

1 AN ACT concerning public transportation.

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

4 Section 5. The Regional Transportation Authority Act is
5 amended by changing Sections 4.02 and 4.11 as follows:

6 (70 ILCS 3615/4.02) (from Ch. 111 2/3, par. 704.02)

7 Sec. 4.02. Federal, State and Other Funds. (a) The
8 Authority shall have the power to apply for, receive and
9 expend grants, loans or other funds from the State of
10 Illinois or any department or agency thereof, from any unit
11 of local government, from the federal government or any
12 department or agency thereof, for use in connection with any
13 of the powers or purposes of the Authority as set forth in
14 this Act. The Authority shall have power to make such studies
15 as may be necessary and to enter into contracts or agreements
16 with the State of Illinois or any department or agency
17 thereof, with any unit of local government, or with the
18 federal government or any department or agency thereof,
19 concerning such grants, loans or other funds, or any
20 conditions relating thereto, including obligations to repay
21 such funds. The Authority may make such covenants concerning
22 such grants, loans and funds as it deems proper and necessary
23 in carrying out its responsibilities, purposes and powers as
24 provided in this Act.

25 (b) The Authority shall be the primary public body in
26 the metropolitan region with authority to apply for and
27 receive any grants, loans or other funds relating to public
28 transportation programs from the State of Illinois or any
29 department or agency thereof, or from the federal government
30 or any department or agency thereof. Any unit of local
31 government, Service Board or transportation agency may apply

1 for and receive any such federal or state capital grants,
2 loans or other funds, provided, however that a Service Board
3 may not apply for or receive any grant or loan which is not
4 identified in the Five-Year Program. Any Service Board,
5 unit of local government or transportation agency shall
6 notify the Authority prior to making any such application and
7 shall file a copy thereof with the Authority. The Authority
8 shall permit a Service Board to use grants, loans, or other
9 funds it is eligible for or receives from the State, any
10 State agency, the federal government, or any federal agency
11 if the use of the grants, loans, or other funds meets
12 applicable guidelines of the entity providing the grants,
13 loans, or other funds. The use of these grants, loans, or
14 other funds shall be included by the Authority in the
15 Five-Year Program as submitted by a Service Board. Nothing
16 in this Section shall be construed to impose any limitation
17 on the ability of the State of Illinois or any department or
18 agency thereof, any unit of local government or Service Board
19 or transportation agency to make any grants or to enter into
20 any agreement or contract with the National Rail Passenger
21 Corporation. Nor shall anything in this Section impose any
22 limitation on the ability of any school district to apply for
23 or receive any grant, loan or other funds for transportation
24 of school children.

25 (c) The Authority shall provide to the Service Board any
26 monies received relating to public transportation services
27 under the jurisdiction of the Service Boards as follows:

28 (1) As soon as may be practicable after the Authority
29 receives payment, under Section 4.03(m) or Section 4.03.1(d),
30 of the proceeds of those taxes levied by the Authority, the
31 Authority shall transfer to each Service Board the amount to
32 which it is entitled under Section 4.01(d);

33 (2) The Authority by ordinance adopted by 9 of its then
34 Directors shall establish a formula apportioning any federal

1 funds for operating assistance purposes the Authority
2 receives to each Service Board. In establishing the formula,
3 the Board shall consider, among other factors: ridership
4 levels, the efficiency with which the service is provided,
5 the degree of transit dependence of the area served and the
6 cost of service. That portion of any federal funds for
7 operating assistance received by the Authority shall be paid
8 to each Service Board as soon as may be practicable upon
9 their receipt provided the Authority has adopted a balanced
10 budget as required by Section 4.01 and further provided that
11 the Service Boards are in compliance with the requirements in
12 Section 4.11.

13 (3) The Authority by ordinance adopted by 9 of its then
14 Directors shall apportion to the Service Boards funds
15 provided by the State of Illinois under Section 4.09 and
16 shall make payment of said funds to each Service Board as
17 soon as may be practicable upon their receipt provided the
18 Authority has adopted a balanced budget as required by
19 Section 4.01 and further provided the Service Board is in
20 compliance with the requirements in Section 4.11.

21 (Source: P.A. 83-885; 83-886.)

22 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

23 Sec. 4.11. Budget Review Powers.

24 (a) The provisions of this Section shall only be
25 applicable to financial periods beginning after December 31,
26 1983. The Transition Board shall adopt a timetable governing
27 the certification of estimates and any submissions required
28 under this Section for fiscal year 1984 which shall control
29 over the provisions of this Act. Based upon estimates which
30 shall be given to the Authority by the Director of the
31 Illinois Bureau of the Budget of the receipts to be received
32 by the Authority from the taxes imposed by the Authority and
33 the authorized estimates of amounts to be available from

1 State and other sources to the Service Boards, and the times
2 at which such receipts and amounts will be available, the
3 Board shall, not later than the next preceding September 15th
4 prior to the beginning of the Authority's next fiscal year,
5 advise each Service Board of the amounts estimated by the
6 Board to be available for such Service Board during such
7 fiscal year and the two following fiscal years and the times
8 at which such amounts will be available. The Board shall, at
9 the same time, also advise each Service Board of its required
10 system generated revenues recovery ratio for the next fiscal
11 year which shall be the percentage of the aggregate costs of
12 providing public transportation by or under jurisdiction of
13 that Service Board which must be recovered from system
14 generated revenues. In determining a Service Board's system
15 generated revenue recovery ratio, the Board shall consider
16 the historical system generated revenues recovery ratio for
17 the services subject to the jurisdiction of that Service
18 Board. The Board shall not increase a Service Board's system
19 generated revenues recovery ratio for the next fiscal year
20 over such ratio for the current fiscal year
21 disproportionately or prejudicially to increases in such
22 ratios for other Service Boards. The Board may, by
23 ordinance, provide that (i) the cost of research and
24 development projects in the fiscal year beginning January 1,
25 1986 and ending December 31, 1986 conducted pursuant to
26 Section 2.09 of this Act, and (ii) up to \$5,000,000 annually
27 of the costs for passenger security, may be exempted from the
28 farebox recovery ratio or the system generated revenues
29 recovery ratio of the Chicago Transit Authority, the Suburban
30 Bus Board, and the Commuter Rail Board, or any of them. For
31 the fiscal year beginning January 1, 1986 and ending December
32 31, 1986, and for the fiscal year beginning January 1, 1987
33 and ending December 31, 1987, the Board shall, by ordinance,
34 provide that: (1) the amount of a grant, pursuant to Section

1 2705-310 of the Department of Transportation Law (20 ILCS
2 2705/2705-310), from the Department of Transportation for the
3 cost of services for the mobility limited provided by the
4 Chicago Transit Authority, and (2) the amount of a grant,
5 pursuant to Section 2705-310 of the Department of
6 Transportation Law (20 ILCS 2705/2705-310), from the
7 Department of Transportation for the cost of services for the
8 mobility limited by the Suburban Bus Board or the Commuter
9 Rail Board, be exempt from the farebox recovery ratio or the
10 system generated revenues recovery ratio.

11 (b)(1) Not later than the next preceding November 15
12 prior to the commencement of such fiscal year, each Service
13 Board shall submit to the Authority its proposed budget for
14 such fiscal year and its proposed financial plan for the two
15 following fiscal years. Such budget and financial plan shall
16 not project or assume a receipt of revenues from the
17 Authority in amounts greater than those set forth in the
18 estimates provided by the Authority pursuant to subsection
19 (a) of this Section.

20 (2) The Board shall review the proposed budget and
21 financial plan submitted by each Service Board, and shall
22 adopt a consolidated budget and financial plan. The Board
23 shall approve the budget and plan if:

24 (i) the Board has approved the proposed budget and
25 cash flow plan for such fiscal year of each Service
26 Board, pursuant to the conditions set forth in clauses

27 (ii) through (vii) of this paragraph;

28 (ii) such budget and plan show a balance between
29 (A) anticipated revenues from all sources including
30 operating subsidies and (B) the costs of providing the
31 services specified and of funding any operating deficits
32 or encumbrances incurred in prior periods, including
33 provision for payment when due of principal and interest
34 on outstanding indebtedness;

1 (iii) such budget and plan show cash balances
2 including the proceeds of any anticipated cash flow
3 borrowing sufficient to pay with reasonable promptness
4 all costs and expenses as incurred;

5 (iv) such budget and plan provide for a level of
6 fares or charges and operating or administrative costs
7 for the public transportation provided by or subject to
8 the jurisdiction of such Service Board sufficient to
9 allow the Service Board to meet its required system
10 generated revenue recovery ratio;

11 (v) such budget and plan are based upon and employ
12 assumptions and projections which are reasonable and
13 prudent;

14 (vi) such budget and plan have been prepared in
15 accordance with sound financial practices as determined
16 by the Board; and

17 (vi-a) such budget and plan show all grants, loans,
18 or other funds are to be used in the manner set forth by
19 the entity providing the grants, loans, or other funds;
20 and

21 (vii) such budget and plan meet such other
22 financial, budgetary, or fiscal requirements that the
23 Board may by rule or regulation establish.

24 (3) In determining whether the budget and financial plan
25 provide a level of fares or charges sufficient to allow a
26 Service Board to meet its required system generated revenue
27 recovery ratio under clause (iv) in subparagraph (2), the
28 Board shall allow a Service Board to carry over cash from
29 farebox revenues to subsequent fiscal years.

30 (4) Unless the Board by an affirmative vote of 9 of the
31 then Directors determines that the budget and financial plan
32 of a Service Board meets the criteria specified in clauses
33 (ii) through (vii) of subparagraph (2) of this paragraph (b),
34 the Board shall not release to that Service Board any funds

1 for the periods covered by such budget and financial plan
2 except for the proceeds of taxes imposed by the Authority
3 under Section 4.03 which are allocated to the Service Board
4 under Section 4.01.

5 (5) If the Board has not found that the budget and
6 financial plan of a Service Board meets the criteria
7 specified in clauses (i) through (vii) of subparagraph (2) of
8 this paragraph (b), the Board shall, five working days after
9 the start of the Service Board's fiscal year adopt a budget
10 and financial plan meeting such criteria for that Service
11 Board.

12 (c)(1) If the Board shall at any time have received a
13 revised estimate, or revises any estimate the Board has made,
14 pursuant to this Section of the receipts to be collected by
15 the Authority which, in the judgment of the Board, requires a
16 change in the estimates on which the budget of any Service
17 Board is based, the Board shall advise the affected Service
18 Board of such revised estimates, and such Service Board shall
19 within 30 days after receipt of such advice submit a revised
20 budget incorporating such revised estimates. If the revised
21 estimates require, in the judgment of the Board, that the
22 system generated revenues recovery ratio of one or more
23 Service Boards be revised in order to allow the Authority to
24 meet its required ratio, the Board shall advise any such
25 Service Board of its revised ratio and such Service Board
26 shall within 30 days after receipt of such advice submit a
27 revised budget incorporating such revised estimates or ratio.

28 (2) Each Service Board shall, within such period after
29 the end of each fiscal quarter as shall be specified by the
30 Board, report to the Authority its financial condition and
31 results of operations and the financial condition and results
32 of operations of the public transportation services subject
33 to its jurisdiction, as at the end of and for such quarter.
34 If in the judgment of the Board such condition and results

1 are not substantially in accordance with such Service Board's
2 budget for such period, the Board shall so advise such
3 Service Board and such Service Board shall within the period
4 specified by the Board submit a revised budget incorporating
5 such results.

6 (3) If the Board shall determine that a revised budget
7 submitted by a Service Board pursuant to subparagraph (1) or
8 (2) of this paragraph (c) does not meet the criteria
9 specified in clauses (ii) through (vii) of subparagraph (2)
10 of paragraph (b) of this Section, the Board shall not release
11 any monies to that Service Board except the proceeds of taxes
12 imposed by the Authority under Section 4.03 or 4.03.1 which
13 are allocated to the Service Board under Section 4.01. If
14 the Service Board submits a revised financial plan and budget
15 which plan and budget shows that the criteria will be met
16 within a four quarter period, the Board shall continue to
17 release funds to the Service Board. The Board by a 9 vote of
18 its then Directors may require a Service Board to submit a
19 revised financial plan and budget which shows that the
20 criteria will be met in a time period less than four
21 quarters.

22 (d) All budgets and financial plans, financial
23 statements, audits and other information presented to the
24 Authority pursuant to this Section or which may be required
25 by the Board to permit it to monitor compliance with the
26 provisions of this Section shall be prepared and presented in
27 such manner and frequency and in such detail as shall have
28 been prescribed by the Board, shall be prepared on both an
29 accrual and cash flow basis as specified by the Board, and
30 shall identify and describe the assumptions and projections
31 employed in the preparation thereof to the extent required by
32 the Board. Except when the Board adopts a budget and a
33 financial plan for a Service Board under paragraph (b)(5), a
34 Service Board shall provide for such levels of transportation

1 services and fares or charges therefor as it deems
2 appropriate and necessary in the preparation of a budget and
3 financial plan meeting the criteria set forth in clauses (ii)
4 through (vii) of subparagraph (2) of paragraph (b) of this
5 Section. The Board shall have access to and the right to
6 examine and copy all books, documents, papers, records, or
7 other source data of a Service Board relevant to any
8 information submitted pursuant to this Section.

9 (e) Whenever this Section requires the Board to make
10 determinations with respect to estimates, budgets or
11 financial plans, or rules or regulations with respect thereto
12 such determinations shall be made upon the affirmative vote
13 of at least 9 of the then Directors and shall be incorporated
14 in a written report of the Board and such report shall be
15 submitted within 10 days after such determinations are made
16 to the Governor, the Mayor of Chicago (if such determinations
17 relate to the Chicago Transit Authority), and the Auditor
18 General of Illinois.

19 (Source: P.A. 91-239, eff. 1-1-00.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.