024 ICE Funds Distributed in 2026	(\$17,390)	\$8,347	\$6,782	\$2,261	\$0	\$0
Total Baseline RTA Funds	\$223,061	\$1,235,897	\$685,006	\$275,307	\$280,064	\$2,699,335
Real Estate Transfer Tax (City of Chicago)	\$0	\$67,043	\$0	\$0	\$0	\$67,043
Total Baseline Funds	\$223,061	\$1,302,940	\$685,006	\$275,307	\$280,064	\$2,766,378
Percentage of Public Funds excl One-Time	10.7%	47.1%	24.8%	10.0%	10.1%	
One-Time Non-Statutory Reallocation (PTF/ST)	(\$1,211)	\$64,984	(\$42,338)	(\$21,434)		\$0
One-Time Ice Allocation		\$9,043	(\$6,782)	(\$2,261)		\$0
Total Funds	\$221,850	\$1,376,965	\$635,886	\$251,612	\$280,064	\$2,766,378
Percentage of Total Public Funds	8.0%	49.8%	23.0%	9.1%	10.1%	
Percentage of Region Ridership		84%	10%	5%	1%	

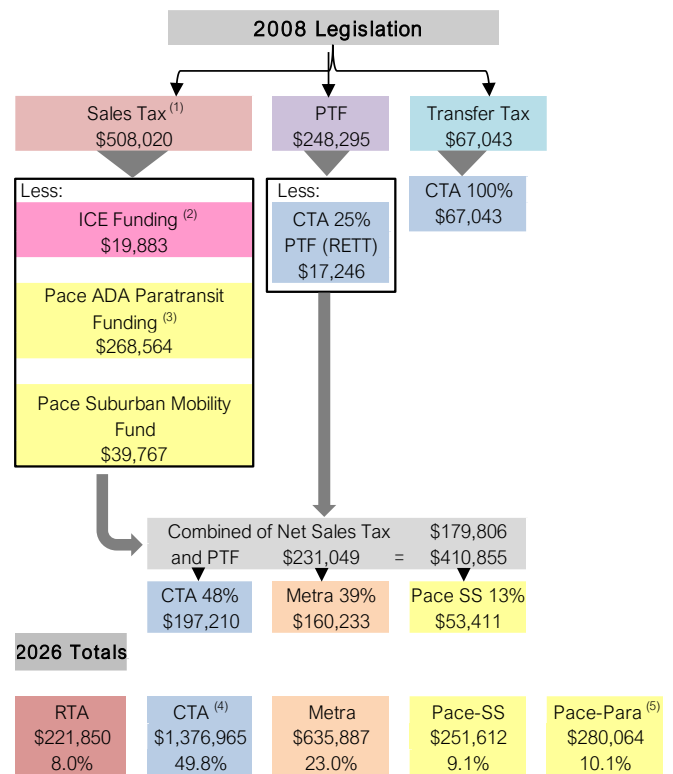
*Beginning with the 2023 budget year, ICE funding to be distributed after actual amounts are known and grant agreements have been executed for approved operating or capital projects i.e., estimated 2025 Service Board ICE amounts to be distributed to the Service Boards in 2027

Note:

- 1.Region Ridership percentage represents Full year 2024 actual ridership; totals may not add up due to rounding.
- 2.Funding for RTA supports debt service and other expenses used by all agencies.



⁽¹⁾ Sales Tax totals represent net receipts after 1.5% state reductions. PTF is calculated on gross sales tax before the 1.5% state surcharge. Totals may not add up due to rounding. PSS = Pace Suburban Bus Service.



⁽²⁾ Includes ICE Funding to be distributed to Service Boards in 2027.

⁽³⁾ Excludes state ADA funding.

⁽⁴⁾ CTA Total Funding includes 2024 ICE funding of \$17,390, which includes a one time allocation from other agencies of \$9,168.

⁽⁵⁾ Includes state ADA funding.

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 was provided during the COVID-19 pandemic for eligible operating and capital expenses to prevent, prepare for, and respond to COVID-19, and allow agencies to maintain 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 Act 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 relief/reserve funds, which are forecasted to be exhausted in the second half of 2026.

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Five-Year Capital Improvement Program

"Chicago residents and working families now have even more convenient and reliable transit to better connect them to work, school and family, which increases the vitality of our City. I am proud to support transit investments like the Red and Purple Modernization (RPM) Project and eager to continue this good work by building the long-awaited Red Line Extension Project on the Far South Side."

Mayor Brandon Johnson at the opening of the four new RPM Stations, July 22, 2025

The \$6.75 billion Five-Year Capital Improvement Program (CIP) is CTA's plan to renew and expand its transit system while ensuring efficient use of capital resources. The plan promotes equity throughout CTA's transit system and advances the public transit industry's important role in combating climate change. This CIP will advance modernization and improvements systemwide, with an emphasis on the customer experience, 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 critical for increasing economic vitality throughout the city and region.

Funding for the \$6.75 billion Capital Improvement Program (CIP) is anticipated from a variety of federal, state, and local sources, including:

- A total of \$3.4 billion in federal formula and discretionary funds.
- Federal formula funds provided annually to CTA are distributed to Urbanized Areas based on population and transit metrics; CTA's formula allocation totals \$2.26 billion.
- The CIP has the potential to secure up to \$1.1 billion in discretionary funds, with actual amounts determined by project applications and awards. CTA will seek project funding from various competitive grant programs, including FTA sources such as All Station Accessibility, and the Low or No Emission Vehicles and Bus and Bus Facilities program funding. Additionally, CTA will explore reallocating federal highway funds for transit-related improvements, leveraging the expanded eligibility under the Infrastructure Investment and Jobs Act (IIJA). These project awards are expected to provide significant financial contributions throughout the CIP's duration, enhancing the overall transportation system.

- State of Illinois "Rebuild Illinois" program is funded by proceeds from transportation bond issuances and motor fuel tax receipts. CTA has secured its share of bond proceeds, and the Motor Fuel Tax Receipts (State PayGo) program will contribute on average an estimated \$168.8 million annually, totaling \$844.3 million over five years. These funds are dedicated to meeting capital maintenance, rehabilitation, and renewal needs.
- Local funding sources including approximately \$1.5 billion in CTA bond proceeds, \$35.1 million of RTA Innovation, Coordination, and Enhancement (ICE) funds, and \$931.9 million of Transit Tax Increment Financing (TIF) district funds.

The COVID-19 pandemic caused a significant decrease in transit riders across the nation. CTA ridership continues to rebound from the pandemic but remains substantially below pre-COVID-19 levels. In May 2024, CTA achieved an important milestone by providing more than one million weekday rides on average for the month, marking the first time the agency reached this daily ridership level since the pandemic. Since May 2024, CTA's monthly weekday ridership continues to average over one million and for peak service months has been trending to 1.1 million. As of June 2025, system ridership was approximately 72 percent of pre-COVID-19 levels.

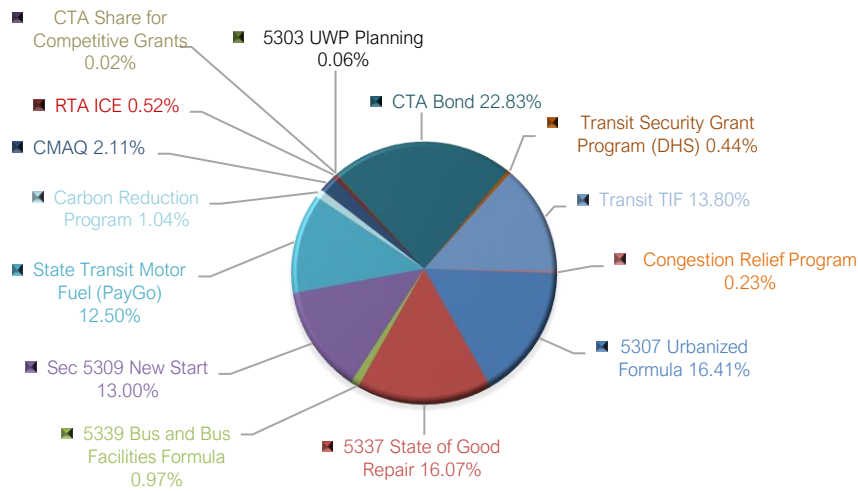
Considering decreased ridership and corresponding fare revenues, the investments detailed in this CIP are designed to mitigate rising operating costs. By focusing on efficiency and modernization, CTA aims to maximize its limited operating and capital funds, allowing for continued improvements to the transit system.

All anticipated available funding sources supporting the \$6.75 billion FY2026-2030 CIP are detailed in the following charts:

CHICAGO TRANSIT AUTHORITY FY2026-2030 CIP Preliminary Marks							(\$ in thousands)
5307 Urbanized Formula	\$ 218,794	\$ 220,982	\$ 223,192	\$ 225,424	\$ 219,931	\$ 1,108,323	
5337 State of Good Repair	212,796	214,924	217,074	219,244	221,437	1,085,476	
5339 Bus and Bus Facilities Formula	12,852	12,981	13,111	13,242	13,374	65,559	
Subtotal FTA	\$ 444,443	\$ 448,887	\$ 453,376	\$ 457,910	\$ 454,742	\$ 2,259,358	
Sec. 5309 Capital Investment Grant *	350,000	132,000	132,000	132,000	131,978	877,978	
Congestion Relief Program	15,806	-	-	-	-	15,806	
CMAQ	74,255	68,108	-	-	-	142,363	
Carbon Reduction Program	30,000	20,000	20,000	-	-	70,000	
Sec. 5303 UWP Planning	840	840	840	840	840	4,200	
Transit Security Grant Program (DHS)	6,000	6,000	6,000	6,000	6,000	30,000	
Other Federal	\$ 476,901	\$ 226,948	\$ 158,840	\$ 138,840	\$ 138,818	\$ 1,140,347	
AVAILABLE FEDERAL	\$ 921,344	\$ 675,835	\$ 612,216	\$ 596,750	\$ 593,560	\$ 3,399,706	
State Transit Motor Fuel (PAYGO)	161,190	165,220	169,350	173,584	174,943	844,287	
RTA ICE	-	8,469	8,689	8,915	9,093	35,166	
Transit TIF	173,090	402,199	189,165	167,446	-	931,900	
Subtotal Local	\$ 334,280	\$ 575,888	\$ 367,204	\$ 349,945	\$ 184,037	\$ 1,811,354	
CTA Bond	250,000	200,000	600,000	303,089	188,864	1,541,952	
Other Local	\$ 250,000	\$ 200,000	\$ 600,000	\$ 303,089	\$ 188,864	\$ 1,541,952	
Available STATE/LOCAL	584,280	775,888	967,204	653,033	372,900	3,353,306	
New Funding Available	\$ 1,505,624	\$ 1,451,723	\$ 1,579,420	\$ 1,249,783	\$ 966,461	\$ 6,753,012	
CTA Share for Competitive Grants	210	210	210	210	210	1,050	
TOTAL Programmed Funds	\$ 1,505,834	\$ 1,451,933	\$ 1,579,630	\$ 1,249,993	\$ 966,671	\$ 6,754,062	

* Prior funds of \$1,096B and CIP funds of \$877M completes CIG Award of \$1,973B for the RLE project

Total 5 Year CIP Budget \$6.7 Billion



Description of FY2026 - 2030 CIP Funding Marks (Sources)

	Entity	Apportionment	Period	Program/Grant	Description / Eligible Activities
FEDERAL	Infrastructure Investment and Jobs Act (IIJA)	URBANIZED AREA (UZA) FORMULA	FY2022 - 2026	5307 Urbanized Formula	Planning, engineering, design and 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 federal transit five-year transportation program offers a few new or larger discretionary funding opportunities for transit agencies that advance equitable public transportation. These funds will be offered each year through a competitive project application process. Project funding awards will be provided for corridor-based capital investments in existing or new fixed guideway systems, transitioning bus system to zero emission technologies, upgrading rail legacy systems, like CTA, for people with disabilities, modernization of facilities and vehicles, and workforce development. Each fiscal budget year CTA anticipates awards from a number of these program and will place in capital plan with notice of award. See Discretionary Grant Section for description of programs.
				CMAQ	See Discretionary Grant Section
				Carbon Reduction Program	See Discretionary Grant Section
				Congestion Relief Program	IDOT is the recipient of a Congestion Relief Program (CRP) Grant on behalf of the CTA to fund the completion of track design work for the Blue line Forest Park Branch. The Congestion Relief Grant Program was created as part of the IIJA that funds projects in the most congested, highly populated metropolitan areas of the United States. The goals of the program are to reduce highway congestion, reduce economic and environmental costs associated with that congestion, including transportation emissions, and optimize existing highway capacity and usage of highway and transit systems.
				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)

LOCAL	CTA Board	N/A		CTA Bond	CTA's bond financing program enables CTA to advance key projects that have touched all elements of CTA system in the absence of a state program. CTA bond proceeds are used to leverage with FTA grant awards and financing for major projects such as the Red and Purple Modernization Phase One Project (RPM), the Red Line Extension, and the purchase of up to 846 new railcars. Invest in SOGR projects including the overhaul of up to approximately half of the existing rail fleet and over a quarter of the bus fleet. Program also provides for system modernization that includes rail track renewal targeting slow zones, traction power upgrades, lighting and station platform upgrades, and camera system modernization.
	Tax Incremental Financing (TIF)	Legislative Enactment with Working Agreements		TIF	The Illinois TIF Act (65 ILCS 5/Art. 11 Div. 74.4) as amended allows for the creation of a special transit TIF district for transit facility improvements. City of Chicago Council on December 14, 2022, designated a Transit TIF district to support the construction of the RLE Project. The CTA will partially fund the RLE Project with revenue generated from a Transit TIF as described in the Illinois TIF Act.
	RTA			RTA Funding Programs	The Regional Transportation Authority (RTA) the financial planning oversight agency for Transit Agencies in the Chicago Region provides funds for two capital sources: 1) RTA Innovation, Coordination, and Enhancement (ICE) program is funded from collected regional sales tax receipts. The program provides funding 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. 2) RTA capital bonds are issued on behalf of the regional transit agencies for capital investments. Currently, no bonds are expected to be issued.
STATE	ILLINOIS		2020 - 2025	"Rebuild Illinois" State Capital Transportation Program	State legislation enacted in June 2019, program funds are generated from two sources: Multi-Modal Bonding Series that are backed by vehicle registration and title fees; and the 2019 increase in the State's Motor Fuel Tax (MFT) of \$0.19 per gallon. While the bonding series provide a one-time infusion of State funds over a six-year plan, the State MFT provides a transformative funding source to the CTA that is to be a permanent recurring source of funds to the CTA, Metra, and Pace. Funds are dedicated towards the investments in the State of Good Repair.

Federal Funding

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA provided \$108.2 billion for public transportation across the nation for FY2022 through FY2026 – 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 2025, CTA has been awarded over \$502.6 million in FTA Discretionary Grants and \$914.5 million in FTA Major Capital Investment Grant, which provides for the final phase of funding for the Red and Purple Modernization (RPM) Phase One project and the initial phase of funding for the Red Line Extension (RLE) Project. In addition, CMAP, the Metropolitan Planning Organization for the Chicago region has provided notice to CTA of awards totaling \$311.0 million for projects that include the bus slow zone improvements, implementation of CTA electric bus program, and the Red Line Extension. These funds were made available as part of the IIJA federal transit authorization.

On January 10, 2025, CTA and the Federal Transit Administration (FTA) signed a Full Funding Grant Agreement (FFGA) that provides Capital

Investment Grant funding for the construction of the Red Line Extension Project, which will extend south from 95th to approximately 130th Street. The FFGA guarantees the RLE project will receive the funding pledged by the federal government. The FFGA details the pledge of \$1.97 billion of Capital Investment Grant funds to support design and construction of the RLE project.

CTA has several grant applications pending and expects to receive significant funding from various transit discretionary programs in 2026 and beyond, which will allow CTA to begin transitioning to an all-electric bus system, to make the next series of rail stations fully accessible and provide additional funding for the RLE Project.

The United States Department of Transportation (USDOT) continues to make available road highway funding for multimodal investments. Funds are awarded annually to the State and the 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 with the 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 current Federal Surface Transportation Authorization, as enacted under the IIJA, expires on September 30, 2026. Congress will need to develop and approve the new authorization by end of the federal FY 2026 budget year or pass a continuing resolution that will extend the current IIJA funding programs until an agreement is in place for the new authorization. The Reauthorization for the Surface Transportation Program sets the funding levels, policy directives, and programmatic

requirements for a number of the federal funding programs administered by the U.S. Department of Transportation.

The Regional Transportation Authority (RTA), as the financial planning organization for the Chicago Region, estimates the FY2026 federal formula program funds based on IJA authorized funding levels. For years 2026 to 2030, 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:

- 1. State bond proceeds funded by vehicle registration, title fees and sales tax on motor fuel. Through FY2021, 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 FY2026, with the next bond authorization due in FY2026. The new bond program will need to be enacted into law by the Illinois General Assembly.
- 2. 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 ongoing SOGR needs. The 2026

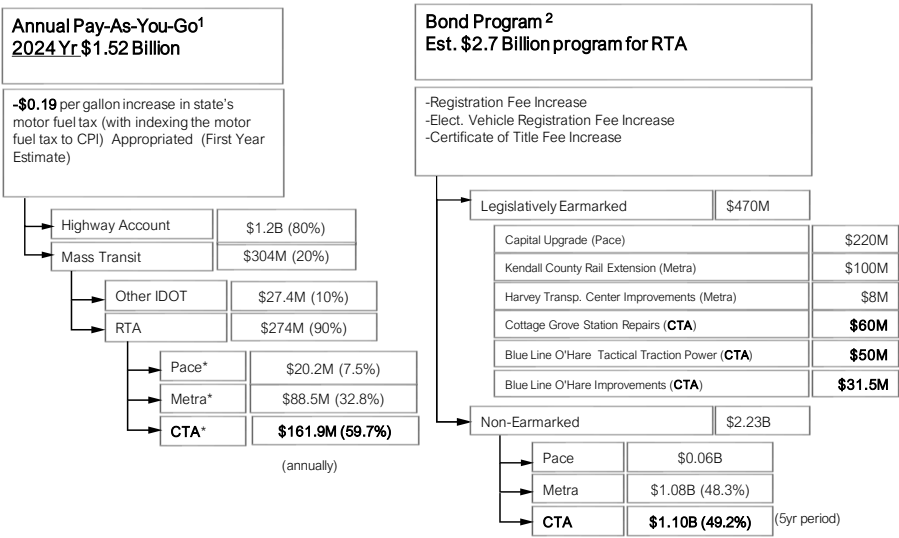
funds allocation continues to be based on the original funded amounts. FY2026 PayGo funding increases by 13.6 percent from 2025 funding levels due to favorable gas tax receipts and adjustments made based on inflation rate indices. Annual funding levels for FY2026-2030 are equal to 2026 and will be adjusted each year based on tax receipts and indices adjustment.

With the final grant award of Rebuild Illinois State Bond funds in FY2021, 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 CTA’s revenue fleet, maintenance facilities, rail line and stations, and rail power substations.

Under the funding plan agreements established between the Service Boards and the Regional Transportation Authority (RTA), CTA is set to receive an average of \$168.8 million in PayGo proceeds annually through 2030.

PayGo will provide consistent funding allowing 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:



¹ Pay-As-You-Go amounts are based on State FY 2024 fund balance for transportation renewal projects. Motor Fuel Tax receipts are deposited in Transportation Renewal Fund account and then allocated to Highway and Mass Transit.

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

*Proposed State funding percentage splits negotiated between the RTA and Service Boards. Starting in 2025 percentage splits will be based on RTA Performance-Based Capital Allocation Structure. Annual Pay-As-You-Go amounts available to allocate to the region will be determined by tax receipts and inflation indices adjustments.

* Beginning in FY 2030 RTA has adjusted the SOGR funding percentage for the Service Boards based on the updated 20 year SOGR repair need. The percentage funding share is CTA 58.7%, Metra 34.9%, and Pace 6.4%.

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 \$84M – to address buses due for retirement in the next five years. Funds CTA’s next order to acquire electric buses.

- Bus overhaul \$23M – to extend life for the 1000-Series buses that are to remain in fleet beyond 2026. Overhaul 450 7900-Series buses (approximately 25 percent of bus revenue fleet).
- Rail fleet \$72M – to address new 7000-Series and next generation railcars.

- Rail overhaul \$42M – to extend life for the 2600/3200-Series railcars. Up to 550 cars to be overhauled to maintain service minimally for an additional five years.
- Infrastructure SOGR Program \$35M – to address special track replacement and realignment, embankment, and viaduct repairs on the North Mainline.
- Capital SOGR maintenance program \$80M – which focuses on proactive maintenance to prevent and address major mechanical, electrical, and structural issues within the transit system. This program includes planned overhauls and rehabilitations of select assets, ensuring the reliability and efficiency of operations. Funding is allocated for essential areas such as the revenue fleet, tracks, structures, and power systems, helping to sustain the current state of transit operations and enhance overall service quality.
- The Red Line Extension \$351M – project will extend the line from the south end of the line by 5.5 miles and will include four new, fully accessible stations at 103rd Street, 111th Street, Michigan Avenue, and 130th Street.
- All Stations Accessibility Program (ASAP) \$63M – builds upon the current 14 funded stations since the plan was implemented in July 2018. Unfunded stations next in line include Cicero and Austin – Blue Line and North Clybourn – Red Line. Funds are planned to support future discretionary applications and awards for stations.
- Forest Park Branch Modernization Track Design \$10M - State Funds are the local matched to federal USDOT award to complete all necessary design work in preparation for a complete modernization of track from the vicinity Lathrop Avenue to IMD Station. When construction funding is available this will lead to approximately six miles of track replacement.
- ASAP Oak Park and Ridgeland Stations \$22.7M – plans provide for implementation and construction work to retrofit or rebuild stations to make them vertically accessible.
- The Fiber Optic Communication Network \$14M – upgrades will provide a comprehensive overhaul of CTA's rail stations optical network. This initiative involves replacing outdated cables and modernizing the optical cable infrastructure and enhancing communication capabilities across the transit system.
- The Station Upgrades project \$7M – includes the enhancement of the Rail Public Address Communication System, replacing the existing technology with a modern digital platform. This upgrade will improve the clarity and reliability of announcements, ensuring better communication with passengers. Other upgrades include the replacement of cameras and associated network equipment at priority locations.
- The Improve Facilities Systems \$1M – initiative aims to repair or replace key structural elements at bus and rail facilities that have been identified as deficient through structural inspections. This proactive approach ensures the safety and reliability of transit infrastructure, addressing any critical issues to maintain operational integrity and enhance the overall user experience at stations.
- FTA Discretionary Awards Match \$40M – provides a 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.



Rendering of the design of the new Austin Green Line station.

RTA Performance Based Capital Programming – 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 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. The Plan indicated that, starting in FY2026, funds may be withheld based on performance metrics outlined in the established guiding principles. 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:

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

FY2026 allocations are based on the 20-year need to achieve SOGR as provided in RTA's 2016 Capital Asset Condition Assessment report, where the 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 combining 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 share allocation will be used for the FY2027 to 2029 program. The RTA 2025 update to the region Capital Asset Condition Assessment Report now indicates that the share of the need to bring the region's transit assets into SOGR is as follows: CTA 58.7 percent, Metra 34.9 percent, and Pace 6.4 percent. This share allocation will be used to distribute funding beginning with the FY2030 Capital Program.

Half of the annual regional allocation of Federal Formula and State PayGo funds will be distributed based on the SOGR percentages,

while the remaining half will be allocated based on Capital Expenditure Performance metrics as described below in item #2.

2. **Incentivizing Capital Expenditure Performance** by applying performance targets to capital program delivery. Metrics to be used to measure expenditure performance are Average Age of Funds and Percent of Available Funds Spent in the Current Year, each with its own target:
 - a. *Average Age of Funds* - this measure monitors aging of the entire grant portfolio to ensure that, on average, no funds are getting too old. With the intent of spending all funds within the five-year capital program, the target for this metric is an average age of 2.5 years or less.
 - b. *Percent of Available Funds Spent in Current Year* – this measure helps to ensure that expenditures are occurring each year commensurate with the capital program size. The target for this metric is for 20 percent or greater of funds to be spent in each year of the five-year capital program.

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

3. **Advancing Policy Priorities** by ensuring that the entire regional five-year capital program advances regional goals, and that special emphasis is placed in areas of immediate importance to the agencies. Specifically, each Service Board is required to program 20 percent of annual allocated funds on projects that meet either the Core Requirement of 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 2026, RTA will continue to decrease general debt obligations as long-term bonds continue to mature. RTA does not currently plan to issue any new bonds to provide funding for FY2026-2030 Capital Improvement Program. Traditionally, RTA Bond funds are allocated as follows: 50 percent will go to CTA, 45 percent to Metra, and five percent to Pace. Debt service for these bonds will be sourced from non-statutory Sales Tax I revenue.

In 2025, RTA's Innovation, Coordination, and Enhancement (ICE) funding program resumed after pause for two fiscal years. With the prior two years receipts on hand, RTA has been able to execute grants in a timely manner with final budgets for each funding year going forward. Due to the RTA region funding gap, 2026 RTA ICE funding will not be available for capital projects but instead will be used to offset regional Paratransit costs.

The RTA ICE program was established as part of the 2008 Mass Transit Reform Legislation. The program provides funding 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 by providing reliable and convenient transit services and enhancing efficiencies through effective management, innovation,

and technology.

FY2027-2030 CTA CIP provides in total \$35.1 million of RTA ICE funds to invest in capital projects that include the following:

- Upgrade technology enterprise application systems;
- Electric Buses and Charging Systems.

CTA Bonds

CTA Capital Bonds are financed with grant and sales tax receipts. Since FY03, 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 SOGR backlog of over \$21 billion and the unpredictable nature of previous state funding. Planned FY2026 bond issuance totaling \$250 million will provide for design and construction of the Red Line Extension (RLE) project.

CTA Bonding of \$1.29 billion is planned for the RLE in FY2027-2030 to provide for local share of funds required to match the FTA 5309 Capital Investment Grant funds.

CTA's bond financing program continues to be an essential 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 Capital Improvement Program (CIP) that outlines its capital investment priorities based on expected funding availability. Revisions to the CIP are presented by CTA's President and Chief Financial Officer to the Chicago Transit Board, incorporating insights from CTA's decision support processes.

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.

Regional Coordination of Capital Programming

RTA, the regional financial oversight agency for Northeastern Illinois, ensures that major transit investments are guided by regional goals, budgeted based on available funds, and completed in an efficient manner. The regional transit strategic plan, "Transit is the Answer," provides a total of 15 evaluation metrics to track how investments are to meet regional goals.

RTA continues to work with CTA, Metra, and Pace to provide updates on the current SOGR needs for the region. The region's transit system faces significant capital challenges. According to the 2025 Capital Asset Condition Report, 25 percent of the system's assets exceed their useful life, representing a backlog of nearly \$30 billion. While this reflects an improvement from 31 percent in 2016—thanks in part to new investment from the Infrastructure Investment and Jobs Act and Rebuild Illinois Program—sustained annual funding of approximately \$4 billion is needed to bring all assets into a state of good repair within 20 years.

CMAP (Chicago Metropolitan Agency for Planning), the metropolitan planning organization for Northeastern Illinois, supports and integrates capital improvement planning for local governments, including transit agencies through its long-range transportation plan (ON TO 2050), which provides technical assistance to communities for developing their own capital plans, and identifies regionally significant projects (RSPs) to ensure fiscal constraint and focus on projects benefiting the entire region. CMAP's work in capital programming emphasizes data-driven, transparent planning, and a focus on safety, equity, and long-term infrastructure needs across the northeastern Illinois region.

To meet federal requirements, CMAP is responsible to ensure that the regional transportation capital plan demonstrates that sufficient resources are available for project construction.

Capital Projects Solicitation ("Call for Projects")

CTA's Capital Finance Department conducts an annual solicitation process to gather new and revised capital project proposals from various departments. This process utilizes a database and standardized forms to ensure consistent analysis and evaluation of funding requests. Capital requests are submitted using a standardized form that includes essential details such as asset category, location, estimated costs, and departmental sponsorship. Additionally, the form collects project objectives and justifications, supported by an evaluation rubric and a SOGR questionnaire. This systematic approach enables effective prioritization and assessment of capital needs across the organization.

Category	Total Unfunded Needs (\$ in billions)
Buses	\$0.4
Comms/IT	\$0.9
Facilities	\$5.8
Infrastructure	\$12.0
Non-Revenue	\$0.1
Other	\$3.3
Railcars	\$3.0
Red Line Extension	\$0.4
Red-Purple Modernization	\$4.3
Stations	\$0.7
Total	\$30.9

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 FY2026-2030 project call.

Systemwide identified capital investment needs total \$43.1 billion. Of those identified needs, \$12.2 billion are funded, while the remaining \$30.9 billion are unfunded. The largest category of investment needs is Rail Infrastructure renewal and modernization, with major needs also identified for revenue vehicles.

Capital Investment Decision Process

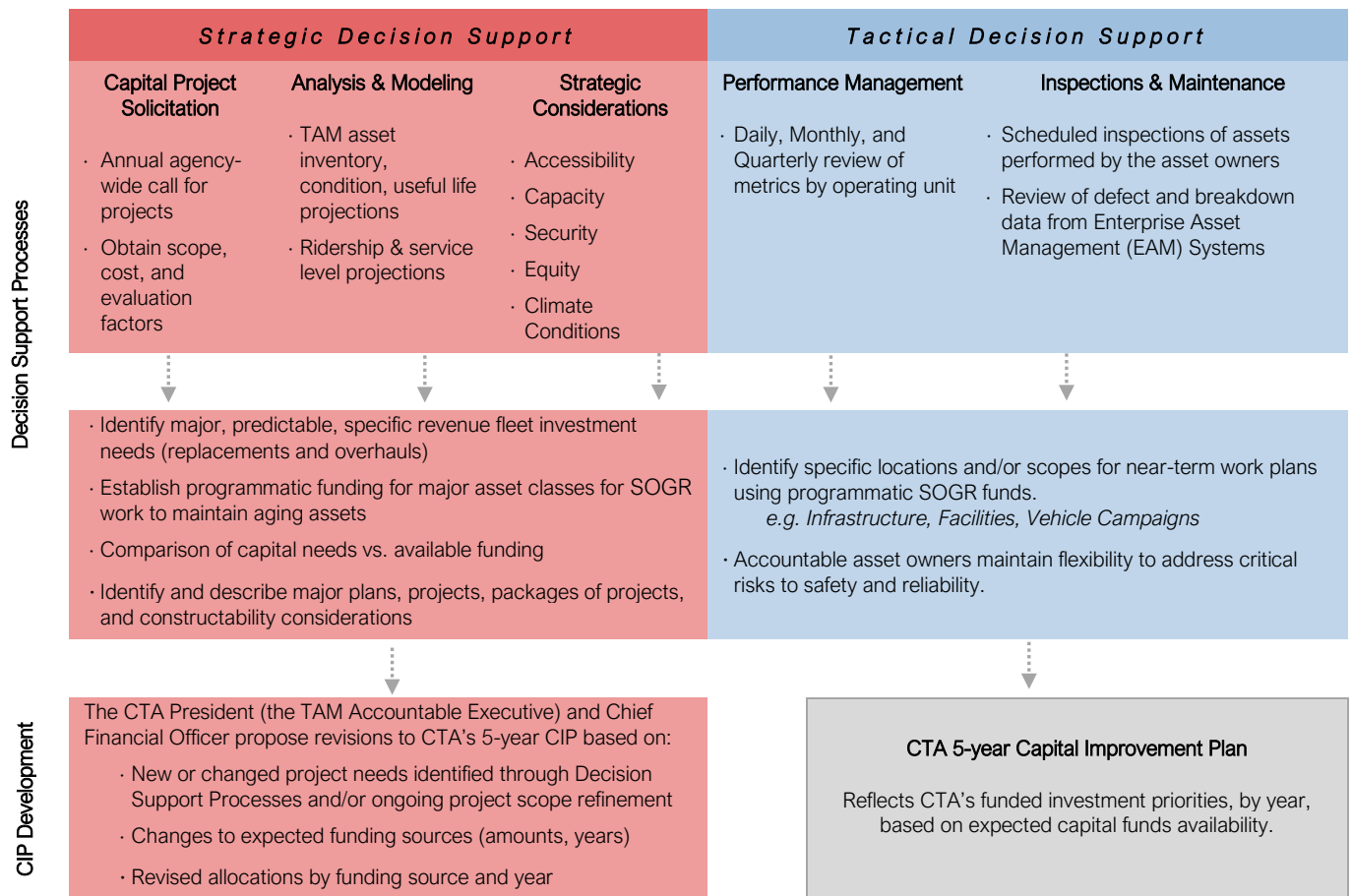
CTA's estimated baseline capital funding needed to maintain the condition of its existing asset base is roughly \$1 billion per year. In addition, CTA estimates a current backlog of approximately \$21 billion in overdue replacements. Historically, the amount of available capital funding has fallen short of the amount required to reduce or eliminate the backlog.

The current five-year transit funding programs are the State of Illinois "Rebuild Illinois" and the federal "Infrastructure Investment and Jobs Act" (IIJA). Starting in 2020 and 2022 with funding from the State and Federal programs CTA has been able to limit the backlog funding gap, and over the next couple of years, CTA will have started and completed major projects that will have a significant impact on SOGR.

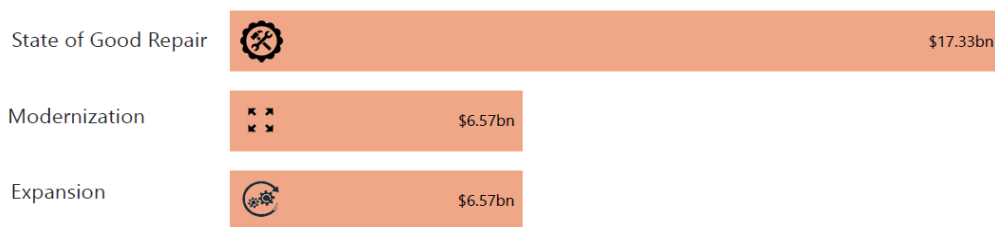
To continue this momentum, in 2026, a new State and Federal five-year transit funding program will need to be authorized and enacted by legislative bodies to maintain funding for transit going forward without gaps.

Capital investment decisions at CTA necessitate careful trade-offs in allocating funding among various SOGR needs and strategic goals. To facilitate this process, CTA employs several tools and processes that provide key decision-makers with essential information to guide their investment choices.








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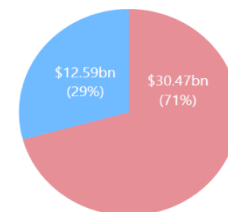
Total Identified Needs by Project Type



Funded vs. Unfunded Needs by Asset Identified Needs

Asset	Funded	Unfunded
Track+Structures 	\$7,506.7M	\$12,229.5M
Stations 	\$843.3M	\$1,387.2M
Signals+Power 	\$164.9M	\$3,490.8M
Railcars 	\$1,960.5M	\$3,001.7M
Other 	\$630.8M	\$2,395.7M
Facilities 	\$531.4M	\$7,529.1M
Buses 	\$956.2M	\$432.9M
Total	\$12,593.8M	\$30,466.9M

Type • Unfunded • Funded



Please note that RPM and RLE investments are allocated to their respective asset types. Funded totals include prior year funds for projects in progress and proposed FY26-30 funds

All Stations Accessibility Program (ASAP)

As of July 2025, 108 of CTA's 146 stations (74 percent) are accessible. As part of the agency's ASAP program, 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, and State/Lake (CDOT) – Loop Station. Of those 13, CTA in July 2025 completed construction and opened the newly accessible Lawrence, Argyle, Berwyn and Bryn Mawr Red Line stations as part of the Red and Purple Modernization (RPM) Phase One Project.

Once construction of the funded stations is complete, CTA will have 118 accessible stations out of a total of 146 stations (81 percent). Three are in Construction (Racine-Blue, State/Lake-Loop and Austin-Green); four are in design (Montrose-Blue, California-Blue, Irving Park-Blue and Belmont-Blue); and three are in procurement for design (Pulaski-Blue, Oak Park-Green, and Ridgeland-Green).

Phase 1 (100 percent Funded):

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

Phase 2 (Funded):

- Blue Line: Pulaski, Irving Park, and Belmont
- Green Line: Oak Park & Ridgeland

In addition, the CIP plans for the first installment of funding for the next in line stations beyond the current fourteen stations recently, completed, underway, or in development.

Phase 2 Future Stations (Partially Funded)

- Blue Line: Cicero and Austin
- Red Line: North/Clybourn

CTA's FY2026-2030 CIP invests \$34.6 million in funding for the two replacement and/or modernization of elevators and escalators across the system. This CIP planned investment, when leveraged with funds on hand, provide for a total investment of \$79 million. An RFP for construction is expected to be advertised late 2025 with construction expected to start 2Q 2026.

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 purchases and maintenance activities necessary to maintain a fleet of approximately 1,900 buses in a SOGR with sufficient capacity to meet expected service levels. As of September 2025, CTA has begun to develop a new bus fleet management plan. Currently, CTA's CIP prioritizes and seeks funds for the following:

- The purchase of up to 600 new 40' buses to replace 40' buses that have exceeded their 14-year useful life completed in 2025.
- The purchase of up to 208 new 60' buses to replace 60' buses have exceeded their 14-year useful life planned for 2026 or 2027
- The purchase of up to 550 new buses to replace 40' buses that have exceeded their 14-year useful life planned for 2030 or 2031.
- The purchase of up to 100 new 60' buses to replace 60' buses that have exceeded their 14-year useful life planned for 2030 or 2031.
- Mid-life overhauls on up to 450 existing buses to ensure buses provide reliable service for their full-service life. (See note #1 below)
- Life-extending overhauls on up to 500 buses to extend their service life by four years and space out fleet replacements. (See note #2 below)
 1. The mid-life overhaul program, as identified in the fleet management plan, calls for the overhaul of the 4300-Series buses which was completed in 2025. The 7900-Series work is now scheduled to begin in 2026.
 2. The life extending overhaul for a select number of 1000-Series buses plan for 2026 is to be determined based on costs, market conditions, vendor availability, and CTA service needs. The work on these buses will begin in early 2026.

The current 2019-2033 Rail Fleet Management Plan identifies purchases and overhauls necessary to maintain a fleet in a SOGR with sufficient capacity to meet expected service levels. Currently, CTA's Capital Improvement Program (CIP) prioritizes and seeks funds for the following:

- CTA plans to purchase up to 846 new railcars (the 7000-Series) between 2021 and 2030. This acquisition aims to replace aging railcars that have exceeded their expected useful life and expand the fleet by up to 230 railcars. This expansion is intended to accommodate anticipated ridership and service growth following the completion of the RPM Phase One project, the Red Line Extension, and future service increases across various rail lines. The procurement of additional railcars beyond the initial 400-car base order will depend on agreements to produce option cars. Through August 2025 a total of 248 of the 400-car base order have been delivered to CTA.
- Continue performing quarter-life overhauls on the 714 cars of the 5000-Series through 2026.
- A life extension overhaul of the 3200-Series is planned to start in 2026.

Strategic Initiatives

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

- 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 (RLE) and Red and Purple Modernization (RPM) projects.
- Land use and transit-oriented development plans such as the RLE Transit-Supportive Development Plan, 95th Street Corridor Plan, and RPM Transit-Oriented Development Plan that CTA, and the Chicago Department of Planning and Development (DPD) have advanced to be used as guides for future development in communities located near the RLE project station areas, the 95th Street Corridor, and the RPM Phase One project area, respectively.

- Transition to an all-electric bus fleet by 2040, as described in CTA's Charging Forward report.
- Core Capacity Modernization studies to analyze constraints on future ridership growth and identify projects/programs to address projected changes.
- The Better Streets for Buses (BSB) Plan, the City's first framework plan to improve street infrastructure for public bus service. The plan was developed in coordination with CDOT and establishes a network of corridors to prioritize, and a toolbox of street treatments to consider as solutions. It lays the groundwork for improved bus service citywide through ongoing investments in street, signal, and sidewalk infrastructure—all designed to achieve faster and more reliable bus service, improved access to bus stops, and better bus stops.
- CTA Bus Priority Corridor Study (BPCS) to advance planning for key bus corridors in the City of Chicago to 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, mitigate congestion, improve air quality, and promote economic development. The BPCS is intended to provide more in-depth analysis of select corridors from the network, to propose specific bus prioritization treatments. As part of this work, the BPCS will also facilitate public and stakeholder engagement on the proposed designs, soliciting feedback to help refine the designs and make final recommendations for each corridor. The project will serve as a next step to implement the BSB Plan.
- The Chicago Department of Transportation (CDOT) and CTA have studied which corridors should be included in a Bus Rapid Transit (BRT) network in Chicago. The published Better Streets for Buses Plan which vetted a list of 17 selected corridors with the public. CTA and CDOT are now studying five of those 17 corridors to develop specific designs; those five corridors are Pulaski, Western, Cottage Grove, Fullerton, 55th/Garfield. Each corridor design could include features such as dedicated bus lanes, enhanced bus stations with quarter mile or half mile spacing, terminal facilities, signal optimization and Transit Signal Priority (TSP), and other targeted treatments like queue jumps to speed bus service
- Over the last several years, CTA has made significant investments totaling over \$33 million in bus infrastructure improvements, or BRT, in advance of the implementation of BSB and the BPCS, which will improve transit service for existing riders and attract new ridership through higher speeds and better reliability. Some of these improvements include segments of dedicated bus lane construction, queue jumps, traffic signal retiming and transit signal priority.

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 guide or benchmark for the region's Service Boards to plan the 10-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.

Regional coordination between intergovernmental agencies is key to timely and successful implementation and construction of most major capital construction projects. One example of this coordination: In 2026,

CMAP, CTA, and IDOT have formed a partnership facilitated by CMAP the regional planning agency to develop project plans for the future reconstruction of the Interstate 290 highway and CTA Blue Line Corridor. The partnership will allow the project stakeholders to advance and accelerate the I-290/Blue Line Corridor Program by implementing a program framework that fosters interagency collaboration, leverages stakeholder expertise, and utilizes a Program Management Office to provide critical technical support for project sequencing, financing, coordination, and public engagement.

Funding Considerations and Fiscal Constraints

The magnitude of CTA's capital investment needs, which is in excess of \$20 billion over the next 10 years, as identified by the above decision support processes, far exceeds available funding. The actual funding available each year from each source is factored in project sequencing and incorporation into the final proposed five-year CIP. Different capital funding sources come with specific restrictions on their use, meaning that grant funds awarded for projects are often non-fundable. As a result, the final CIP may occasionally prioritize and execute a lower-ranking project over a higher-ranking one, depending on the availability of funding. This flexibility allows CTA to adapt to changing circumstances and ensure that critical improvements can still be made within the constraints of available resources.

To ensure service operates 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 FY2026-2030 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 FY2026-2030 aim to address CTA's most critical needs across the bus and rail system, customer facilities, and systemwide support. Major planned or ongoing projects during this period include:

- Red Line Extension: Extending the line from 95th to 130th Street.
- All Stations Accessibility Plan (ASAP): Design and construction for the next series of rail stations to enhance accessibility.
- Elevator and Escalator Replacements: Upgrading aged elevators and escalators throughout the system.
- North Main Line Renewal: Renewal of special track and structures along the North Main Line.
- Bus System Powering: Engineering assessments and design plans for converting the bus system infrastructure to fully electric or other zero emissions technologies.
- Bus Facility Conversions: Initial construction efforts for converting bus facilities fully electric or other zero emissions technologies.
- Bus Turnaround Improvements: Construction and rehabilitation of select bus turnarounds.
- Rail Heavy Maintenance Facility Renovations: Upgrades to enhance facilities where heavy repair and overhaul work is performed on CTA series railcars.
- New Vehicle Purchases: Acquisition of up to 446 new railcars as

planned under options for the 7000-Series railcar contract. The purchase of over 200 new buses, electric or other zero emission buses.

- Fleet Overhauls: Overhauling approximately half of the existing rail fleet and over a quarter of the bus fleet.
- Replacement of Heavy-Duty Vehicles and Equipment: Replacing over-age heavy-duty vehicles and shop equipment used for transit operations support.

The following table shows the proposed FY2026-2030 Capital Improvement Program by category:

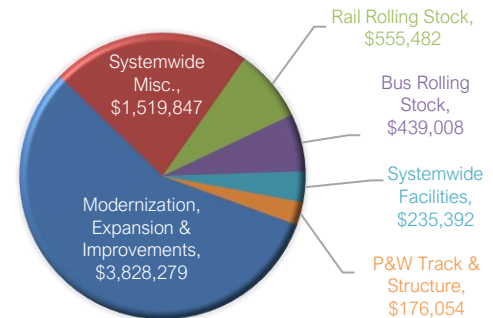
**FY2026-2030 CIP by Asset Category
(in thousands)**

Title	2026	FY27-30	5Yr. Funding
<u>Rolling Stock</u>			
Perform Mid-Life Bus Overhaul	\$33,662	\$46,541	\$80,203
Replace Buses	\$54,393	\$304,413	\$358,805
Sub-Total	\$88,055	\$350,954	\$439,008
<u>Modernization, Expansion & Improvements</u>			
Forest Park Branch Modernization	\$25,400	\$0	\$25,400
Red Line Extension	\$943,464	\$2,859,415	\$3,802,879
Sub-Total	\$968,864	\$2,859,415	\$3,828,279
<u>P&W Track & Structure</u>			
Infrastructure Safety & Renewal Program	\$9,596	\$166,459	\$176,054
Sub-Total	\$9,596	\$166,459	\$176,054
<u>Rolling Stock</u>			
Perform Rail Car Overhaul	\$64,447	\$83,061	\$147,508
Purchase Rail Cars	\$70,928	\$337,045	\$407,973
Sub-Total	\$135,375	\$420,106	\$555,482
<u>Miscellaneous</u>			
Bus Turnaround ADA & Site Improvements- Halsted and 79th Street	\$4,555	\$52,025	\$56,580
Fiber Optics Communication/ Network Upgrades	\$1,500	\$13,429	\$14,929
All Station Accessibility Program	\$21,050	\$223,855	\$244,905
Information Technology	\$0	\$6,412	\$6,412
Equipment and Non-Revenue Vehicles Replacement	\$5,000	\$761	\$5,761
Train Tracker Digital Signage Upgrade	\$1,033	\$13,967	\$15,000
Rehabilitate Rail Stations	\$3,000	\$37,700	\$40,700
Implement Security & Communication Projects	\$21,288	\$33,961	\$55,249
Subway Life Safety	\$12,750	\$0	\$12,750
Capital Improvement Program Management	\$9,879	\$79,700	\$89,579
Bond Repayment, Interest Cost, & Finance Cost	\$190,871	\$685,902	\$876,774
Bond Repayment - Red Line Extension	\$0	\$101,208	\$101,208
Sub-Total	\$270,926	\$1,248,920	\$1,519,847
<u>Support Facilities & Equipment</u>			
Improve Facilities - Systemwide	\$33,018	\$69,374	\$102,392
Electric Bus Facilities Engineering/Construction	\$0	\$133,000	\$133,000
Sub-Total	\$33,018	\$202,374	\$235,392
Capital Project Total	\$1,505,834	\$5,248,228	\$6,754,062
CTA Share for Competitive Grants	-\$210	-\$840	-\$1,050
Marks	\$1,505,624	\$5,247,388	\$6,753,012
Marks/Variance	0	0	0

Core Requirements for the Five-Year Capital Improvement Program (CIP)

The FY2026-2030 CIP continues to prioritize projects that focus on improving safety, reliability, accessibility, equity and meeting regulatory requirements. CTA has added a core requirement identifier to display the type of project the Agency is funding.

FY2026-2030 CIP BY ASSET



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 could 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 a crucial factor in regional and Service Board capital programming processes.
- **Achieve full accessibility.** CTA has been working diligently 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 the 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 employment 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 Train Control systems, new vehicle standards to meet crash or emission requirements, or technology to support security or reporting requirements.

Bus Rolling Stock Projects

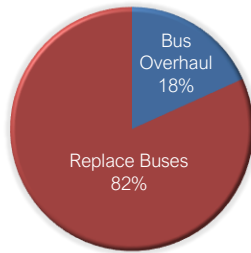
CTA has a large bus fleet consisting of over 1,900 buses, operating on 127 routes as of 2025, and is committed to providing its customers with high quality service. The system's success depends in part on CTA's ability to renew, maintain, and operate its bus fleet in a SOGR.

The Bus Overhaul program is intended to obtain the full useful life of buses by performing scheduled tasks that decrease equipment downtime and unscheduled maintenance. This 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 encompasses the engineering, purchasing, and inspection of fully accessible buses. Each bus procurement includes provisions for spare parts and post-delivery performance monitoring, along with technical support for resolving any issues that arise during the warranty period.

Funding for these projects will support an ongoing capital maintenance program designed to keep buses in service through regular inspection, detection, and prevention of potential failures. Routine overhauls and upgrades will help minimize increases in operating costs associated with older equipment, leading to more reliable service. Newer buses, with their lower operating costs, will enhance service reliability and reinforce CTA's commitment to providing high-quality bus service for riders.

FY2026-2030 ALLOCATION FOR BUS ROLLING STOCK \$439M



❖ Perform Bus Overhaul - \$80.2M

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

Budget: \$18.3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the Life-Extending Overhaul of a select number of CTA's 1000-Series buses. This will enable the buses to operate in service until 2030. In 2025, CTA received 600 new buses to replace a portion of the 1000-Series fleet. By extending the life on these select buses that remain in the revenue fleet, CTA will be able to level out the annual bus replacement need as it transitions to acquiring an all-electric bus fleet and other zero emission technologies

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

Budget: \$61.8M

Core Requirement: Maintain and Improve Safety Reliability.

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

❖ Replace Buses - \$358.8M

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

Budget: \$358.8M

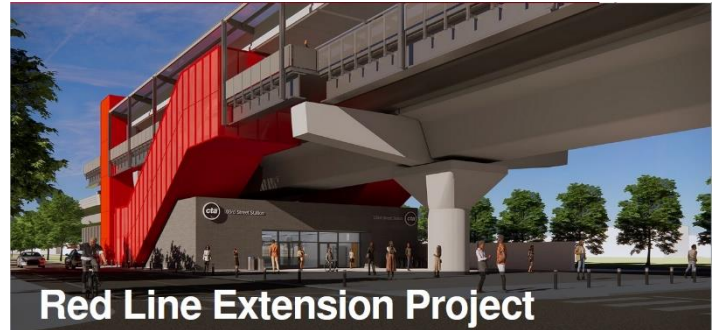
Core Requirement: Meet regulatory requirements.

Description: Funding enables a new procurement of electric buses to replace 208 Articulated 4000-Series buses. In 2025, CTA plans to advertise a Request for Proposals (RFP) to vendors for the design and production of up to 100 electric buses. The planned and future

orders will replace the current 4000-Series fleet.

Rail Modernization, Expansion, & Improvements

Rebuilding vital infrastructure for Chicago's present and future is one of CTA's top priorities. Investments on the Red Line Extension project, a major transformational project, will continue in 2026. When completed, the project will provide faster service, modernized stations, and improved mobility and accessibility to customers in more communities.



❖ Forest Park Modernization - \$25.4M

Title: Forest Park Branch Modernization - Track Design Lathrop to IMD

Budget: \$25.4M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Blue Line Modernization project will complete all necessary design documents for a complete track reconstruction of the Forest Park Branch of CTA's rail rapid transit system to restore service reliability and speed and provide for greater environmental resilience and enhance the overall transit experience.

❖ Red Line Extension Project - \$3.80B

Title: Red Line Extension

Budget: \$3.80B

Core Requirement: Improve Equity & Achieve Full Accessibility.

Description: The FY2026-2030 CIP funds \$3.8 billion. The cost to design, construct, and finance the project totals to \$5.75 billion. Prior and outyear funds complete the remaining budget for the project. The Red Line Extension (RLE) project will extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.5-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.
- 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 railcar 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 completed all requirements to enter the federal New Starts funding program.
- CTA issued a Request for Qualifications in 2022 to find contracting teams that had the experience and ability to build a large, complex rail project like the Red Line Extension. CTA subsequently qualified three contracting teams:
 - FH Paschen, Ragnar Benson, Milhouse and BOWA Joint Venture
 - Kiewit Infrastructure
 - Walsh VINCI Transit Community Partners
- CTA invited the three qualified contracting teams to submit design-build proposals for the construction of the project through a Request for Proposals (RFP) process in 2023. Proposals from these contracting teams were evaluated based on various criteria, including experience, price, and additional factors. In August 2026, Walsh VINCI was selected as the design-build contractor for the project, marking a significant step forward in the extension's development.
- On January 10, 2025, CTA and FTA signed a Full Funding Grant Agreement (FFGA), which guarantees the project will receive the funding pledged by the federal government.
- CTA has completed the majority of the property acquisition process and retained East Lake Management to manage all properties acquired for RLE. Demolition design and construction contracts have been awarded for property demolition efforts, emphasizing DBE participation. Demolition began in Q1 2025.
- 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 2026.

Power & Way Projects, Track & Structure

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.

❖ Infrastructure Safety & Renewal Program - \$176.0M

Title: Elevated Track and Structure Systemwide

Budget: \$47.9M

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.

Title: Embankment and Viaduct Rehabilitation – Systemwide

Budget: \$46.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Project funds will be used to rehabilitate embankment and viaduct structures systemwide.

Title: North Mainline - Special Track and Geometry Improvements

Budget: \$49.3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Project funds will provide for replacement of the ties, track planking, turnout plates, diamond plates, fasteners, and contact rail chairs in the special trackwork at Belden, Altgeld, Oakdale, and Barry interlockings. The proposed modifications address the curves north and south of the Fullerton Station, north of the Diversey Station, guarded curves over George Street, and curves south of the Belmont Station.

Title: North Mainline – Armitage Interlocking Special Track Improvements

Budget: \$31.9M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Project funds will provide for replacement of the special trackwork including ties, plates, fasteners, frogs, track planking, timber guard, and contact rail chairs in the diamond crossover track configuration. Associated signal and traction power work would also be performed as part of this project.



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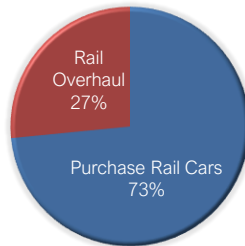
Rail Rolling Stock

As of 2025, CTA has a large fleet of over 1,400 railcars operating on 224 miles of track serving 146 stations.

The Rail Overhaul Program is intended to correct critical defects and deficiencies discovered during inspection. Overhaul activities include major component rebuilding and performing needed repairs to railcar bodies, to improve reliability, comfort, and cost-effectiveness of transit service for customers. Scheduled maintenance activities and replacing railcars at the appropriate time allows CTA to improve the quality and service reliability of railcars while reducing maintenance costs. As more railcars are cycled through the overhaul program, unscheduled maintenance will be significantly reduced.

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

FY2026-2030 ALLOCATION FOR RAIL ROLLING STOCK \$555M



❖ Perform Railcar Overhaul - \$147.5M

Title: Life Extending Overhaul 2600/3200-Series railcars

Budget: \$119.2M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This project will provide for the life extension overhaul for the 2600/3200-Series railcars. This life extending overhaul is critical due to the slower than projected stream of 7000-Series railcars.

Title: Propulsion Kits 2600 & 3200's-Series Life extending Overhaul - Phase I

Budget: \$28.2M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This project will replace the propulsion control system on all 3200-series railcars and the option to replace the propulsion control system on another 200 of the 2600-series railcars. The new propulsion control system with a solid-state technology will provide power to the railcars in a more energy efficient and reliable way. This system will allow regeneration of power back to the third rail during braking which will reduce overall energy usage.

❖ Purchase Railcars - \$407.9M

Title: Purchase Railcars - Up to 846 Railcars (7000-Series)

Budget: \$308.3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: CTA plans to acquire a total of 846 railcars to replace aged cars, provide for future service increase, and for the expansion of service. The contract provides for a base order of 400 cars and Options of up to 446 additional cars. As of September 2025, the first 400 cars are currently in the production phase and Option cars

with final contract agreement are expected to enter into production in 2027.

Title: Future Order – New 9000-Series Railcars

Budget: \$99.6M

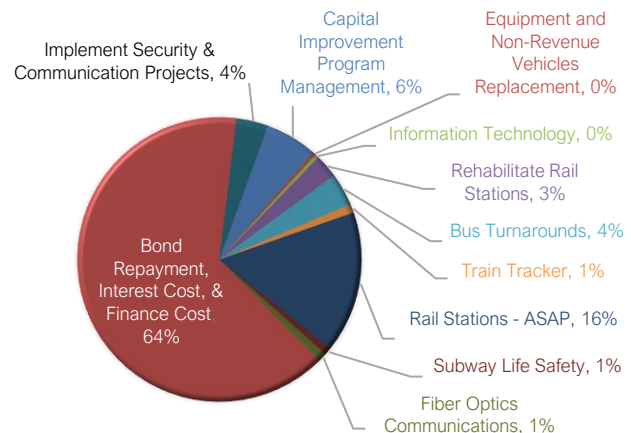
Core Requirement: Maintain and Improve Safety Reliability.

Description: Provides for initial cash needed for the future order of new railcars Series-9000.

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 for enhancing CTA's System Infrastructure. Administration projects, such as CIP Management and Bond Repayment, are necessary to support CTA's Capital Improvement Program.

FY2026-2030 CIP ALLOCATION FOR SYSTEMWIDE MISC.- \$1.5B



Miscellaneous

❖ Bus Turnaround ADA & Site Improvements -- \$56.5M

Title: Bus Turnaround ADA & Site Improvements- Halsted and 79th Street

Budget: \$4.5M

Core Requirement: Achieve full accessibility.

Description: This funding will provide for an ADA accessible bus turnaround. The cost to design and construct site improvements totals \$7.9 million. Prior year funds complete the remaining project budget. Work includes reconstruction of the concrete island platform with ADA ramps, guardrails, and required barriers addition of an accessible sidewalk path to the island platform crosswalk; complete reconstruction of the bus turnaround and associated pavement, including new ADA curb ramps; new signage, LED lighting, cameras, passenger windbreaks, and landscaping; upgraded restroom facilities for accessibility with new utility connections; and the installation of audio push button for next bus/train schedule, tactile paths, tactile signage, heat lamps and LED lights.

Title: Bus Turnaround Improvements - Employee Restrooms

Budget: \$25.7M

Core Requirement: Achieve full accessibility.

Description: This funding will provide for permanent restroom facilities at bus turnarounds where they currently do not exist. Portable toilet services are provided at several locations throughout the system via third party lease agreements, but these portable toilets are inadequate in meeting the needs of CTA personnel.

Title: Bus Turnaround Improvements- Priority Locations

Budget: \$26.3 million

Core Requirement: Achieve full accessibility.

Description: This funding will provide for the reconstruction of bus turnarounds at existing terminals and construction of a new terminal at a new location.

❖ **Fiber Optics Communication/Network Upgrade - \$14.9M**

Title: Fiber Optics Communication/Network Upgrade

Budget: \$14.9M

Core Requirement: Maintain and Improve Safety Reliability.

Description: This funding will enhance CTA's Operational Technology Network by upgrading its core infrastructure, firewall, and overall network capabilities. The investment will include the addition of cybersecurity tools and services aimed at identifying, protecting, detecting, responding to, and recovering from cyber threats and vulnerabilities. This initiative will bring CTA into compliance with industry best practices, modernizing IT and security systems while also improving the quality of data shared with Chicago's Office for Emergency Management and Communications. Ultimately, these upgrades will bolster CTA's resilience against cyber threats and enhance overall operational efficiency.

❖ **Information Technology - \$6.4M**

Title: Upgrade Office Computer Systems - Cyclical Replacement

Budget: \$1.72M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for the continued upgrade/replacement of desktop computers, printers, servers, software and associated peripherals. Funds may also provide for the cyclical replacement and consolidation of servers and network infrastructures.

Title: Upgrade Technology Systems:

Budget: \$3.19M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will support the upcoming enterprise system upgrades, including the Transit Operating Planning System (TOPS), Material Management and Information System (MMIS), and for route service planning.

- TOPS is utilized by Bus Operations, Rail Operations, Bus Maintenance, and Rail Maintenance for tasks such as employee scheduling, daily assignments, workforce management, and payroll preparation.
- MMIS manages repairs and parts issuance for CTA Bus and Rail fleet.
- Planning/Scheduling software aids in planning, operations, customer information, and analysis.

These upgrades will enhance operational efficiency and improve the overall management of the transit system.

Title: TOPS Upgrade II

Budget: \$1.5M

Core Requirement: Maintain and Improve Safety Reliability

Description: Provides for the upgrade of Transit Operating Planning System (TOPS). 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/preparation, and auto-assignment of employees to schedules.

❖ **Equipment and Non-Revenue Vehicle Replacement - \$5.7M**

Title: Equipment and Non-Revenue Vehicles Programs

Budget: \$2.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: CTA will invest funds annually to replace aged equipment and vehicles used by CTA maintenance groups that include Bus, Rail, Power & Way, and Facilities. Types of equipment to be replaced include the following: floor scrubbers and sweepers, vehicle washer parts, jack stands, electrical hoists, shop cranes, utility trucks, forklifts, and payloaders along with other equipment.

Title: Rail Borne Equipment

Budget: \$3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: CTA will invest funds annually in a multi-year program to provide for the priority replacement of CTA's rail borne equipment based on condition and age as reported in CTA's Transit Asset Management Plan (TAMP). Examples of equipment includes car movers, rail borne sewer vacuum, subway washer vehicle, rail profile grinder, rail cranes, two, 22-ton locomotive cranes, two tie cranes with close clearance tie replacement head, sky trim tree trimmer, tie inserters, MKVI tamper and stabilizer.

❖ **Train Tracker - \$15M**

Title: Train Tracker

Budget: \$15M

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 CTA's Public Address system with disaster recovery and business continuity solutions, increased reliability, and compliance with ADA.

❖ **Rehabilitate Rail Stations - \$40.7M**

Title: Refresh and Renew Rail Stations

Budget: \$3M

Core Requirement: Maintain and Improve Safety Reliability.

Description: The Refresh and Renew Program is implemented to promote the continued safety, security and longevity of all CTA facilities including, but not limited to rail stations and platforms, bus passenger facilities, bus garages and rail shops across the system. Focusing on the internal and external customer experience, the program provides for improved overall lighting and wayfinding signage, newly painted and refreshed stations, safety, cleanliness, and appearance.

Title: Rail Stations – Station Modernization Systemwide

Budget: \$37.7M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for targeted station improvement program that provides for the repair or replacement of the following: signs, stairs, stainless steel handrails, stainless steel doors, flooring, ceiling, platform furniture refurbishment, LED lighting, tactile edge, wood platform, security fencing, and others. This work is beyond the Refresh and Renew program upgrades to stations.

❖ **All Stations Accessibility Program - \$244.9M**

In 2018, CTA completed the All-Stations Accessibility Program (ASAP) Strategic Plan, committing to making the transit system fully accessible to people with disabilities. This initiative goes beyond federal requirements and involves retrofitting and rebuilding the remaining CTA stations that are not currently accessible or are in the process of becoming accessible. The project includes implementation and construction efforts aimed at ensuring vertical accessibility at these stations, enhancing inclusivity, and ensuring that all riders can navigate the system safely and comfortably.

Title: ASAP - Oak Park Ridgeland Construction - Lake Green Line
Budget: \$22.6M

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: ASAP - Next Phases

Budget: \$187.6M

Core Requirement: Achieve full accessibility.

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

Title: ASAP – Elevator and Escalator Replacement

Budget: \$34.6M

Core Requirement: Achieve full accessibility.

Description: As part of the ASAP effort, CTA developed the Elevator and Escalator Replacement Program to strategically maintain existing passenger elevators and escalators across the rail system as vertical accessibility. This program will upgrade or replace aging elevators and escalators within the system. While the specific scope varies by location, 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.

❖ **Implement Security & Communication Projects - \$55.2M**

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

Title: Implement Security Projects (DHS)

Budget: \$30.0M

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 CTA's employees as well as provide service continuity. Funds are intended for ongoing upgrades and the strengthening of CTA's core security infrastructure networks.

Title: Public Address Communication Modernization & Upgrade

Budget: \$8M

Core Requirement: Meet Regulatory Requirements.

Description: The project will provide for the comprehensive overhaul of CTA's Public Address System to upgrade from antiquated and obsolete technology to modern digital technology with disaster

recovery and business continuity solutions, increased capacity, and compliance with NFPA 130.

Title: Rail Station Communications Infrastructure Modernization

Budget: \$10.0M

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: \$7.2M

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 CTA's camera and video management system and communications transport system from antiquated and obsolete technology to modern high-speed technology with disaster recovery and business continuity solutions, increased capacity, and inter-operability with City of Chicago Office of Emergency Management and Communications (OEMC).

❖ **Subway Life Safety - \$12.7M**

Title: Subway Life Safety

Budget: \$12.7M

Core Requirement: Maintain and Improve Safety Reliability

Description: This Program includes projects that improve safety across CTA's Right of Way (ROW), particularly in the subway 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 foot walks
- LED lighting improvements
- Emergency Light Feed (ELF) upgrades
- Subway sewer restoration

❖ **Bond Repayment, Interest and Finance Costs-\$977.9M**

Title: Bond Repayment, Interest and Finance Cost

Budget: \$876.7M

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, 2022 and 2024.
- 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 are or were used as interim financing for initiatives such as RPM, RLE, and bus, rail, and facility maintenance projects.

Title: Bond Repayment, Interest and Finance Cost – Red Line Extension

Budget: \$101.2M

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 financing costs associated with planned Sales Tax Bond issuances for the construction of the RLE project.

❖ Capital Improvement Program Management - \$89.5M

Title: Capital Improvement Program Support Service

Budget: \$11.2M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding provides for Project Administration for the Federal Formula Granted capital projects. Funds are used to support 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 DBE's.

Title: Construction Program Management

Budget: \$33.0M

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: Discretionary Match

Budget: \$40.0M

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.

Title: Program Development - UWP

Budget: \$5.2M

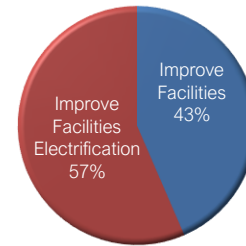
Core Requirement: Maintain and Improve Safety Reliability.

Description: Provides for the development and administration of the FY2026-2030 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.

Support Facilities & Equipment

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

FY2026-2030 ALLOCATION FOR SYSTEMWIDE FACILITIES \$235M



❖ Improve Facilities Systemwide - \$102.3M

Title: Office Building Principal & Interest

Budget: \$30.9M

Core Requirement: Maintain and Improve Safety Reliability

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

Title: Maintenance Facilities Rehabilitation

Budget: \$15.1M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding will provide for preventive maintenance work at various CTA facilities systemwide. CTA facilities and applicable components 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: \$10.0M

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 Shops Renovation

Budget: \$10.2M

Core Requirement: Maintain and Improve Safety Reliability.

Description: Funding provides for a portion of the renovation for this facility. Prior funds meet most of the project needs. The cost to design and construct site improvements totals \$51.8 million. Prior year funds complete the remaining project budget. The project is composed of several elements in various locations within the Skokie Shop complex to improve the functionality of the center. The work will involve all installations within the existing building and require coordination with the current structure and building electrical, plumbing, and mechanical systems.

Title: Midway Shop - Wheel Truing Machine, Building Extension, and Access Track Configuration

Budget: \$13.8M

Core Requirement: Maintain and Improve Safety Reliability.

Description: The project aims to enhance the efficiency of railcar maintenance at the Midway Rail Shop by addressing the limitations of the existing wheel truing machine, which cannot true all wheels on a railcar in a single operation. The scope of the project includes adding to the shop and constructing additional track to the north of the building. This expansion will allow for the truing of all wheels on a railcar pair simultaneously, streamlining the maintenance process and improving operational efficiency at the facility.

Title: Roof Replacement - Phase 3 Substations**Budget:** \$3.8M**Core Requirement:** Maintain and Improve Safety Reliability.

Description Funding will be targeted to replace substation roofs that are worn, damaged, and beyond their life expectancies. Replacing roofs will provide safer environments for workers, protect existing facility structures and equipment from water damage, reduce the facility energy usage, and reduce roof repair and maintenance expenditures. Locations include Skokie, Douglas, Kolmar, Archer, Edmunds, Gage, Pershing, and Springfield substations.

Title: Building Envelope Repairs and MEP Upgrades Systemwide**Budget:** \$17.2M**Core Requirement:** Maintain and Improve Safety Reliability.

Description Funding will address a large backlog of building improvements needed to bring CTA's station, bus, and rail facilities into a SOGR, including building envelope repairs and mechanical, electrical, and plumbing (MEP) upgrades.

Title: Building Envelope Repairs Skokie Substation**Budget:** \$1.1M**Core Requirement:** Maintain and Improve Safety Reliability.

Description: Funding will address the building facade that is in a state of disrepair, causing water infiltration that will worsen over time and ultimately cause more significant damage, as well as worker safety issues. Specific building envelope repair needs include tuckpointing, sealant replacement, window and door replacement, and concrete repairs.

❖ **Electric Bus Facilities - \$133.0M**

CTA has committed to fully implementing zero emission technologies for 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 retrofitted to allow for routing servicing and charging of the buses as well as new maintenance requirements. The work will generally involve significant electrical upgrades, installation of powering infrastructure, and general updates to the facility to support the conversion to a zero-emission fleet.

Title: Bus Garage Electrification – 103rd Garage**Budget:** \$133.0M**Core Requirement:** Meet regulatory requirements.

Description: Funding provides for the design and construction for the full electrification of the 103rd Street Bus Garage as part of the e-Bus implementation.

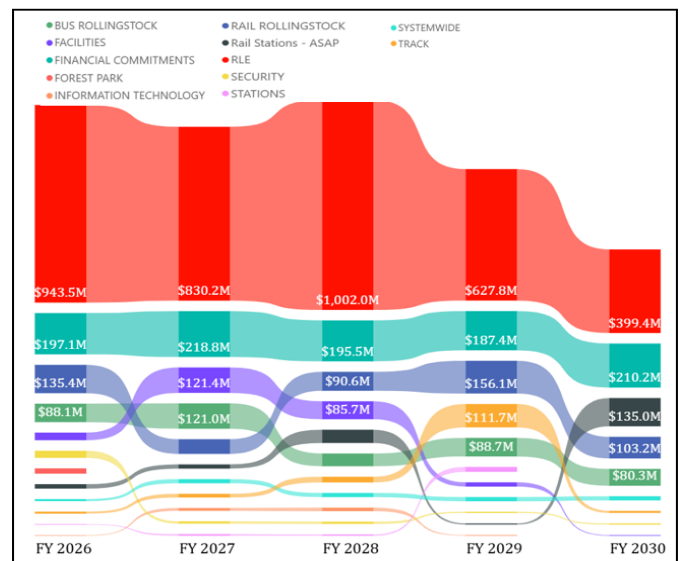
electric bus fleet, and improvements to CTA's rail heavy maintenance facility to expand overhaul capacity, and the replacement of shop equipment and heavy-duty maintenance vehicles.

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.

**FY2026-2030 CIP Asset Category Comparison**

The Red Line Extension Project makes up the largest share of CTA investment and is currently in the design and construction phase. In 2024, CTA awarded the Mainline Corridor Design Build contract for ROW, Systems, Stations, Traction Power, Substations, and Parking Structures. A separate construction contract for the new rail yard and maintenance shop is expected to be awarded in 2026. Construction of the Extension is scheduled to start in 2026.

The second-largest share of investments is dedicated to the rail and bus fleets, which includes the purchase of next generation 7000-Series railcars, the next electric bus procurement to replace 208 articulated buses, and ongoing and future fleet overhauls as funding permits.

Investment is planned for the planning and initial construction necessary to upgrade operational support facilities, including bus facilities for an

Competitive Grant Opportunities

To maximize opportunities to bring assets into a SOGR 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:

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

The Bipartisan Infrastructure Law, enacted as the Infrastructure Investment and Jobs Act, introduced the All-Stations Accessibility Program (ASAP), which provides federal competitive grants to help eligible entities finance capital projects aimed at upgrading the accessibility of legacy rail fixed guideway public transportation systems for individuals with disabilities. This initiative focuses on increasing the number of stations or facilities that meet or exceed the new construction standards outlined in Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.). The program aims to enhance access for all passengers, including those who use wheelchairs, thereby promoting inclusivity in public transportation.

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 \$118 million 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. CTA applied for the FY2024 ASAP funding for Blue Line Cicero and Austin Stations as well as Red Line North/Clybourn stations but was not awarded.

- **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 supports mobilizing 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 FY2020 and FY2021 funding to the AoPP program for 40 projects in 32 states and two territories. CTA was awarded \$450,000 in FY2021 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 FY2023, CTA successfully applied for \$778,500 in AoPP funds for a conceptual plan to reopen the historic Racine Green Line station in the Englewood neighborhood. The plan will address modern accessibility standards to ensure that neighbors of all abilities can benefit from this key investment into neighborhood revitalization.

- **Better Utilizing Investments to Leverage Development (BUILD)** – In FY2025, CTA applied for BUILD funding for CTA's Non-Revenue Support Vehicle Modernization project that will operate in CTA's service area. This aims to modernize and electrify non-revenue fleet operations at three of CTA's maintenance and operations facilities, West Shops located at 3900 W. Maypole Avenue, Chicago, Illinois, CTA's Central Warehouse located at 901 W. Division Street, Chicago, Illinois, and the Beverly Garage Maintenance Shop, located at 1343 W. 103rd Street, Chicago, Illinois. Key components

include the installation of up to six Level 3 DC fast chargers across these facilities, capable of charging up to 250 miles of range per hour and comprehensive electrical infrastructure upgrades to support the charging system. CTA requested \$12,890,442 but was denied these funds.

- **Congestion Mitigation Air Quality (CMAQ) Grant Program** – This federal program, administered by the Chicago Metropolitan Agency for Planning (CMAP), funds surface transportation improvements designed to improve air quality and mitigate congestion. The Carbon Reduction Program (CRP) is a new funding source created 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 from the FY2024-2028 application were also evaluated and considered for CRP.

CMAP awarded FY2024-2028 CRP funding in the amount of \$100 million to support the construction of the Red Line Extension (RLE) Project. The RLE Project will extend the Red Line from the existing terminal at 95th Street to 130th Street. The 5.5-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 RLE project will 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 \$30 million in CMAQ funding for FY2026.

In addition, CMAP staff has awarded FY2026-2028 CMAQ funding in the amount of \$68 million 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 in FY2027. CTA also received an award of \$44.2 million in CMAQ funding in FY2026 for the purchase of electric buses.

- **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 for 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 was awarded \$575,000 in Invest in Cook funding, along with an IDOT grant, for the Bus Priority Corridor Study to advance planning for five key bus corridors in the City of Chicago: Pulaski, Western, Cottage Grove, Fullerton, and 55th/Garfield. It 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 another next step to implement the Better Streets for Buses Plan.

In 2025, CTA was awarded planning study funds for the Forest Park Branch Station Reopening Study to evaluate the feasibility of reopening three closed stations—Central, Kostner, and California. The study will assess transit gaps, improve bus-rail connectivity, and expand the Blue Line's walkshed. Invest in Cook funds will support a planning study assessing demographics, transit connections, employment patterns, and transit-oriented development (TOD) opportunities.

- **Department of Homeland Security (DHS) Transit Security Grant Program (TSGP)** – Authorized by Congress, 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 the 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 funding through TSGP since the program's inception. 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. Additionally, 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 FY2024, CTA was awarded \$13 million for the following projects: Cyber Security Network Hardening Phase 3, Subway Underground Underwater Emergency Exit Intrusion Detection Phase 2, Upgrade CTA's Secure Fiber Optic Network Phase 2, and the Rail Yard Intrusion Detection Upgrade. CPD was awarded \$6.2 million for the following projects: Transit OPack Sustainment and Transit Anti-Terrorism Surge Operations. CTA has recently applied for federal fiscal year 2026 funds through the TSGP program and is awaiting the award announcement. 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 \$100 million. Eligible project categories include extensions to existing systems. In December 2020, FTA accepted CTA's request for the Red Line Extension project to enter the two-year Project Development (PD) Phase of the New Starts CIG Program. In August 2023, CTA received approval for entry into New Starts Engineering Phase. In January 2025, FTA and CTA finalized the FFGA, which guarantees the project will receive the \$1.9 billion pledged by the federal government.
- **The Illinois Environmental Protection Agency (Illinois EPA)** – The Illinois EPA has been designated as the lead agency to administer funds allocated to Illinois from the Volkswagen Environmental Mitigation Trust (Trust). The Trust was established by Appendix D of the VW Settlement (Settlement). Illinois' initial allocation of funds is \$108 million to be used to fund mobile source projects. The funds are to be used for projects that reduce emissions of nitrogen oxides in Illinois. CTA has been awarded \$2.4 million to purchase new all-electric class 4-8 local freight trucks.
- **Illinois Department of Transportation (IDOT)/Statewide Planning and Research Funds (SPR)** – IDOT conducted a call for SPR funded projects. The agency required that 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 this criterion,

In response to IDOT's call for projects, CTA applied for funding the 77th Street Garage/South Shops Master Plan Study. CTA applied for \$1.7 million to complete the study. CTA has secured and/or reserved sufficient funds in the CIP to fully modernized the Chicago and 103rd Garages and now seeks funding to plan for the design and construction of next in line bus facilities.

CTA has an aggressive plan to convert its fleet of nearly 1,900 buses to all-electric by 2040. This requires modernization of CTA's seven bus garages, one 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 and encourage the use of transit to reduce congestion.

- **Illinois Department of Transportation (IDOT)/Transit Statewide Non-Metropolitan Transportation Planning** – IDOT released a Notice of Funding Opportunity under its "Transit Statewide/Non-Metropolitan Transportation Planning – Federal Section 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 will assist the successful applicant (Grantee) mitigate or resolve an intermodal transportation problem while also furthering one or more of the program's primary goals.

CTA submitted three applications:

- North Park and Forest Glen Garage Electric Bus Study – CTA applied for \$2.4 million 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 has been awarded \$737,000 to complete the Study in conjunction with the Invest in Cook grant award.
- **Illinois Department of Transportation (IDOT)/Local Project Funding** – In May 2025, IDOT announced their special funding opportunity of \$400,000,000 for local transportation projects. Projects will be prioritized based on readiness with a focus on the grant initiation within a two-year time frame (anticipated range of funding is \$100,000 to \$10,000,000 per project, but all local priorities will be considered).

CTA submitted three applications:

- Red Purple Modernization Program (RPM) Phase Two NEPA – funding for this project will be managing the NEPA process for RPM Phase Two and preparing the applicable class of action documentation for either an Environmental Impact Statement (EIS) or an Environmental Assessment (EA). The work will identify and analyze the plan for all potential corridor-wide improvements that could be implemented as part of RPM Phase Two, with required community outreach, document preparation, and coordination with regulating agencies. Also, the project will focus on issues needed to make program decisions such as general track alignment and profile, general location and design of stations, and area-wide issues such as social impacts, natural resource impacts, historic and cultural resource issues, and land use implications. The analysis will identify constraints and opportunities, as well as measures to avoid or minimize impacts.
- Red Line Extension (RLE) – funding for this project, if awarded, will be used for design and construction activities. CTA plans to extend its Red Line rapid transit commuter train south from its current 95th/Dan Ryan terminal to the 130th Street area. The

5.5-mile heavy rail extension will include four new fully accessible stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Multimodal connections at each station will include bus, bike, pedestrian, and park and ride facilities. The RLE Project will also include a new railyard and maintenance shop near 120th Street. The extension will operate 24 hours per day, seven days per week. The service frequency is anticipated to be the same as the current service at the 95th/ Dan Ryan terminal, approximately 3-minute to 6-minute headways during weekday peak hours.

- CTA's Blue Line/Forest Park Branch Track and Station Reconstruction – CTA requested funding for three projects as follows: the design of the entire length of track from the Illinois Medical District (IMD) to Lathrop Ave. in Forest Park, IL; the reconstruction of CTA's Kedzie-Homan station to reflect a full ADA upgrade to the station; and the reconstruction of track from Cicero to Lathrop. The Kedzie station's ramps were renovated to make the station ADA compliant; however, the overall station requires a full reconstruction for state of good repair and adding one elevator similar to the rest of the Blue Line-Forest Park Branch is recommended. The project would add an elevator at the Kedzie entrance and reconstruct the ramp at the Homan entrance for accessibility.
- **Low or No Emission Vehicle and/or Buses and Bus Facilities Grant Programs** – The FTA made available \$1.1 billion for competitive grants under the Low or No Emission Grant Program to purchase or lease zero-emission and low-emission transit buses, including acquisition, construction, and leasing required supporting facilities. Additionally, FTA made \$398 million in competitive grants available under the Buses and Bus Facilities Program to finance 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 FY2025, CTA applied to both FTA's Low or No Emission Vehicle Program and Buses and Bus Facilities grant programs. CTA applied for \$121,125,000 from FY2025 Low or No Emission Grant Program for the purchase of up to 150 hybrid diesel electric, fully accessible, 40-foot buses; and CTA applied for \$28,720,000 in funding from the FY 2025 Buses and Bus Facilities Competitive Program to provide for essential SOGR improvements at four major bus garage facilities across the system.
- **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 was awarded \$111 million in NAE funds to replace track and drainage infrastructure along the Blue Line – Forest Park Branch between Kedzie Avenue and Pulaski Station. This project will tie into ASAP renovations at the Pulaski Station to improve transit access for residents of all abilities.
- **Rail Vehicle Replacement Program** – FTA announced the opportunity to apply for \$600 million in FY2022 and FY2023 Section 5337 SOGR 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 SOGR for fixed-guideway rail transit. Eligible projects are the replacement of rail rolling stock.

CTA was awarded \$200 million of the Rail Program funding to buy up to 300 new electric propulsion passenger railcars to replace older railcars, that have been in service since the 1980s. This project will improve CTA's SOGR needs as the average age of its rail fleet is nearly 40 years old.

- **RTA Access to Transit Program** – The RTA Access to Transit program helps communities improve the infrastructure around their transit stations and stops, making connections for pedestrians, bicyclists, and transit riders safer, more accessible, and more attractive. Since 2012, Access to Transit has funded 46 projects around the Chicago region for more than \$25.5 million in total investment.

In 2026, CTA was awarded \$1 million in RTA's Access to Transit Program to support Phase II Engineering and Construction Services for CTA's 79th Street and Halsted Bus Turnaround facility.

This project will provide the engineering and construction services for the reconstruction of the 79th Street and Halsted Bus Turnaround, which is located on the South Side of Chicago in the Auburn Gresham community. The current turnaround's boarding areas are not accessible for wheelchair users or other disabled passengers and the concrete pavement is broken, causing additional difficulties. The proposed efforts will include a new concrete boarding area with sufficient width and curb ramps for ADA boarding, improved pavement, walkways, and technology upgrades to enable real-time bus information for customers. Safety will be enhanced with cameras, public address speakers and a push-button to call CTA's Control Center for assistance. These improvements will help ensure that all customers are able to access bus service at this location.

- **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 these individuals by removing barriers to transportation service and expanding transportation mobility options.

In 2018, CTA was awarded \$380,000 in RTA Section 5310 funds to develop a pilot program of tactile bus stop signage to make public transportation easier to navigate for people with disabilities. The concept for this pilot was based on feedback CTA received from customers who are blind, low vision or Deafblind. CTA procured pilot tactile bus stop signs and installed them at over 2,100 bus stops on sixteen 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 and was awarded \$1.3 million. This award will support procurement and installation of tactile signs at over 7,000 additional bus stops, which will provide tactile bus stop signs for every bus stop in CTA's system. CTA awarded a contract for the signs in June 2025 and expects installation to begin in Fall 2025.

The installation of tactile signage at bus stops complements CTA's All Station Accessibility Program (ASAP) and highlights the agency's commitment to accessibility through innovation to make taking public transit easier and more convenient for everyone.

In 2025, CTA applied for and was awarded \$900,000 for Real-Time Digital Station Customer Information (SCIDs) at a select number of CTA rail stations. These displays will provide accessible, real-time updates on three critical types of travel information: overall 'L' system status alerts, detailed service alerts with visual maps, and elevator outage information systemwide. To ensure full accessibility, each display will be equipped with push-button audio capabilities that announce the same information displayed on the screen. By placing the displays in unpaid areas of the station, SCIDs will allow customers to make informed trip-planning decisions before entering the system. This directly addresses customer feedback from the disabled community emphasizing the importance of knowing elevator availability and service disruptions before starting a trip. The first such displays debuted with the opening of the new Lawrence, Argyle, Berwyn, and Bryn Mawr stations on the Red Line in July 2025.

- **Safe Streets and Roads for All (SS4A)** – The Department of Transportation announced in FY2025 the SS4A program, established by the Infrastructure Investment and Jobs Act (IIJA), the Safe Streets and Roads for All grant program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries. Over \$982 million has been made available, and a similar amount is expected to be available next year in a future funding round. Funds for the FY2025 SS4A grant program are awarded on a competitive basis to support planning, infrastructure, and behavioral and operational initiatives to prevent fatalities and serious injuries on roads and streets involving all roadway users, including pedestrians, bicyclists, public transportation, motorists, and commercial vehicle operators. The purpose of SS4A grants is to improve roadway safety by significantly reducing or eliminating roadway fatalities and serious injuries through the development of action plans and refinement and implementation of these plans.

CTA applied for \$12,000,000 in SS4A funding for their Automated Enforcement for Bus and Bike Safety (AEBBS) project. This project will purchase up to an estimated 190 bus mountable cameras for the automated enforcement of bus lanes, bus stops, and bike lane violations by passenger and commercial vehicles. This deployment of enforcement technology is expected to improve overall roadway safety, and especially safety for users with accessibility challenges at bus stops and other vulnerable users in bus and bike lanes. Together with the Cook County Department of Transportation and Highways (DoTH) and the Chicago Metropolitan Agency for Planning (CMAP), CDOT has recently helped develop a Safety Action Plan (SAP) for Cook County, which encompasses CTA's service area. A primary goal and recommendation of the SAP is to improve traffic safety for pedestrians and bicyclists, and improvement and expansion of automated traffic enforcement systems, including bus-mounted camera systems.

- **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 and prototyping grants in FY2022 and FY2023, with construction and implementation grants to advance successfully planning and prototyping projects available in FY2025-2026.

CTA won a SMART award for FY2023 to support the Bus Queue Jump Pilot innovation project. In collaboration with the Chicago Department of Transportation, this \$1.5 million federally funded project intends to improve safety and speed for transit riders toward

a goal of increasing ridership, reducing traffic congestion and improving fidelity to schedules. This 18-month long project will use existing smart intersection technology, using machine learning to detect CTA buses and provide them a "head-start" over other queued vehicles and therefore, allow buses to smoothly and safely merge into the regular travel lanes immediately beyond the signal.

- **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 an identified portion 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 FY2023-2027 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 FY2023 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 \$10 million.

- **Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan Program** – This US DOT loan program provides financing for eligible transportation projects. These eligible projects realize savings from TIFIA financing by drawing TIFIA funds on an "as needed" basis rather than accruing interest on funds before they are used and through a borrowing rate set lower than traditional financing. TIFIA financing is a highly recommended form of borrowing as it makes financing projects more affordable and maximizes borrowing capacity.

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

In November 2022, CTA started the process with the USDOT Build America Bureau to seek a fourth TIFIA loan for \$206 million as part of the funding the Red and Purple Modernization Project. The amount has been reduced from \$622 million due to PayGo TIF funding already received.

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

CTA was expected to receive \$1 million in FY2025 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 facilitates 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.

Additionally, CTA is earmarked to receive \$1.13 million in FY2026 for Program Development for core activities. Through the UWP competitive program, CTA was awarded \$750,000 toward the agency's contribution for the I-290 Eisenhower Expressway/Blue Line Forest Park Branch Corridor Development Office (CDO). The CDO is a joint effort of CTA, IDOT, and CMAP to accelerate work to improve the current operation, ongoing maintenance, and long-term investment in multimodal transportation facilities along the corridor. Additionally, \$250,000 was programmed for FY2025 and \$500,000 is programmed for FY2026.

During FY2026-2030, 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.

- 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 life.
Periodic defects and/or moderate deterioration.
- 1

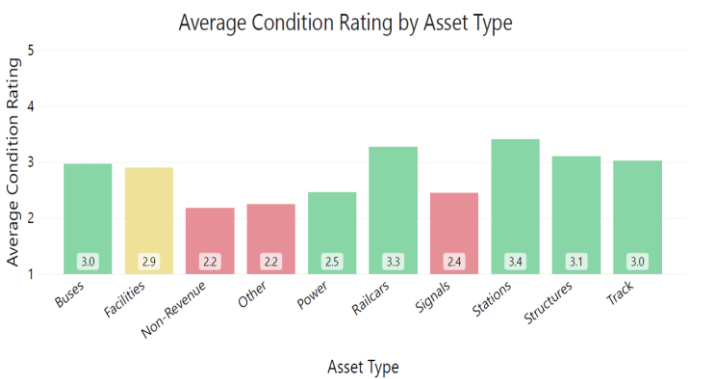
Substantially beyond useful life.
Requires complete replacement.

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.

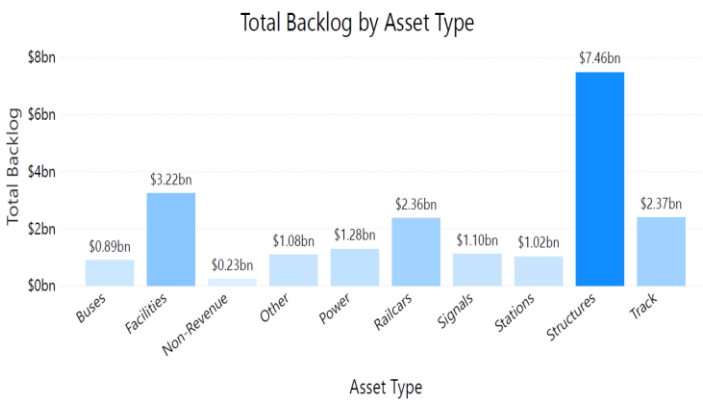
As part of the TAM Program, the TAM team tracks asset values and SOGR. Asset values change year after year as inventory is added/retired and as assets age closer to passing their useful life benchmark. An asset

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 SOGR 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 SOGR or from going beyond their Useful Life Benchmark (ULB). The overall average of CTA's asset base is in acceptable condition. However, there are major investments overdue in several key asset classes including Infrastructure, Vehicles, Stations, and Facilities as illustrated in the first chart below. In this figure, total backlog refers to the value of CTA's assets that need rehabilitation or replacement.

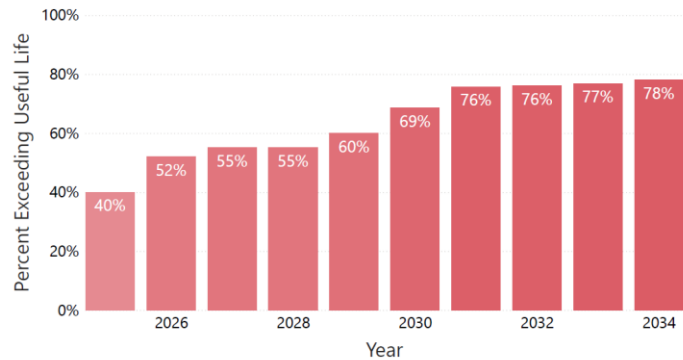


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The following charts show how existing assets would age out and enter the backlog over the next 10 years if not renewed by capital investment.

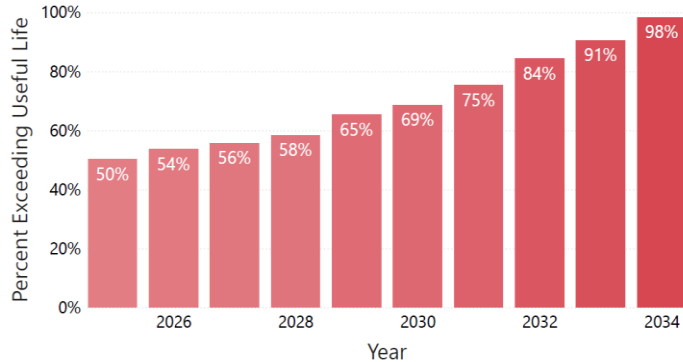
Buses

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.



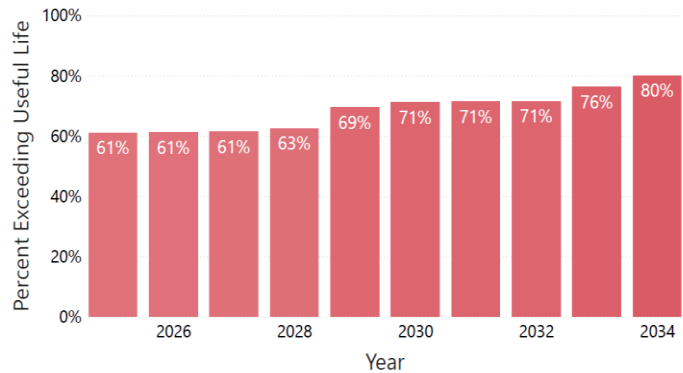
Signals

The number of signal assets past their useful life is expected to steadily increase over the next 10 years from 50 percent to 98 percent.



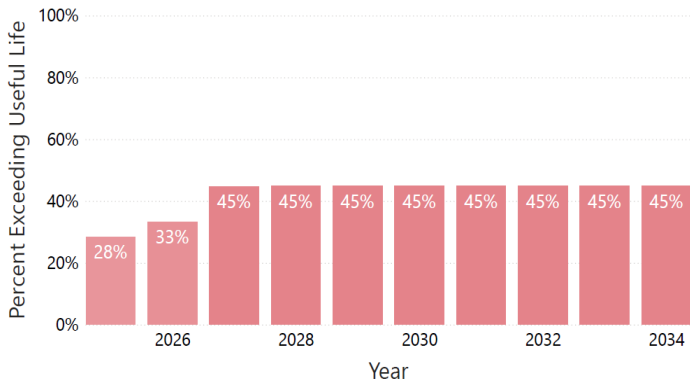
Power

Currently, 34 percent of CTA's power assets are past their useful life. In the next 10 years, this will increase to 54 percent of assets exceeding their useful life without capital replacement.



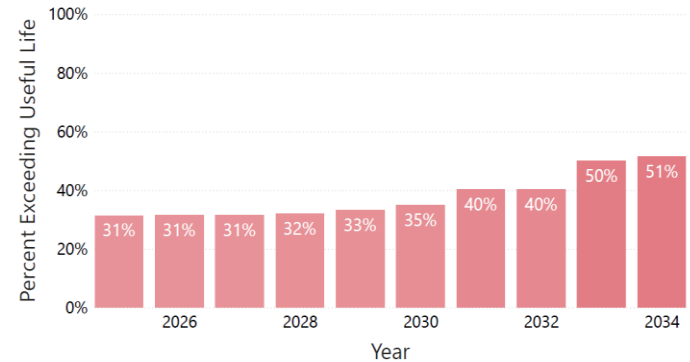
Railcars

The useful life benchmark of a railcar is 34 years. Over the next 10 years, an additional 17 percent of railcars are expected to age out. Unless replacement occurs; this would result in a total of 45 percent of CTA's railcar fleet exceeding its useful life.



Track

The number of systemwide track assets past their useful life is expected to increase by 20 percent within five years unless significant track renewals are undertaken.

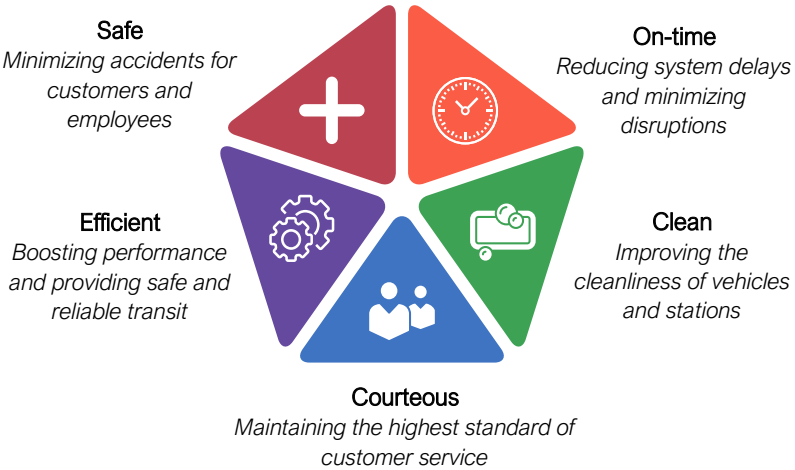


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Performance Management

Performance Management is the CTA's centralized reporting and performance tracking department. Performance Management automates processes to compile and connect data from disparate sources to analyze and visualize information for key internal audiences. These reports are then disseminated throughout the organization using data visualization and dashboarding tools. Processes are continually improving to increase system efficiency, enhance the customer experience, foster employee accountability, and inform the targeting of resources and public campaigns.

Performance Management creates outcome-oriented measures to monitor performance. Each department is responsible for focusing its resources on adhering to the following strategic goals: Safety, Customer Experience and Workforce Development. The figure to the right details the five criteria Performance Management uses to meet those goals:

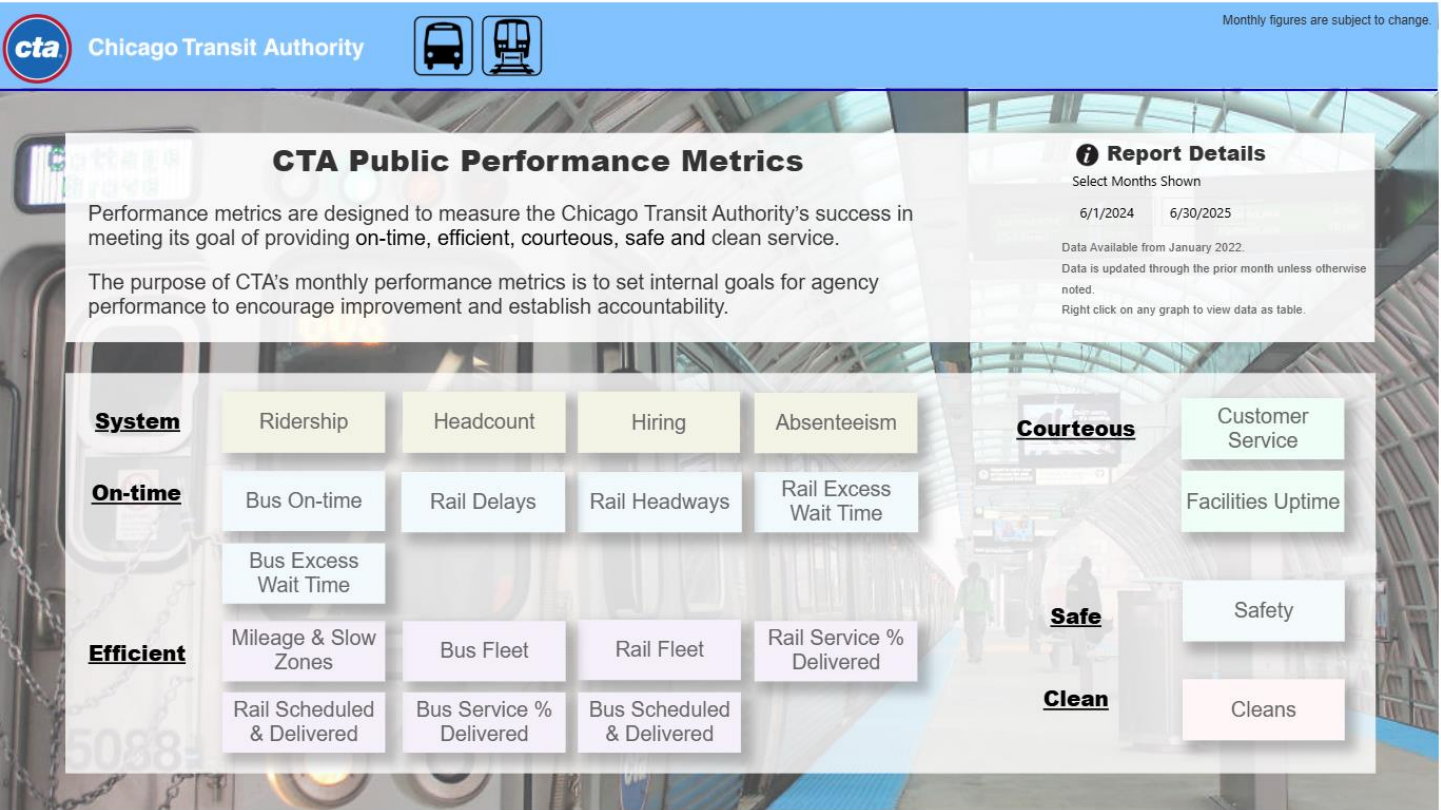


CTA Public Performance Metrics Dashboard

Performance Management continuously develops and monitors a range of metrics tailored to each department's needs to improve operations and efficiency. This information is provided to CTA department management through detailed daily reporting tools to assist in daily operations. Deeper analysis with departmental upper management provides insight into trends and facilitates data driven decision making.

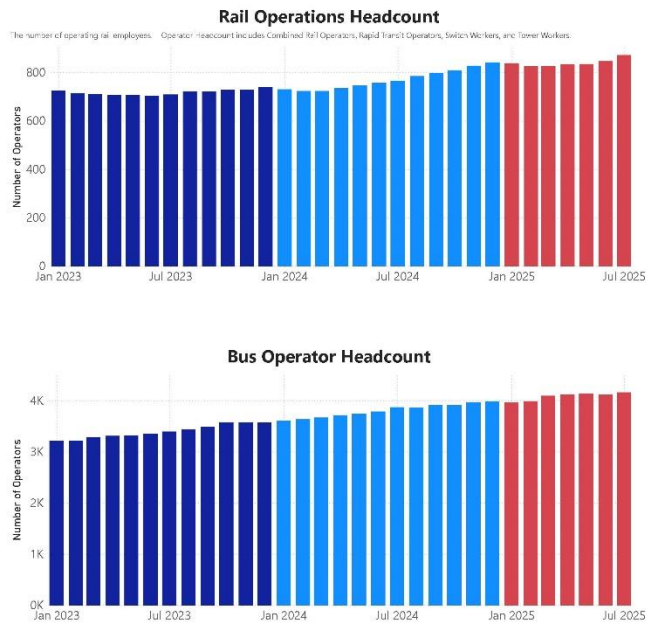
Metrics are also made available monthly to the public through an interactive scorecard of performance measures, whose front page is shown in image below. A selection of key representative metrics for major operational departments is provided in this report.

Additional information, including buttons for user selections of specific bus routes and rail lines, can be found on the performance dashboard at www.transitchicago.com/performance or via the QR code below.



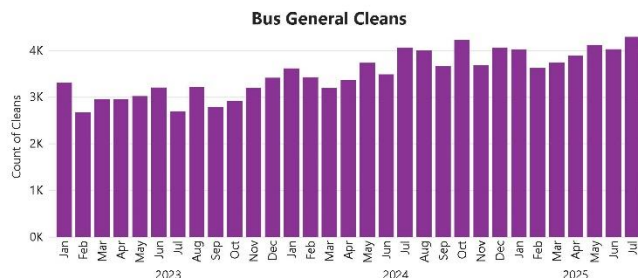
Operator Workforce and Hiring

In 2024, CTA hired 1,202 Bus Operators, hired 453 Flaggers and had 197 new Rail Operators promoted. This large increase in hiring is due to a variety of programs, including an enhanced online job applicant experience, as well as competitive benefits, and compensation. CTA also continues to sponsor Bus Operator applicants earning their CLP (Commercial Learner's Permit). Applicants can attend a two-week course City Colleges of Chicago free of charge, while the CTA covers the cost of tuition, books, training, and exam fees. Thanks to these initiatives and a committed workforce, CTA saw a fulltime equivalent Bus Operator headcount of 4,161 in July 2025, above the Pre-Pandemic headcount of 3,832. Rail Operator headcount has increased from 766 operating employees in July 2024 to 871 operating employees as of July 2025.



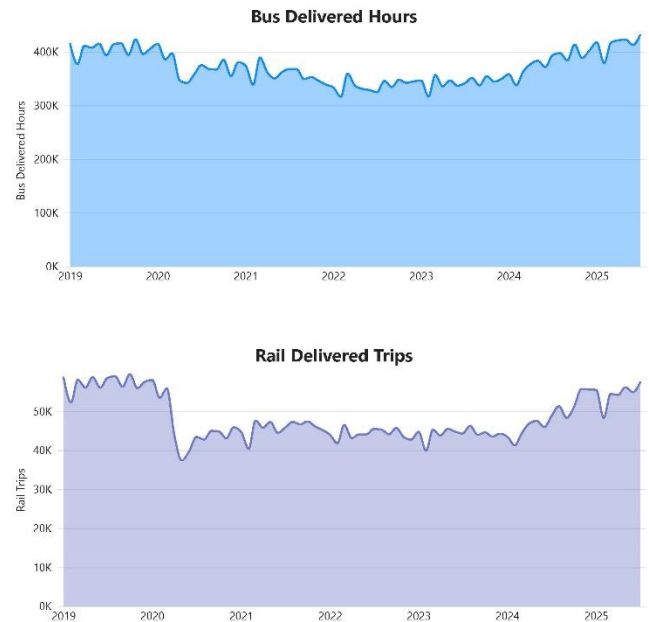
Bus General Cleans

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



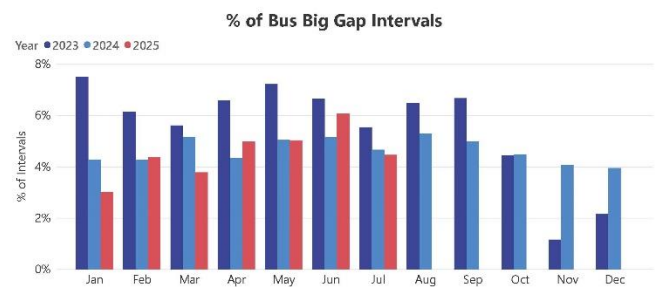
Delivered Service

Service reliability is measured with a variety of metrics, including service delivered. Bus Operations captures the number of hours of service provided, and Rail Operations captures the number of rail trips provided. This shows the effect of cancelled service on riders. Workforce unavailability is one of the main factors impacting bus and rail service delivery.



Big Gap Intervals

In addition to delivered service, Performance Management measures bus service reliability and frequency by measuring big gaps in service. 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.

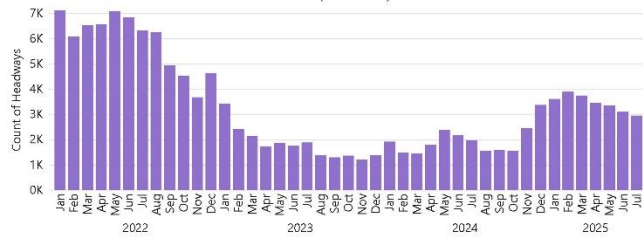


Rail Double Headways

Performance Management measures rail service reliability and frequency by measuring 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. For example, the train is scheduled every 5 minutes, but the next train arrives 10 minutes after the prior train.

Rail Double Headways

Includes Triple Headways.



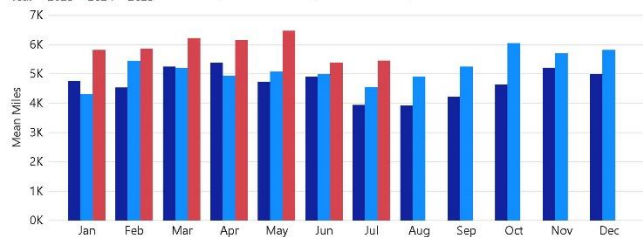
Bus Maintenance

Miles Between Bus Service Disruptions Due to Equipment

Bus Maintenance is responsible for maintaining the CTA bus fleet, including mechanical maintenance and regular cleaning of bus interiors and exteriors. Tracking the mean distance between equipment 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. Information by bus series can be found on the performance dashboard.

Miles Between Bus Service Disruptions Due to Equipment

A higher mean mileage reflects better performance.



Age of Bus Fleet

Vehicle age is critical in determining the 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.

Age of Bus Sub fleets by Series

Series	# of Buses	Age
1000 ('06)	833	18.1
4000* ('08)	208	16.4
4300* ('12)	100	12.5
7900 ('15)	996	5.2
600 ('20)	23	3.3

Series listed with first purchasing year in parentheses. Average ages in years through July 2025. 60' buses are denoted with an asterisk (*), all other Series are 40'. Series not in revenue service on a consistent basis are excluded.

Rail Maintenance

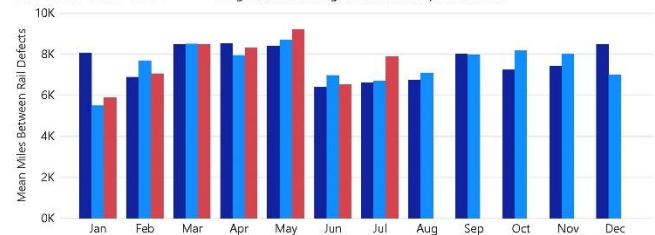
Mean Miles between Reported Rail Vehicle Defects

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. Additional details can be found on the performance dashboard.

Mean Miles between Reported Rail Vehicle Defects

A higher mean mileage reflects better performance.



Age of Rail Fleet

The age of a railcar is also a key factor in the number 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.

Age of Rail Fleet by Series

Series	# of Cars	Age
2600 ('81)	459	40.8
3200 ('92)	257	32.3
5000 ('09)	714	11.8
7000 ('22)	224	1.2

Series listed with first purchasing year in parentheses. Average ages in years through July 2025.

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 that shows how much of the system is operating with performance restrictions to maintain safe and reliable operations.

Rail System Slow Zones

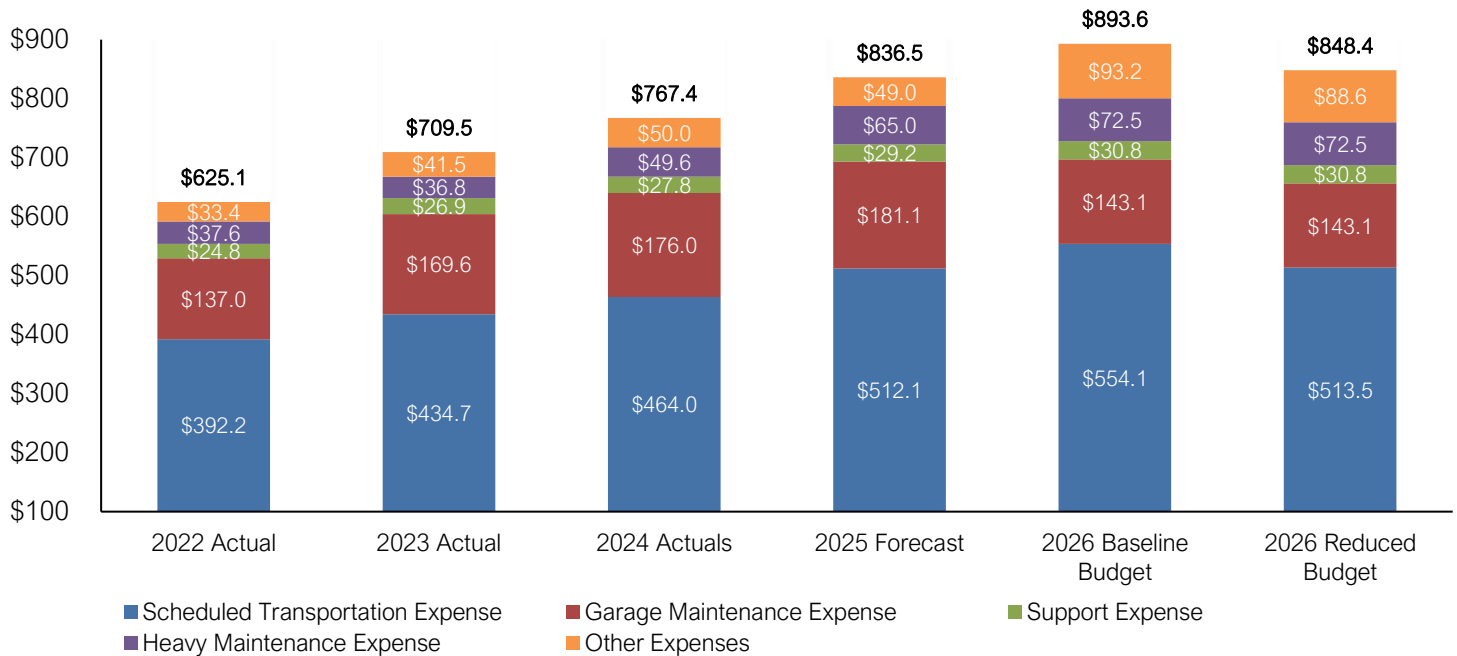
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	10.8%	11.8%	11.7%	12.1%	12.3%	12.1%	14.2%	13.0%	12.6%	12.9%	13.0%	13.1%
2020	13.1%	13.3%	12.9%	12.6%	12.8%	12.8%	11.7%	12.0%	12.4%	11.9%	11.9%	12.7%
2021	12.1%	11.9%	12.4%	13.0%	14.3%	14.8%	14.9%	15.5%	15.6%	15.8%	16.4%	16.4%
2022	15.6%	15.6%	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%	16.4%	16.9%	17.1%	17.4%	17.3%	16.8%	16.6%	17.1%	20.7%	20.5%
2024	20.8%	22.5%	23.4%	23.2%	22.8%	21.5%	21.6%	22.4%	22.4%	25.7%	26.8%	27.5%
2025	28.3%	30.2%	23.4%	19.5%	18.5%	18.7%	19.0%					

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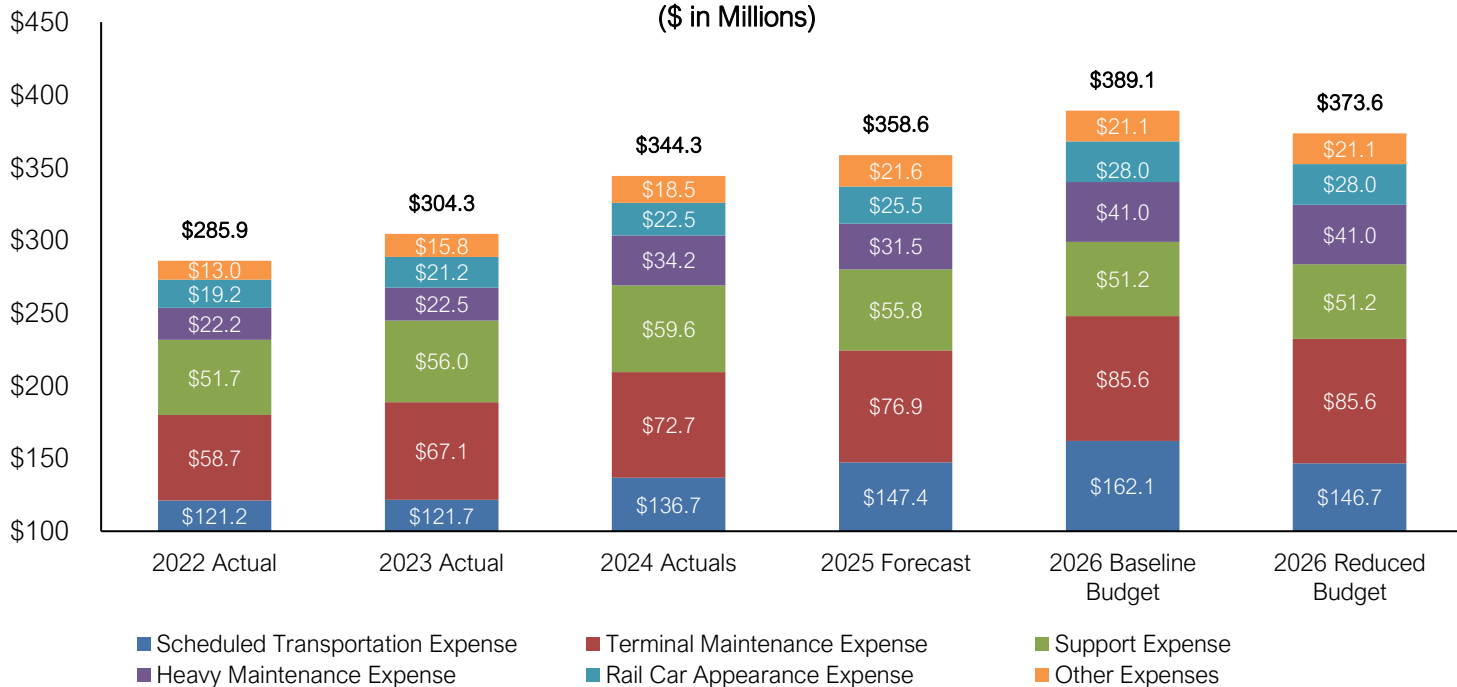


The following is a snapshot of key operating statistics for the following time periods: 2022 through 2024 actual, 2025 forecast, 2026 baseline budget and 2026 reduced budget.

Total Operating Expenses - Bus (\$ in Millions)



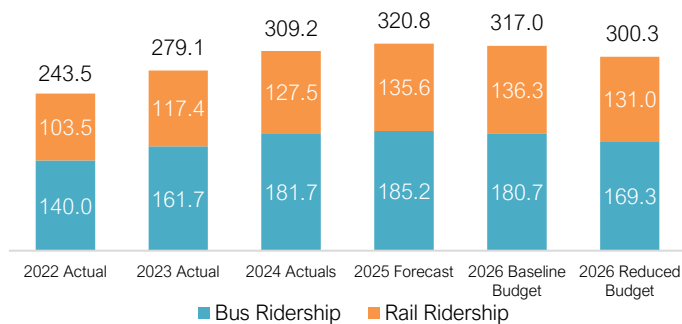
Total Operating Expenses - Rail (\$ in Millions)



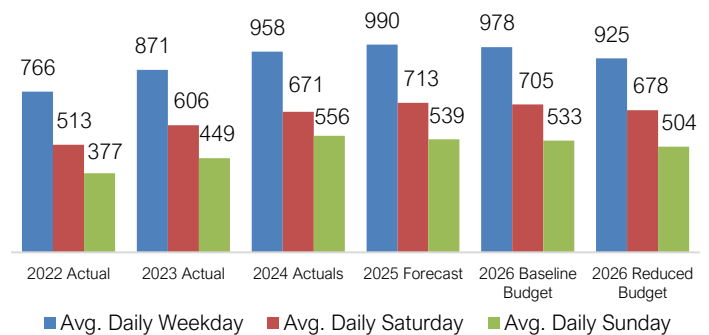
Metric	Mode	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Baseline Budget	2026 Reduced Budget
Annual Revenue Miles	Bus	44,199,272	45,411,226	49,576,262	55,155,602	55,152,261	53,656,276
	Rail	66,984,263	62,562,093	69,571,292	80,085,763	72,107,445	67,605,708
Annual Revenue Hours	Bus	4,830,866	4,970,515	5,471,876	6,001,961	6,001,597	5,838,806
	Rail	3,742,178	3,658,027	4,098,288	4,713,919	4,218,152	3,954,809
Vehicles Operated in Maximum Service	Bus	1,274	1,307	1,506	1,592	1,592	1,468
	Rail	906	838	1,000	1,011	1,011	850
Average Age of Vehicles (Years)	Bus	12	12	12	11	11	11
	Rail	22	22	21	19	17	12

In 2026, a reduction in rail car revenue miles and hours is shown compared to 2025, though train revenue miles and hours remain relatively flat. This reflects a planned operational adjustment in 2026, in which the CTA will reduce train consist lengths in alignment with current service demand and efficiency goals. While the number of scheduled train trips and total train miles will remain consistent, operating fewer cars per train will reduce the overall car revenue miles and hours. This approach supports resource optimization without changing the frequency or coverage of train service.

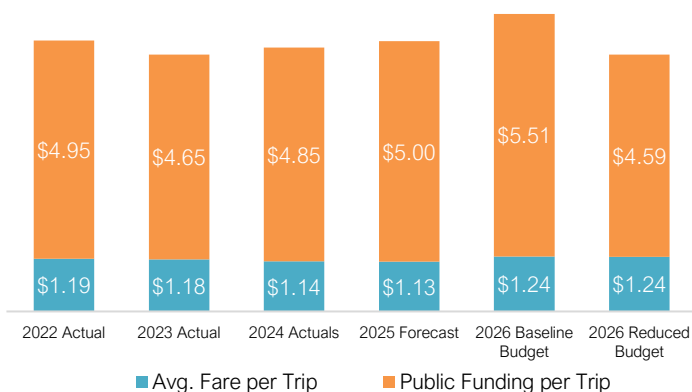
Annual System Ridership
(Unlinked Trips in Millions)



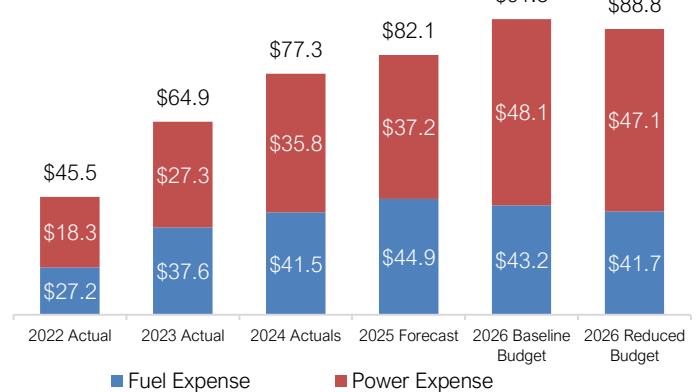
Average Daily Ridership
(Unlinked Trips in Thousands)



Average Fare & Public Funding Per Trip



Fuel & Power Expenses
(\$ in Millions)



2020-2022 Public Funding includes Federal Stimulus Funds

Peer Comparison

To illustrate the CTA's performance related to its peers, the following analysis was completed using the most recent data from the National Transit Database (NTD) for fiscal year 2023. This data can be accessed through the [Federal Transit Administration \(dot.gov\)](https://www.federaltransitadministration.gov/). In selecting comparable transit agencies, we considered factors such as the size of the urban area served, the service area's urban characteristics, and the transit system's overall size. The comparative analysis of agency performance that follows provides insights into the CTA's operational efficiency, ridership trends, and financial metrics compared to our peers.

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

The following agencies reported data for January 1, 2023 – December 31, 2023: CTA, NYCT.

The following agencies reported data for July 1, 2022 – June 30, 2023: LACMTA, MARTA, MBTA, SEPTA, WMATA.

Peer Agency Profiles

Agency	City	Service Population	Service Area (sq. mi)	Fleet Size (Operated)	Fleet Size (Available)
CTA	Chicago	3,224,925	283	2,145	3,410
MBTA	Boston	3,109,308	3,244	2,208	3,136
NYCT	New York	8,258,035	321	10,019	11,707
SEPTA	Philadelphia	3,475,337	844	1,952	2,800
WMATA	Washington D.C.	4,645,915	1,108	2,727	3,422
MARTA	Atlanta	1,742,072	605	753	1,047
LACMTA	Los Angeles	10,347,626	4,629	2,651	4,183

Peer Agency Fare Structure

CITY (Agency)	Bus Fare	Express Bus Fare	Rail Fare	30-Day/Monthly Pass Cost	Reduced Fare (Senior/Disabled)
CTA	\$2.50	---	\$2.75	\$85	\$1.25 - Bus \$1.25 - Rail
MARTA	\$2.50	---	\$2.50	\$95	\$1.00
NYCT	\$3.00 ¹	\$7.25 ¹	\$3.00 ¹	\$132	\$1.50 ¹
SEPTA	\$2.90 ²	---	\$2.90 ²	\$96	Senior: Free Disabled: \$1.00
MBTA	\$1.70	\$4.25 \$2.10 Senior/Disabled	\$2.40	\$90.00	\$0.85 – Bus \$1.10 – Rail
WMATA	\$2.25	\$4.80 Regular \$2.40 Senior/Disabled	\$2.25 - \$6.75 ³	\$72.00- \$216.00	\$1.10 – Bus \$1.10-\$3.35 – Rail ³
LACMTA	\$1.75	\$1.75 Regular \$0.75 Senior/Disabled	\$1.75	--- ⁴	\$0.75 Rush Hours; \$0.35 Non-Rush Hours

¹ As of January 2026 the MTA Board approved an increase of \$0.10 to full fare bus and rail and a \$0.05 increase for reduced bus/rail fares. They also approved a \$0.25 increase to the Express bus fare.

² As of September 1, 2025, SEPTA has increased their bus/rail full fares by 21.5%, increasing the price from \$2.00 to \$2.90.

³ The fares are zone based and depend on hours traveled. Full fares are paid during peak hours varying from \$2.25 to \$6.75 (weekday opening 9:00 a.m. and 3:00-7:00 p.m., based on the starting time of the trip).

⁴ 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.

Comparative Characteristics by Mode*



Heavy Rail

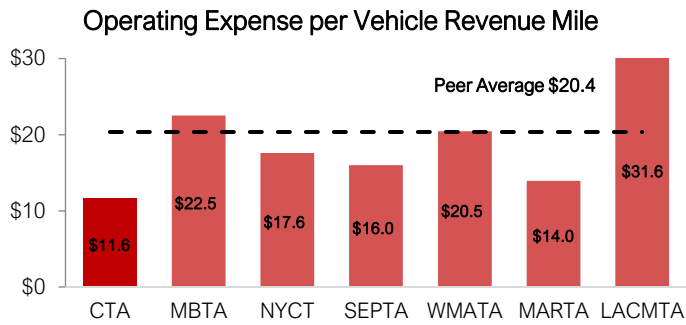


Urban Bus

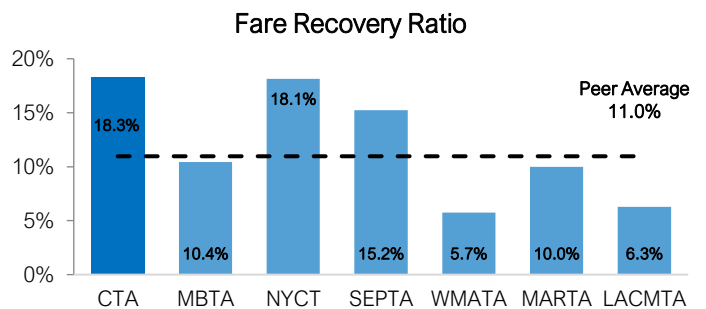
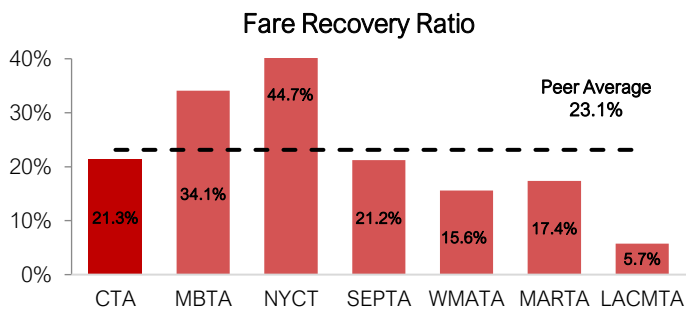
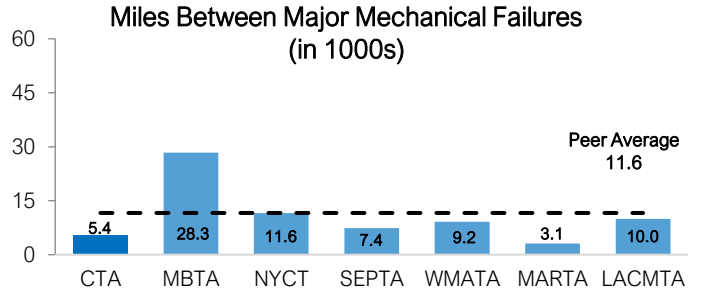
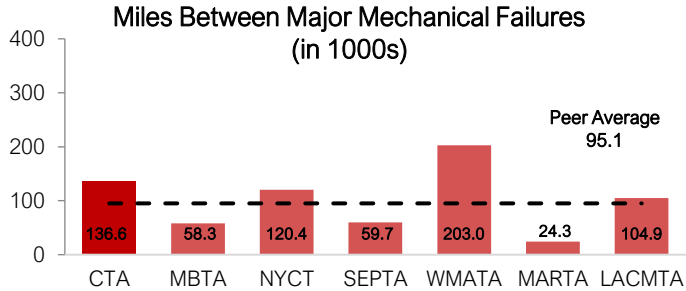
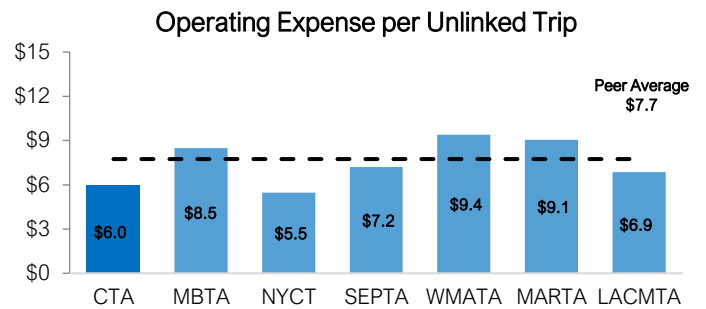
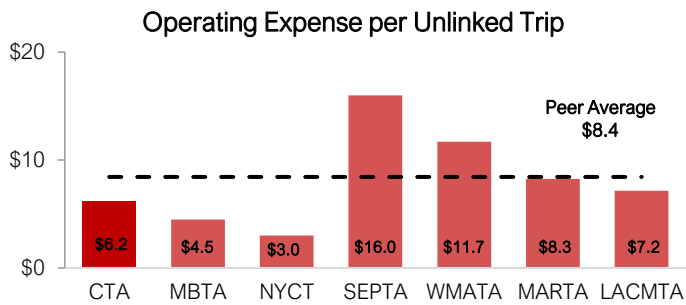
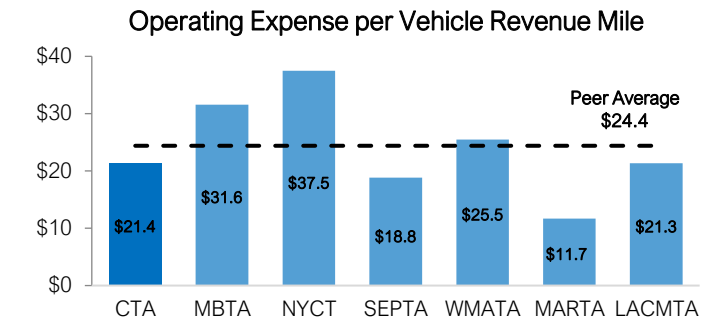
Agency	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips	Operating Expenses	Vehicle Revenue Miles	Unlinked Trips
CTA	\$725.3	62.6	117.4	\$971.0	45.4	161.7
MBTA	\$377.9	16.8	84.0	\$674.2	21.4	79.5
NYCT	\$6,048.0	343.8	2,017.9	\$3,118.5	83.2	570.6
SEPTA	\$240.4	15.0	58.0	\$730.8	38.9	101.5
WMATA	\$1,483.8	72.5	126.8	\$967.7	38.0	102.9
MARTA	\$250.9	18.0	30.4	\$279.7	23.9	30.9
LACMTA	\$192.4	6.1	26.9	\$1,414.1	66.3	206.2

*Numbers in millions unless otherwise noted

Heavy Rail



Urban Bus



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 the Chicago region with rail and bus service, providing quality, affordable mobility with lower environmental impact than other modes of motorized transportation.

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 benefits include:

- 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.
- 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.
- Electric powered trains and buses produce no emissions directly in Chicago's densely populated communities.

The indirect environmental benefits of CTA's transit include:

- Alleviating traffic congestion and reducing the number of personal vehicles on the road, minimizing fuel consumption and emissions associated with idling and stop-and-go traffic.
- Transit-oriented development (TOD) near transit hubs, creating vibrant communities where people can live, work, and play without relying on cars.
- Denser development patterns contribute to more efficient land use, protecting green spaces from urban expansion.

The CTA's commitment to integrating climate resilience into its planning and design processes is essential for the long-term sustainability of public transit. By proactively considering extreme weather events—like polar vortexes, heat waves, and heavy rainstorms—during the planning stages, the CTA can enhance the durability and reliability of its infrastructure and ensure that it can withstand climate-related challenges. An example is the CTA's construction of barriers at subway entrances, which has been an effective approach to mitigating stormwater damage. In another example, CTA's selection of heat-resistant cabling for the electrified third rail protects CTA's ability to provide service during temperature fluctuations.

Key Sustainable Initiatives

CTA is proud to be a leader in energy efficiency and sustainability. The agency routinely works to reduce its environmental impact as part of permanent effort to make the transit service more efficient.

By focusing on energy-efficient upgrades—like installing efficient lighting in garages, rail shops, stations, and subway tunnels—the CTA is taking significant steps to reduce electricity consumption and lower operational costs. Upgrading boiler systems and building controls not only minimizes natural gas use but also enhances the overall energy efficiency of maintenance facilities. The Refresh and Renew program, with its comprehensive approach to lighting upgrades throughout the entire system, demonstrates a strong commitment to modernizing infrastructure while prioritizing sustainability. CTA's focus in recent years has included the modernization of its bus and rail fleet to replace older buses and

railcars with more efficient models, including replacing diesel buses with electric buses.

Clean Vehicles and Efficient Operations: Bus System

In 2022, CTA published "Charging Forward," a comprehensive plan that lays out a roadmap for the electrification of CTA's entire bus system by the year 2040, consistent with the goal established by the Chicago City Council.

Analyses for Charging Forward estimate that full fleet electrification will reduce CO₂ and other greenhouse gas emissions from CTA buses by 73 percent, and total NO_x emissions from buses by 98 percent. CO₂ and other greenhouse gas emissions contribute to global climate change, whereas NO_x emissions affect local air quality.

Implementing more zero and low emission buses will 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 zero/low emission transportation, serving as an example to other transit agencies and heavy-duty fleet operators across Illinois and the country.

The scope of adding more zero emission buses into 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 en-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.

Converting a fleet of more than 1,900 buses to zero emissions is a monumental undertaking. The Charging Forward plan breaks down the transition period by year, setting forth potential timelines for zero emissions 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 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 was notified that it will receive the full award for this \$38M project.

Moreover, for 2026, CTA was awarded under the FY2022-2026 Congestion Mitigation and Air Quality (CMAQ) program, funding in the amount of \$44M for the purchase of up to 48 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and up to seven overhead chargers to power the electric buses. Also, under the FY2024-2028 CMAQ funding program, CTA received an additional \$68M for FY2027, for CTA's Electric Bus Program to purchase 40 forty-foot, battery-powered, zero-emission, all-electric, fully accessible, public transit buses and five chargers to power the electric buses.

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

The new electric buses feature an all-electric (zero emissions) drive system with en-route charging. The collaborative approach involving multiple departments—such as infrastructure, safety, engineering, operations, training, and planning—demonstrates a comprehensive strategy for successful implementation. By coordinating efforts across these areas, the CTA can ensure that the new buses are integrated seamlessly into the existing transit system, maximizing their benefits while maintaining safety and operational efficiency. This is CTA's first venture into en-route electric buses charging. The electric bus program is currently testing the performance of the #66 Chicago and the #63 63rd Street buses in CTA's rigorous metropolitan environment. Six initial demo buses have been in revenue service since 2021-22 and have accumulated more than 500,000 service miles.

The 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 buses, utilizing a newer body style, code-named "Heron," were delivered in Q2-Q4 2021 and have been 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). Although the delivery of these buses was initially anticipated to start in Q4 2024, the final design of the option buses is still in the negotiation phase with Phoenix Motors after the acquisition of the transit side of the company from Proterra in Q1 2024.

As the electric bus fleet grows, CTA also remains focused on maintaining the current diesel fleet to be as fuel-efficient as possible. CTA has completed the overhaul of the 100 articulated 60-foot buses – about one-third hybrid and two-thirds diesel in Q1 2025.

Retirement of the 6400-Series and the next oldest buses – the 1000-Series, model year 2008 New Flyer buses – is enabled by CTA's purchase of 600 new 7900-Series, model year 2022-24 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.

CTA's main metric for bus energy efficiency, measured as miles traveled per gallon of diesel fuel (table above), shows an increase in efficiency forecasted for FY24 compared to FY23 (older, less efficient buses were also called up to run more in 2023 as special events – such as festivals and concerts – resumed following the pandemic). As CTA's performance and ridership has increased over the last two years, buses are transporting a heavier passenger load, which requires more fuel use. However, the addition of nearly 400 new clean diesel buses between

2023 and 2024 has helped with the rebound in efficiency despite the rise in traffic congestion and the impact of aging buses that remain in service.

In 2023, the Illinois Commerce Commission (ICC) issued a Final Order approving ComEd's first Beneficial Electrification Plan that will be beneficial to CTA as it electrifies its bus fleet. CTA had been an active participant in the deliberations around this Plan since the ICC first led a related workshop series starting in 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.

Clean Vehicles and Efficient Operations: Rail System

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, which is why CTA is routinely planning railcar overhauls and replacements. The agency has in place a plan for the replacement and overhaul of more than two-thirds of its railcar fleet, ensuring that the rail system continues to provide an affordable, convenient, low-carbon mobility option for riders.

CTA is currently receiving new railcars, the 7000-Series, and has a base order of 400 railcars. As of September 2025, there are 258 cars that have been accepted and operating on the Blue Line. CTA expects to take delivery of up to 10-14 new railcars per month until the order is complete. The new 7000-Series railcars are replacing a portion of the oldest and least efficient railcars currently operating in CTA's fleet.

CTA is also in the process of completing quarter-life overhauls of its second-newest model of railcars, the 5000-Series, which first entered service in 2011, with the majority these entering service from 2012 through 2015. As of Q3 2025, CTA has completed overhauling 618 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 the 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 enable regenerative braking, in which a train sends 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 have other energy-saving features such as LED lights and advanced controls for the air comfort systems. Once all 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. Scaling up the 7000-Series fleet and overhauled 5000-Series railcars should yield continued energy efficiency gains.

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 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 Red Line Extension (RLE) Project, 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 insights gained from the study are invaluable for guiding the CTA's planning and design 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.

Over the last few years, CTA has completed about 20 natural gas energy efficiency projects per year with technical assistance and financial incentives from Peoples Gas. In 2024, 2025 and heading into 2026, CTA expects to continue this effort with about the same number of projects. 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 a minimum of 150,000 therms annually, yielding a projected cost reduction of more than \$100,000 for CTA each year.

CTA will also be completing lighting upgrades at major maintenance facilities at the end of this year and into the upcoming year at our Beverly Garage and replacing existing retrofits at Linden Shop with new fixtures. These projects combined are projected to reduce CTA's electricity costs by more than \$30,000 per year. The improved lighting makes work conditions brighter and safer for CTA bus and rail maintenance personnel.

In addition to receiving rebates on efficient light fixtures, CTA receives discounts on efficient lights purchased through ComEd's Instant Discount Program in partnership with CTA's lighting vendors. Many of these new lights have been installed through CTA's Refresh & Renew Program at rail stations; 29 stations are expected to be revitalized in 2025, and the same number expected in 2026, across all lines. Station lighting upgrades provide brighter, safer spaces for CTA customers, especially at night.

In 2025, CTA Facilities Maintenance completed an air study at Des Plaines Shop as part of a compressed air rebate programs through ComEd, providing incentives for energy-efficient equipment such as Variable Speed Drive (VSD) compressors, no-loss condensate drains, and other upgrades. This ComEd program covers 100 percent of the study and any air leak repairs that may be needed through our ComEd certified contract vendor. The air leak study, and the associated repairs by way of this program, provides for more energy cost savings and assists in maintaining the longevity of our equipment. In 2026, Facilities Maintenance is planning to continue with this program at Chicago Garage.

In 2024 and 2025, Facilities Maintenance began planning and subsequently piloting the initial phase of CTA's new Electric Vehicle (EV) program at West Shops, Beverly, and seven Bus Garage facilities. This program was launched with the goal of transitioning CTA's non-revenue fleet to a carbon-neutral footprint by replacing existing fueled vehicles with new all-electric models. To date, implementation has been

completed at all seven bus garages, where Subaru electric vehicles were deployed for Bus Operations Management. Additionally, upgraded 40-amp charging outlets were installed at each location to support vehicle charging and daily use. All locations had designated parking spaces striped with EV logos and signage as well.

In 2025, Facilities Maintenance will expand the EV Program by transitioning a portion of the non-revenue Infrastructure Maintenance fleet at the West Shops and Beverly facilities. The team is actively working with building and electrical engineers to install permanent pedestal chargers that will support a planned fleet of 20 electric vehicles. In the interim, 40-amp temporary outlets have been installed at West Shops to accommodate charging needs until the permanent infrastructure is in place. The installation of the permanent pedestal chargers is expected to be completed by the end of 2026.

The CTA's headquarters building at 567 W. Lake Street in Chicago is certified LEED Gold by the U.S. Green Building Council. The building's 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 asked, CTA receives annual payments based on its amount of energy reduction. The building also provides easy access to the CTA's Green and Pink Lines, multiple bus routes, and Metra commuter rail lines. This accessibility enables more CTA employees to commute to work via a combination of transit, biking, and walking, rather than by car.

Throughout the headquarters office, CTA provides recycling bins for paper, plastic, glass and 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 to 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 capture 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 through 2026. CTA also has the option to extend this contract through 2027. Under this contract, CTA makes periodic purchases when pricing is favorable, which helps to 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. The CTA's strategic decision to secure a fixed-price natural gas contract minimizes cost, especially helpful during the recent volatility in energy prices. This natural gas contract is for three years followed by options to extend for

two more years. The forecasted usage model helps manage costs effectively, and if usage varies by more than 10 percent, that overuse or underuse will be charged based on the current market price. This contract exemplifies prudent fiscal management while supporting the CTA's broader sustainability goals.

In 2024 CTA issued a Request-for-Proposal (RFP) for new electricity supply contracts, and after the evaluation of best and final offers, CTA recently awarded a 3-year contract to Shell, which will provide fixed pricing for the duration of the contract.

In addition to managing energy costs through supply contracts, CTA proactively engages in energy policy and continuously analyzes opportunities to further reduce energy expenses. CTA participated in discussions that led to the approval of the Illinois Commerce Commission's "Beneficial Electrification Plans," CTA is also participating in a separate ICC proceeding that began in 2023 and combines ComEd's multi-year rate plan and grid plan. These plans can significantly influence electric utility costs across the CTA's rail system, facilities, and electric bus charging infrastructure. By staying involved in these discussions, the CTA can advocate for policies that align with its operational goals and sustainability initiatives.

CTA is also collaborating with energy advisors like Ameresco to gain industry insights that help the agency make informed decisions to optimize energy usage, reduce costs, and enhance service efficiency. These efforts demonstrate CTA's commitment to effectively managing current energy expenditures but while positioning itself favorably for future developments in energy policy.

The CTA's initiative to explore renewable energy generation projects considering Illinois' CEJA legislation and the federal Inflation Reduction Act is focused on enhancing sustainability. By partnering with JLL to procure a developer, the CTA can leverage funding incentives to implement projects like rooftop solar arrays, ground-mounted solar, geothermal heat pumps, and energy storage systems. These renewable energy solutions can significantly bolster the resilience of electric bus charging infrastructure at bus garages, ensuring that the CTA can reliably power its fleet while reducing reliance on traditional energy sources.

By pursuing these innovative technologies, the CTA is positioning itself as a leader in renewable energy adoption within public transit, shifting towards a greener future while enhancing operational efficiency.

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History of the CTA

Early Transit Development

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.

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.

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).

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.



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.

CTA Unifies and Modernizes Chicago's Transit

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.

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.



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.



During the 1960s, changes in population and employment distribution, the development of regional highways, and the popularity of car travel facilitated a decline in CTA ridership and, as a result, farebox revenues required to cover

both operating and capital costs. But at the same time, the federal government began to recognize the importance of strong, stable transit service to the health of American cities. In 1964, President Johnson and Congress established a program for giving financial aid for mass transit capital projects; 10 years later, Congress and President Ford allowed federal funding for operating expenses of mass transit providers for the first time.

By the early 1970s, 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. The RTA was also empowered to levy taxes, providing the first subsidies for local mass transit operating expenses, and originally had two operating divisions for suburban bus and commuter rail service.



The new funding ended up being insufficient, however. Because of challenging economic conditions at the time, the new taxes yielded much less revenue than projected. Combined with the loss of state funding, the region's transit system faced a financial crisis by 1981. In 1983, a set of legislative packages provided funding that was more robust (though still subject to variances in economic conditions, and not tied to service levels, ridership or performance) and repositioned the RTA as a regional oversight agency, charging the newly formed Metra and Pace with delivering suburban service. In exchange for new funding, lawmakers implemented a 50% farebox recovery ratio requiring the transit system to generate half of its operating revenue from fares—this requirement remains the highest in the nation today, far larger than other US transit systems.



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. During this period CTA also continued to upgrade and modernize its rolling stock, purchasing new railcars and buses to retire worn equipment and introduce new technologies and amenities. The first air-conditioned 'L' cars were purchased in 1964, followed by the first large order of air-conditioned buses in 1972.

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.

The renewed focus on the rehabilitation, replacement and modernization of the system's infrastructure coincided with a shift in federal transit funding policy. In the late 1990s, Congress eliminated federal operating support for transit in large, urbanized areas, but broadened the definition of capital expenses and increased the funding for capital grants. This policy change provided the federal funding match that allowed several large-scale infrastructure improvement projects that modernized large portions of the 'L' system over the following decades. 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.

Stable, long-term operating funding continued to be a challenge into the 21st century, however, despite ongoing efforts to maximize efficiency and trim costs where possible. Structural deficiencies in regional transit funding made CTA susceptible to broader forces beyond its control, including increasing costs and funding lagging behind inflation, weak sales tax revenue, a decline in federal operating subsidies and rising pension and healthcare liabilities. The costs of providing federally mandated ADA paratransit service, which CTA operated for the region, was also a significant factor. By the mid-2000s, these pressures reached a critical mass. In 2006, Pace assumed all ADA paratransit responsibilities for the region. In 2008, the legislature increased sales taxes and approved new revenue streams to increase funding for regional transit, but also significantly expanded free and reduced rides without providing additional funding to support the mandate. Although the immediate crisis was averted, it was another short-term fix—the sales tax increase did not permanently solve the structural underfunding of the system or diversify the system's operating funding sources, leaving it vulnerable to economic fluctuations in the future, the first of which arrived with the Great Recession only months after passage.

CTA Continues Modernization and Investment

Over the last two decades, CTA has continued to invest in modernizing its infrastructure, vehicles and systems, to bring the system to a state of good repair, improve accessibility, and provide a quality customer experience. Initiatives have included both large-scale and individual projects.

Station improvements have included the renovation of Jarvis, Morse, Loyola, Granville, Thorndale, Berwyn, Argyle, and Lawrence in 2012, and reconstruction of Illinois Medical District in 2018 including making all entrances ADA-accessible. A major reconstruction of Wilson station was completed in 2017, which included making the station accessible, adding a third entrance at Sunnyside Avenue, restoring the station's original 1923 stationhouse, and significant track and structure reconstruction and realignment. Several Blue Line stations received significant improvements as well. In 2019, CTA completed two major projects: The Belmont station's off-street bus terminal and entrance plaza were reconstructed, including a visually-striking gateway canopy providing improved weather protection; and the key intermodal hub at Jefferson Park received upgrades to the train platform, bus terminal and other passenger areas. The Grand, Chicago and Division subway stations were renovated in 2020.



CTA also delivered several station improvements in cooperation with other local units of government. In partnership with the Chicago Department of Transportation, the Grand Red Line subway station was renovated in 2012, followed by the Clark/Division subway station in 2015, with both stations becoming ADA-accessible and Clark/Division gaining a second entrance at LaSalle Drive. These projects were followed by an architecturally-award-winning new gateway station on the Loop Elevated at Washington/Wabash in 2017, and an equally striking infill station on the Lake Street branch of the Green Line at Damen in 2024.



Large-scale improvement programs over the last two decades have included the reconstruction of the Dan Ryan branch at the south end of the Red Line in 2013. Completed in just five short months, this project completely reconstructed the trackbed and track system from Cermak-Chinatown to 95th/Dan Ryan, improving badly deteriorated infrastructure and returning trains to full speed for the first time in many years, providing faster and more reliable trips. The project also included adding elevators to the Garfield, 63rd and 87th stations, making all stations on the Dan Ryan branch ADA-accessible, as well as refurbishment of all stations.



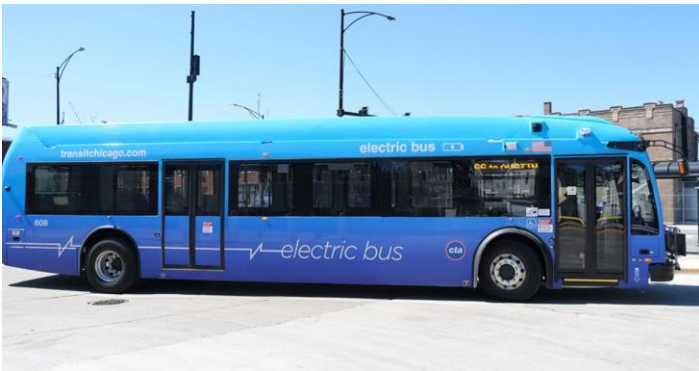
Circa 2010, the CTA initiated the Red and Purple Modernization Project (RPM) to bring the existing Red and Purple lines from north of Belmont station to Linden into a state of good repair, increase capacity to add rail service, reduce travel times, improve access to job markets and destinations, and provide improved access to people with disabilities. This effort led to the \$2.1 billion RPM Phase One program, the largest reconstruction project in the agency's history up to that point, which broke ground in October 2019 and whose major customer-facing improvements were online by summer 2025. RPM Phase One includes three main components: the Lawrence to Bryn Mawr Modernization, replacing 1.3 miles of track and track structure and completely rebuilding and adding elevators to Lawrence, Argyle, Berwyn and Bryn Mawr stations; the Red-Purple Bypass project to grade-separate Clark Junction north of the Belmont station to allow the CTA to address a capacity constraint to Red, Brown and Purple line service; and replacing a 50-year track signal system between Howard and Belmont to improve train operations and service reliability. CTA is currently developing the improvement program for a second phase of the RPM program.

In 2021, CTA announced that it is extending the Red Line from the existing terminal at 95th/Dan Ryan to 130th Street. The 5.5-mile extension will include four new fully accessible stations near 103rd Street, 111th Street, Michigan Avenue/116th Street, and 130th Street. Construction is expected to start in 2026 and be completed by 2030. The Red Line Extension (RLE) is the largest project in CTA history and will provide faster connections from the Far South

Side to the rest of the city while serving as an economic catalyst to one of the most disinvested parts of Chicago. Multimodal connections at each station will include bus, bike, pedestrian, and park & ride facilities. RLE also includes a new railyard and maintenance shop near 120th Street that will contribute to improved reliability and consistent service across the entire Red Line, from Howard to the Far South Side. RLE is a transit equity project that fulfills a commitment to the Far South Side by significantly improving transportation to this part of the city.



Over the last two decades, CTA also made significant strides in modernizing its bus and railcar fleets. Between 2014 and 2019, CTA took delivery of 450 new buses from Nova Bus, followed by another 300 Nova buses starting in 2022. CTA also made progress toward converting its bus fleet to electric vehicles. Since 2014, the agency tested two electric buses from New Flyer and found them to perform well and adeptly handle Chicago's fluctuating weather and temperatures. Following a multi-year analysis and planning report that to serve as the roadmap for the full electrification of our bus fleet, facilities and supporting infrastructure by the year 2040, CTA took delivery of 25 electric buses from Proterra in 2020-2022, with plans to purchase additional vehicles and expand to additional routes and garages in the coming years.





















Between 2009 and 2015, CTA took delivery of 714 new railcars from Bombardier, which replaced more than half of the entire rail fleet and allowed the retirement of cars built as long ago as the late 1960s. This investment significantly decreased the average age of the 'L' fleet, and increased reliability while improving the customer experience. CTA has continued this modernization investment with another order for new railcars from CRRC Sifang America; delivery of the base order of 400 cars is currently underway.












CTA celebrated its 75th anniversary in 2022. CTA is woven firmly into the culture and life fabric of Chicago, touching communities across the entire city. Our 75th anniversary gave us the chance to not only look back at our proud history, but also to look ahead to the improvements and investments we've made to serve customers for another 75 years. Like transit agencies across the country, the CTA continues to address the still-emerging ridership demand and commuting patterns. The agency's No. 1 focus is on providing safe and reliable service; offering a clean, comfortable, and secure riding experience; and ensuring that transit remains the top transportation option for commuters and visitors.

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Subsequent description of CTA departments.

	Bus Operations	Bus Operations provides efficient, courteous, professional, safe, and reliable bus transportation.
	Rail Operations	Rail Operations provides efficient, courteous, professional, safe, and reliable rail transportation.
	Bus Maintenance	Bus Maintenance is responsible for the maintenance of the bus fleet, including mechanical maintenance and regular cleaning.
	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 Operations	Control Center Operations 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 composed of three departments. Power & Way Maintenance maintains rail infrastructure, including the track, structure, power, and signal systems. The Construction department ensures major capital construction projects related to our track, structure, power, signal, rail stations, and rail and bus maintenance facilities are delivered on time, on budget, and conform with all applicable standards, regulations and requirements. The Engineering department creates and maintains construction documents for our structure, track, traction power, signal, and station projects; identifies utilities for contractors at our locations; and answers design requests for information from CTA contractors.
	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.
	EEO	Equal Employment Opportunity ensures CTA uses certified DBE's and does not discriminate in procurement, employment, or contracting services.
	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.
	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.
	Technology	Technology provides technology solutions and services to support the CTA and its riders.
	Performance Management	Performance Management 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.
	Finance	Finance is responsible for a wide range of financial functions through its four primary business units: Budget & Capital Finance; Treasury; Finance/Comptroller; and Accounting Systems & Operations.
	General Counsel	General Counsel is responsible for a wide range of legal functions such as: Corporate Law and Litigation; Labor and Employment; Compliance, Policy and Appeals; and Torts, Subrogation and Workers Compensation.
	Scheduling & Service Planning	Planning is responsible for short and long range planning functions including: bus and rail service planning and scheduling; strategic planning and ADA compliance.

	Innovation	Office of Innovation provides policy, research, and project management resources for innovative technology implementations, pilots, or proof of concepts across the agency.
	Fare Systems	Fare Systems business unit oversees the CTA's Ventra fare system, fare system upgrades and fare system integration.
	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.
	Equity & Engagement	Equity and Engagement focuses on equity, inclusion, and engagement within CTA.
	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.
	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.
	Board of Directors	The Board of Directors is the governing arm of the CTA.
	President's Office	The President's Office oversee's the day-to-day operations of the CTA.
	Other Administrative	Non-departmental and other budgeted authority-wide expenses are included in this category.

FY26 Baseline Budget by Department
\$ in Thousands

Department	FY26		FY26		FY26		FY26		FY26		FY26		FY26	
	Labor		Material		Fuel - Revenue Equip		Power		Provision for Injuries & Damages		Purchase of Security Svcs		Other Expenses	
	Budget		Budget		Budget		Budget		Budget		Budget		Budget	
Bus Operations	\$ 573,439	\$ 672	\$ 672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523	\$ 574,634
Rail Operations	184,421	661	661	-	-	-	-	-	-	-	-	-	463	185,545
Bus Maintenance	163,864	70,931	70,931	41,244	-	-	-	-	-	-	-	-	2,858	278,896
Rail Maintenance	118,166	49,414	49,414	-	-	-	-	-	-	-	-	-	2,167	169,747
Rail Station Management	138,653	2,817	2,817	-	-	-	-	-	-	-	-	-	4,076	145,546
Control Center Operations	39,301	48	48	-	-	-	-	-	-	-	-	-	778	40,127
Infrastructure	179,677	19,881	19,881	-	47,594	-	-	-	-	-	-	-	53,882	301,034
Security	3,032	31	31	-	-	-	-	-	-	-	81,260	-	1,085	80,967
Safety	8,165	87	87	-	-	-	-	-	-	-	-	-	4,538	12,790
Equal Employment Opportunity	1,415	10	10	-	-	-	-	-	-	-	-	-	1,760	3,185
Training & Workforce Development	41,528	277	277	-	-	-	-	-	-	-	-	-	3,423	45,228
Human Resources	9,748	41	41	-	-	-	-	-	-	-	-	-	3,913	13,702
Purchasing & Supply Chain	25,978	315	315	-	-	-	-	-	-	-	-	-	4,145	30,438
Technology	18,219	1,040	1,040	-	-	-	-	-	-	-	-	-	65,698	84,957
Performance Management	2,935	-	-	-	-	-	-	-	-	-	-	-	1,152	4,087
Finance	10,357	29	29	-	-	-	-	-	-	-	889	-	5,941	17,216
General Counsel	20,042	60	60	-	-	-	-	-	-	-	-	-	4,625	24,727
Scheduling & Service Planning	6,052	1	1	-	-	-	-	-	-	-	-	-	739	6,792
Innovation	4,055	2	2	-	-	-	-	-	-	-	-	-	8,460	12,518
Fare Systems	6,788	3,519	3,519	-	-	-	-	-	-	-	-	-	42,180	52,487
Communications	6,428	249	249	-	-	-	-	-	-	-	-	-	2,470	9,147
Internal Audit	533	1	1	-	-	-	-	-	-	-	-	-	157	690
Equity & Engagement	388	2	2	-	-	-	-	-	-	-	-	-	74	464
Diversity Programs	2,604	13	13	-	-	-	-	-	-	-	-	-	1,150	3,767
Legislative Affairs & GCR	1,815	2	2	-	-	-	-	-	-	-	-	-	545	2,361
CTA Board	1,357	7	7	-	-	-	-	-	-	-	-	-	190	1,554
Office of the President	1,019	1	1	-	-	-	-	-	-	-	-	-	20	1,039
CTA Total***	\$ 1,549,919	\$ 151,772	\$ 151,772	\$ 43,244	\$ 48,094	\$ 34,840	\$ 82,149	\$ 321,547	\$ 2,231,565	5,208	5,661			

This table is not available for the Reduced Budget scenario. Specifics around labor changes have not been finalized.

*Budgeted positions include Capital-funded positions.

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

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

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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 October 1, 2025, CTA had \$470.1 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, 2025 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.

CTA Long-Term Debt Obligations*								
Credit	Series Name	Outstanding Principal as of 12/31/2025	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")	\$1,435,205,000	2040	Sales Tax & Transfer Tax	A1 (negative)	AA (stable)	NR	AA (stable)
	Series 2010B	\$426,560,000	2040	Sales Tax	A1 (negative)	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	\$283,573,000	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)
	Series 2024A	\$652,175,000	2049	Sales Tax	A1 (negative)	AA (stable)	NR	AA (stable)
	Total Principal Outstanding	\$3,811,628,000						
GARVEEs	2017 5307	\$19,915,000	2026	FTA 5307 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2021 5307	\$74,970,000	2029	FTA 5307 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2015 5337	\$15,275,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2017 5337	\$11,165,000	2026	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	2021 5337	\$20,510,000	2028	FTA 5337 Grant Receipts	NR	A+ (stable)	BBB(stable)	NR
	Total Principal Outstanding	\$141,835,000						
Capital Leases	2006 PBC Bonds	\$40,430,000	2033	CTA Lease Payments	A2 (negative)	A+ (negative)	NR	NR
	Total Principal Outstanding	\$40,430,000						
TIFIA	95th Street Terminal (2014)	\$74,328,940	2050	CTA Farebox Revenue	NR	A+ (negative)	NR	NR
	Your New Blue (2015)	\$105,946,347	2052	CTA Farebox Revenue	NR	A+ (negative)	NR	AA- (negative)
	Railcars (2016)	\$219,466,030	2056	CTA Farebox Revenue	NR	A+ (negative)	NR	AA- (negative)
	Total TIFIA Loans	\$399,741,317						
	Total Principal Outstanding (all issues)	\$4,393,634,317						

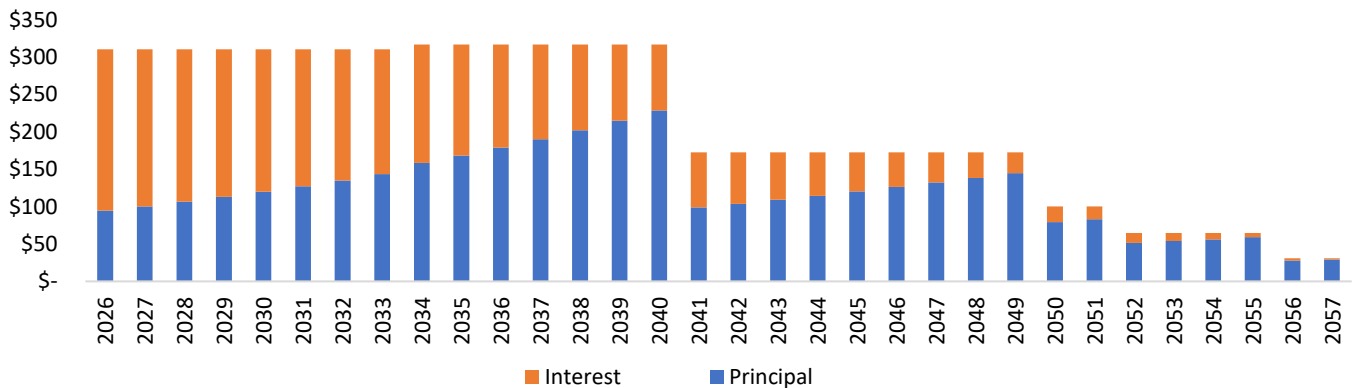
* Based on CTA debt portfolio as of 9/1/2025

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 and 2020B Series is parity to the sales tax pledge for the 2008A&B Series. The sales tax pledge for the 2017, 2020A, 2022A and 2024A Series is

subordinate to the sales tax pledge for the 2008A&B, 2010B 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, 2017, 2020A, 2020B, or 2022A Series Bonds. Debt service on the Series 2010B, 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.

Chicago Transit Authority
Sales Tax Receipts Revenue Bonds Debt Service
(\$ in Millions)



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.

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 2026-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
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:	\$1,435,205,000	\$913,405,524	\$2,348,610,523	

* Based on CTA debt portfolio as of 9/1/2025

Sales Tax Receipts Revenue Bonds, Series 2010B Taxable (Build America Bonds)

On April 6, 2010, the CTA issued Sales Tax Receipts Revenue Bond Series 2010B Taxable (Build America Bonds) in the amount of \$505.4M to fund or reimburse the Authority for prior expenditures of the "2010 Project," to 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.

SCHEDULE II: \$505,355,000 Sales Tax Receipts Revenue Bonds Series 2010B Debt Service 2026-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)
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:	\$426,560,000	\$250,963,910	\$677,523,910	

* Based on CTA debt portfolio as of 9/1/2025

2014 Sales Tax Receipts Revenue Bonds

On July 10, 2014, the 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.

On December 19, 2024, the CTA issued the Series 2024A Sales Tax Receipts Revenue Refunding Bonds. A portion of the proceeds from that bond issuance was used to refund all outstanding Series 2014 bonds. The existing Series 2014 bonds amortize from 2041-2049 and were callable at par on 12/1/2024. The refunding allowed CTA to achieve meaningful debt service savings, generating Net PV Savings of \$61.2M.

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 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.

SCHEDULE III: \$296,220,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2017 Debt Service 2026-2051*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$316,301,800	\$612,521,800	

* Based on CTA debt portfolio as of 9/1/2025

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.

SCHEDULE IV: \$367,895,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2020A Debt Service 2026-2055*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$384,317,100	\$752,212,100	

* Based on CTA debt portfolio as of 9/1/2025

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.

SCHEDULE V: \$534,005,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2020B Debt Service 2026-2040*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	14,473,000	9,875,063	24,348,063	269,100,000
2027	9,850,000	9,515,988	19,365,988	259,250,000
2028	18,205,000	9,246,985	27,271,985	241,045,000
2029	11,495,000	8,714,887	20,209,887	229,550,000
2030	17,480,000	8,364,059	25,844,059	212,070,000
2031	21,465,000	7,821,830	29,286,830	190,605,000
2032	25,840,000	7,113,055	32,953,055	164,765,000
2033	22,350,000	6,233,978	28,583,978	142,415,000
2034	20,640,000	5,451,281	26,091,281	121,775,000
2035	17,010,000	4,718,149	21,728,149	104,765,000
2036	19,401,000	4,105,448	23,506,448	85,364,000
2037	20,165,000	3,346,481	23,511,481	65,199,000
2038	20,960,000	2,557,626	23,517,626	44,239,000
2039	21,781,000	1,737,671	23,518,671	22,638,000
2040	22,638,000	885,599	23,523,599	-
Total:	\$283,573,000	\$89,688,100	\$373,261,100	

* Based on CTA debt portfolio as of 9/1/2025

The Series 2020B Bonds were issued to refund outstanding Sales Tax Receipts Revenue Bonds Series 2011. The Series 2020B bonds bear interest ranging from 1.71 percent to 3.91 percent. Scheduled interest on the Series 2020B Bonds was funded through June 1, 2021 with proceeds of the Series 2020B Bonds and interest thereon. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2022 through December 1, 2040. In November 2024, CTA conducted its first-ever tender option on bonds, inviting holders of the Series 2020B Bonds to tender their holdings. This transaction, funded through the issuance of the Series 2024A Bonds, resulted in the successful tender of \$169.5 million, or 36.3 percent, of the Series 2020B Bonds and generated net present value savings of approximately \$10.7 million.

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.

SCHEDULE VI: \$350,000,000 Sales Tax Receipts Revenue Bonds Subordinate Series 2022A Debt Service 2026-2057*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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	\$425,978,950	\$775,978,950	

* Based on CTA debt portfolio as of 9/1/2025

2024A Sales Tax Receipts Revenue Bonds

On December 19, 2024, CTA issued the Sales Tax Receipts Revenue Bonds, Series 2024A, in the amount of \$658M. The bonds were issued to refund all or portion of Series 2014 Bonds and to fund the purchase price of the Series 2020B Taxable Bonds. The Series 2024A bonds bear interest rates of 5 percent. Interest is payable semiannually on June 1 and December 1, and the bonds mature annually on December 1, 2025 through December 1, 2049.

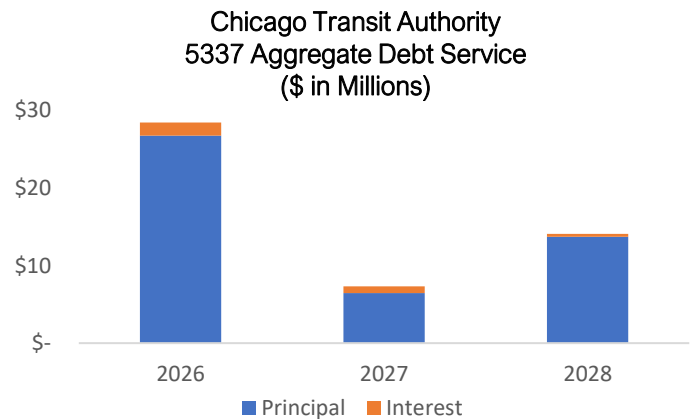
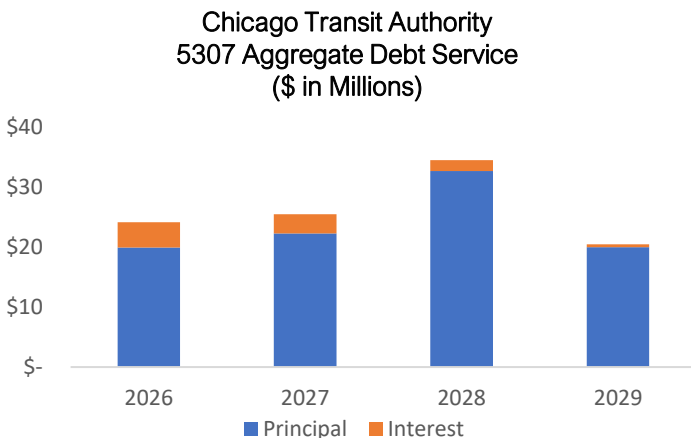
SCHEDULE VII: \$658,835,000 Sales Tax Receipts Revenue Bonds Series 2024A Debt Service 2026-2049*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	6,880,000	32,608,750	39,488,750	645,295,000
2027	12,220,000	32,264,750	44,484,750	633,075,000
2028	4,925,000	31,653,750	36,578,750	628,150,000
2029	12,240,000	31,407,000	43,647,500	615,910,000
2030	7,220,000	30,795,500	38,015,500	608,690,000
2031	4,150,000	30,434,500	34,584,500	604,540,000
2032	695,000	30,227,000	30,922,000	603,845,000
2033	5,100,000	30,192,250	35,292,250	598,745,000
2034	7,855,000	29,937,250	37,792,250	590,890,000
2035	12,620,000	29,544,500	42,164,500	578,270,000
2036	11,475,000	28,913,500	40,388,500	566,795,000
2037	12,050,000	28,339,750	40,389,750	554,745,000
2038	12,655,000	27,737,250	40,392,250	542,090,000
2039	13,290,000	27,104,000	40,394,500	528,800,000
2040	13,960,000	26,440,000	40,400,000	514,840,000
2041	46,690,000	25,742,000	72,432,000	468,150,000
2042	49,025,000	23,407,000	72,432,500	419,125,000
2043	51,480,000	20,956,250	72,436,250	367,645,000
2044	54,050,000	18,382,250	72,432,250	313,595,000
2045	56,755,000	15,679,750	72,434,750	256,840,000
2046	59,590,000	12,842,000	72,432,000	197,250,000
2047	62,570,000	9,862,500	72,432,500	134,680,000
2048	65,700,000	6,734,000	72,434,000	68,980,000
2049	68,980,000	3,449,000	72,429,000	-
Total:	\$652,175,000	\$584,656,000	\$1,236,831,000	

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* Based on CTA debt portfolio as of 9/1/2025

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.

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.

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 2025-2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	15,275,000	381,875	15,656,875	-
Total:	\$15,275,000	\$381,875	\$15,656,875	

* Based on CTA debt portfolio as of 9/1/2025

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.

SCHEDULE IX: \$90,540,000 Capital Grant Receipts Revenue Bonds Federal Transit Authority Section 5307 Urbanized Area Formula Funds Refunding Series 2017 Debt Service 2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	19,915,000	497,875	20,412,875	-
Total:	\$19,915,000	\$497,875	\$20,412,875	

* Based on CTA debt portfolio as of 9/1/2025

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 2026*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	11,165,000	279,125	11,444,125	-
Total:	\$11,165,000	\$279,125	\$11,444,125	

* Based on CTA debt portfolio as of 9/1/2025

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.

SCHEDULE XI: \$99,325,000 Capital Grant Receipts Revenue Bonds Federal Transit Authority Section 5307 Urbanized Area Formula Funds Refunding Series 2021 Debt Service 2026-2029*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	-	3,748,500	3,748,500	74,970,000
2027	22,295,000	3,191,125	25,486,125	52,675,000
2028	32,700,000	1,816,250	34,516,250	19,975,000
2029	19,975,000	499,375	20,474,375	-
Total:	\$74,970,000	\$9,255,250	\$84,225,250	

* Based on CTA debt portfolio as of 9/1/2025

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 2026-2028*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
2026	315,000	1,017,625	1,332,625	20,195,000
2027	6,465,000	848,125	7,313,125	13,730,000
2028	13,730,000	343,250	14,073,250	-
Total:	\$20,510,000	\$2,209,000	\$22,719,000	

* Based on CTA debt portfolio as of 9/1/2025

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.

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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.

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)*
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:	\$74,328,940	\$38,416,978	\$112,745,925	

* Based on CTA debt portfolio as of 9/1/2025

** 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.

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)*
2026	7,048,032	2,363,093	9,411,125	98,898,315
2027	7,190,403	2,220,722	9,411,125	91,707,912
2028	7,335,649	2,075,476	9,411,125	84,372,264
2029	7,483,829	1,927,296	9,411,125	76,888,435
2030	-	1,776,123	1,776,123	76,888,435
2031	-	1,776,123	1,776,123	76,888,435
2032	-	1,776,123	1,776,123	76,888,435
2033	-	1,776,123	1,776,123	76,888,435
2034	-	1,776,123	1,776,123	76,888,435
2035	-	1,776,123	1,776,123	76,888,435
2036	-	1,776,123	1,776,123	76,888,435
2037	-	1,776,123	1,776,123	76,888,435
2038	-	1,776,123	1,776,123	76,888,435
2039	-	1,776,123	1,776,123	76,888,435
2040	-	1,776,123	1,776,123	76,888,435
2041	5,633,543	1,776,123	7,409,665	71,254,892
2042	5,763,677	1,645,988	7,409,665	65,491,215
2043	5,896,818	1,512,847	7,409,665	59,594,396
2044	6,033,035	1,376,631	7,409,665	53,561,361
2045	6,172,398	1,237,267	7,409,665	47,388,963
2046	6,314,980	1,094,685	7,409,665	41,073,983
2047	6,460,856	948,809	7,409,665	34,613,126
2048	6,610,102	799,563	7,409,665	28,003,024
2049	6,762,796	646,870	7,409,665	21,240,229
2050	6,919,016	490,649	7,409,665	14,321,212
2051	7,078,845	330,820	7,409,665	7,242,367
2052	7,242,367	167,299	7,409,665	-
Total:	\$105,946,347	\$40,151,490	\$146,097,837	

* Based on CTA debt portfolio as of 9/1/2025

** 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.

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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)*
2026	-	2,210,459	2,210,459	219,466,030
2027	-	5,264,145	5,264,145	219,466,030
2028	-	5,719,943	5,719,943	219,466,030
2029	-	5,793,903	5,793,903	219,466,030
2030	3,520,567	5,793,903	9,314,470	215,945,463
2031	3,841,276	5,700,960	9,542,236	212,104,187
2032	4,170,452	5,599,551	9,770,003	207,933,734
2033	4,508,319	5,489,451	9,997,769	203,425,416
2034	4,855,105	5,370,431	10,225,536	198,570,311
2035	5,438,812	5,242,256	10,681,069	193,131,499
2036	5,582,397	5,098,672	10,681,069	187,549,102
2037	8,594,944	4,951,296	13,546,240	178,954,157
2038	8,992,480	4,724,390	13,716,870	169,961,677
2039	9,400,511	4,486,988	13,887,499	160,561,166
2040	10,047,080	4,238,815	14,285,895	150,514,086
2041	10,482,953	3,973,572	14,456,525	140,031,133
2042	11,100,962	3,696,822	14,797,783	128,930,172
2043	11,394,027	3,403,757	14,797,783	117,536,145
2044	11,865,459	3,102,954	14,968,413	105,670,686
2045	12,178,707	2,789,706	14,968,413	93,491,980
2046	12,500,225	2,468,188	14,968,413	80,991,755
2047	13,000,860	2,138,182	15,139,042	67,990,895
2048	13,344,083	1,794,960	15,139,042	54,646,812
2049	13,696,366	1,442,676	15,139,042	40,950,446
2050	5,402,827	1,081,092	6,483,919	35,547,619
2051	5,545,462	938,457	6,483,919	30,002,157
2052	5,691,862	792,057	6,483,919	24,310,295
2053	5,842,127	641,792	6,483,919	18,468,168
2054	5,996,359	487,560	6,483,919	12,471,809
2055	6,154,663	329,256	6,483,919	6,317,146
2056	6,317,146	166,773	6,483,919	-
Total:	\$219,466,030	\$104,932,965	\$324,398,995	

* Based on CTA debt portfolio as of 9/1/2025

** Includes original principal amount and payment of accrued interest

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.

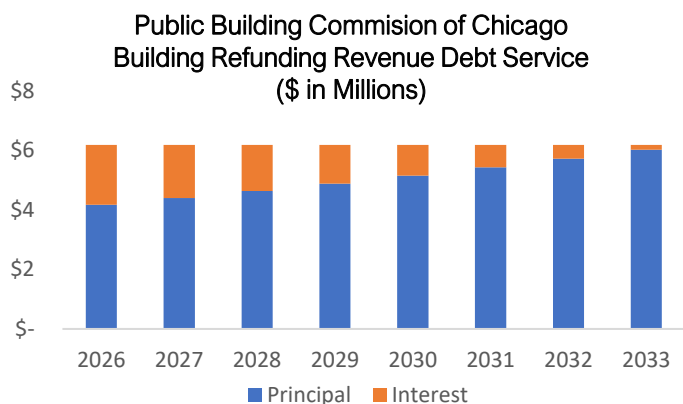
The CTA is obligated to pay to the Trustee on behalf of the PBC on or before February 15 of each year in which the headquarters financed purchased is in effect, rent which equals the debt service on the PBC Bonds due through and including September 1 of that calendar year.

SCHEDULE XVI: \$91,340,000 Building Revenue Bonds Series 2006 Financed Payment Schedule 2026-2033 (Public Building Commission on behalf of Chicago Transit Authority)*				
PAYMENT YEAR	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL DEBT SERVICE	DEBT OUTSTANDING (as of 12/31)*
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:	\$40,430,000	\$9,073,840	\$49,503,840	

* Based on CTA debt portfolio as of 9/1/2025

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.



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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.

Overall, the U.S. economy continues a positive trend as it further distances itself from the pandemic. Although consumer spending previously increased there has been a decline in 2025 driven by tariffs and market uncertainty. Inflation remains higher than target. As a result, public transportation remains an appealing option as rising costs make it an economical choice. However, the growth in ridership is hindered by the continuation of hybrid work arrangements. On the labor front, the market continues to show signs of cooling, with new job creation lower than expected, softer investments, and lower wages.

As discussed earlier, transit ridership at CTA continues to fall short of pre-pandemic levels. This shift in travel behavior, combined with rising operating cost has put financial stress on CTA. Previously, CTA has relied heavily on pandemic related funding, which has provided CTA with a buffer against fiscal cliffs. However, there is not a sustainable replacement for these funds, which are set to be exhausted late 2026. This puts CTA's operations at risk and limits the accessibility of affordable transit to the Chicagoland area. The CTA remains optimistic that Illinois will pass a sustainable solution to prevent a fiscal cliff in 2026 and beyond.

Employment Levels

The seasonally adjusted non-farm employment in the Chicago metropolitan area has remained relatively flat since 2022, remaining at 4.7 million in 2025. This represents an average monthly employment decrease of 0.1 percent over 2024, compared to the National Employment YoY increase of 0.9 percent for 2025.

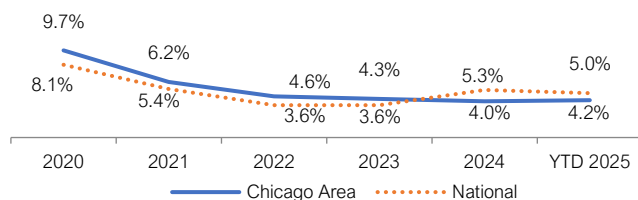
Average Monthly Non-Farm Employment 2020-2025 (seasonally adjusted in Thousands)						
	2020	2021	2022	2023	2024	2025
National	142,165	146,276	152,531	156,066	157,960	159,358
% Change	-5.8%	2.9%	4.3%	2.3%	1.2%	0.9%
Chicago Area	4,415	4,517	4,703	4,709	4,724	4,720
% Change	-6.7%	2.3%	4.1%	0.1%	0.3%	-0.1%

Source: Bureau of Labor Statistics

Unemployment Rate

The Chicago metropolitan area seasonally adjusted unemployment rate averaged 4.2 percent through July 2025, an increase of 0.2 percentage points compared to 2024. Chicago continues to trend favorably compared to national unemployment levels. The national average of 5.0 percent decreased 0.3 percent compared to 2024.

Chicago Area and National Unemployment Rate



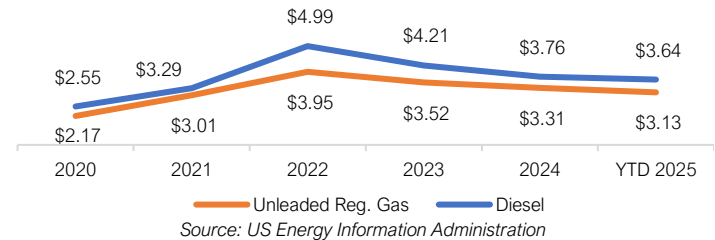
Source: Bureau of Labor Statistics

Fuel Prices

Fuel prices have experienced significant volatility over the past five years. In 2020, the pandemic drove average prices to 2.17 dollars per gallon for regular gasoline and 2.55 dollars for diesel. As demand rebounded in 2021, prices rose to 3.01 dollars for gasoline and 3.29 dollars for diesel, surpassing pre-pandemic levels. In 2022, gasoline and diesel peaked at 3.95 dollars and 4.99 dollars respectively, reflecting supply chain

disruptions and market trends. YTD 2025 prices have eased, averaging 3.13 dollars for gas and 3.64 dollars for diesel, showing a downward trend, but still high compared to pre-pandemic levels.

Unleaded Regular Gasoline + Diesel Fuel (Price per Gallon National Average)

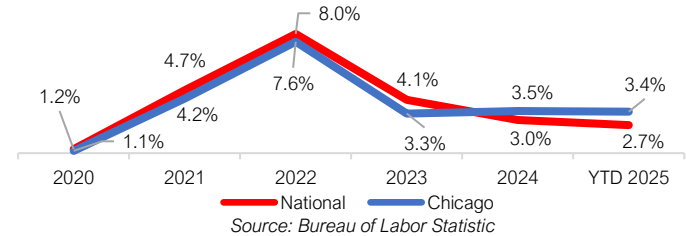


Source: US Energy Information Administration

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. After peaking at 8.0 percent in 2022, inflation has declined, with the national CPI at 3.0 percent in 2024 and expected to ease further to 2.7 percent in 2025. The Chicago CPI shows a similar downward trend, reaching 3.4 percent in 2025 as inflation continues to decrease.

Consumer Price Index Change

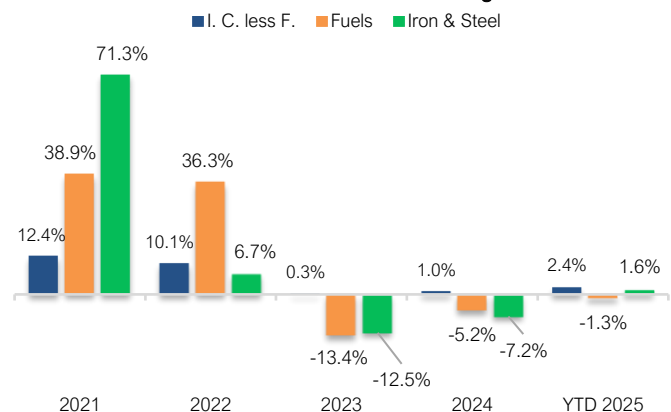


Source: Bureau of Labor Statistics

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 2020 to 2025, PPI has been volatile due to market trends. In 2021, Iron & Steel (+71.3 percent) and Fuels (+38.9 percent) categories saw significant increases due to surging demand paired with supply chain issues. By 2024, PPI saw declines driven by easing demand and improved production. YTD 2025 shows that PPI has begun to stabilize.

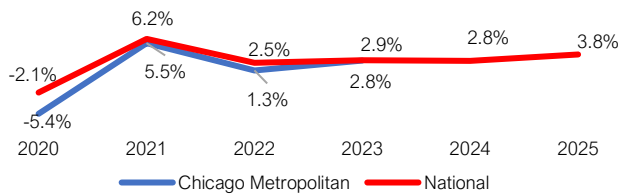
Producer Price Index Change



Source: Bureau of Labor Statistics

Gross Domestic Product (GDP)

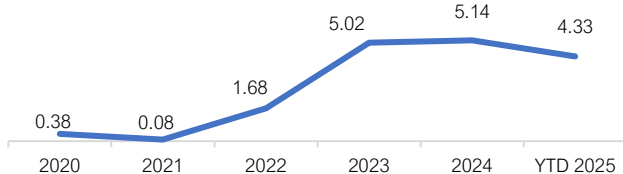
GDP measures the value of goods and services produced in an area each year. The National GDP grew each year since 2010 before contracting substantially in 2020 due to the pandemic. From 2019 to 2020, the Chicago Metropolitan Area declining 5.4 percent, compared to a 2.1 percent decline nationally. In 2021, as the economy re-opened, Chicago Metropolitan GDP grew 6.2 percent compared to 2020, outpacing the national GDP growth of 5.5 percent. Growth then slowed in 2022. However, Chicago expanded by 2.8 percent between 2022 and 2023. In 2023, both National and Chicago GDP grew at similar rates (2.8 percent & 2.9 percent respectively). National GDP forecasts show steady growth through 2025.

GDP Growth Rate Change

Source: Bureau of Economic Analysis

Federal Funds Rate (FFR)

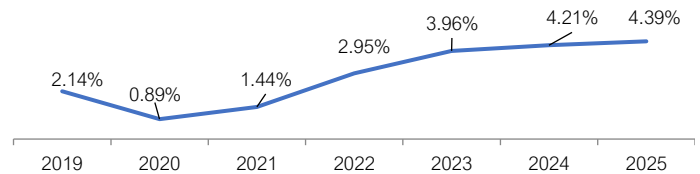
The FFR is the interest rate at which banks lend balances at the Federal Reserve to other depository institutions and the Federal Open Market Committee (FOMC) is tasked with setting a target for the FFR. The FFR increased between 2021 and 2023 driven by inflation. After coming in at 0.08 percent in 2021, the FFR increased to 1.68 percent in 2022. In 2023, it significantly increased to 5.02 percent and remained over 5.00 percent in 2024. YTD 2025, the FFR has eased slightly to 4.33 percent, indicating that inflation has slowed. However, borrowing costs remain higher compared to pre-pandemic levels.

Average Annual Federal Funds Rate

Source: Board of Governors of the Federal Reserve System

Ten-Year U.S. Treasury Yield

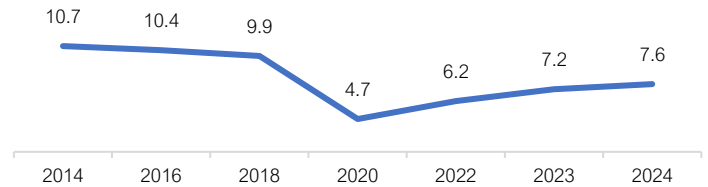
The Ten-Year Treasury note is the most frequently quoted security for analysis of the U.S. government. In 2025, the 10-year yield increased to 4.39 percent, up from 4.21 percent in 2024. This trend reflects inflation concerns and tighter monetary policy by the federal reserve. In other words, borrowing costs are expected to remain higher than pre-pandemic levels.

Average Annual Ten-Year U.S. Treasury Yield

Source: US Department of Treasury

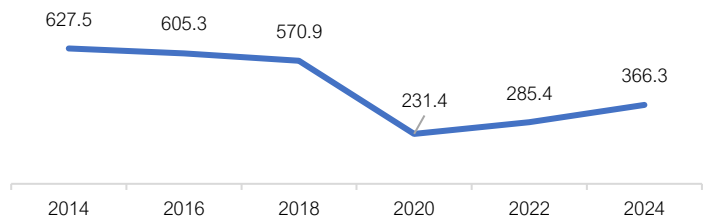
Historical Ridership

Throughout the past 10 years, national transit ridership has gradually trended downward. Ridership fell from 10.7 billion trips in 2014 to 9.9 billion in 2018, before dropping to 4.7 billion in 2020 during the pandemic. Since, ridership has recovered, reaching 6.2 billion in 2022, 7.2 billion in 2023, and 7.6 billion in 2024. While the upward trend since 2020 indicates improvement, total ridership remains well below pre-pandemic levels as remote work and hybrid schedules continue to decrease demand.

**National Ridership
(in billions)**

Source: American Public Transportation Association

Transit ridership in the Chicago region was trending upward in the early 2000s. Over the past decade, ridership has steadily declined, falling from 628 million in 2014 to 571 million in 2018. The pandemic drove an even sharper decline, with ridership plunging to 231 million trips in 2020. Since, ridership has gradually recovered climbing to 286 million in 2022 and 366 million in 2024. Despite these gains, total ridership remains below pandemic levels as hybrid work and consumer behavior continue to limit demand.

**Chicago Area Historical Ridership
(in millions)**

Source: Regional Transportation Authority

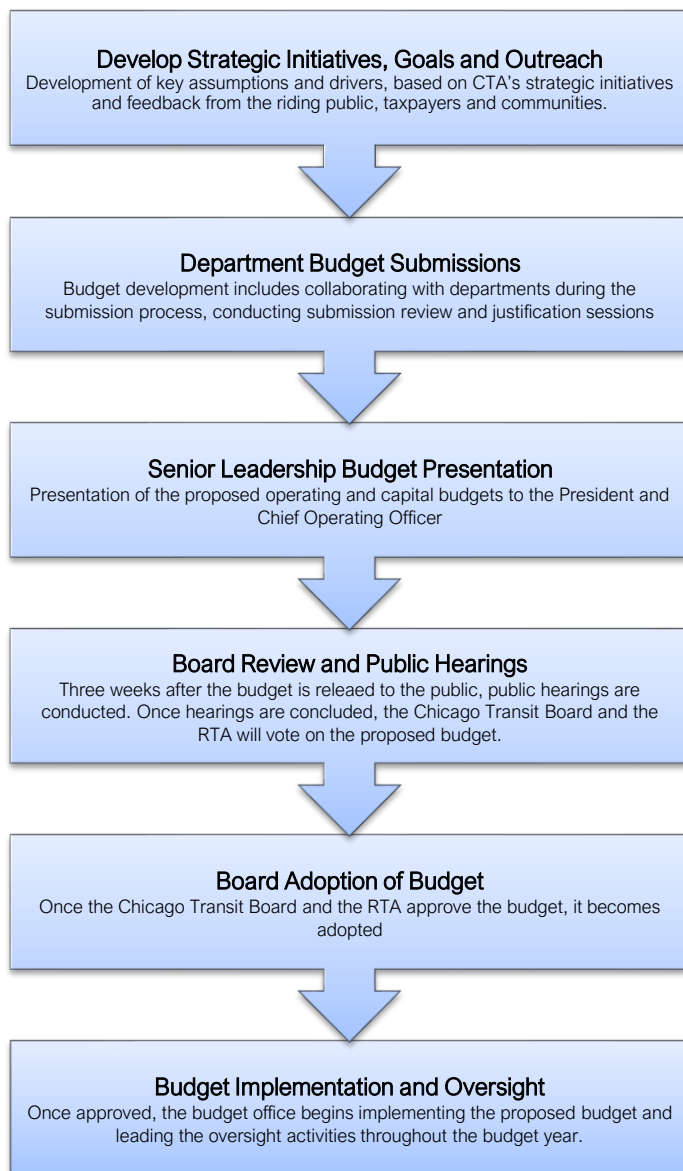
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Annual Budget Process

The Regional Transportation Authority (RTA) Act requires the RTA Board to adopt an annual budget and two-year financial plan, a strategic plan, and a five-year capital program. The budgetary process contains three phases: budget development, budget adoption, and budget execution and administration.

Budget Development Process

The CTA's annual budget development process serves as the foundation for its financial planning and control. The Chief Financial Officer and staff prepare and submit the budget to the Board of Directors for consideration and approval. The annual budget includes both the operating and capital budgets. It is the responsibility of each department to adhere to approved spending levels and manage its operations efficiently and in alignment with CTA's goals and programs authorized by the Board. The budget development process is a collaborative effort and includes the following phases:



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.

Budget Calendar**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.

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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 governmental accounting and reporting principles. The CTA applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case the GASB prevails.

Basis of Presentation

The financial statements provide information about the CTA's business-type and fiduciary (Qualified Supplemental Retirement Plan) activities. Separate financial statements are presented for each category. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The financial statements for CTA's business-type activities are used to account for the operations of the CTA and are accounted for on a proprietary (enterprise) fund basis. This basis is used when operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing services to the general public be financed or recovered primarily through user charges such as fares.

Accordingly, the CTA maintains its records on the accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the CTA are included in the balance sheet.

The financial statements for the fiduciary activities are used to account for the assets held by the CTA in trust for the payment of future retirement benefits under the Qualified Supplemental Retirement Plan. The assets of the Qualified Supplemental Retirement Plan cannot be used to support CTA operations.

Fiscal Year

The operating cycle of the CTA is based on the calendar year. Prior to 1995, the CTA operated on a 52-week fiscal year composed of four quarters of "four-week, four week, and five week" periods. Periodically, a 53-week fiscal year was required to keep the fiscal year aligned with the calendar.

Internal Controls

CTA management is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the CTA are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The CTA's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets as well as provide reasonable assurance of proper recording of all financial transactions.

Each year, the CTA conducts internal and external audits to test the adequacy of its internal control system. Where weaknesses are identified, the CTA takes immediate action to correct such weaknesses to ensure a sound internal control system.

Single Audit

As a recipient of federal, state, and RTA financial assistance, the CTA is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is subject to periodic evaluation by management and the internal audit staff of the CTA, as well as external auditors.

As part of the CTA's single audit, tests are performed to determine the adequacy of the internal control system, including the portion related to federal financial assistance programs, as well as to determine that the CTA has complied with applicable laws and regulations.

Budgeting Controls

In addition, the CTA maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget appropriated by the Chicago Transit Board and approved by the RTA. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for total operating expenses. The CTA also maintains a position control system, which requires that every job that is not part of scheduled transit operations be budgeted on an annual basis.

Financial Policy

Financial planning policies incorporate both short- and long-term strategies focused on the principles of a balanced budget. These policies ensure proper resource allocation and the continued financial viability of the organization. The CTA reviews the policies on an annual basis as part of the budget process to ensure continued relevance to the organization's goals and objectives.

A Balanced Budget

The budget reflects the short-term goals of the agency. Following development, adoption, and implementation of the annual budget, the CTA continually monitors actual monthly financial performance against the budget. Each month, the CTA performs a detailed analysis of each revenue and expense account to determine operating variances. This includes reviewing position headcount, analyzing labor, material and other expenses, examining revenue scenarios for potential shortfalls, applying seasonality spread in relation to business activities, and conducting continuous audits to ensure a balanced budget. Where potential year-end variances to budget are projected, the CTA uses various strategies to manage them. A monthly financial performance report is produced and submitted to the CTA and RTA boards for their review.

Each year the CTA is required to have a balanced budget as required by the RTA Act. As such, the CTA takes care in the development of its budget to ensure that assumptions and estimates used to develop the budget are reasonable. The CTA analyzes data from recent years and develops forecasts that are built on actual expense trends. The CTA also researches market trends and consultants' studies that could impact fuel and healthcare expenses. At the time the budget is presented, the total expenses match the total revenue, including system-generated and other revenues, as well as public funding.

Long-Range Planning

The CTA also develops a longer-range plan for the period beyond the current budget and two-year financial plan. This ten-year plan assesses the implications of current and proposed budgets, policy priorities, and financial assumptions. Additionally, external economic studies, demographics, and traffic patterns are used to estimate the future transit needs of the Chicago metropolitan area, and to establish the future system requirements of the CTA. Current infrastructure needs, as well as system growth needs, are developed, prioritized, and incorporated into the long-term plan.

Capital Investment Planning

The CTA continuously maintains an inventory and assessment of the condition of all major capital assets. A detailed five-year capital program prioritizes the short-term capital needs that are necessary to bring the system to a state of good repair, as well as to maximize customer benefits in the regional transit system. CTA is also developing a Transit Asset Management system to assist in prioritizing future capital projects. A 20-year capital program condition and assessment report provides a broader list of the CTA's capital investment needs.

Revenue Policies

The foremost sources of operating revenues for the CTA are bus and rail passenger fares, which are established by the CTA's Board. The CTA also recognizes as revenue the rental fees received from concessionaires, the fees collected from advertisements on CTA property, and other miscellaneous operating revenues. A clear understanding of CTA revenue sources is essential to maintaining a balanced budget and for providing quality service to customers.

Revenue Diversification

Organizational units are encouraged to submit revenue ideas for consideration. The CTA has embarked upon numerous alternative revenue enhancements, such as vending machines and ATMs on the system, wireless communications in the subway tunnels, digital communications, and parking under the elevated rights-of-way. The CTA continues to find ways to enhance system advertising, charters, and concession revenues, as well as revenue from investments.

Use of One-Time Revenues

Extraordinary revenues from the sale of surplus assets provide one-time benefits to the CTA. These additional revenues are used to fund 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.

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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.

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Acronyms

AA	Alternatives Analysis	GASB	Governmental Accounting Standards Board
ADA	Americans with Disabilities Act	GDP	Gross Domestic Product
AoPP	Areas of Persistent Poverty Program	GFOA	Government Finance Officers Association
APB	Accounting Principles Board	GTT	City of Chicago Ground Transportation Tax
APTA	American Public Transportation Association	HTF	Highway Trust Funds
ARP	American Rescue Plan Act	ICC	Illinois Commerce Commission
ASAP	All Stations Accessibility Plan	ICE	Innovation, Coordination, and Enhancement Fund
ATCMTD	Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative	IDOT	Illinois Department of Transportation
AVAS	Automated Voice Annunciation System	IIJA	Infrastructure Investment and Jobs Act
BAB	Build America Bonds	IGA	Intergovernmental Agreement
BRT	Bus Rapid Transit	IRA	Inflation Reduction Act
BUILD	Better Utilizing Investments to Leverage Development	IT	Information Technology
CAC	Capital Advisory Committee	JARC	Job Access and Reverse Commute Program
CFRA	Carbon-Free Energy Resource Adjustment	LACMTA	Los Angeles County Metropolitan Transportation Authority
CARES	Coronavirus Aid Relief and Economic Security Act	LPA	Locally Preferred Alternative
CBO	Congressional Budget Office	MAP-21	Moving Ahead for Progress in the 21st Century
CDOT	Chicago Department of Transportation	MBTA	Massachusetts Bay Transportation Authority
CEJA	Climate and Equitable Jobs Act	MFT	Motor Fuel Tax
CIG	Capital Investment Grant	MPO	Metropolitan Planning Organization
CIP	Capital Improvement Program	NEPA	National Environmental Policy Act
CMAQ	Chicago Metropolitan Agency for Planning	NOFO	Notice of Funding Opportunity
CMAQ	Congestion Mitigation and Air Quality Improvement Program	NTD	National Transit Database
COP	Certificate of Participation	NYCT	New York City Transit
CPD	Chicago Police Department	PayGo	Pay-As-You-Go funding from State Motor Fuel Tax receipts
CPI	Consumer Price Index	PBC	Public Building Commission of Chicago
CRRSA	Coronavirus Response and Relief Supplemental Appropriations	PBV	Positive Budget Variance
CSL	Chicago Surface Lines	PD	Project Development
CTA	Chicago Transit Authority	PE	Preliminary Engineering
DBE	Disadvantaged Business Enterprise	PMP	Project Master Plans
DEI	Diversity, Equity, and Inclusion	POB	Pension Obligation Bond
DHS	Department of Homeland Security	PPI	Producer Price Index
EIA	Energy Information Administration	PTF	Public Transportation Fund
EIS	Environmental Impact Statement	RAISE	Rebuilding American Infrastructure with Sustainability and Equity Grant Program (formerly BUILD or TIGER)
EPA	Environmental Protection Agency	RETT	Real Estate Transfer Tax
ETOD	Equitable Transit-Oriented Development Plan	RFQ	Request for Qualifications
FASB	Financial Accounting Standards Board	RHCT	Retiree Health Care Trust
FAST	Fixing America's Surface Transportation Act	RLE	Red Line Extension
FEJA	Future Energy Jobs Act	ROD	Record of Decision
FFGA	Full Funding Grant Agreement	ROW	Right of Way
FFR	Federal Funds Rate	RPM	Red and Purple Modernization Project
FFY	Federal Fiscal Year	RTA	Regional Transportation Authority
FHWA	Federal Highway Administration	SCADA	Supervisory Control and Data Acquisition
FOMC	Federal Open Market Committee	SCIP	Strategic Capital Improvement Program
FTA	Federal Transit Administration	SEPTA	Southeastern Pennsylvania Transportation Authority
FY	Fiscal Year	SFY	State Fiscal Year
GAAP	Generally Accepted Accounting Principles	SMS	Safety Management System
GARVEE	Grant Anticipation Revenue Vehicles	SOGR	State of Good Repair

SPR	Statewide Planning & Research	TOD	Transit-Oriented Development
STIP	State Transportation Improvement Program	TSD	Transit Supportive Development Plan
STO	Scheduled Transit Operations	TSGP	Transit Security Grant Program
STP	Surface Transportation Program	TSP	Traffic Signal Prioritization
SWAP	Sheriff's Work Alternative Program	ULB	Useful Life Benchmark
TAM	Transit Asset Management	UPRR	Union Pacific Railroad
TAMP	Transit Asset Management Plan	UPS	Uninterrupted Power Supply
TCP	Transit Capital Partners	USDOT	United States Department of Transportation
TIF	Tax Increment Financing	UWP	Unified Work Program
TIFIA	Transportation Infrastructure Finance and Innovation Act	UZA	Urbanized Area
TIGGER	Transit Investments for Greenhouse Gas & Energy Reduction	WMATA	Washington Metropolitan Area Transit Authority
TIP	Transportation Improvement Program	YNB	Your New Blue

Glossary

2008 Legislation – The amendments to the RTA Act in 2008 included the following policies affecting the CTA budget: 1) Increased the RTA sales tax to 1.25 percent in Cook County and 0.75 percent in the collar counties; 2) Prescribed a new distribution of revenues for the incremental sales tax increase and Public Transportation Fund match; 3) Established an Innovation, Coordination, and Enhancement (ICE) Fund, an ADA Paratransit Fund, and a Suburban Community Mobility Fund; and 4) The chair of the CTA no longer was on the RTA Board.

Accessible – A site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accounting Principles Board (APB) – It was created by the AICPA in 1959 and issued pronouncements on accounting principles until 1973, when it was replaced by the Financial Accounting Standards Board (FASB).

Accrual Basis – A method of accounting in which revenues are reported in the fiscal period when they are earned, regardless of when they are received, and expenses are deducted in the fiscal period they are incurred, whether they are paid or not.

Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Initiative – Program will leverage existing transportation and transit infrastructure, making modifications to communication and software systems to provide priority to transit buses at traffic signals along three pilot corridors in Chicago.

All Stations Accessibility Plan (ASAP) – A comprehensive plan for making the remaining 42 stations fully accessible, along with repairs and upgrades to existing 160 station elevators in the next 20 years.

Alternatives Analysis (AA) Study – This study is the first step of the FTA's process to qualify for New Starts funding and is designed to examine all the potential transit options available and to determine a locally preferred alternative.

American Rescue Plan Act (ARP) – The third major federal economic stimulus bill passed in March 2021 to speed up the recovery of the economic and health effects of the COVID-19 pandemic in the United States.

Americans with Disabilities Act (ADA) – Federal law that prohibits discrimination against people with disabilities in several areas, including employment, transportation, public accommodations, communications, and access to state and local government programs and services.

Americans with Disabilities Act (ADA) Paratransit Fund – A fund created by the 2008 Legislation to fund regional paratransit services provided by Pace.

American Public Transportation Association (APTA) – A nonprofit international association that representing all modes of public transportation, including bus, paratransit, light rail, commuter rail, subways, waterborne services, and intercity and high-speed passenger rail.

Areas of Persistent Poverty Program (AoPP) – Supports FTA's strategic goals and objectives through the timely and efficient investment in public transportation.

Articulated Bus – A flexible high-capacity passenger bus.

Automated Voice Annunciation System (AVAS) – An on-board announcement system that coordinates with both global positioning (satellite-based) and logical positioning (distance-based) systems to determine the location of a bus and make the appropriate next-stop announcement.

Better Utilizing Investments to Leverage Development (BUILD) – A federal discretionary grant program dedicated to funding critical freight and passenger projects that have a significant local or regional impact.

Big Gap – When the time in between buses is more than double the scheduled interval and creates a gap of more than 15 minutes.

Bond – A type of loan issued that provides a fixed rate of return over a set period.

Build America Bonds (BAB) – Taxable municipal bonds that featured federal tax credits or subsidies for bondholders or state and local government bond issuers. The Build America Bonds program expired in 2010.

Bureau of Labor Statistics (BLS) – A federal agency responsible for measuring labor market activity, working conditions, and price changes in the economy.

Capital Advisory Committee (CAC) – Comprised of members from local universities as well as leaders from the business community whose purpose is to solicit expert advice from external professionals in carrying out the CTA's capital process, including the selection of projects for funding and advising the CTA in closing the funding gap.

Capital Budget – A plan of action for a specified period for purchases of assets using capital grants or bonds.

Capital Expense – Expense associated with buying, maintaining, or improving its fixed assets, such as buildings, vehicles, equipment, or land.

Capital Investment Grant – Funds received from grantor funding agencies used to finance construction, renovation, and major repairs or the purchase of machinery, equipment, buildings, or land.

Capital Improvement Program (CIP) – A short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan.

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.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) – Provided \$10 billion in supplemental Childcare 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 Environmental Protection Agency (Illinois EPA) – The Illinois EPA has been designated as the lead agency to administer funds allocated to Illinois from the Volkswagen Environmental Mitigation Trust (Trust).

Illinois Jobs Now Program – A \$31 billion capital improvement program created in 2009 designed to improve bridges and roads, transportation networks, schools, and communities.

Illinois' Low-Income Circuit Breaker Program – The official name of the Program is the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act, governed by the Illinois Department on Aging, helps offset the cost of property taxes and other costs by providing low-income, senior, or disabled residents with yearly grants.

Infrastructure – Assets that make up CTA's transportation system, including maintenance facilities, rail track, signals, stations, elevated structures, and power substations.

Infrastructure Investment and Jobs Act (IIJA) – Historic investment that will modernize our roads, bridges, transit, rail, ports, airports, broadband, and drinking water and wastewater infrastructure. This legislation does not raise taxes on everyday Americans, and it will create good-paying union jobs.

Innovation, Coordination and Enhancement Fund (ICE) – A fund established by the 2008 amendments to the RTA Act for operating or capital grants or loans to Service Boards, transportation agencies, or units of local government that advance the goals and objectives identified by the RTA's Strategic Plan. Unless an emergency is determined by the RTA Board that requires some or all amounts of the Fund, it can only be used to enhance the coordination and integration of public transportation and develop and implement innovations to improve the quality and delivery of public transportation.

Intergovernmental Agreement – An agreement between two or more governments to work together on a shared issue.

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.

Motor Fuel Tax – A Fee charged by government on the sale of fuel, which is used to fund transportation infrastructure like roads, bridges, and highways.

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 monthly. All funds deposited are allocated to the RTA to be used at its discretion for the benefit of the Service Boards.

Real Estate Transfer Tax (RETT) – A source of public funding for the CTA collected by the City of Chicago. The 2008 legislation authorized a \$1.50 per \$500 increase in RETT, and the CTA receives 100% of the RETT increase.

Real Time Bus Management (RTBM) – The RTBM system polls the IVN on each bus every thirty seconds for location updates. The buses also send up events when new operators logon, start a new trip, or pass a time point.

Record of Decision (ROD) – A document prepared at the conclusion of the Environmental Impact Statement (EIA) process, as required by the National Environmental Policy Act (NEPA). The ROD document is prepared after the

final EIS and identifies the FTA's environmental decision as the preferred approach out of all alternatives considered.

Recovery Ratio – Measures the percentage of expenses that a Service Board must pay against revenues that it generates. The RTA Act mandates that the RTA region must attain an annual recovery ratio of at least 50 percent.

Reduced Fare – Discounted fare for children ages 7 through 11, grade school and high school students (with CTA ID), seniors 65 and older (with RTA ID), and riders with disabilities (with RTA ID) except paratransit riders.

Reduced Fare Reimbursement – Reimbursement of revenue lost by the Service Boards due to providing reduced fares to students, elderly and the disabled. The CTA recovers a portion of the cost of trips with both the fare revenue and operating subsidies. The reimbursements are made from the State of Illinois to cover a portion of the difference between the standard and reduced fare. Reimbursement amounts are allocated to the Service Boards based on reduced fare passenger trips taken during the year.

Regional Transportation Authority (RTA) – The financial oversight and regional planning body for the three public transit operators in northeastern Illinois: the CTA, Metra commuter rail, and Pace suburban bus.

Regional Transportation Authority Act (RTA Act) – An Act that regulates which public funds may be expended and authorizes the state to provide financial assistance to units of local government for distribution to providers of public transportation, including the CTA. It authorizes the distribution of sales tax revenue collected by the City of Chicago and collar counties, Public Transportation Funds, State Assistance, and other funding streams for the CTA and outlines criteria that must meet for budget approval.

Request For Qualifications – A document that asks potential suppliers or vendors to detail their background and experience providing a specific good or service.

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 Supportive Development Plan – Incorporates the concept of balanced development and gradual growth, reflecting community feedback, while still supporting the many amenities and opportunities that can come from focusing development efforts around transit.

Transit Security Grant Program (TSGP) – Administrated by FEMA to support transit infrastructure security activities.

Transportation Infrastructure Finance and Innovation Act (TIFIA) – Federal program provides credit assistance for qualified projects of regional and national significance. Many large-scale surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) – The TIGGER Program has been continued in FY2011 through the Department of Defense and Full-Year Continuing Appropriations Act 2011 (Pub. L. 112-10). \$49.9 million was appropriated for grants to public transit agencies for capital investments that will reduce the energy consumption or greenhouse gas emissions of their public transportation systems.

Transportation Improvement Plan (TIP) – A six-year financial program that describes the schedule for obligating federal funds to state and local projects. The TIP contains funding information for all modes of transportation, including highways and high-occupancy vehicles, as well as transit capital and operating costs.

Top Operator Rate – The top hourly rate paid to CTA bus and rail operators, based on employee seniority within the job, as specified by the union contract.

Traffic Signal Prioritization (TSP) – Operational strategy where communication between a transit bus and a traffic signal alters the timing of the traffic signal to give priority to the transit vehicle.

Useful Life Benchmark (ULB) – The measure agencies use to track the performance of revenue vehicles (rolling stock) and service vehicles (equipment) to set their performance measure targets. Assets beyond their ULB are at greater risk of failing and causing unplanned service disruptions.

Unified Work Program (UWP) – The Unified Work Program lists the planning projects the Chicago Area Transportation Study and other agencies undertake each year to enhance transportation in northeastern Illinois and to fulfill federal planning regulations.

Unlinked Passenger Trip – An unlinked passenger trip is a single boarding of any transit vehicle, even if the boarding is part of the same trip. Thus, unlinked passenger trips for any transit system are the number of passengers boarding public transportation vehicles.

Unrestricted Net Assets – The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by CTA to represent the available fund balance.

Vehicle Revenue Hours – Hours that vehicles travel while in revenue service and include recovery time but exclude travel to and from storage facilities.

Vehicle Revenue Miles – Mile's vehicles travel while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities.

Ventra – Payment system for CTA, Metra and Pace that allows customers to pay for train and bus rides with the same methods used for everyday purchases and allows them to manage their accounts online and choose from several different contactless payment methods.

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