



10 BUSINESS PRINCIPLES FOR MASS TRANSIT REFORM

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PRINCIPLE #1:**The looming fiscal cliff must be first addressed by demonstrating real and substantial reform and cost efficiencies before asking more of Illinois businesses and working families**

The fiscal cliff that will be impacting the mass transit systems in the RTA service region is a significant challenge—one that is years in the making and worsened by the lingering effects of the pandemic. Nevertheless, this is a challenge that must be addressed. Although we have heard some voices indicate that it is easier to look to taxpayers to raise the annual \$770 million deemed necessary to maintain the status quo, or, alternatively, the \$1.5 billion per year that some advocates have identified as being essential for a transformational service system of the future, today, when businesses and working families continue to struggle with the lingering effects of inflation, high cost of goods, and economic uncertainty, simply asking taxpayers for more is the wrong message at the wrong time.

With federal relief funds expiring, changes in workplace practices, and an increasingly digital economy, it is incumbent upon our government leaders to demand that the mass transit cliff be resolved first and foremost through real, implementable, and reasonable cost efficiencies and structural reforms that would demonstrate to riders, businesses, and working families that existing taxpayer dollars are being stretched as far as responsibly possible. This is not an exercise in austerity, it is a basic budgeting process that every working family and business does on a daily basis, every pay period, and end-of-year.

Some actions that the Illinois Chamber would like to see from the new or reformed governance structure for mass transit:

- Feasibility study of industry best practices around governance and models from peer cities for cost savings and efficiencies;
- An effort to make up a substantial portion of the \$770 million per year deficit with structural reform and cost efficiencies that close the gap through proactive measures;
- A cost study on how the new or reformed governance structure may be able to leverage existing assets to maximize returns, including innovative financing such as a Public-Private Partnership model that may be able to offer long-term financial stability.
- Looking at annual operational budgets and identifying any possible redundancies, consolidation of functions, restructuring of organizational functions, long-term workforce vacancies, and reasonable personnel cost savings measures that protect the frontline workforce and essential operators;
- Comprehensive service diagnostic that identifies not only the pre-pandemic levels of service but the current utilization of routes, services, and need for meeting modern demands;
- An itemized list of the factors that have contributed to \$770 million budget deficit, and system plans to address each one of the specific budget pressures; and

- For both the status quo budget proposal (\$770 million) and transformational budget proposal (\$1.5 billion), a comprehensive list of new, expected, and real-world benefits to businesses, residents, and service board workers under the maintenance budget and the transformational budget funding levels.

The Chamber acknowledges that government services have a cost. Public transportation, undoubtedly, is the backbone of many of our communities throughout the State of Illinois. It is because of how important this service is that we in the business community, and the workers we employ, should demand the most from our government leaders to devise a plan to address the public transit funding question that prioritizes fiscal prudence and restraint before asking Illinois taxpayers for more.

PRINCIPLE #2:

The governance structure of the future must contain strong oversight authority over subordinate systems

Effective mass transit governance requires not just oversight but accountability. As with any effective business structure, accountability and compliance begin with able and effective leadership that not only takes responsibility for the actions of the team but leads by example.

Any reformed governance structure must have clear authority to monitor the service boards, ensuring they meet key performance benchmarks and maintain transparency in their operations. Additionally, this governance body must be flexible enough to not delay actions or operations, but correct underperformance and encourage improvement, whether through administrative oversight, operational reforms or restraints, or public reporting. Lastly, to beget a world-class system led by mass transit and transportation experts, stronger criteria for appointments and placements on the new or reformed governance structure must be prioritized.

Without strong oversight, any mass transit reform will be ineffective, and public confidence in the system will erode. While accountability can take many forms, we believe the oversight board must have the ability to bring about corrective action for poor performance by the transit agencies and its leadership. This may mean the establishment of an administrative oversight function within the system to address such poor performance. In a similar fashion, stronger oversight would also be able to demonstrate system successes.

Ultimately, the Illinois Chamber calls for a governance structure that can hold the service boards accountable while fostering a collaborative approach for correction and performance improvement.

PRINCIPLE #3:**The ridership experience must be front and center in a new or reformed governance structure to restore trust in public safety, reliability, and accessibility in our mass transit systems**

It is a core tenant of business that customer service is a non-negotiable foundation for ensuring growth. A customer who feels protected, heard, and, most importantly, can perceive a return on their investment, will be a satisfied and returning customer. Our approach to delivering essential government services should be no different. When transit users feel that the buses, trains, and para-transit services in their communities are safe, clean, and reliable, ridership will be robust, and our communities will be better for it.

A transformational mass transit system of the future must begin with a comprehensive plan to improve services for the rider—and this plan must begin with restoring public safety and trust in our mass transit systems. Because of this, public safety improvements should be chiefly prioritized as an incentive for ridership growth.

While reducing crime and dangerous encounters on the system is a public health and policing challenge, it should also be seen as a key part of adding new transit users. A new or reformed governing structure must include strong considerations for a holistic public safety plan that is customer-focused and addresses modern-day public safety challenges. This ranges from day-to-day criminal activity aboard the system, to considerations for mental health-related criminal activity and homelessness, to larger security planning around counterterrorism, and procurement and application of modern tech-based public safety solutions.

The correlation between the perception of crime or disorderliness and stagnant ridership is real: as provided by survey data from Chicago and other metropolitan areas cited in CMAP's 2023 PART Report. Addressing this concern of riders will be a major step in increasing usage of the system.

For those reasons, we endorse many of the public safety improvements that have been previously suggested during the Senate and House Committee hearings on transit, such as a dedicated police force, transit ambassadors, and increased use of law enforcement surveillance and tech tools. If any new funding is provided by the State, we ask that a significant portion be dedicated to public safety improvements.

PRINCIPLE #4:**The Illinois business community must have a voice in the mass transit governance process**

Businesses in the northeastern part of the state benefit from, and contribute to, the success of the region's mass transit system. Ensuring the long-term engagement of the business community in the governance, oversight, and growth of public transit requires an official venue to express feedback on the system's performance, to highlight a need for new or modified service to specific regions or areas due to projects or

facilities, to provide private-sector guidance and insight into best practices nationwide, and to be a resource and conduit to the between local employers and government.

In a similar capacity to the citizen advisory board proposed under HB 1833, the Metropolitan Mobility Authority Act, we suggest a permanent Business Advisory Board be established within any new or reformed governing body.

Although business input can be accomplished by numerous means, this advisory board would allow an official venue for businesses to work toward a mass transit system that considers the needs of both employers and employees while ensuring that our government officials are responsive to these needs.

PRINCIPLE #5:

Transparency and clear, effective communication will improve community and business relations

Transparency is essential for building trust and improving public transit. Key to improving transparency is system-wide, detailed, and accessible reporting structure that clearly delineates key metrics users can assess on various data points such as ridership levels, revenue, staffing levels, and progress on major capital projects.

These reports should be regularly updated and made available to the public in a consumable format. One thing that has been made incredibly clear during the public hearings on transit is that the state needs to maintain its role as an oversight agent that holds mass transit bodies accountable while balancing the need to accommodate local control and local voices. Regularly scheduled updates should be provided to the legislature and the Governor's office in order to ensure that projects, programs, and services are being effectively implemented; and should there be deficiencies, these avenues would allow for remedies to correct any deficiencies. Additional opportunities and venues for public comment should also be created, especially for board appointments.

When short-comings or budgetary challenges arise, these should be communicated openly to ensure continued public trust. Allowing for increased collaboration and transparency that is built upon increased public input must be a goal.

A focus on transparency builds better relationships with community members but also ensures that the business community can plan for the future and deliver services effectively on behalf of their employees and customers. Ultimately, this will allow for more confidence in the system's long-term performance.

PRINCIPLE #6:**Technological innovation must be prioritized to improve service delivery and customer experience**

It has become clear through the Committee hearings process that customer dissatisfaction with the quality of service provided by the transit agencies is real. Adequate measures for public safety, system reliability, accessibility, and usability continue to be lacking. Moreover, in this digital age we live in, when most daily functions can be controlled through devices in the palm of the hand, and customer connectivity has become a regular form of customer service for businesses and government alike, the mass transit ridership experience continues to lag in this area.

Riders across the RTA region have made clear their complaints about the lack of technological sophistication: a lack of fare integration, a dysfunctional app, a lack of ridership options that optimize the transit options available to riders, ineffective communication between rider and system, and a lack of coordination between routes managed by different transit agencies.

To alleviate these customer concerns, serious consideration must be given to the use of emerging technologies by the transit agencies or the oversight board. If procurement laws need to be updated or otherwise amended to access such technology, the Illinois Chamber offers its full support. The private sector has been leading in innovation that is capable of transforming any industry. The service boards should seek the valuable input and offerings of the private sector to better position themselves for the mass transit system of the future.

We also suggest that the transit agencies or oversight board consult with private sector tech leaders on what existing tools should be adopted within the system and what tools need to be developed. We further suggest that technology best practices from other major transit systems, such as New York City, San Francisco, and Washington DC be adopted. Making targeted investments in improving the user experience begins with improving customer service that allows for improved access to essential services.

PRINCIPLE #7:**Service expansions should be innovative, need-based, and collaborative**

One thing is clear: riders, business owners, and families, especially those in the Chicagoland area, use mass transit in a different way in the post-pandemic world.

The needs of commuters and recreational riders are different, yet require no less attention than before. The reformed governing bodies managing transit must be considerate of new employment practices and commuting patterns, and seek to deliver exceptional basic services to all. Expanding transit service is essential, but it must be done in a way that addresses actual demand and considers the needs of underserved communities.

Service expansions should prioritize innovations like micro-transit, on-demand shuttles, rideshare, and other flexible solutions that address modern commuting patterns. Leading with a technological, innovative approach to transit will mean that the mass transit services of tomorrow continue to be top of mind today and in the future.

Moreover, any new expansion projects must be managed with complete public and intergovernmental transparency. This means placing emphasis on public input, key performance indicators, and, above all, prioritizing robust inter- and intra-agency communication so that all levels of government engaged in these transit projects are aware of the comprehensive, regional planning. By having our leaders across the various government agencies involved in mass transit from the various levels of government, either directly or indirectly, have open lines of communication with one another on a regular basis, we will be better for it. From IDOT to CDOT, CTA to PACE to Metra to RTA, a new or improved governance structure must foster collaboration with both the public, business, and the various government agencies involved in transit.

Transparency will help build trust between transit agencies, riders, and the business community, while innovation and need-based approaches ensure that expansions are efficient and responsive to current transportation challenges.

PRINCIPLE #8:

Key investments that support our mass transit frontline workforce must be prioritized

Any new governance structure or operational reforms will only be as successful as the employees working within the system. Transit operators and other system personnel are the crucial frontline workers that ensure service delivery to riders across the region. To make certain that these operators have access to career development resources, training in emerging technologies, and opportunities for personal advancement, increased investment in designated funding for a modern transit workforce development fund should be considered.

While this fund could be managed in numerous ways, we suggest that a portion of all new operating dollars allocated to mass transit be set aside for workforce development and workplace safety for those employed within the RTA region mass transit system. This fund would be a crucial tool in training employees for the public transit system of the future.

Throughout many of the transit hearing in the House and Senate, and especially hearing from the testimony of the Amalgamated Transit Union Workers and others, it is clear that the need to restore public safety, improved service, and alleviate staffing challenges begins with making sure that our investments in our frontline workers are made.

The new or improved oversight body should dedicate funding towards improved employee safety and law enforcement solutions that may include de-escalation training or mental health crisis intervention.

PRINCIPLE #9:**Investment in mass transit should not come at the expense of other infrastructure investments**

Long-term investment in our state's public transportation system is critical. Both operational and capital investments are a necessity for transit service to be provided in an affordable, efficient, and equitable manner.

With that understanding, investment in mass transit should not come at the expense of other modes of transportation. Our state must maintain the integrity of the Road Fund and ensure that transportation tax dollars are used for their intended purpose. The Illinois Chamber is in agreement with our friends in labor that road fund dollars should not be diverted to mass transit operations while so much work on our surface transportation remains to be completed.

While our state invests in mass transit, we must also continue our investments in roads & bridges, freight, rail, maritime, and aviation to ensure that the Chicagoland region, and by extension the State, remains a national transportation hub.

PRINCIPLE #10:**Statewide solutions require statewide considerations to mass transit systems across Illinois**

As a leading business organization in the State, representing Illinois businesses of every size and sector across every corner of the State, we strongly support mass transit reform that maintains a well-rounded statewide perspective. While we understand that the northeastern transit region faces an acute fiscal crisis, our downstate members have also expressed concerns about the operational challenges their public transportation providers face. We eagerly anticipate improved transit operations in the Chicagoland region and ask that ongoing conversations continue to include voices from every part of the state, especially when statewide revenue and funding solutions may be on the table.

With that understanding, we urge our government leaders to recognize the needs of communities outside of the RTA region when looking to modernize our state's mass transit systems.

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