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For more information,  
contact Laurence Msall at 312-201-9044

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**CIVIC FEDERATION SUPPORTS RESPONSIBLE, BALANCED CTA BUDGET**  
*Urges Immediate Passage of Comprehensive Reform Package in Senate Bill 572*

The Civic Federation supports Chicago Transit Authority President Ron Huberman's proposed \$1.0 billion FY2008 budget because it makes necessary fare increases and service cuts to create a balanced budget for the coming fiscal year. The Federation's full analysis and recommendations are available on our website, [www.civiced.org](http://www.civiced.org).

"The Civic Federation **commends** the CTA for producing a responsible budget which allows the General Assembly, Governor Blagojevich, and the public to see in detail how the agency will meet its obligations if no additional funding is forthcoming from Springfield," said Laurence Msall, president of the Civic Federation. In contrast, last year's budget assumed \$110 million in state funding which never materialized and threatened amorphous "service cuts" if the state did not provide that extra funding.

The Federation's analysis emphasizes the need for a **comprehensive approach** to solving the CTA's financial crisis that will address the agency's most critical needs of 1) increased operational funding; 2) greater flexibility in collective bargaining process; and 3) reform of the CTA's unaffordable pension and retiree health care benefits. The CTA and its unions have together agreed to landmark pension and retiree health care reforms that will create a retiree health care trust, shore up pension funding, trim benefits, and increase employer and employee contributions. We **commend** both parties for doing their part to ensure the future financial viability of the CTA. These necessary reforms are contained in SB572, sponsored by Representative Julie Hamos, and await state action. Every month that goes by without the state acting to reform the CTA's pensions and retiree health care costs the agency \$10 million dollars. In contrast, a new bus costs \$250,000 and a new rail car costs \$1.5 million.

The state has provided short-term funding *at the last minute* to ward off "doomsday" dates the CTA responsibly planned for September and November in response to lack of funding. The reprieves first borrowed from the agency's future state funding and then granted federal capital dollars to be used for operations. Granting temporary funding at the eleventh hour is not only unfair to riders, who suffer uncertainty about getting to work and school, but also costs a good deal of money to the CTA. The agency has to reprogram its fleet and stations in preparation for new fare structures, reorganize its bus system, and place signage to warn riders. The CTA estimates that each "doomsday" preparation costs \$1.5 million.

Article XIII of the Illinois Constitution states, "*Public transportation is an essential public purpose for which public funds may be expended. The General Assembly by law may provide for, aid, and assist public transportation, including the granting of public funds or credit to any corporation or public authority authorized to provide public transportation within the State.*" (Emphasis added.)

**The Civic Federation calls on the members of the General Assembly and Governor Blagojevich to follow the Illinois Constitution and pass SB572.**

*The Civic Federation is an independent, non-partisan government research organization founded in 1894. The Federation's membership includes business and professional leaders from a wide range of Chicago area corporations, professional service firms and institutions.*