



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4613**

Introduced 02/04/04, by Karen May

**SYNOPSIS AS INTRODUCED:**

70 ILCS 3615/4.11

from Ch. 111 2/3, par. 704.11

Amends the Regional Transportation Authority Act. Provides that, for the fiscal years beginning in 2004 and thereafter, all expenses incurred by a Service Board related to complimentary paratransit service to ADA paratransit-eligible individuals shall be exempted from the farebox recovery ratio or the system-generated revenues recovery ratio of the Service Board and the system-generated revenues recovery ratio of the Authority.

LRB093 20878 RCE 46828 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Section 4.11 as follows:

6 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

7 Sec. 4.11. Budget Review Powers.

8 (a) The provisions of this Section shall only be applicable  
9 to financial periods beginning after December 31, 1983. The  
10 Transition Board shall adopt a timetable governing the  
11 certification of estimates and any submissions required under  
12 this Section for fiscal year 1984 which shall control over the  
13 provisions of this Act. Based upon estimates which shall be  
14 given to the Authority by the Director of the ~~Illinois~~  
15 Governor's Office of Management and Budget (formerly Bureau of  
16 the Budget) of the receipts to be received by the Authority  
17 from the taxes imposed by the Authority and the authorized  
18 estimates of amounts to be available from State and other  
19 sources to the Service Boards, and the times at which such  
20 receipts and amounts will be available, the Board shall, not  
21 later than the next preceding September 15th prior to the  
22 beginning of the Authority's next fiscal year, advise each  
23 Service Board of the amounts estimated by the Board to be  
24 available for such Service Board during such fiscal year and  
25 the two following fiscal years and the times at which such  
26 amounts will be available. The Board shall, at the same time,  
27 also advise each Service Board of its required system generated  
28 revenues recovery ratio for the next fiscal year which shall be  
29 the percentage of the aggregate costs of providing public  
30 transportation by or under jurisdiction of that Service Board  
31 which must be recovered from system generated revenues. In  
32 determining a Service Board's system generated revenue

1 recovery ratio, the Board shall consider the historical system  
2 generated revenues recovery ratio for the services subject to  
3 the jurisdiction of that Service Board. The Board shall not  
4 increase a Service Board's system generated revenues recovery  
5 ratio for the next fiscal year over such ratio for the current  
6 fiscal year disproportionately or prejudicially to increases  
7 in such ratios for other Service Boards. The Board may, by  
8 ordinance, provide that (i) the cost of research and  
9 development projects in the fiscal year beginning January 1,  
10 1986 and ending December 31, 1986 conducted pursuant to Section  
11 2.09 of this Act, and (ii) up to \$5,000,000 annually of the  
12 costs for passenger security, may be exempted from the farebox  
13 recovery ratio or the system generated revenues recovery ratio  
14 of the Chicago Transit Authority, the Suburban Bus Board, and  
15 the Commuter Rail Board, or any of them. For the fiscal year  
16 beginning January 1, 1986 and ending December 31, 1986, and for  
17 the fiscal year beginning January 1, 1987 and ending December  
18 31, 1987, the Board shall, by ordinance, provide that: (1) the  
19 amount of a grant, pursuant to Section 2705-310 of the  
20 Department of Transportation Law (20 ILCS 2705/2705-310), from  
21 the Department of Transportation for the cost of services for  
22 the mobility limited provided by the Chicago Transit Authority,  
23 and (2) the amount of a grant, pursuant to Section 2705-310 of  
24 the Department of Transportation Law (20 ILCS 2705/2705-310),  
25 from the Department of Transportation for the cost of services  
26 for the mobility limited by the Suburban Bus Board or the  
27 Commuter Rail Board, be exempt from the farebox recovery ratio  
28 or the system generated revenues recovery ratio. For the fiscal  
29 years beginning in 2004 and thereafter, all expenses incurred  
30 by a Service Board related to the complimentary paratransit  
31 service, as required by 49 CFR 37.121 through 49 CFR 37.133, to  
32 ADA paratransit-eligible individuals shall be exempted from  
33 the farebox recovery or the system-generated revenues recovery  
34 ratio of the Service Board and the system-generated revenues  
35 recovery ratio of the Authority.

36 (b) (1) Not later than the next preceding November 15 prior

1 to the commencement of such fiscal year, each Service Board  
2 shall submit to the Authority its proposed budget for such  
3 fiscal year and its proposed financial plan for the two  
4 following fiscal years. Such budget and financial plan shall  
5 not project or assume a receipt of revenues from the Authority  
6 in amounts greater than those set forth in the estimates  
7 provided by the Authority pursuant to subsection (a) of this  
8 Section.

9 (2) The Board shall review the proposed budget and  
10 financial plan submitted by each Service Board, and shall adopt  
11 a consolidated budget and financial plan. The Board shall  
12 approve the budget and plan if:

13 (i) the Board has approved the proposed budget and cash  
14 flow plan for such fiscal year of each Service Board,  
15 pursuant to the conditions set forth in clauses (ii)  
16 through (vii) of this paragraph;

17 (ii) such budget and plan show a balance between (A)  
18 anticipated revenues from all sources including operating  
19 subsidies and (B) the costs of providing the services  
20 specified and of funding any operating deficits or  
21 encumbrances incurred in prior periods, including  
22 provision for payment when due of principal and interest on  
23 outstanding indebtedness;

24 (iii) such budget and plan show cash balances including  
25 the proceeds of any anticipated cash flow borrowing  
26 sufficient to pay with reasonable promptness all costs and  
27 expenses as incurred;

28 (iv) such budget and plan provide for a level of fares  
29 or charges and operating or administrative costs for the  
30 public transportation provided by or subject to the  
31 jurisdiction of such Service Board sufficient to allow the  
32 Service Board to meet its required system generated revenue  
33 recovery ratio;

34 (v) such budget and plan are based upon and employ  
35 assumptions and projections which are reasonable and  
36 prudent;

1 (vi) such budget and plan have been prepared in  
2 accordance with sound financial practices as determined by  
3 the Board; and

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

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

13 (4) Unless the Board by an affirmative vote of 9 of the  
14 then Directors determines that the budget and financial plan of  
15 a Service Board meets the criteria specified in clauses (ii)  
16 through (vii) of subparagraph (2) of this paragraph (b), the  
17 Board shall not release to that Service Board any funds for the  
18 periods covered by such budget and financial plan except for  
19 the proceeds of taxes imposed by the Authority under Section  
20 4.03 which are allocated to the Service Board under Section  
21 4.01.

22 (5) If the Board has not found that the budget and  
23 financial plan of a Service Board meets the criteria specified  
24 in clauses (i) through (vii) of subparagraph (2) of this  
25 paragraph (b), the Board shall, five working days after the  
26 start of the Service Board's fiscal year adopt a budget and  
27 financial plan meeting such criteria for that Service Board.

28 (c)(1) If the Board shall at any time have received a  
29 revised estimate, or revises any estimate the Board has made,  
30 pursuant to this Section of the receipts to be collected by the  
31 Authority which, in the judgment of the Board, requires a  
32 change in the estimates on which the budget of any Service  
33 Board is based, the Board shall advise the affected Service  
34 Board of such revised estimates, and such Service Board shall  
35 within 30 days after receipt of such advice submit a revised  
36 budget incorporating such revised estimates. If the revised

1 estimates require, in the judgment of the Board, that the  
2 system generated revenues recovery ratio of one or more Service  
3 Boards be revised in order to allow the Authority to meet its  
4 required ratio, the Board shall advise any such Service Board  
5 of its revised ratio and such Service Board shall within 30  
6 days after receipt of such advice submit a revised budget  
7 incorporating such revised estimates or ratio.

8 (2) Each Service Board shall, within such period after the  
9 end of each fiscal quarter as shall be specified by the Board,  
10 report to the Authority its financial condition and results of  
11 operations and the financial condition and results of  
12 operations of the public transportation services subject to its  
13 jurisdiction, as at the end of and for such quarter. If in the  
14 judgment of the Board such condition and results are not  
15 substantially in accordance with such Service Board's budget  
16 for such period, the Board shall so advise such Service Board  
17 and such Service Board shall within the period specified by the  
18 Board submit a revised budget incorporating such results.

19 (3) If the Board shall determine that a revised budget  
20 submitted by a Service Board pursuant to subparagraph (1) or  
21 (2) of this paragraph (c) does not meet the criteria specified  
22 in clauses (ii) through (vii) of subparagraph (2) of paragraph  
23 (b) of this Section, the Board shall not release any monies to  
24 that Service Board except the proceeds of taxes imposed by the  
25 Authority under Section 4.03 or 4.03.1 which are allocated to  
26 the Service Board under Section 4.01. If the Service Board  
27 submits a revised financial plan and budget which plan and  
28 budget shows that the criteria will be met within a four  
29 quarter period, the Board shall continue to release funds to  
30 the Service Board. The Board by a 9 vote of its then Directors  
31 may require a Service Board to submit a revised financial plan  
32 and budget which shows that the criteria will be met in a time  
33 period less than four quarters.

34 (d) All budgets and financial plans, financial statements,  
35 audits and other information presented to the Authority  
36 pursuant to this Section or which may be required by the Board

1 to permit it to monitor compliance with the provisions of this  
2 Section shall be prepared and presented in such manner and  
3 frequency and in such detail as shall have been prescribed by  
4 the Board, shall be prepared on both an accrual and cash flow  
5 basis as specified by the Board, and shall identify and  
6 describe the assumptions and projections employed in the  
7 preparation thereof to the extent required by the Board. Except  
8 when the Board adopts a budget and a financial plan for a  
9 Service Board under paragraph (b)(5), a Service Board shall  
10 provide for such levels of transportation services and fares or  
11 charges therefor as it deems appropriate and necessary in the  
12 preparation of a budget and financial plan meeting the criteria  
13 set forth in clauses (ii) through (vii) of subparagraph (2) of  
14 paragraph (b) of this Section. The Board shall have access to  
15 and the right to examine and copy all books, documents, papers,  
16 records, or other source data of a Service Board relevant to  
17 any information submitted pursuant to this Section.

18 (e) Whenever this Section requires the Board to make  
19 determinations with respect to estimates, budgets or financial  
20 plans, or rules or regulations with respect thereto such  
21 determinations shall be made upon the affirmative vote of at  
22 least 9 of the then Directors and shall be incorporated in a  
23 written report of the Board and such report shall be submitted  
24 within 10 days after such determinations are made to the  
25 Governor, the Mayor of Chicago (if such determinations relate  
26 to the Chicago Transit Authority), and the Auditor General of  
27 Illinois.

28 (Source: P.A. 91-239, eff. 1-1-00; revised 8-23-03.)