



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1725

Introduced 2/9/2011, by Sen. Kirk W. Dillard

SYNOPSIS AS INTRODUCED:

70 ILCS 3605/28a	from Ch. 111 2/3, par. 328a
70 ILCS 3605/30	from Ch. 111 2/3, par. 330
70 ILCS 3605/34	from Ch. 111 2/3, par. 334
70 ILCS 3615/2.04	from Ch. 111 2/3, par. 702.04
70 ILCS 3615/3A.10	from Ch. 111 2/3, par. 703A.10
70 ILCS 3615/3B.10	from Ch. 111 2/3, par. 703B.10
70 ILCS 3615/4.11	from Ch. 111 2/3, par. 704.11

Amends the Regional Transportation Authority Act and the Metropolitan Transit Authority Act. Requires that the budget and 2-year financial plan submitted by each Service Board (Chicago Transit Authority, Suburban Bus Board, and Commuter Rail Board) to the Regional Transportation Authority must be approved by the Chairman of the Board of Directors of the Regional Transportation Authority. Provides that the Chairman of the Board of Directors of the Regional Transportation Authority may reduce or veto any item of appropriations in the budget or plan submitted by a Service Board and shall return the item vetoed or reduced with his or her objections to the Board of the Regional Transportation Authority. Sets forth the procedure for the Board of the Regional Transportation Authority to override the Chairman's veto. Makes conforming changes in provisions concerning the approval of a Service Board's revised budget. Effective January 1, 2012.

LRB097 00069 RLJ 40075 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Metropolitan Transit Authority Act is
5 amended by changing Sections 28a, 30, and 34 as follows:

6 (70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

7 Sec. 28a. Contracts with labor organizations; collective
8 bargaining agreements.

9 (a) The Board may deal with and enter into written
10 contracts with the employees of the Authority through
11 accredited representatives of such employees or
12 representatives of any labor organization authorized to act for
13 such employees, concerning wages, salaries, hours, working
14 conditions and pension or retirement provisions; provided,
15 nothing herein shall be construed to permit hours of labor in
16 excess of those provided by law or to permit working conditions
17 prohibited by law. In case of dispute over wages, salaries,
18 hours, working conditions, or pension or retirement provisions
19 the Board may arbitrate any question or questions and may agree
20 with such accredited representatives or labor organization
21 that the decision of a majority of any arbitration board shall
22 be final, provided each party shall agree in advance to pay
23 half of the expense of such arbitration.

1 No contract or agreement shall be made with any labor
2 organization, association, group or individual for the
3 employment of members of such organization, association, group
4 or individual for the construction, improvement, maintenance,
5 operation or administration of any property, plant or
6 facilities under the jurisdiction of the Authority, where such
7 organization, association, group or individual denies on the
8 ground of race, creed, color, sex, religion, physical or mental
9 handicap unrelated to ability, or national origin membership
10 and equal opportunities for employment to any citizen of
11 Illinois.

12 (b)(1) The provisions of this paragraph (b) apply to
13 collective bargaining agreements (including extensions and
14 amendments of existing agreements) entered into on or after
15 January 1, 1984.

16 (2) The Board shall deal with and enter into written
17 contracts with their employees, through accredited
18 representatives of such employees authorized to act for such
19 employees concerning wages, salaries, hours, working
20 conditions, and pension or retirement provisions about which a
21 collective bargaining agreement has been entered prior to the
22 effective date of this amendatory Act of 1983. Any such
23 agreement of the Authority shall provide that the agreement may
24 be reopened if the amended budget submitted pursuant to Section
25 2.18a of the Regional Transportation Authority Act is not
26 approved by the Board of the Regional Transportation Authority.

1 The agreement may not include a provision requiring the payment
2 of wage increases based on changes in the Consumer Price Index.
3 The Board shall not have the authority to enter into collective
4 bargaining agreements with respect to inherent management
5 rights, which include such areas of discretion or policy as the
6 functions of the employer, standards of services, its overall
7 budget, the organizational structure and selection of new
8 employees and direction of personnel. Employers, however,
9 shall be required to bargain collectively with regard to policy
10 matters directly affecting wages, hours and terms and
11 conditions of employment, as well as the impact thereon upon
12 request by employee representatives. To preserve the rights of
13 employers and exclusive representatives which have established
14 collective bargaining relationships or negotiated collective
15 bargaining agreements prior to the effective date of this
16 amendatory Act of 1983, employers shall be required to bargain
17 collectively with regard to any matter concerning wages, hours
18 or conditions of employment about which they have bargained
19 prior to the effective date of this amendatory Act of 1983.

20 (3) The collective bargaining agreement may not include a
21 prohibition on the use of part-time operators on any service
22 operated by or funded by the Board, except where prohibited by
23 federal law.

24 (4) Within 30 days of the signing of any such collective
25 bargaining agreement, the Board shall determine the costs of
26 each provision of the agreement, prepare an amended budget

1 incorporating the costs of the agreement, and present the
2 amended budget to the Chairman of the Board of the Regional
3 Transportation Authority for its approval under Section 4.11 of
4 the Regional Transportation Authority Act. The Chairman of the
5 Board of the Regional Transportation Authority may approve the
6 amended budget ~~by an affirmative vote of 12 of its then~~
7 ~~Directors~~. If the budget is not approved by the Chairman of the
8 Board of the Regional Transportation Authority, the agreement
9 may be reopened and its terms may be renegotiated. Any amended
10 budget which may be prepared following renegotiation shall be
11 presented to the Chairman of the Board of the Regional
12 Transportation Authority for his or her ~~its~~ approval as set
13 forth in Section 4.11 of the Regional Transportation Authority
14 Act in like manner.

15
16 (Source: P.A. 95-708, eff. 1-18-08.)

17 (70 ILCS 3605/30) (from Ch. 111 2/3, par. 330)

18 Sec. 30. Rule and regulations; fares. The Board shall make
19 all rules and regulations governing the operation of the
20 transportation system, shall determine all routings and change
21 the same whenever it is deemed advisable by the Board, subject
22 to the provisions of any ordinance granting rights to the
23 Authority. ~~The~~ ~~Except as provided in Section 4.11(b)(5) of the~~
24 ~~"Regional Transportation Authority Act",~~ the Board shall fix
25 rates, fares and charges for transportation, provided that they

1 shall be at all times sufficient in the aggregate to provide
2 revenues (a) for the payment of the interest on and principal
3 of all bonds, certificates and other obligations payable from
4 said revenues and to meet all other charges upon such revenues
5 as provided by any trust agreement executed by the Authority in
6 connection with the issuance of bonds or certificates under
7 this Act, (b) for the payment of all operating costs including
8 all charges which may be incurred pursuant to Sections 29 and
9 39 of this Act and all other costs and charges incidental to
10 the operation of the transportation system, (c) for the payment
11 of all costs and charges incurred pursuant to Sections 37 and
12 38 of this Act and any other costs and charges for acquisition,
13 installation, construction or for replacement or
14 reconstruction of equipment, structures or rights of way not
15 financed through issuance of bonds or certificates under
16 Section 12 of this Act, and (d) for any compensation required
17 to be paid to any municipality for the use of streets, subways
18 and other public ways. The Board may provide free
19 transportation within any municipality in and by which they are
20 employed for firemen and public health nurses, when in uniform,
21 and policemen when in uniform or, when not in uniform, upon
22 presentation of identification as policemen, and shall provide
23 free transportation to sworn law enforcement personnel of the
24 Cook County Sheriff's Department when in uniform or, when not
25 in uniform, upon presentation of identification as sworn law
26 enforcement personnel of the Cook County Sheriff's Department,

1 and may provide free transportation for employees of the
2 Authority when in uniform or upon presentation of
3 identification as such employees, and may enter into agreements
4 with the United States Post Office Department for the
5 transportation of mail, and the payment of compensation to the
6 Authority in lieu of fares for the transportation of letter
7 carriers, when in uniform at all times.

8 The Board may also provide free transportation, or
9 transportation at reduced fares, to all or designated classes
10 of pupils in attendance at public schools of school districts
11 within or partly within the territorial limits of the
12 Authority, or in attendance at private schools offering grades
13 of instruction comparable to those offered in public schools,
14 under such conditions as shall be prescribed by the Board, and,
15 if otherwise authorized by law, the Board may contract with
16 public school boards and representatives of private schools,
17 for reimbursement of pupil transportation costs from public
18 funds.

19 (Source: P.A. 83-886.)

20 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

21 Sec. 34. Budget and Program. The Authority, subject to the
22 powers of the Regional Transportation Authority in Section 4.11
23 of the Regional Transportation Authority Act, shall control the
24 finances of the Authority. It shall by ordinance appropriate
25 money to perform the Authority's purposes and provide for

1 payment of debts and expenses of the Authority. Each year the
2 Authority shall prepare and publish a comprehensive annual
3 budget and five-year capital program document, and a financial
4 plan for the 2 years thereafter describing the state of the
5 Authority and presenting for the forthcoming fiscal year and
6 the two following years the Authority's plans for such
7 operations and capital expenditures as it intends to undertake
8 and the means by which it intends to finance them. The proposed
9 budget, financial plan, and five-year capital program shall be
10 based on the Regional Transportation Authority's estimate of
11 funds to be made available to the Authority by or through the
12 Regional Transportation Authority and shall conform in all
13 respects to the requirements established by the Regional
14 Transportation Authority. The proposed budget, financial plan,
15 and five-year capital program shall contain a statement of the
16 funds estimated to be on hand at the beginning of the fiscal
17 year, the funds estimated to be received from all sources for
18 such year and the funds estimated to be on hand at the end of
19 such year. The proposed budget, financial plan, and five-year
20 capital program shall be available at no cost for public
21 inspection at the Authority's main office and at the Regional
22 Transportation Authority's main office at least 3 weeks prior
23 to any public hearing. Before the proposed budget, financial
24 plan, and five-year capital program are submitted to the
25 Regional Transportation Authority, the Authority shall hold at
26 least one public hearing thereon in each of the counties in

1 which the Authority provides service. All Board members of the
2 Authority shall attend a majority of the public hearings unless
3 reasonable cause is given for their absence. After the public
4 hearings, the Board of the Authority shall hold at least one
5 meeting for consideration of the proposed program and budget
6 with the Cook County Board. After conducting such hearings and
7 holding such meetings and after making such changes in the
8 proposed budget, financial plan, and five-year capital program
9 as the Board deems appropriate, it shall adopt an annual budget
10 ordinance at least by November 15th preceding the beginning of
11 each fiscal year. The budget, financial plan, and five-year
12 capital program shall then be submitted to the Regional
13 Transportation Authority as provided in Section 4.11 of the
14 Regional Transportation Authority Act.

15 If In the event that the Chairman of the Board of the
16 Regional Transportation Authority determines that the budget,
17 financial plan, and five-year capital program do not meet the
18 standards of said Section 4.11, then the Board must submit to
19 the Authority an amended budget ordinance as set forth in
20 Section 4.11 of the Regional Transportation Authority Act. 7
21 ~~the Board of the Authority shall make such changes as are~~
22 ~~necessary to meet such requirements and adopt an amended budget~~
23 ~~ordinance. The amended budget ordinance shall be resubmitted to~~
24 ~~the Regional Transportation Authority pursuant to said Section~~
25 ~~4.11.~~ The ordinance shall appropriate such sums of money as are
26 deemed necessary to defray all necessary expenses and

1 obligations of the Authority, specifying purposes and the
2 objects or programs for which appropriations are made and the
3 amount appropriated for each object or program. Additional
4 appropriations, transfers between items and other changes in
5 such ordinance which do not alter the basis upon which the
6 balanced budget determination was made by the Regional
7 Transportation Authority may be made from time to time by the
8 Board.

9 The budget shall:

10 (i) show a balance between (A) anticipated revenues
11 from all sources including operating subsidies and (B) the
12 costs of providing the services specified and of funding
13 any operating deficits or encumbrances incurred in prior
14 periods, including provision for payment when due of
15 principal and interest on outstanding indebtedness;

16 (ii) show cash balances including the proceeds of any
17 anticipated cash flow borrowing sufficient to pay with
18 reasonable promptness all costs and expenses as incurred;

19 (iii) provide for a level of fares or charges and
20 operating or administrative costs for the public
21 transportation provided by or subject to the jurisdiction
22 of the Board sufficient to allow the Board to meet its
23 required system generated revenue recovery ratio as
24 determined in accordance with subsection (a) of Section
25 4.11 of the Regional Transportation Authority Act;

26 (iv) be based upon and employ assumptions and

1 projections which are reasonable and prudent;

2 (v) have been prepared in accordance with sound
3 financial practices as determined by the Board of the
4 Regional Transportation Authority;

5 (vi) meet such other financial, budgetary, or fiscal
6 requirements that the Board of the Regional Transportation
7 Authority may by rule or regulation establish; ~~and~~

8 (vii) be consistent with the goals and objectives
9 adopted by the Regional Transportation Authority in the
10 Strategic Plan; and -

11 (viii) include specific line-items for revenues and
12 expenses.

13 The Board shall establish a fiscal operating year. At least
14 thirty days prior to the beginning of the first full fiscal
15 year after the creation of the Authority, and annually
16 thereafter, the Board shall cause to be prepared a tentative
17 budget which shall include all operation and maintenance
18 expense for the ensuing fiscal year. The tentative budget shall
19 be considered by the Board and, subject to any revision and
20 amendments as may be determined, shall be adopted prior to the
21 first day of the ensuing fiscal year as the budget for that
22 year. No expenditures for operations and maintenance in excess
23 of the budget shall be made during any fiscal year except by
24 the affirmative vote of at least five members of the Board. It
25 shall not be necessary to include in the annual budget any
26 statement of necessary expenditures for pensions or retirement

1 annuities, or for interest or principal payments on bonds or
2 certificates, or for capital outlays, but it shall be the duty
3 of the Board to make provision for payment of same from
4 appropriate funds. The Board may not alter its fiscal year
5 without the prior approval of the Board of the Regional
6 Transportation Authority.

7 (Source: P.A. 95-708, eff. 1-18-08.)

8 Section 10. The Regional Transportation Authority Act is
9 amended by changing Sections 2.04, 3A.10, 3B.10, and 4.11 as
10 follows:

11 (70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

12 Sec. 2.04. Fares and Nature of Service.

13 (a) Whenever a Service Board provides any public
14 transportation by operating public transportation facilities,
15 the Service Board shall provide for the level and nature of
16 fares or charges to be made for such services, and the nature
17 and standards of public transportation to be so provided that
18 meet the goals and objectives adopted by the Authority in the
19 Strategic Plan. Provided, however that if, before the effective
20 date of this amendatory Act of the 97th General Assembly, the
21 Board adopts a budget and financial plan for a Service Board in
22 accordance with the provisions in Section 4.11(b) (5), the Board
23 may consistent with the terms of any purchase of service
24 contract provide for the level and nature of fares to be made

1 for such services under the jurisdiction of that Service Board,
2 and the nature and standards of public transportation to be so
3 provided.

4 (b) Whenever a Service Board provides any public
5 transportation pursuant to grants made after June 30, 1975, to
6 transportation agencies for operating expenses (other than
7 with regard to experimental programs) or pursuant to any
8 purchase of service agreement, the purchase of service
9 agreement or grant contract shall provide for the level and
10 nature of fares or charges to be made for such services, and
11 the nature and standards of public transportation to be so
12 provided. A Service Board shall require all transportation
13 agencies with which it contracts, or from which it purchases
14 transportation services or to which it makes grants to provide
15 half fare transportation for their student riders if any of
16 such agencies provide for half fare transportation to their
17 student riders.

18 (c) In so providing for the fares or charges and the nature
19 and standards of public transportation, any purchase of service
20 agreements or grant contracts shall provide, among other
21 matters, for the terms or cost of transfers or interconnections
22 between different modes of transportation and different public
23 transportation agencies, schedules or routes of such service,
24 changes which may be made in such service, the nature and
25 condition of the facilities used in providing service, the
26 manner of collection and disposition of fares or charges, the

1 records and reports to be kept and made concerning such
2 service, for interchangeable tickets or other coordinated or
3 uniform methods of collection of charges, and shall further
4 require that the transportation agency comply with any
5 determination made by the Board of the Authority under and
6 subject to the provisions of Section 2.12b of this Act. In
7 regard to any such service, the Authority and the Service
8 Boards shall give attention to and may undertake programs to
9 promote use of public transportation and to provide coordinated
10 ticket sales and passenger information. In the case of a grant
11 to a transportation agency which remains subject to Illinois
12 Commerce Commission supervision and regulation, the Service
13 Boards shall exercise the powers set forth in this Section in a
14 manner consistent with such supervision and regulation by the
15 Illinois Commerce Commission.

16 (Source: P.A. 95-708, eff. 1-18-08.)

17 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

18 Sec. 3A.10. Budget and Program. The Suburban Bus Board,
19 subject to the powers of the Authority in Section 4.11, shall
20 control the finances of the Division. It shall by ordinance
21 appropriate money to perform the Division's purposes and
22 provide for payment of debts and expenses of the Division. Each
23 year the Suburban Bus Board shall prepare and publish a
24 comprehensive annual budget and proposed five-year capital
25 program document, and a financial plan for the 2 years

1 thereafter describing the state of the Division and presenting
2 for the forthcoming fiscal year and the 2 following years the
3 Suburban Bus Board's plans for such operations and capital
4 expenditures as it intends to undertake and the means by which
5 it intends to finance them. The proposed budget, financial
6 plan, and five-year capital program shall be based on the
7 Authority's estimate of funds to be made available to the
8 Suburban Bus Board by or through the Authority and shall
9 conform in all respects to the requirements established by the
10 Authority. The proposed budget, financial plan, and five-year
11 capital program shall contain a statement of the funds
12 estimated to be on hand at the beginning of the fiscal year,
13 the funds estimated to be received from all sources for such
14 year and the funds estimated to be on hand at the end of such
15 year. The fiscal year of the Division shall be the same as the
16 fiscal year of the Authority. Before the proposed budget,
17 financial plan, and five-year capital program are submitted to
18 the Authority, the Suburban Bus Board shall hold at least one
19 public hearing thereon in each of the counties in the
20 metropolitan region in which the Division provides service. The
21 Suburban Bus Board shall hold at least one meeting for
22 consideration of the proposed budget, financial plan, and
23 five-year capital program with the county board of each of the
24 several counties in the metropolitan region in which the
25 Division provides service. After conducting such hearings and
26 holding such meetings and after making such changes in the

1 proposed budget, financial plan, and five-year capital program
2 as the Suburban Bus Board deems appropriate, it shall adopt an
3 annual budget ordinance at least by November 15 next preceding
4 the beginning of each fiscal year. The budget, financial plan,
5 and five-year capital program shall then be submitted to the
6 Authority as provided in Section 4.11. In the event that the
7 Chairman of the Board of the Authority determines that the
8 budget and financial plan do not meet the standards of Section
9 4.11, the Suburban Bus Board shall make such changes as are
10 necessary to meet such requirements and adopt an amended budget
11 ordinance. The amended budget ordinance shall be resubmitted to
12 the Authority pursuant to Section 4.11. The ordinance shall
13 appropriate such sums of money as are deemed necessary to
14 defray all necessary expenses and obligations of the Division,
15 specifying purposes and the objects or programs for which
16 appropriations are made and the amount appropriated for each
17 object or program. Additional appropriations, transfers
18 between items and other changes in such ordinance which do not
19 alter the basis upon which the balanced budget determination
20 was made by the Chairman of the Board of the Authority may be
21 made from time to time by the Suburban Bus Board.

22 The budget shall:

23 (i) show a balance between (A) anticipated revenues
24 from all sources including operating subsidies and (B) the
25 costs of providing the services specified and of funding
26 any operating deficits or encumbrances incurred in prior

1 periods, including provision for payment when due of
2 principal and interest on outstanding indebtedness;

3 (ii) show cash balances including the proceeds of any
4 anticipated cash flow borrowing sufficient to pay with
5 reasonable promptness all costs and expenses as incurred;

6 (iii) provide for a level of fares or charges and
7 operating or administrative costs for the public
8 transportation provided by or subject to the jurisdiction
9 of the Suburban Bus Board sufficient to allow the Suburban
10 Bus Board to meet its required system generated revenues
11 recovery ratio and, beginning with the 2007 fiscal year,
12 its system generated ADA paratransit services revenue
13 recovery ratio;

14 (iv) be based upon and employ assumptions and
15 projections which are reasonable and prudent;

16 (v) have been prepared in accordance with sound
17 financial practices as determined by the Board of the
18 Authority;

19 (vi) meet such other uniform financial, budgetary, or
20 fiscal requirements that the Board of the Authority may by
21 rule or regulation establish; ~~and~~

22 (vii) be consistent with the goals and objectives
23 adopted by the Regional Transportation Authority in the
24 Strategic Plan; and -

25 (viii) include specific line-items for revenues and
26 expenses.

1 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08.)

2 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

3 Sec. 3B.10. Budget and Program. The Commuter Rail Board,
4 subject to the powers of the Authority in Section 4.11, shall
5 control the finances of the Division. It shall by ordinance
6 appropriate money to perform the Division's purposes and
7 provide for payment of debts and expenses of the Division. Each
8 year the Commuter Rail Board shall prepare and publish a
9 comprehensive annual budget and proposed five-year capital
10 program document, and a financial plan for the two years
11 thereafter describing the state of the Division and presenting
12 for the forthcoming fiscal year and the two following years the
13 Commuter Rail Board's plans for such operations and capital
14 expenditures as the Commuter Rail Board intends to undertake
15 and the means by which it intends to finance them. The proposed
16 budget, financial plan, and five-year capital program shall be
17 based on the Authority's estimate of funds to be made available
18 to the Commuter Rail Board by or through the Authority and
19 shall conform in all respects to the requirements established
20 by the Authority. The proposed budget, financial plan, and
21 five-year capital program shall contain a statement of the
22 funds estimated to be on hand at the beginning of the fiscal
23 year, the funds estimated to be received from all sources for
24 such year and the funds estimated to be on hand at the end of
25 such year. The fiscal year of the Division shall be the same as

1 the fiscal year of the Authority. Before the proposed budget,
2 financial plan, and five-year capital program are submitted to
3 the Authority, the Commuter Rail Board shall hold at least one
4 public hearing thereon in each of the counties in the
5 metropolitan region in which the Division provides service. The
6 Commuter Rail Board shall hold at least one meeting for
7 consideration of the proposed budget, financial plan, and
8 five-year capital plan with the county board of each of the
9 several counties in the metropolitan region in which the
10 Division provides service. After conducting such hearings and
11 holding such meetings and after making such changes in the
12 proposed budget, financial plan, and five-year capital plan as
13 the Commuter Rail Board deems appropriate, the board shall
14 adopt its annual budget ordinance at least by November 15 next
15 preceding the beginning of each fiscal year. The budget,
16 financial plan, and five-year capital program shall then be
17 submitted to the Authority as provided in Section 4.11. In the
18 event that the Chairman of the Board of the Authority
19 determines that the budget and program, and financial plan do
20 not meet the standards of Section 4.11, the Commuter Rail Board
21 shall make such changes as are necessary to meet such
22 requirements and adopt an amended budget ordinance. The amended
23 budget ordinance shall be resubmitted to the Authority pursuant
24 to Section 4.11. The ordinance shall appropriate such sums of
25 money as are deemed necessary to defray all necessary expenses
26 and obligations of the Division, specifying purposes and the

1 objects or programs for which appropriations are made and the
2 amount appropriated for each object or program. Additional
3 appropriations, transfers between items and other changes in
4 such ordinance which do not alter the basis upon which the
5 balanced budget determination was made by the Chairman of the
6 Board of the Authority may be made from time to time by the
7 Commuter Rail Board.

8 The budget shall:

9 (i) show a balance between (A) anticipated revenues
10 from all sources including operating subsidies and (B) the
11 costs of providing the services specified and of funding
12 any operating deficits or encumbrances incurred in prior
13 periods, including provision for payment when due of
14 principal and interest on outstanding indebtedness;

15 (ii) show cash balances including the proceeds of any
16 anticipated cash flow borrowing sufficient to pay with
17 reasonable promptness all costs and expenses as incurred;

18 (iii) provide for a level of fares or charges for the
19 public transportation provided by or subject to the
20 jurisdiction of such Commuter Rail Board sufficient to
21 allow the Commuter Rail Board to meet its required system
22 generated revenue recovery ratio;

23 (iv) be based upon and employ assumptions and
24 projections which the Board of the Authority finds to be
25 reasonable and prudent;

26 (v) have been prepared in accordance with sound

1 financial practices as determined by the Board of the
2 Authority;

3 (vi) meet such other uniform financial, budgetary, or
4 fiscal requirements that the Board of the Authority may by
5 rule or regulation establish; ~~and~~

6 (vii) be consistent with the goals and objectives
7 adopted by the Regional Transportation Authority in the
8 Strategic Plan; and -

9 (viii) include specific line-items for revenues and
10 expenses.

11 (Source: P.A. 95-708, eff. 1-18-08.)

12 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

13 Sec. 4.11. Budget Review Powers.

14 (a) Based upon estimates which shall be given to the
15 Authority by the Director of the Governor's Office of
16 Management and Budget (formerly Bureau of the Budget) of the
17 receipts to be received by the Authority from the taxes imposed
18 by the Authority and the authorized estimates of amounts to be
19 available from State and other sources to the Service Boards,
20 and the times at which such receipts and amounts will be
21 available, the Board shall, not later than the next preceding
22 September 15th prior to the beginning of the Authority's next
23 fiscal year, advise each Service Board of the amounts estimated
24 by the Board to be available for such Service Board during such
25 fiscal year and the two following fiscal years and the times at

1 which such amounts will be available. The Board shall, at the
2 same time, also advise each Service Board of its required
3 system generated revenues recovery ratio for the next fiscal
4 year which shall be the percentage of the aggregate costs of
5 providing public transportation by or under jurisdiction of
6 that Service Board which must be recovered from system
7 generated revenues. The Board shall, at the same time,
8 beginning with the 2007 fiscal year, also advise each Service
9 Board that provides ADA paratransit services of its required
10 system generated ADA paratransit services revenue recovery
11 ratio for the next fiscal year which shall be the percentage of
12 the aggregate costs of providing ADA paratransit services by or
13 under jurisdiction of that Service Board which must be
14 recovered from fares charged for such services, except that
15 such required system generated ADA paratransit services
16 revenue recovery ratio shall not exceed the minimum percentage
17 established pursuant to Section 4.01(b)(ii) of this Act. In
18 determining a Service Board's system generated revenue
19 recovery ratio, the Board shall consider the historical system
20 generated revenues recovery ratio for the services subject to
21 the jurisdiction of that Service Board. The Board shall not
22 increase a Service Board's system generated revenues recovery
23 ratio for the next fiscal year over such ratio for the current
24 fiscal year disproportionately or prejudicially to increases
25 in such ratios for other Service Boards. The Board may, by
26 ordinance, provide that (i) the cost of research and

1 development projects in the fiscal year beginning January 1,
2 1986 and ending December 31, 1986 conducted pursuant to Section
3 2.09 of this Act, (ii) the costs for passenger security, and
4 (iii) expenditures of amounts granted to a Service Board from
5 the Innovation, Coordination, and Enhancement Fund for
6 operating purposes may be exempted from the farebox recovery
7 ratio or the system generated revenues recovery ratio of the
8 Chicago Transit Authority, the Suburban Bus Board, and the
9 Commuter Rail Board, or any of them. During fiscal years 2008
10 through 2012, the Board may also allocate the exemption of
11 \$200,000,000 and the reducing amounts of costs provided by this
12 amendatory Act of the 95th General Assembly from the farebox
13 recovery ratio or system generated revenues recovery ratio of
14 each Service Board.

15 (b) (1) Not later than the next preceding November 15 prior
16 to the commencement of such fiscal year, each Service Board
17 shall submit to the Authority its proposed budget for such
18 fiscal year and its proposed financial plan for the two
19 following fiscal years. Such budget and financial plan shall
20 (i) be prepared in the format, follow the financial and
21 budgetary practices, and be based on any assumptions and
22 projections required by the Authority and (ii) not project or
23 assume a receipt of revenues from the Authority in amounts
24 greater than those set forth in the estimates provided by the
25 Authority pursuant to subsection (a) of this Section.

26 (2) The Board shall review the proposed budget and two-year

1 financial plan submitted by each Service Board. The Board shall
2 make a recommendation to the Chairman of the Board that the
3 Chairman approve or disapprove the budget and plan. The budget
4 and plan may not be considered approved until the budget and
5 plan have the approval of the Chairman of the Board. The Board
6 shall recommend the approval of ~~approve~~ the budget and two-year
7 financial plan of a Service Board if:

8 (i) such budget and plan show a balance between (A)
9 anticipated revenues from all sources including operating
10 subsidies and (B) the costs of providing the services
11 specified and of funding any operating deficits or
12 encumbrances incurred in prior periods, including
13 provision for payment when due of principal and interest on
14 outstanding indebtedness;

15 (ii) such budget and plan show cash balances including
16 the proceeds of any anticipated cash flow borrowing
17 sufficient to pay with reasonable promptness all costs and
18 expenses as incurred;

19 (iii) such budget and plan provide for a level of fares
20 or charges and operating or administrative costs for the
21 public transportation provided by or subject to the
22 jurisdiction of such Service Board sufficient to allow the
23 Service Board to meet its required system generated revenue
24 recovery ratio and, beginning with the 2007 fiscal year,
25 system generated ADA paratransit services revenue recovery
26 ratio;

1 (iv) such budget and plan are based upon and employ
2 assumptions and projections which are reasonable and
3 prudent;

4 (v) such budget and plan have been prepared in
5 accordance with sound financial practices as determined by
6 the Board;

7 (vi) such budget and plan meet such other financial,
8 budgetary, or fiscal requirements that the Board may by
9 rule or regulation establish; ~~and~~

10 (vii) such budget and plan are consistent with the
11 goals and objectives adopted by the Authority in the
12 Strategic Plan; and -

13 (viii) such budget and plan include specific
14 line-items for revenues and expenses.

15 (3) (Blank).

16 (4) If the Chairman of the Board approves the budget and
17 plan, he or she shall sign it. The Chairman of the Board may
18 reduce or veto any item of appropriations in the budget or plan
19 and shall return the item vetoed or reduced with his or her
20 objections to the Board. A copy of the veto shall also be
21 delivered to the Service Board that submitted the budget or
22 plan for approval. Portions of the budget or plan not reduced
23 or vetoed shall be considered approved. If, within 30 calendar
24 days after the veto has been delivered to the Board and the
25 appropriate Service Board, the Board restores an item that has
26 been reduced or overrides the veto of an item by a record vote

1 of 14 members, the item shall be considered approved. If a
2 reduced item is not restored, then it shall be considered
3 approved in the reduced amount.

4 ~~If Unless~~ the Chairman of the Board ~~by an affirmative vote~~
5 ~~of 12 of the then Directors~~ determines that the budget and
6 financial plan of a Service Board does not meet ~~meets~~ the
7 criteria specified in clauses (i) through (vii) of subparagraph
8 (2) of this paragraph (b), the Board shall withhold from that
9 Service Board 25% of the cash proceeds of taxes imposed by the
10 Authority under Section 4.03 and Section 4.03.1 and received
11 after February 1 and 25% of the amounts transferred to the
12 Authority from the Public Transportation Fund under Section
13 4.09(a) (but not including Section 4.09(a)(3)(iv)) after
14 February 1 that the Board has estimated to be available to that
15 Service Board under Section 4.11(a). Such funding shall be
16 released to the Service Board only upon approval of a budget
17 and financial plan under this Section ~~or adoption of a budget~~
18 ~~and financial plan on behalf of the Service Board by the~~
19 ~~Authority.~~

20 (5) (Blank). ~~If the Board has not found that the budget and~~
21 ~~financial plan of a Service Board meets the criteria specified~~
22 ~~in clauses (i) through (vii) of subparagraph (2) of this~~
23 ~~paragraph (b), the Board, by the affirmative vote of at least~~
24 ~~12 of its then Directors, shall adopt a budget and financial~~
25 ~~plan meeting such criteria for that Service Board.~~

26 (c)(1) If the Board shall at any time have received a

1 revised estimate, or revises any estimate the Board has made,
2 pursuant to this Section of the receipts to be collected by the
3 Authority which, in the judgment of the Board, requires a
4 change in the estimates on which the budget of any Service
5 Board is based, the Board shall advise the affected Service
6 Board of such revised estimates, and such Service Board shall
7 within 30 days after receipt of such advice submit a revised
8 budget incorporating such revised estimates. If the revised
9 estimates require, in the judgment of the Board, that the
10 system generated revenues recovery ratio of one or more Service
11 Boards be revised in order to allow the Authority to meet its
12 required ratio, the Board shall advise any such Service Board
13 of its revised ratio and such Service Board shall within 30
14 days after receipt of such advice submit a revised budget
15 incorporating such revised estimates or ratio.

16 (2) Each Service Board shall, within such period after the
17 end of each fiscal quarter as shall be specified by the Board,
18 report to the Authority its financial condition and results of
19 operations and the financial condition and results of
20 operations of the public transportation services subject to its
21 jurisdiction, as at the end of and for such quarter. If in the
22 judgment of the Board such condition and results are not
23 substantially in accordance with such Service Board's budget
24 for such period, the Board shall so advise such Service Board
25 and such Service Board shall within the period specified by the
26 Board submit a revised budget incorporating such results.

1 (2.5) The Board shall make a recommendation to the Chairman
2 of the Board that the Chairman approve or disapprove the
3 revised budget. The revised budget may not be considered
4 approved until it has the approval of the Chairman of the
5 Board. If the Chairman of the Board approves the revised
6 budget, he or she shall sign it. The Chairman of the Board may
7 reduce or veto any item of appropriations in the revised budget
8 and shall return the item vetoed or reduced with his or her
9 objections to the Board. A copy of the veto shall also be
10 delivered to the Service Board that submitted the revised
11 budget for approval. Portions of the revised budget not reduced
12 or vetoed shall be considered approved. If, within 30 calendar
13 days after the veto has been delivered to the Board and the
14 appropriate Service Board, the Board restores an item that has
15 been reduced or overrides the veto of an item by a record vote
16 of 14 members, the item shall be considered approved. If a
17 reduced item is not restored, then it shall be considered
18 approved in the reduced amount.

19 (3) If the Chairman of the Board determines ~~Board shall~~
20 ~~determine~~ that a revised budget submitted by a Service Board
21 pursuant to subparagraph (1) or (2) of this paragraph (c) does
22 not meet the criteria specified in clauses (i) through (vii) of
23 subparagraph (2) of paragraph (b) of this Section, the Board
24 shall withhold from that Service Board 25% of the cash proceeds
25 of taxes imposed by the Authority under Section 4.03 or 4.03.1
26 and received by the Authority after February 1 and 25% of the

1 amounts transferred to the Authority from the Public
2 Transportation Fund under Section 4.09(a) (but not including
3 Section 4.09(a)(3)(iv)) after February 1 that the Board has
4 estimated to be available to that Service Board under Section
5 4.11(a). If the Service Board submits a revised financial plan
6 and budget which plan and budget shows that the criteria will
7 be met within a four quarter period, the Board shall release
8 any such withheld funds to the Service Board. The Board by the
9 affirmative vote of at least 12 of its then Directors may
10 require a Service Board to submit a revised financial plan and
11 budget which shows that the criteria will be met in a time
12 period less than four quarters.

13 (d) All budgets and financial plans, financial statements,
14 audits and other information presented to the Authority
15 pursuant to this Section or which may be required by the Board
16 to permit it to monitor compliance with the provisions of this
17 Section shall be prepared and presented in such manner and
18 frequency and in such detail as shall have been prescribed by
19 the Board, shall be prepared on both an accrual and cash flow
20 basis as specified by the Board, shall present such information
21 as the Authority shall prescribe that fairly presents the
22 condition of any pension plan or trust for health care benefits
23 with respect to retirees established by the Service Board and
24 describes the plans of the Service Board to meet the
25 requirements of Sections 4.02a and 4.02b, and shall identify
26 and describe the assumptions and projections employed in the

1 preparation thereof to the extent required by the Board. If the
2 Executive Director certifies that a Service Board has not
3 presented its budget and two-year financial plan in conformity
4 with the rules adopted by the Authority under the provisions of
5 Section 4.01(f) and this subsection (d), and such certification
6 is accepted by the affirmative vote of at least 12 of the then
7 Directors of the Authority, the Authority shall not distribute
8 to that Service Board any funds for operating purposes in
9 excess of the amounts distributed for such purposes to the
10 Service Board in the previous fiscal year. ~~A Except when the~~
11 ~~Board adopts a budget and a financial plan for a Service Board~~
12 ~~under paragraph (b) (5), a~~ Service Board shall provide for such
13 levels of transportation services and fares or charges therefor
14 as it deems appropriate and necessary in the preparation of a
15 budget and financial plan meeting the criteria set forth in
16 clauses (i) through (vii) of subparagraph (2) of paragraph (b)
17 of this Section. The Authority shall have access to and the
18 right to examine and copy all books, documents, papers,
19 records, or other source data of a Service Board relevant to
20 any information submitted pursuant to this Section.

21 (e) Whenever this Section requires the Board to make
22 determinations with respect to estimates, budgets or financial
23 plans, or rules or regulations with respect thereto such
24 determinations shall be made upon the affirmative vote of at
25 least 12 of the then Directors and shall be incorporated in a
26 written report of the Board and such report shall be submitted

1 within 10 days after such determinations are made to the
2 Governor, the Mayor of Chicago (if such determinations relate
3 to the Chicago Transit Authority), and the Auditor General of
4 Illinois.

5 (Source: P.A. 94-370, eff. 7-29-05; 95-708, eff. 1-18-08.)

6 Section 99. Effective date. This Act takes effect January
7 1, 2012.