Financial Plan for Transportation:
Risk Assessment

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2026 Regional Transportation Plan

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Chicago Metropolitan Agency for Planning

Table of contents

Introduction and approach..... 3

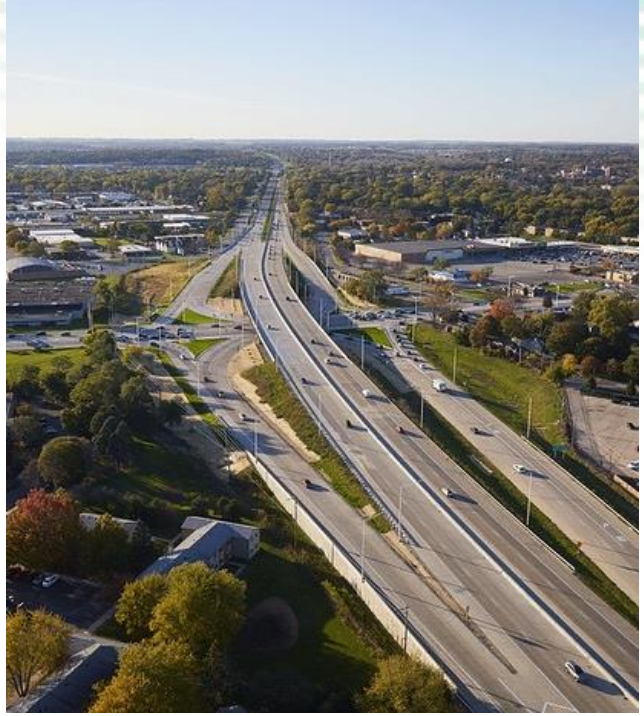
Revenue risks..... 7

Expenditure risks 25

Multi-risk scenarios.....43

Mitigation strategies.....48

Endnotes.....61



Introduction & approach

Executive summary

To meet federal requirements for fiscal constraint, the Chicago Metropolitan Agency for Planning (CMAP) has prepared long-range financial forecasts for the 2026 Regional Transportation Plan (RTP). These forecasts estimate baseline revenues and expenditures and identify additional revenues that could reasonably be realized over the planning period of 2027 to 2050. Using year-of-expenditure dollars, the Financial Plan for Transportation identifies $572.7 billion in total funding. Of that total, 89.0 percent (or $509.8 billion) is needed to operate, administer, maintain, and improve the system in its current condition. The remaining 11.0 percent (or $62.9 billion) would enhance and expand the system over the planning horizon.

Fiscal constraint requires a shared understanding of system costs and the additional resources needed to achieve regional goals. **However, even the most sophisticated plans and financial forecasts are subject to economic, policy, and implementation uncertainties over planning horizons of more than 20 years. The RTP's financial outlook and successful implementation depend on how effectively the region manages these risks.**

To ensure the RTP presents a fiscally realistic and resilient blueprint for transportation investment over the planning period, this Financial Plan Risk Assessment provides an overview of risks associated with key financial assumptions used to develop the Financial Plan for Transportation, such as the availability of future revenue streams, cost escalation rates, and project delivery schedules. It also highlights how sensitive the fiscal constraint is to changes in these assumptions and identifies strategies to mitigate risk and protect the region's ability to implement its transportation priorities under various future conditions. While more durable revenues will be central to northeastern Illinois's ability to maintain its legacy transportation system and strategically invest in new capacity, the agencies that deliver transportation projects and services can also take steps to be more accountable for outcomes.

Ultimately, this Risk Assessment has four objectives:

- Increase transparency about the strengths and limitations of long-range financial assumptions.
- Support better decision-making by revealing the conditions under which fiscal constraint may be at risk.
- Enable greater flexibility and resilience by identifying mitigation options and contingency strategies.
- Inform transportation stakeholders about the fiscal soundness of the RTP to build support for plan implementation.

The Risk Assessment's findings demonstrate northeastern Illinois's commitment to sound fiscal stewardship and transportation investments that are aligned with regional goals, even in the face of uncertainty.

Risk Assessment methodology

The Risk Assessment achieves its stated objectives by examining trends affecting transportation revenues and expenditures and adjusting baseline assumptions in the Financial Plan for Transportation. The approach outlined below produced a comprehensive set of revenue and expenditure risk analyses and the development of mitigation strategies that can preserve financial stability and advance RTP goals.

Risk identification
CMAP identified risks through a structured process that captured the most significant uncertainties affecting the long-range financial plan. CMAP drew risks from baseline assumptions, focusing on factors that influence revenue or expenditure forecasts such as federal and state funding growth, inflation rates, and vehicle miles traveled. Other factors with historical variability or demonstrated volatility were identified, such as construction costs. External drivers such as technological change, demographic trends, and climate impacts shaped the inclusion of emerging challenges.

Risk prioritization
In consultation with the Financial Plan Resource Group and consultant partners, CMAP used two considerations to prioritize risks capable of creating substantial funding gaps or cost increases over the planning period:

- **Likelihood:** What is the probability the risk will occur?
- **Impact:** What is the extent of the impact the risk could have if it occurs?

Trend research
CMAP assessed each risk independently to evaluate the conditions creating uncertainty and to examine the range of plan assumptions. Depending on the risk, CMAP reviewed literature and peer analyses, analyzed historical data, and developed case studies.

Sensitivity testing and multi-risk scenarios
Using the findings from the trend analysis and case study research, CMAP conducted sensitivity tests for each risk. The sensitivity tests were calibrated and applied to the applicable revenue and expenditure forecasts included in the Financial Plan for Transportation. While the results of individual sensitivity tests reduce total plan revenues or increase total plan expenditures by only a few percentage points, their actual effects would compound over the plan horizon and create significant pressure on preservation, modernization, and operating stability.

CMAP also developed multi-risk scenarios that highlight how concurrent shocks could materially constrain the region's ability to deliver major capital projects and sustain funding for system operations.

Strategy development
Finally, CMAP and consultant partners identified actions to address various risks. CMAP also solicited feedback from the Financial Plan Resource Group to confirm which strategies were best suited to the intended outcomes. The strategies identified in the Risk Assessment are indirectly reflected in the RTP, but additional efforts may be needed to implement specific tactics.

Limitations of the Risk Assessment

While the Financial Plan Risk Assessment provides a structured framework for testing major uncertainties, actual future conditions can evolve beyond the scenarios analyzed. Sensitivity tests use simplified percentage changes and timing shifts, which do not capture every interaction among economic, demographic, and policy factors. Unexpected developments or combined trends may produce outcomes outside the ranges tested, reinforcing the need for ongoing monitoring and adaptive planning.

The Risk Assessment focuses on uncertainties that are tied to CMAP's baseline assumptions and quantifiable through sensitivity testing. For example, the analysis applies uniform adjustments to federal and state funding, vehicle fuel efficiency, and operating costs rather than dynamic feedback loops. These boundaries maintain clarity and comparability across scenarios while creating a foundation for refinement as new data and policy changes emerge. This approach ensures flexibility and supports strategies that strengthen resilience under changing conditions.

Revenue risks

Revenue risk overview

Northeastern Illinois's long-range financial outlook is shaped by significant uncertainties across major revenue sources. Changes in federal and state funding levels, structural economic and demographic trends, and ongoing transit operating challenges can meaningfully shift long-term fiscal constraint over the planning horizon. In fact, sensitivity tests show that even modest deviations from baseline assumptions compound over the RTP planning period, reducing revenues by tens of billions of dollars and narrowing the region's ability to deliver planned investments. These findings reinforce the importance of understanding risks early and preparing strategies that enhance resilience, preserve fiscal stability, and support successful implementation of the RTP.

Revenue risks

R1. Decreased federal funding: Federal formula funding falls short compared to forecasts and a portion of competitive funding is unavailable

R2. Decreased state funding: Share of state funding allocated to northeastern Illinois decreases compared to forecasts

R3. Increased fuel efficiency: Fuel efficiency gains, including electric vehicle (EV) adoption, exceed expectations

R4. Lower VMT growth: Vehicle miles traveled (VMT) growth is lower than forecasted

R5. Reduced population forecast: Population growth is lower than expected

R6. Economic downturns: The region experiences significant economic downturns that reduce transportation revenues

R7. Reduced transit fare revenue: Fare revenue does not meet forecast expectations due to lower ridership and/or lower fare levels

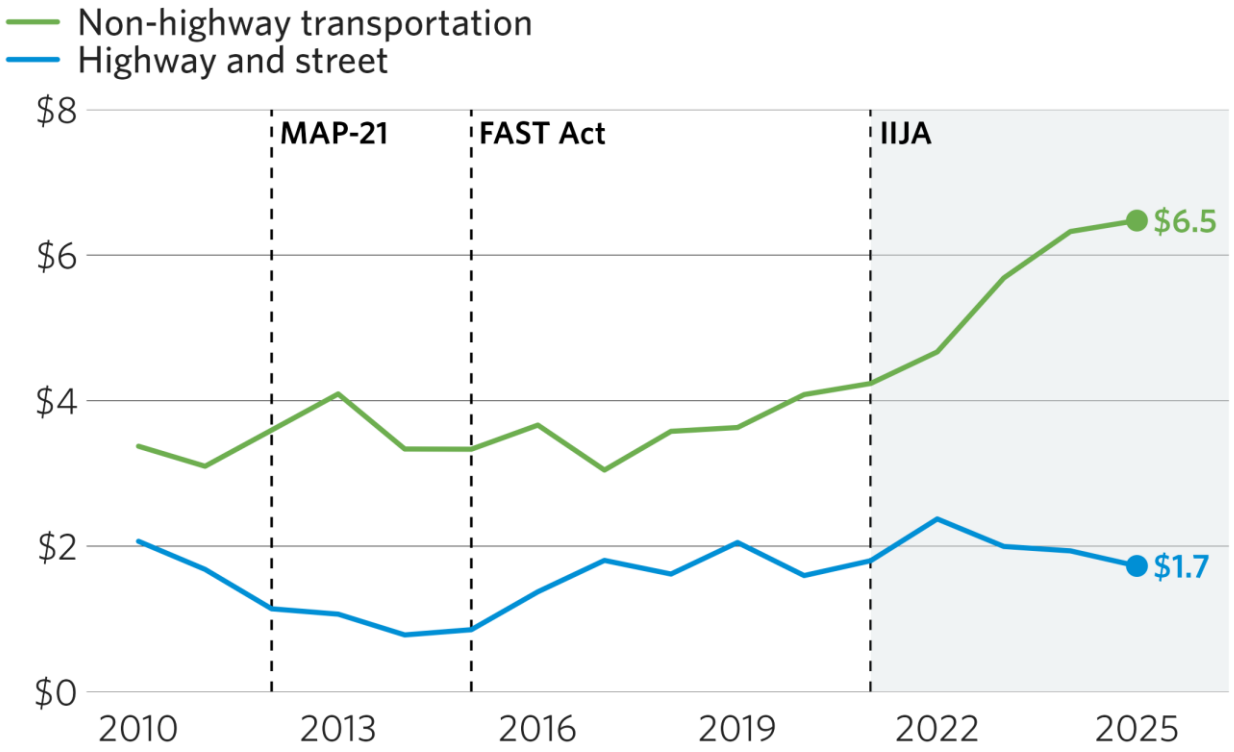
R8. Inadequate public subsidy of transit: Public funding is insufficient to meet the anticipated operating needs of the system

R1: Decreases in federal funding

Future federal transportation funding levels and programmatic splits are uncertain, especially following the significant increases seen under the Infrastructure Investment and Jobs Act (IIJA).

- Historically, real growth in federal highway and transit funding to Illinois has been modest — growing at a compound annual growth rate (CAGR) of 0.8 and 2.1 percent over the 2000-2023 period, respectively.
- The $643 billion surface transportation authorization included in the Infrastructure Investment and Jobs Act (IIJA) increased overall spending on transportation infrastructure, setting a new baseline for future reauthorization packages.[1]
- However, a record-high amount of funding (more than $200 million, or nearly one-third of IIJA transportation funding) was dedicated to competitive funding programs, which provide less reliable support for planning and system investment needs.
- While advocates are calling for the next reauthorization bill to build on IIJA's baseline and make previously competitive funds permanent, the current Build America 250 proposal reduces transportation spending authorizations for highway, transit, and rail projects.[2]

Direct federal spending on transportation infrastructure (in billions)



Note: Spending amounts are adjusted for inflation as of September 2026. Non-highway transportation data include passenger terminal, railroad, mass transit, air, and water investments.

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Federal Highway Administration, Urban Institute

R1: Decreases in federal funding

SENSITIVITY TEST

- The Financial Plan baseline forecast assumes federal funds continue to grow at historical rates.
- To reflect the impacts of a general softening in federal funding for transportation purposes, this Risk Assessment tests a reduction in both federal formula funds and competitive funding sources.
- The result is a potential **$21.1 billion (or 32 percent) reduction** over the planning period.

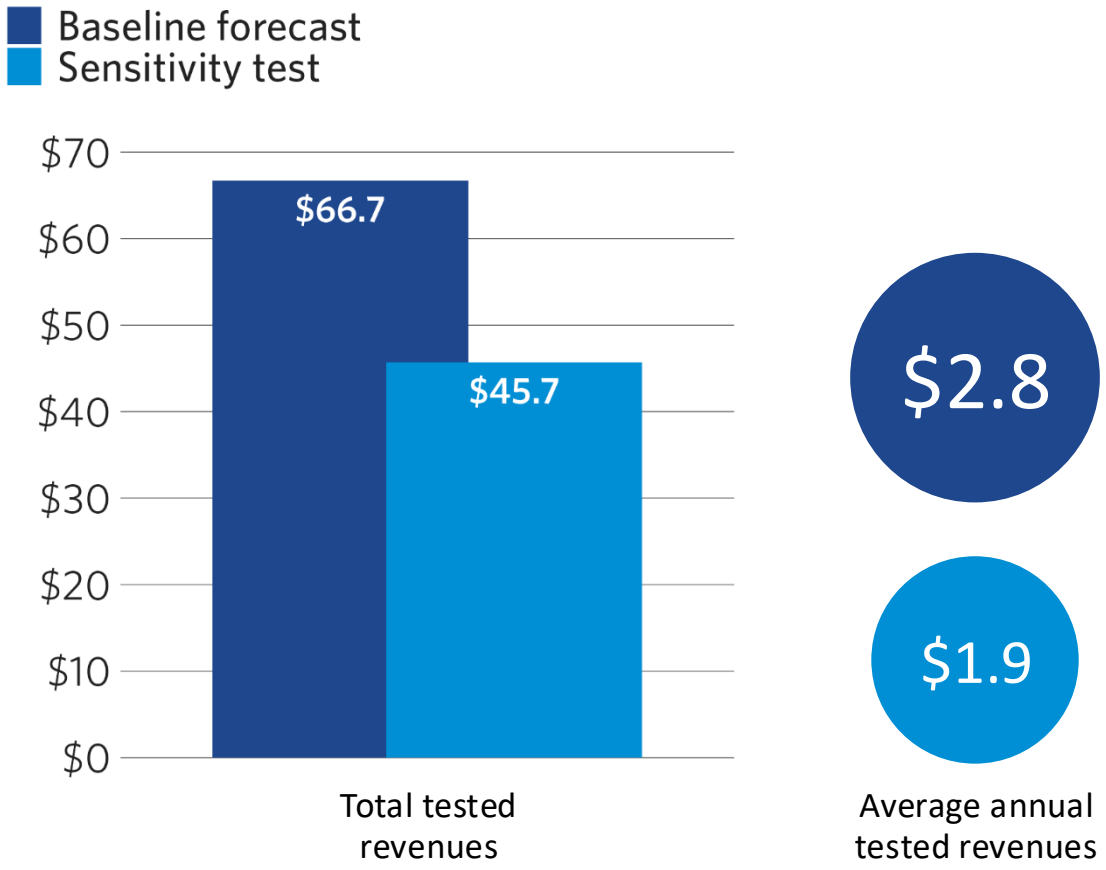
Federal formula funding

FTA and FHWA funds are **reduced to pre-IIJA levels** in 2026, and historical growth rates are applied beginning in 2027.

Federal competitive funding

The baseline forecast for competitive funds awarded in northeastern Illinois is **reduced by 25 percent**.

Federal funding revenue forecasts (in billions), 2027-2050

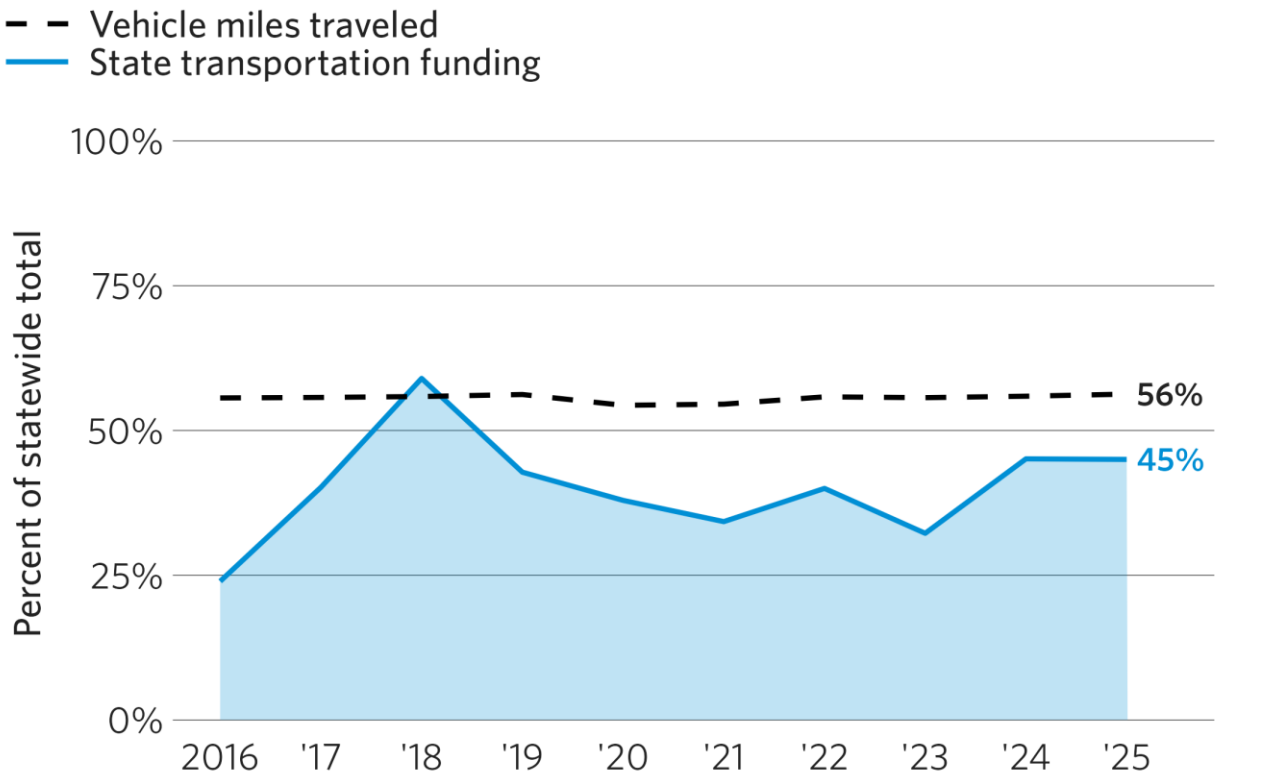


R2: Decreased state funding

Subregional allocations of state transportation funds reflect informal geographic agreements and opaque distribution formulas rather than regional needs.

- Despite some consistency in recent years, northeastern Illinois's year-over-year share of unrestricted state transportation funding has typically been uneven and hard to predict.
- Past allocation decisions — based on informal agreements to direct a specific share of funding to the region — often failed to meet agreed upon funding levels. Historic state allocations have also not reflected northeastern Illinois' share of statewide VMT, transit ridership, or economic activity, which has translated into reduced capacity for preservation and mobility projects.
- Although the state accounts for some performance-based criteria in their distribution decisions, the process is opaque and ultimately leaves the region with a relatively low share of funding given substantial state of good repair needs across roadway and transit assets.
- The current process leaves northeastern Illinois without statutory protection in the event fiscal pressures, competing statewide priorities, or population changes create conditions for a lower share.

Northeastern Illinois' share of total state transportation funding and vehicle miles traveled



Source: CMAP analysis of obligated transportation funds, Illinois Department of Transportation

R2: Decreased state funding

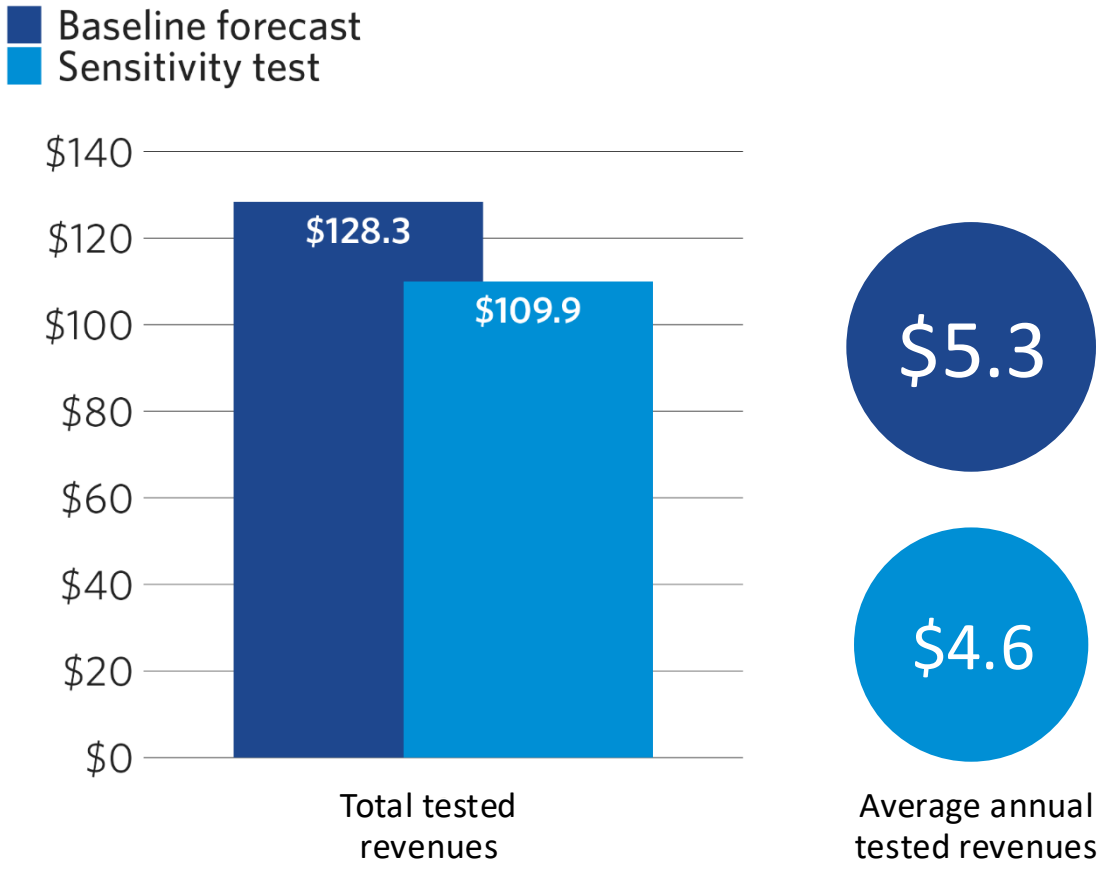
SENSITIVITY TEST

- Baseline Financial Plan assumptions allocate statewide funding to northeastern Illinois based on past funding amounts and a collection of performance measures including the share of statewide pavement and bridges in poor condition.
- To reflect the region's sensitivity to state allocation amounts, the Risk Assessment tests a reduction in the region's share of statewide funding.
- The result is a potential **$18.4 billion (or 14 percent) reduction** over the planning period.
- These impacts would be further magnified if the overall size of state transportation funding falls.

State-allocated funding

Northeastern Illinois' share of statewide funding is **reduced from 38.25 to 30 percent** for key state sources beginning in 2027.

State-allocated funding revenue forecasts (in billions), 2027-2050

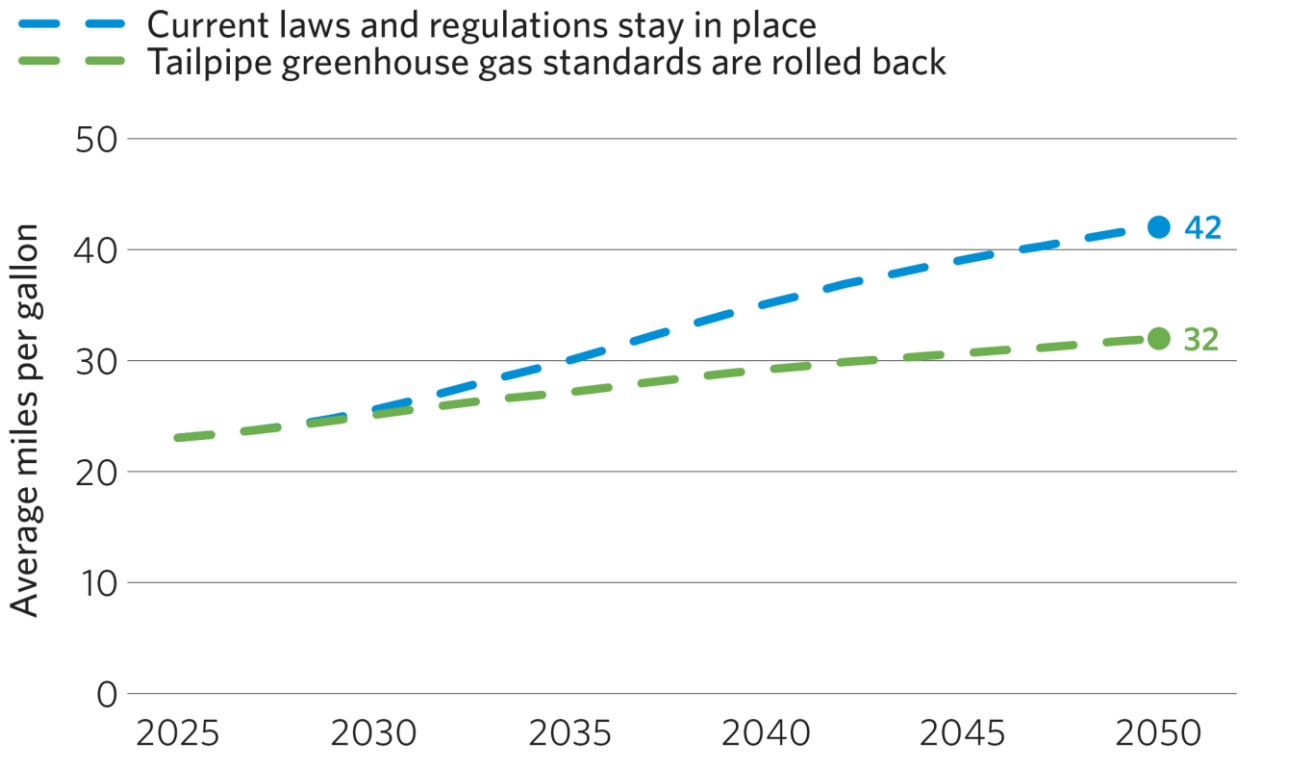


R3: Increased fuel efficiency

The fuel economy of the vehicle fleet is projected to continue improving through 2050, which will steadily erode the taxable base for key, fuel-based transportation revenues that support roadway and transit programs.

- Over the last decade, stronger Corporate Average Fuel Economy (CAFE) requirements have lifted the fuel economy of the country's vehicle fleet.
- Despite 2025 federal policy changes, the average fuel economy for new vehicles in Illinois has continued to grow and electric vehicle (EV) registrations in northeastern Illinois have increased eightfold since 2020.[3]
- The U.S. Energy Information Administration (EIA) and other national laboratory forecasts show continued gains are expected for light-duty vehicles through 2050 — even if greenhouse gas standards are further rolled back.[4]
- Increasing vehicle fuel economy reduces fuel consumption per mile, which results in fewer fuel purchases. This tradeoff reduces the revenues that are dependent on fuel sales — state and county motor fuel taxes (MFT) and the state sales taxes on motor fuel — which are key sources of transportation funding for the state and the region.
- Although these trends have been somewhat offset in Illinois through increases in MFT rates and EV registration surcharges, fuel efficiency improvements will continue to undermine the long-term sustainability of fuel-based revenues.

Forecasted U.S. vehicle fuel economy under two policy scenarios



Note: Forecasts measure the average fuel economy of light-duty vehicles in the U.S. stock. Base case scenario assumes that energy markets operate under U.S. laws & regulations as of December 2025. Rollback scenario captures the impact of removing the most recent U.S. vehicle tailpipe emissions standards for vehicles from model year 2027 onward.

Source: U.S. Energy Information Administration

R3: Increased fuel efficiency

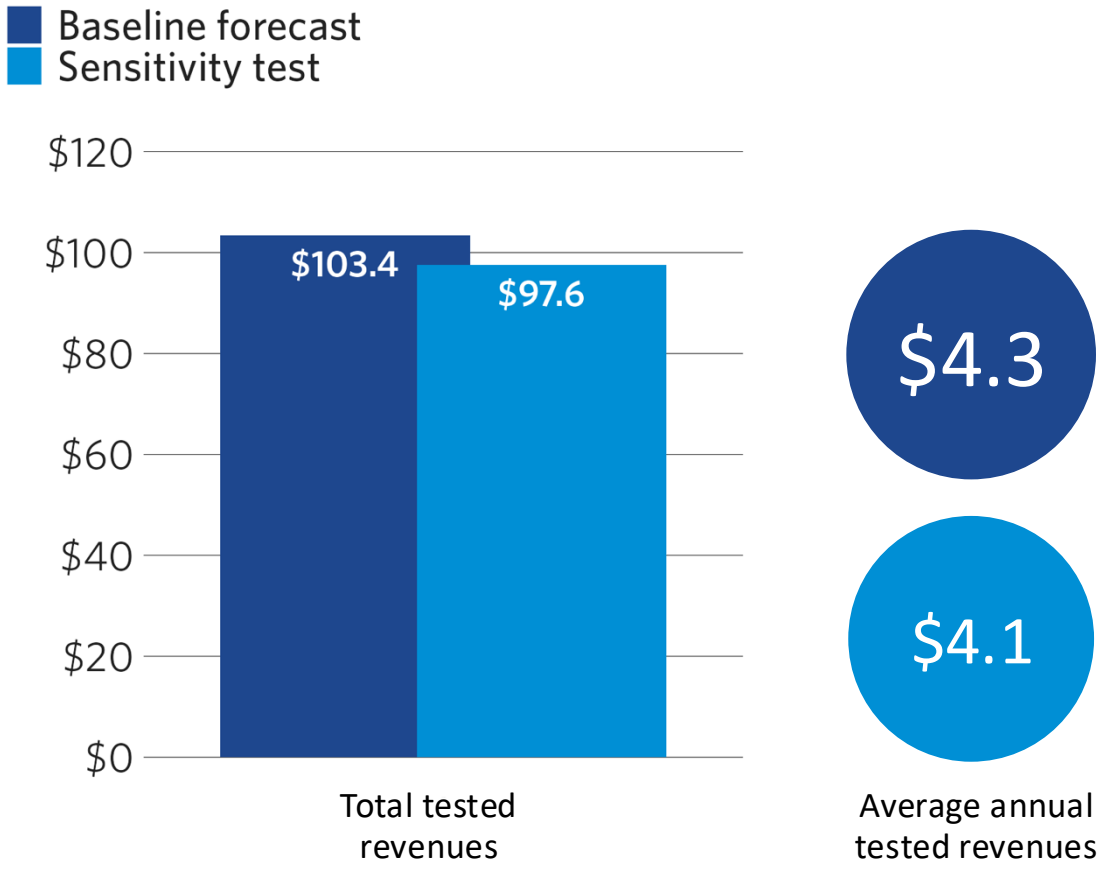
SENSITIVITY TEST

- The Financial Plan projects passenger vehicle miles per gallon (MPG) using historic CAFE standards and national vehicle fleet data.
- To reflect the impacts of even greater improvements in vehicle fuel efficiency on fuel-linked revenue generation, the Risk Assessment tests an alternative forecast for future MPG trends.
- The result is a potential **$5.8 billion (or 6 percent) reduction** in revenue receipts from state and county motor fuel taxes and sales taxes on motor fuels over the planning period.

Fuel efficiency (MPG) forecast

Expected efficiency gains are **increased,** with CMAP's baseline MPG path replaced by the EIA's Alternative Transportation Forecast for light-duty vehicles.

Fuel efficiency-affected revenue forecasts (in billions), 2027-2050

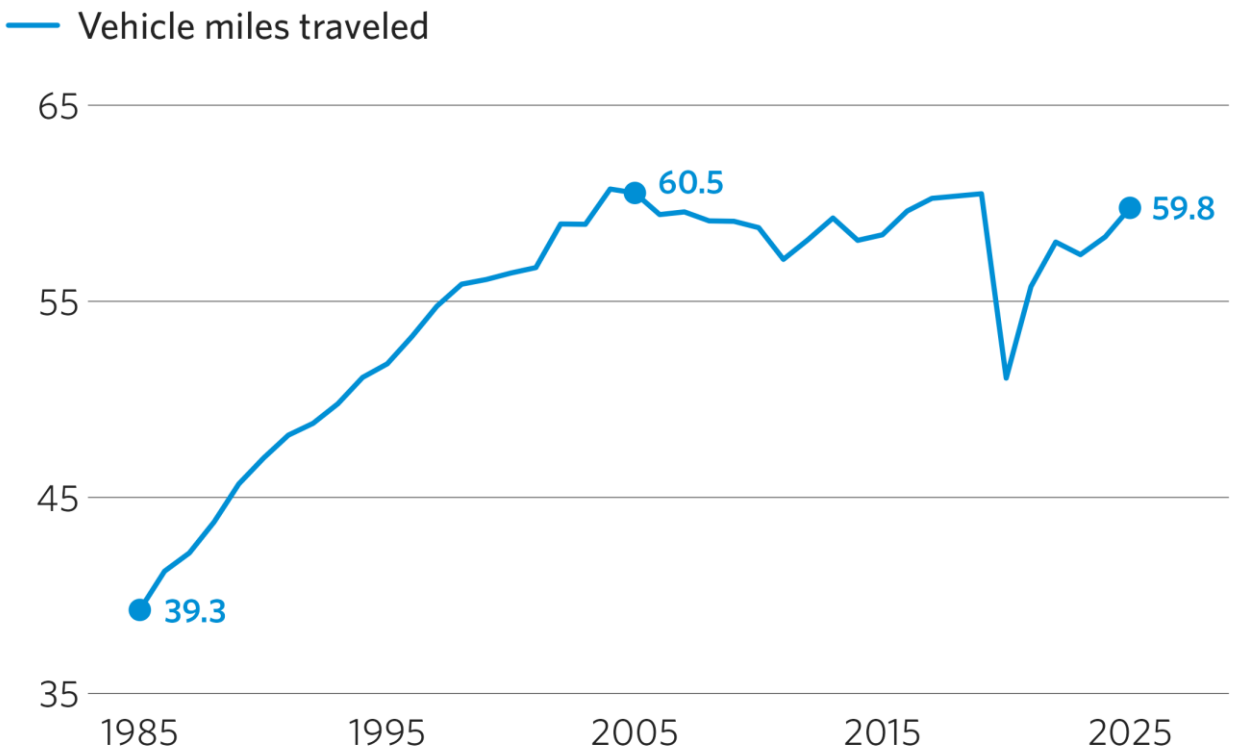


R4: Lower VMT growth

Changing travel patterns could reduce future VMT, impacting revenues that have traditionally funded maintenance and expansion such as the MFT and tolls.

- Compared to the second-half of the 20th century, during which VMT grew steadily alongside vehicle use and population, VMT growth has stagnated over the last 20-25 years.[5]
- Telework trends, demographic changes, and mixed economic signals could dampen expectations for future VMT growth. Nationally, the Federal Highway Administration (FHWA) projects modest national VMT growth of 0.5 percent annually through 2050, while the RTP forecasts 0.4 percent growth.[6]
- Although reducing VMT is a desired outcome of policy efforts focused on greenhouse gas mitigation and congestion management, a sustained slowdown in vehicular travel would reduce fuel consumption and toll transactions, lowering key revenues used for transportation network maintenance and expansion.

Annual vehicle miles traveled in northeastern Illinois (in billions)



Source: Illinois Department of Transportation

R4: Lower VMT growth

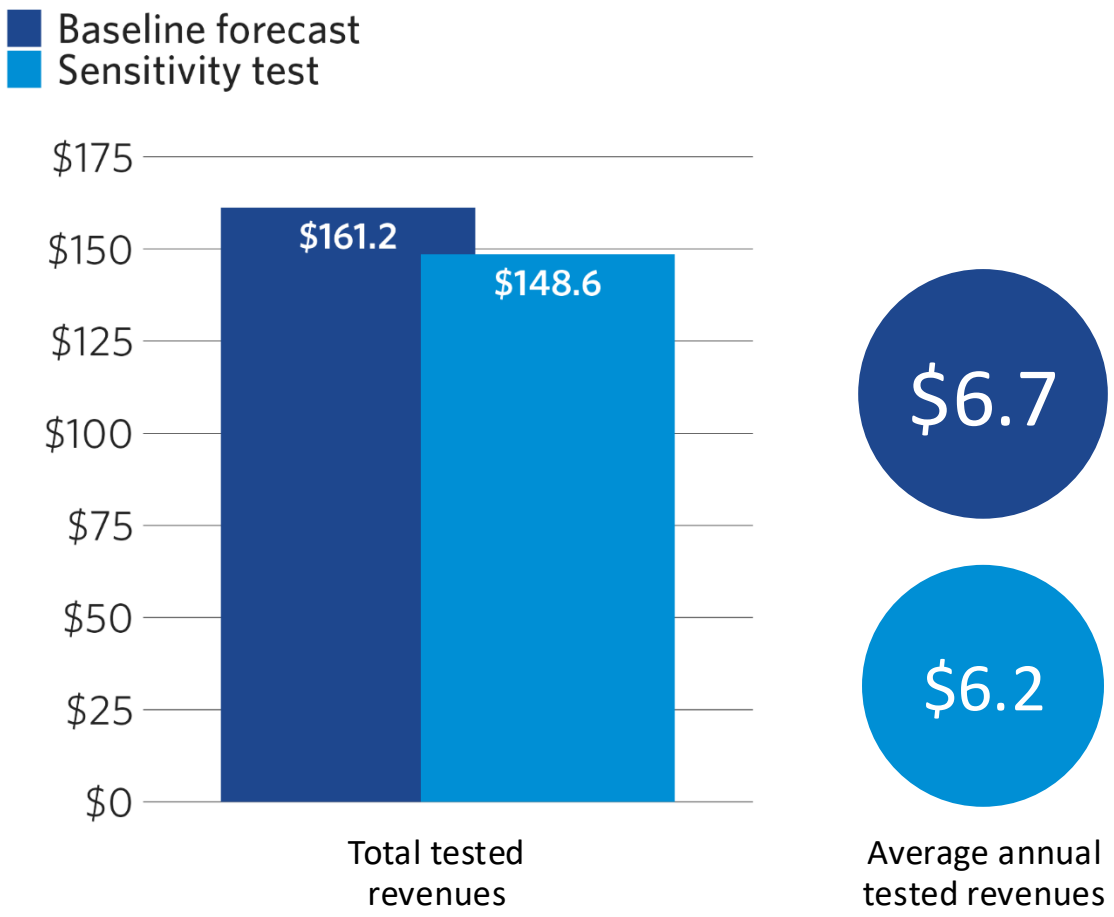
SENSITIVITY TEST

- The Financial Plan's baseline forecasts use VMT projections from CMAP's travel demand modeling, which show increased VMT due to anticipated growth in regional population and employment.
- Alternatively, the Risk Assessment reduces VMT growth to reflect a sustained slowdown in vehicular travel through 2050 which reduces fuel consumption and toll transactions.
- The result is a **potential $12.6 billion (or 8 percent) reduction** in fuel tax and toll revenues over the planning period.

VMT growth

Baseline VMT growth is **halved** over the planning period.

VMT-affected revenue forecasts (in billions), 2027-2050

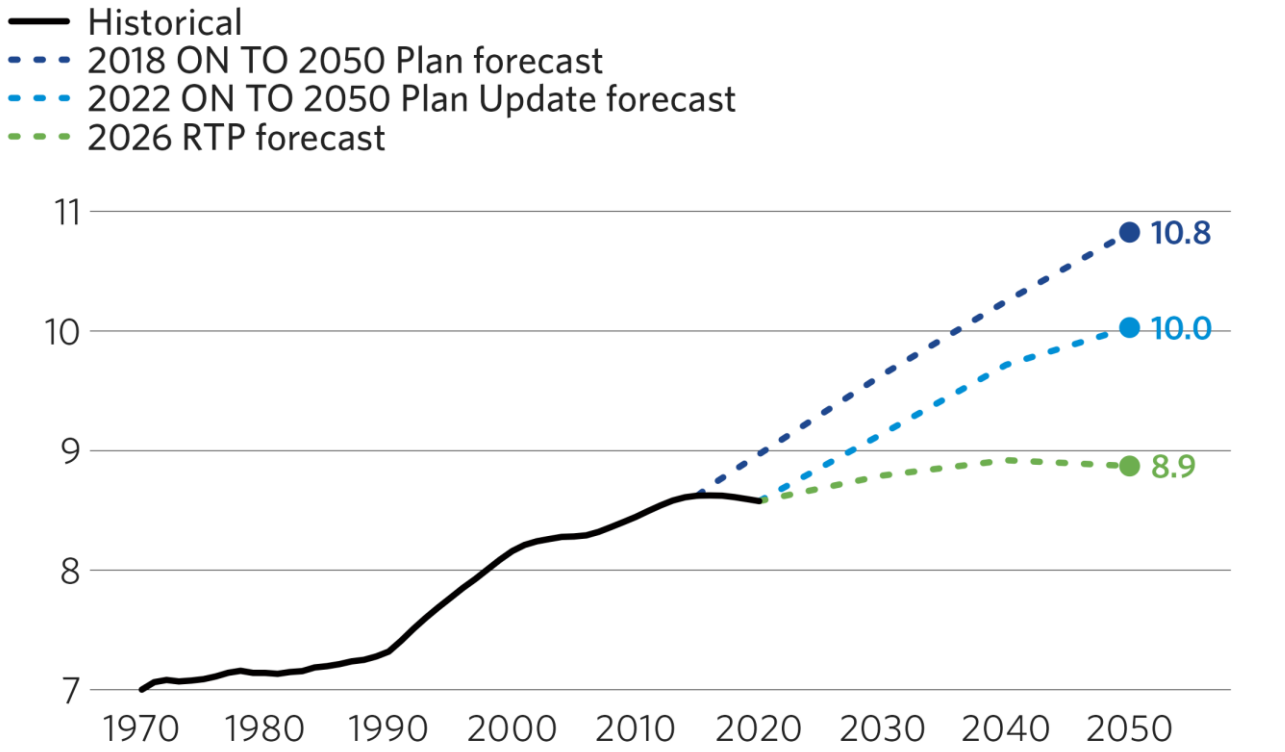


R5: Reduced population forecast

Lower-than-expected regional population growth would affect a broad set of revenue sources, from sales taxes to transit fares.

- Due to declining fertility rates and reduced international immigration to northeastern Illinois, regional population growth has plateaued in recent years. At the same time, intraregional migration patterns and declining household size are driving uneven demand across travel modes.[7]
- Compared to previous forecasts that projected levels of regional growth that did not materialize, CMAP's 2026 RTP socioeconomic forecast reflects only modest growth through 2050.[8]
- If the forecasted level of population and employment growth does not materialize, the region could see further declines in economic activity, VMT, and transit ridership, which would impact transportation revenues such as sales taxes, motor fuel taxes, tolls, and transit fares. The state and the region could also see impacts to revenues that are allocated using population-based formulas.
- Population-driven revenue declines compound over decades and are difficult to reverse once established, narrowing fiscal flexibility for operations and capital.

Actual and forecasted population of northeastern Illinois (in millions)



Note: CMAP's population forecasts are based on the U.S. decennial census.

Source: CMAP analysis of U.S. Census Bureau data

R5: Reduced population forecast

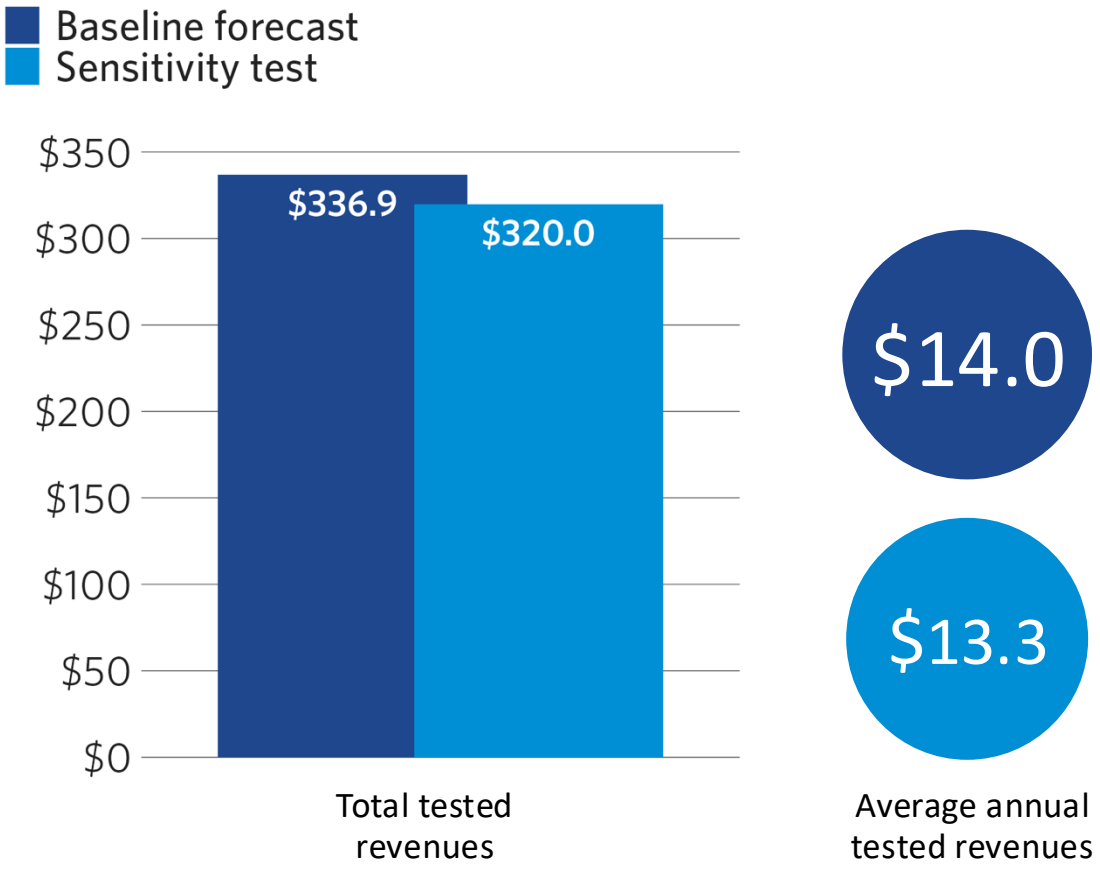
SENSITIVITY TEST

- The RTP socioeconomic forecast, which was used to develop the Financial Plan baseline, already assumes modest growth.
- Nevertheless, to reflect lower-than-expected population growth and test the impact on revenues tied to economic activity, VMT, and transit ridership, the Risk Assessment further reduces population forecasts.
- The result is a potential **$16.9 billion (or 5 percent) reduction** over the planning period.

Population growth

Population growth projections from the RTP socioeconomic forecast are **reduced by 5 percent.**

Population-affected revenue forecasts (in billions), 2027-2050

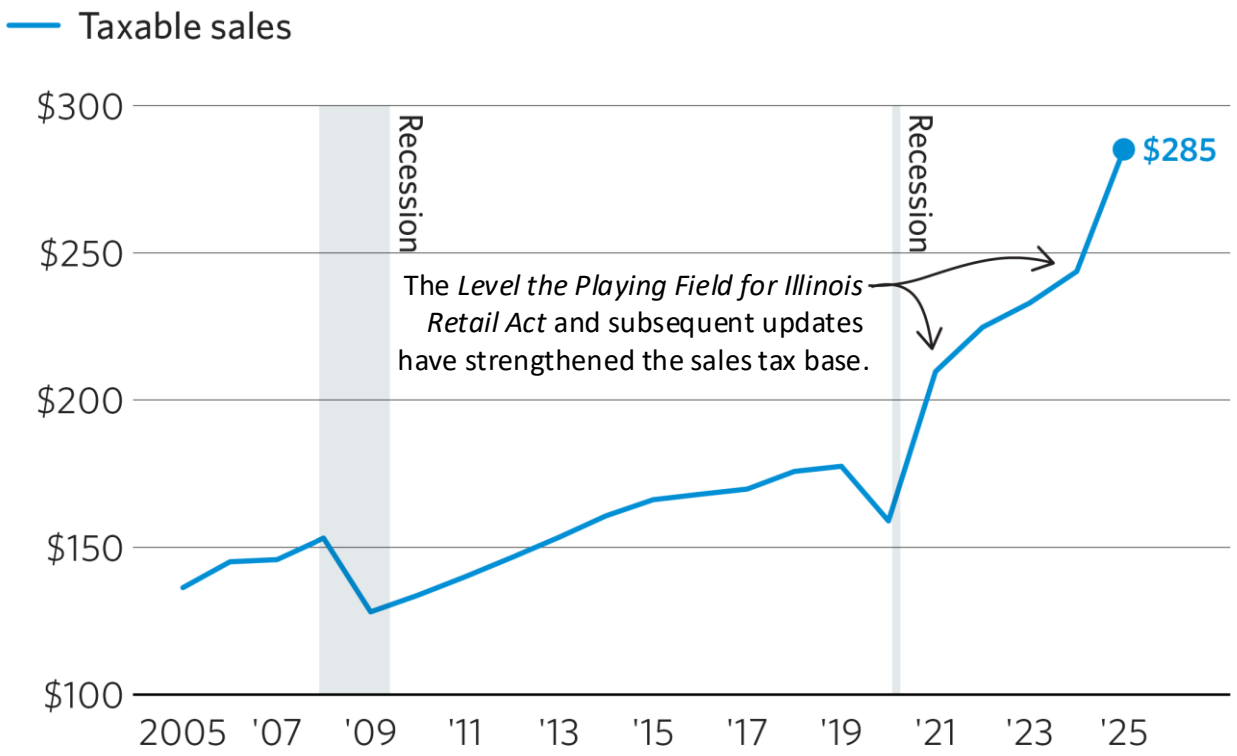


R6: Economic downturns

Although hard to predict, economic cycles cause volatility in tax revenues that could impact fiscal constraint and program delivery.

- Economic recessions trigger declines and shifts in consumer spending and travel behaviors that reduce transportation revenues. This creates unpredictable volatility for sales taxes, tolls, and fuel purchases — even during periods of recovery.
- Some downturns, like the Great Recession, produce sharp drops and recoveries lasting several years. Others cause short-term dips in consumer spending that end relatively quickly. Regardless, uncertainty around economic cycles amplifies the risks for the transportation system. For example, the COVID-19 pandemic led to an over 50 percent drop in transit system revenue.
- Consumer spending on services is less volatile during economic recessions, but Illinois' outdated sales tax primarily taxes goods and not services. This makes the state and the region even more susceptible to downturns in the economy when they occur.[9]
- Improvements that increased sales tax collections from remote transactions — and significantly grew revenues in recent years — do not fully address this risk.

Taxable sales in the northeastern Illinois region (in billions)



Note: Includes all sales in northeastern Illinois subject to the Northern Illinois Transit Authority (NITA, formerly the Regional Transportation Authority, or RTA) sales tax and Cook County's share of the state sales tax.

Source: CMAP analysis of Illinois Department of Revenue data

R6: Economic downturns

SENSITIVITY TEST

- The Financial Plan baseline forecast uses a series of long-term inflation assumptions.
- To further assess how economic downturns could impact transportation revenues, the Risk Assessment models two consecutive downturns over the plan period, each with its own pattern for initial decline and recovery.
- The combined result is a potential **$25.6 billion (or 9 percent) reduction** over the planning period.

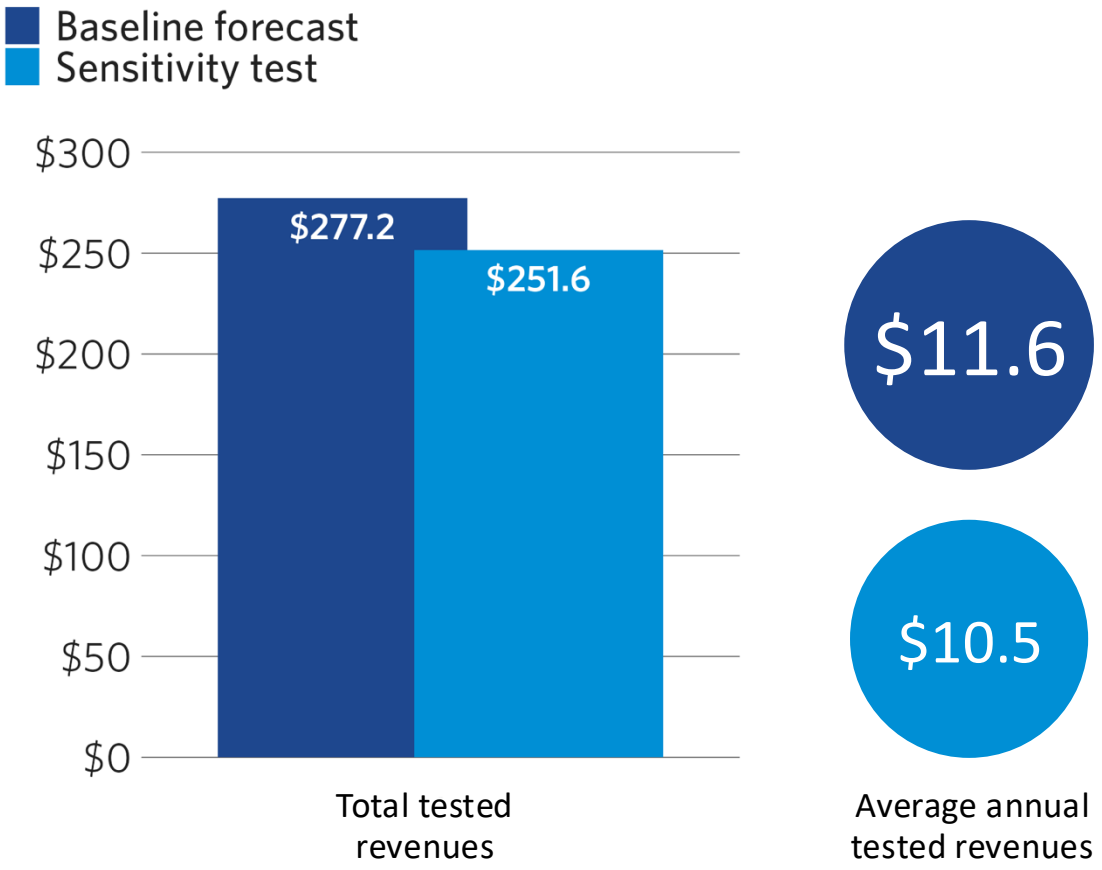
Downturn-affected revenues under COVID-like recession

25 percent decline for one-year, partial recovery in year two, full recovery by 2050.

Downturn-affected revenues under longer recession

10 percent decline for four years, then gradual recovery over the plan period.

Economic downturn-affected revenue forecasts (in billions), 2027-2050

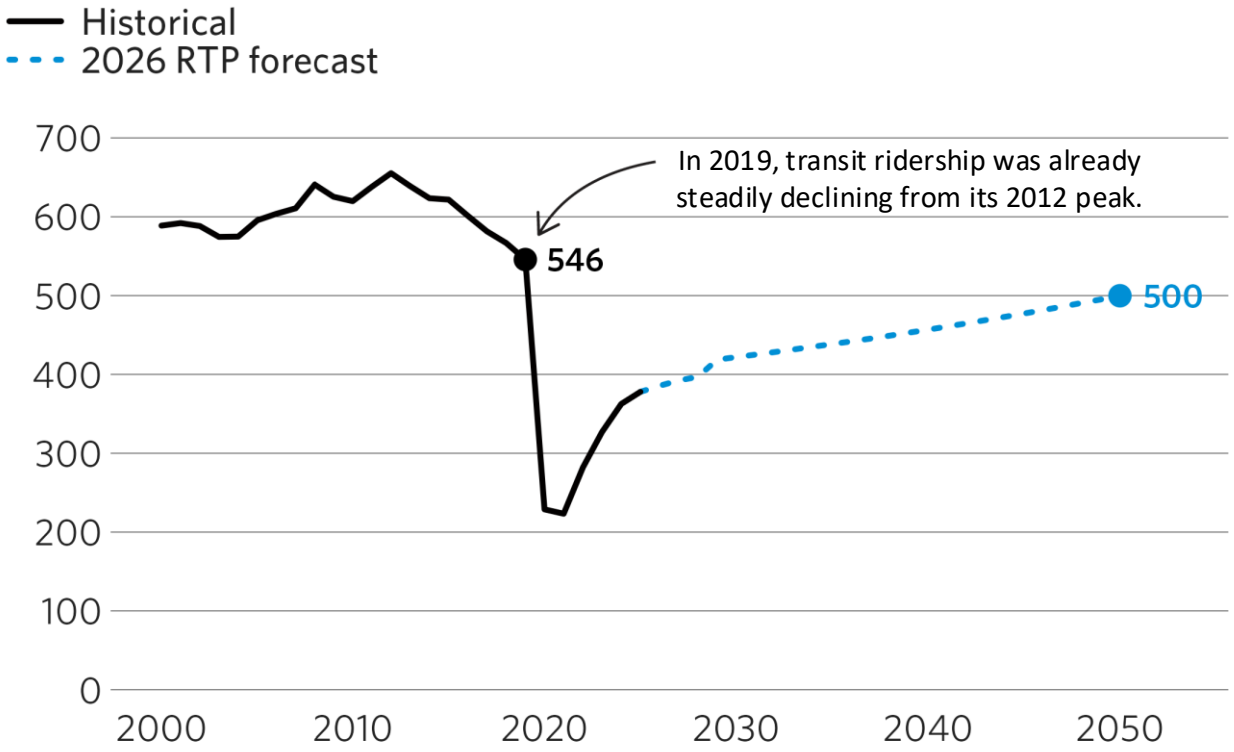


R7: Reduced transit fare revenue

Future transit ridership levels are uncertain, reflecting ongoing changes in daily commute patterns that were exacerbated by the COVID-19 pandemic.

- Driven by budgetary challenges and reduced service levels, transit ridership was already gradually declining in northeastern Illinois before COVID-19.[10]
- In 2025, regional transit ridership reached approximately 70 percent of previous 2019 levels, reflecting an ongoing recovery from pandemic-related declines and the rise of telework.[11]
- Fare revenue has historically tracked with ridership patterns and is a critical component of transit operating budgets, accounting for roughly 4 percent of overall Financial Plan revenues.
- Current fare revenue forecasts assume steady recovery from pandemic-era declines, but do not reflect a return to pre-pandemic levels. Despite this conservative assumption, revenues are vulnerable to a more persistent slowdown in ridership growth.
- Fare revenue is also vulnerable to average fare levels, which may be reduced for non-financial policy or stakeholder reasons.

Transit ridership in northeastern Illinois (in millions)



Note: Includes annual transit ridership data for CTA, Metra, and Pace.

Source: CMAP analysis of NITA data

R7: Reduced transit fare revenue

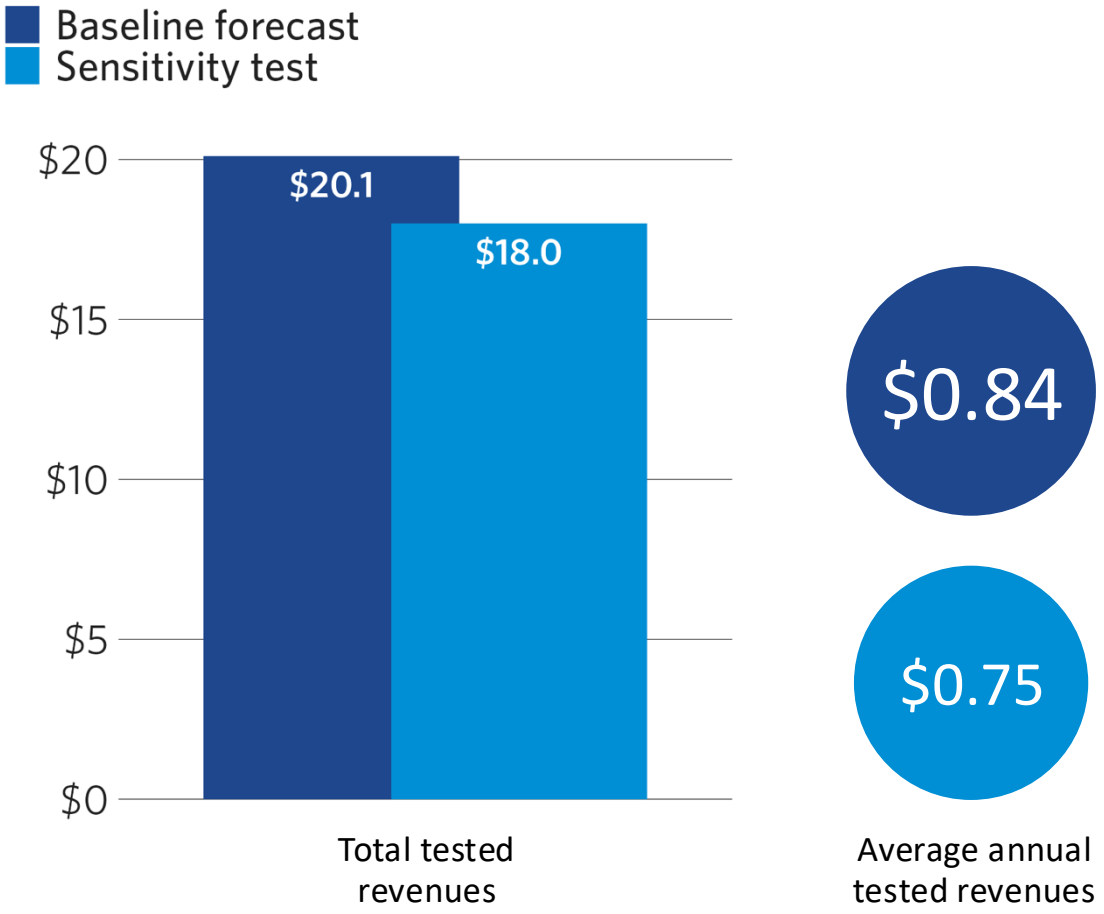
SENSITIVITY TEST

- To reflect persistent ridership challenges beyond those assumed in the Financial Plan baseline forecast, as well as possible reluctance from transit operators to increase fares over time, the Risk Assessment tests a reduction in transit fare revenue.
- The result is a potential **$2.1 billion (or 10 percent) reduction** over the planning period.

Transit ridership

Fare revenue is **reduced by 10 percent** across the planning period.

Transit fare revenue forecasts (in billions), 2027-2050

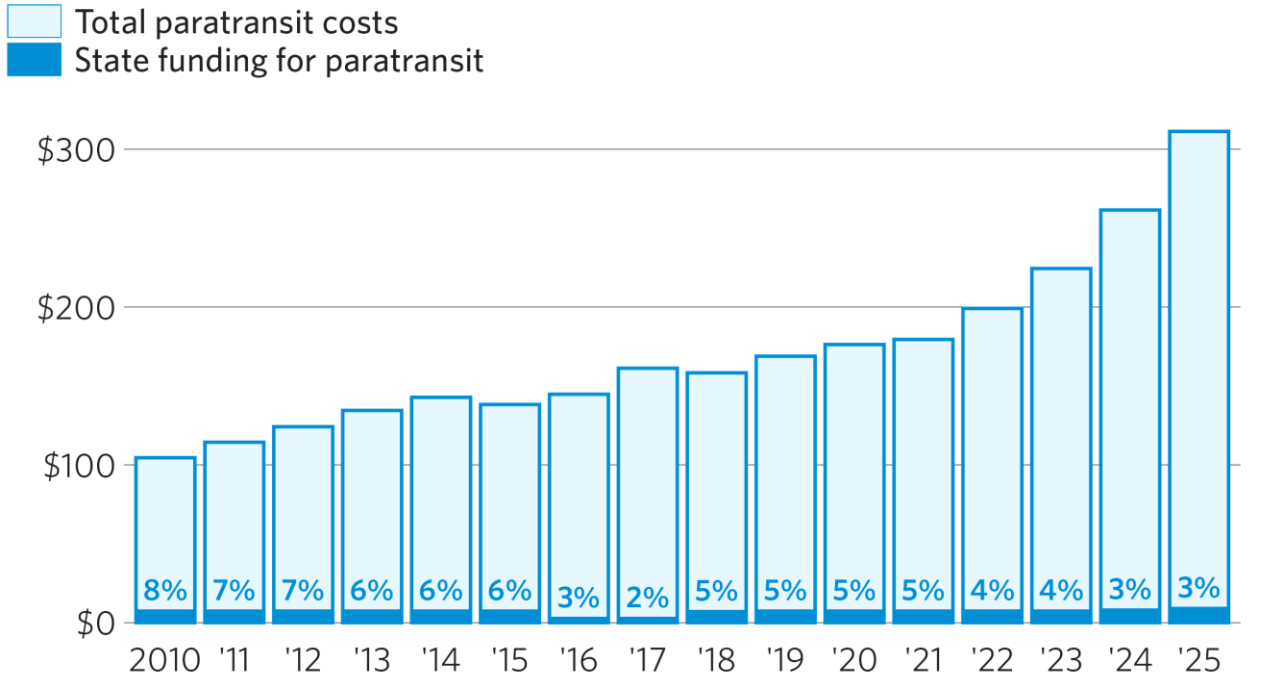


R8: Reduced public subsidy for transit

State funding for the regional transportation system has not historically risen alongside growing operating costs. Additional state actions that reduce annual funding amounts make the transit system vulnerable.

- General inflation trends and deferred investment in aging assets are driving transit operating costs higher over time.
- Public transit funding in northeastern Illinois relies on economically sensitive revenue sources — including sales taxes, the real estate transfer tax, the Public Transportation Fund, and motor fuel sales taxes — that do not grow at the same pace as operating costs.
- For example, since 2010, Pace paratransit costs have tripled while state paratransit funding levels have stayed relatively flat.[12]
- The mismatch between rising structural costs and less durable revenue sources leaves transit operations vulnerable to funding gaps, posing a risk to the system's long-term sustainability.
- Annual budgetary decisions that further reduce statutory funding amounts can also complicate transit operations. Due to substantial fixed costs, operators cannot easily scale service in response to unexpected revenue shortfalls.

State share of Pace paratransit costs (in millions)



Note: Budget figures are in nominal dollars. 2025 figures are estimates.

Source: NITA

R8: Reduced public subsidy for transit

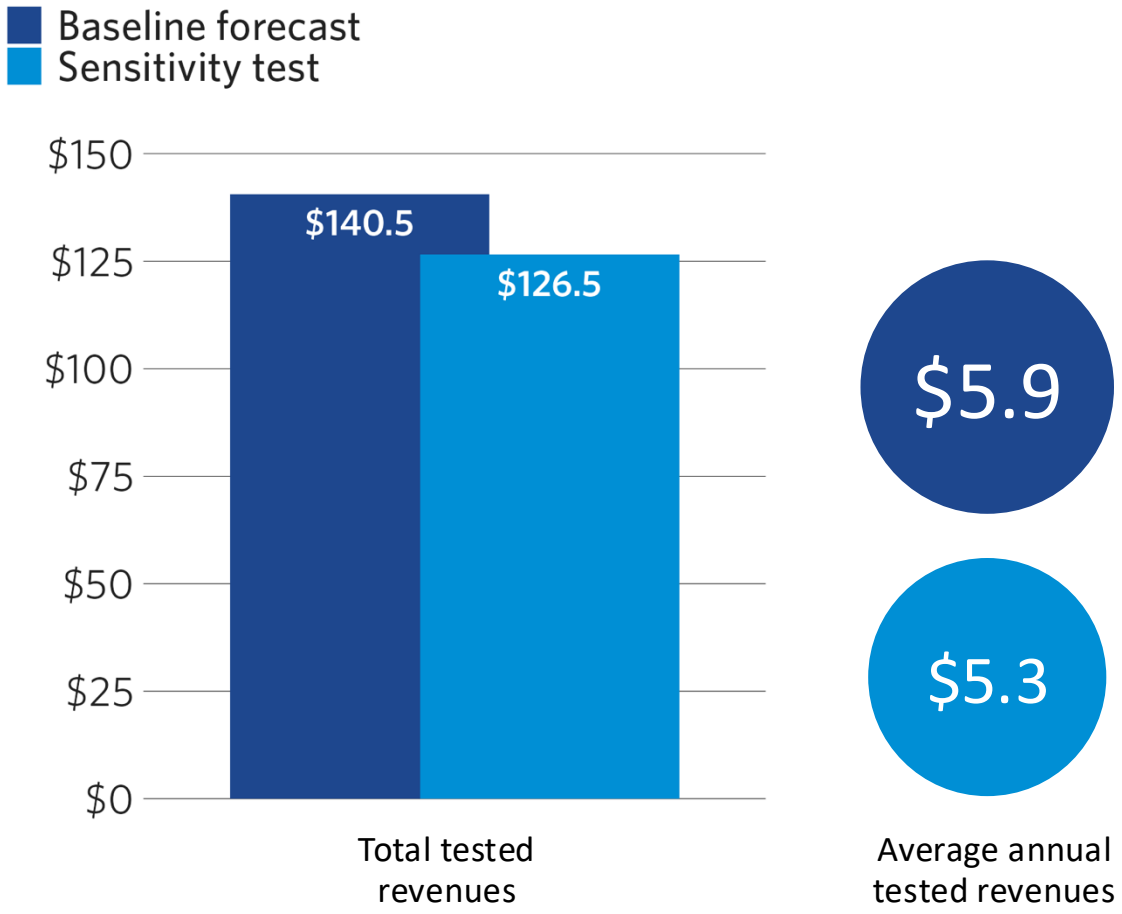
SENSITIVITY TEST

- The Financial Plan includes separate forecasts for the various sources of state transit funding.
- To reflect the impact of reduced public support for the regional transit system, the Risk Assessment tests a decline in these revenue sources, including new revenues authorized by the Northern Illinois Transit Authority (NITA) Act.
- The result is a potential **$14 billion (or 10 percent) reduction** over the planning period.

Transit operations subsidy

Forecasted state funding for transit is **reduced by 10 percent** throughout the plan horizon.

Transit subsidy revenue forecasts (in billions), 2027-2050



Expenditure risks

Expenditure risk overview

Expenditure-side risks pose substantial challenges to maintaining fiscal stability across the transportation system. Rising costs and project coordination issues all threaten to increase long-term expenditures, while operating inefficiencies, rapid technological change, deterioration from extreme weather and climate change, and heavier vehicle loads further compound cost pressures over time. Sensitivity tests indicate these risks could add tens of billions of dollars to system costs, eroding purchasing power and narrowing the region's ability to deliver planned capital and maintenance programs. Collectively, these findings underscore the need for proactive asset management and project management, stronger regional coordination, and strategic investment approaches to preserve and enhance system performance.

Expenditure risks

E1. Increased materials and labor costs: Costs rise due to supply chain disruptions, competition for key inputs, tariffs, and labor shortages, as well as overall inflation in labor and overhead expenses

E2. Increased financing costs: Financing costs grow due to higher interest rates and bond rating decreases

E3. Project delays: Delays result in additional costs

E4. Lack of coordination: Poor planning and limited coordination results in additional costs

E5. Operating inefficiencies: Shortage of available capital funding limits operating efficiencies and increases operating costs

E6. Disruptive technological changes: Swift technological enhancement makes existing designs inefficient

E7. Escalated weather-related impacts: Extreme weather events escalate

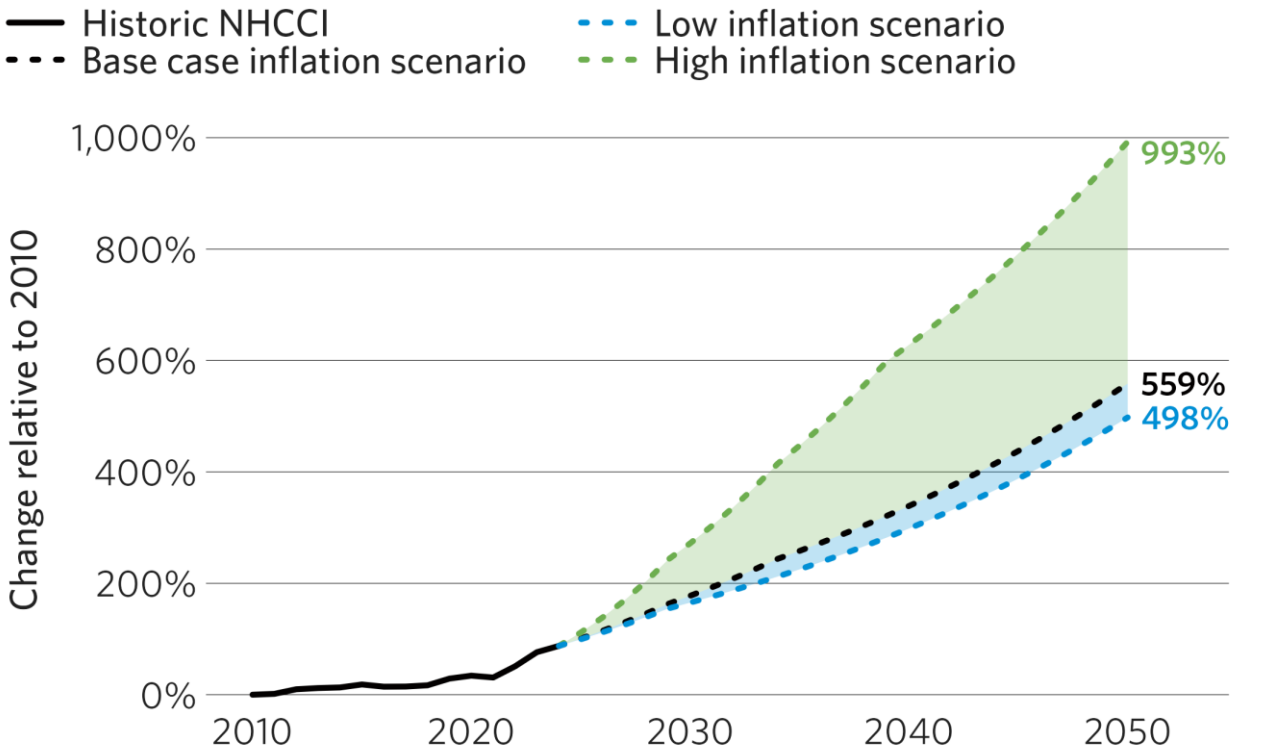
E8. Increased roadway wear: Heavier vehicles impose more wear and tear on roadways

E1: Increased materials and labor costs

Transportation construction costs have risen rapidly in recent years, and uncertainty about the future cost growth trends threatens the region's ability to deliver planned capital projects.

- FHWA's National Highway Construction Cost Index (NHCCI) — which tracks average costs for a basket of goods and services related to highway construction projects — increased significantly in response to the COVID-19 pandemic, the resulting recession, an influx of federal transportation funds, and supply chain disruptions. The index rose 64 percent between the first quarter of 2020 and the last quarter of 2025, more than twice the growth observed over the prior decade.[13]
- Sustained inflation creates compounding fiscal challenges. Even if construction cost growth returns to historic norms in short order — which is the assumption underlying CMAP's low inflation scenario — the elevated baseline continues to strain available revenues, weakening purchasing power and exacerbating fiscal uncertainty.
- While northeastern Illinois' capital program includes large-scale corridor reconstructions and transit enhancements that are highly sensitive to commodity prices, smaller maintenance and improvement projects will also be affected.

Actual and forecasted transportation-related construction cost growth,



Source: CMAP analysis of U.S. Bureau of Transportation Statistics data

E1: Increased materials and labor costs

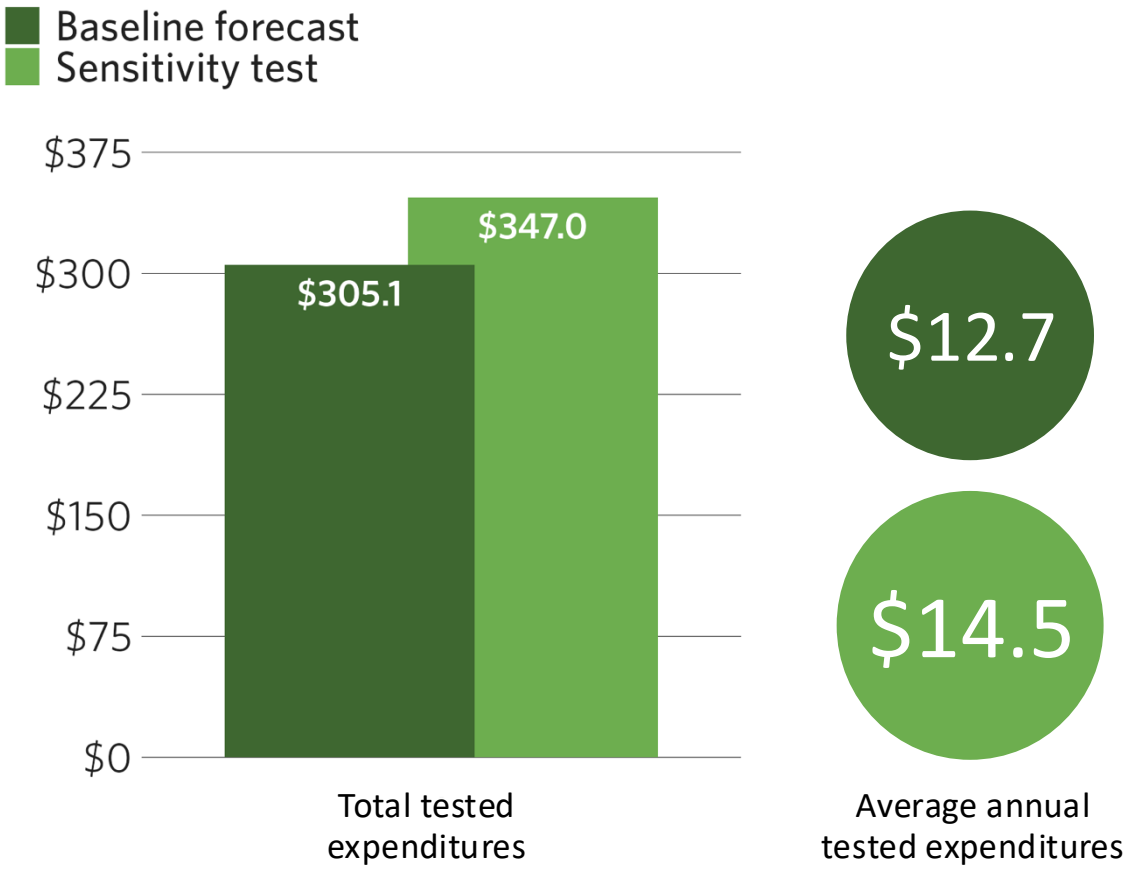
SENSITIVITY TEST

- CMAP's cost growth forecasts, which consider inflation trends over the short and long term, suggest that prolonged cost pressure throughout the plan is likely — even with the softening that has been observed in 2026.
- To reflect the prolonged cost pressure on capital and maintenance programs, the Risk Assessment applies higher cost growth assumptions to system maintenance and improvement projects in the Financial Plan.
- The result is a potential **$41.9 billion (or 14 percent) increase** over the planning period.

Construction inflation scenario

The Financial Plan baseline inflation scenario — which assumes annual cost growth returns to the historic average of 4.15 percent in 2035 — is replaced with an alternative **high inflation scenario** that maintains elevated cost growth rates until 2040.

Materials and labor expenditure forecasts (in billions), 2027-2050

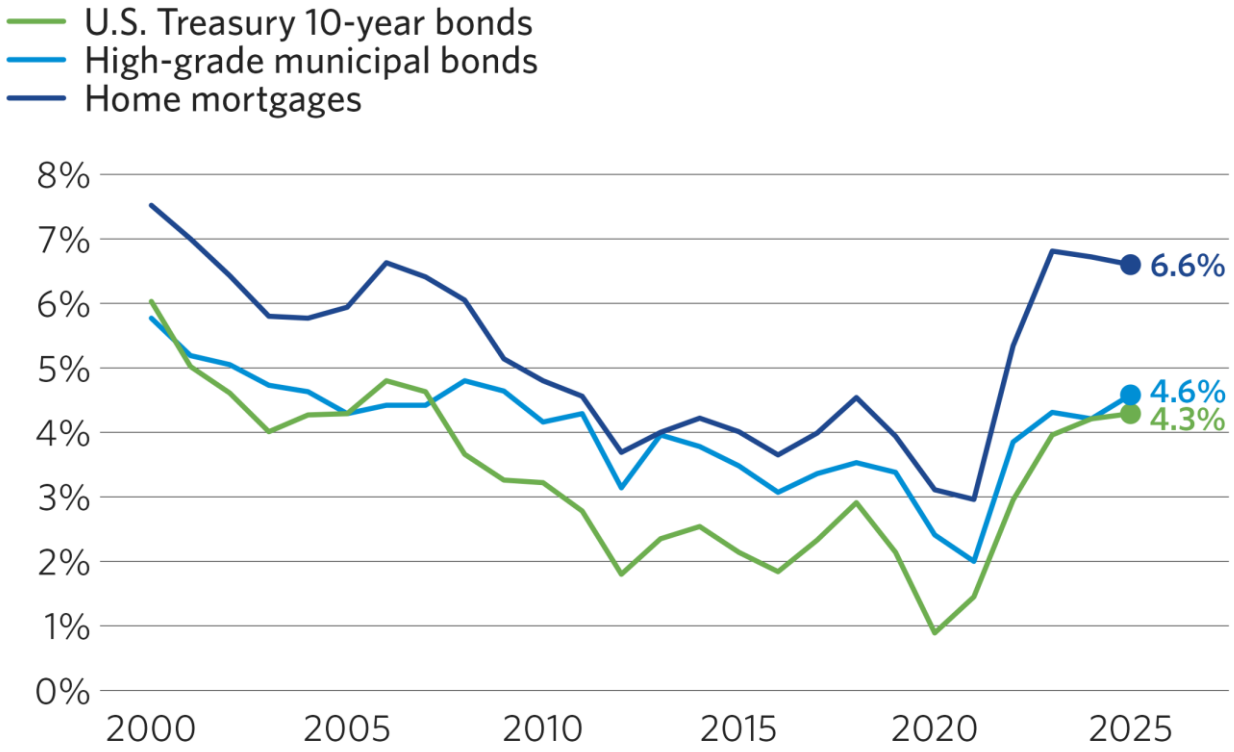


E2: Increased financing costs

Higher interest rates increase the transportation agencies' borrowing costs, which can force a choice among reducing capital investment, incurring more long-term debt service obligations, or securing new revenues elsewhere.

- Municipal tax-exempt bonds allow public entities to fund capital projects upfront and repay the costs over time. Because of this flexibility, debt has become the primary tool for infrastructure investment, accounting for approximately 90 percent of state and local capital spending.[14]
- While municipal bond interest rates and yields typically mirror larger inflationary trends, the decision to secure financing is driven more so by infrastructure spending needs than by economic cycles. Bond issuers may not have the luxury of waiting for lower rates to issue debt, and therefore periodically face raised debt service costs.
- Even modest rate changes create measurable pressure on long-term budgets. When issuers for roadway, tollway, and transit programs face higher borrowing costs — and poor revenue performance creates constraints — the ensuing debt service obligations compress the funding available for operations and further capital investment.

U.S. interest rates



Source: Council of Economic Advisors

E2: Increased financing costs

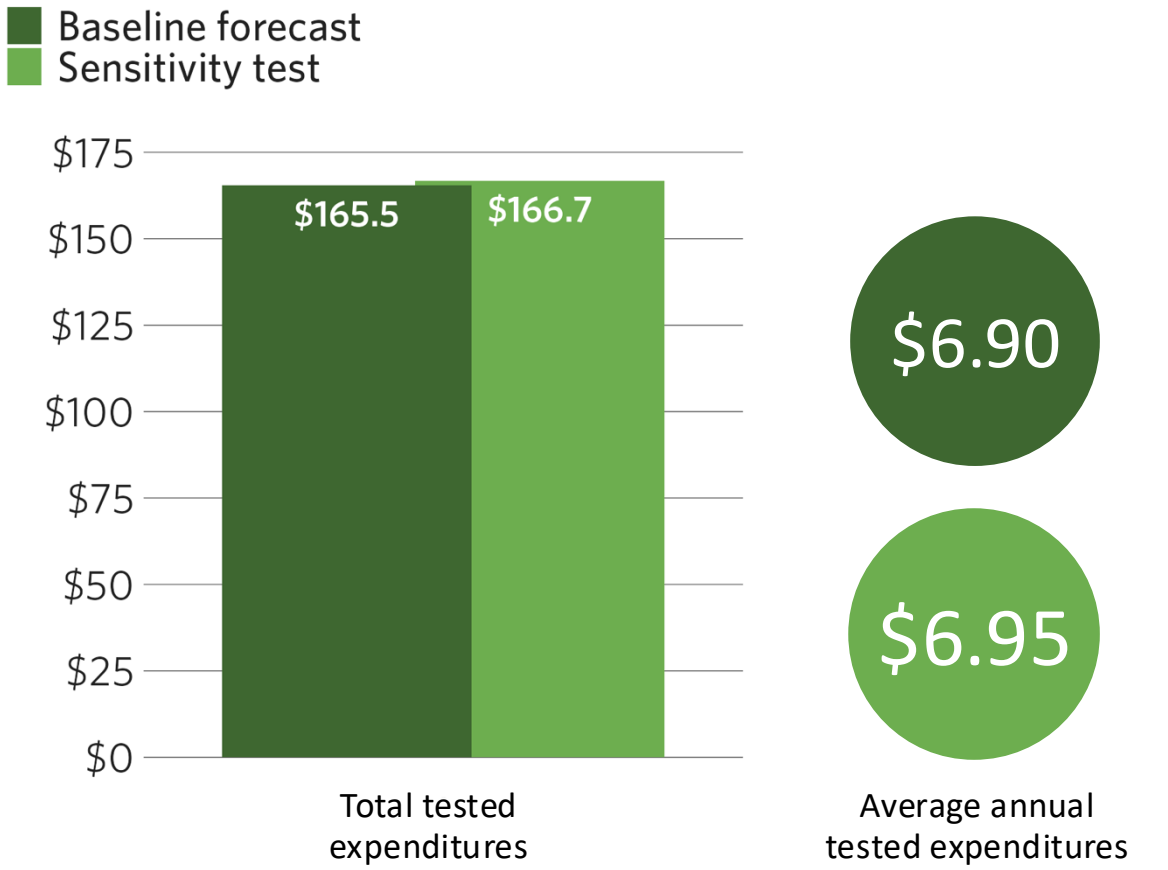
SENSITIVITY TEST

- The Financial Plan baseline forecast does not include direct assumptions related to project financing, but CMAP has assumed implementers have included credit conditions in their cost estimates.
- To reflect tighter credit conditions, the Risk Assessment tests higher financing costs across several capital expenditure categories. It does not reflect differences in issuer credit profiles or refinancing strategies.
- The result is a potential **$1.2 billion (or 1 percent) increase** over the planning period.

Financing costs

Cost are **increased by 1 percent** across all debt service schedules, all Regional Capital Projects, and half of other capital costs.

Financing expenditure forecasts (in billions), 2027-2050

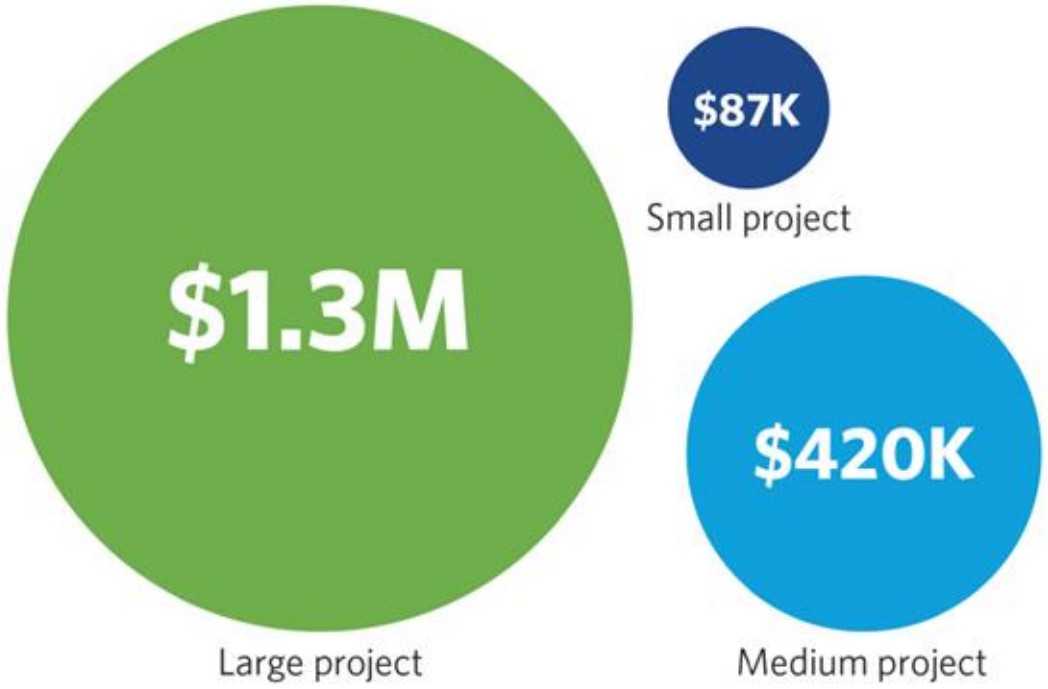


E3: Project delays

Delivery delays expose projects to additional costs, creating cascading impacts that could affect forecasted expenditures.

- Regardless of size, transportation projects can experience delays for a myriad of reasons. Delays can occur at different points along the project development and execution process, which ranges from planning and scoping, to development, contracting, and construction.
- The most impactful and protracted delays occur early in project planning and development. Issues with multi-agency coordination, inadequate project design, and poor planning can result in environmental review and permitting challenges, as well as issues with right-of-way and utility relocations. Early delays have compounding impacts in the form of cost escalations, domino delays, missed funding opportunities, and reduced project outcomes.[15]
- Prolonged community engagement processes can also slow down project delivery, but there is a net positive impact if harmful outcomes are avoided.
- The success of large transportation capital investments ultimately depends on tight sequencing across sponsors and their contractors. This leaves northeastern Illinois vulnerable to delays that could erode purchasing power and reduce the number of on-time, on-budget deliveries.

Estimated monthly costs from delays on three transportation projects



Note: The small project illustrates delay to a $10.6 million reconstruction of a four-lane rural roadway. The medium project illustrates delay to a $28.5 million widening of a semi-rural highway. The large project illustrates delay to an $85.2 million reconstruction of an urban freeway.

Source: Texas A&M Transportation Institute

E3: Project delays

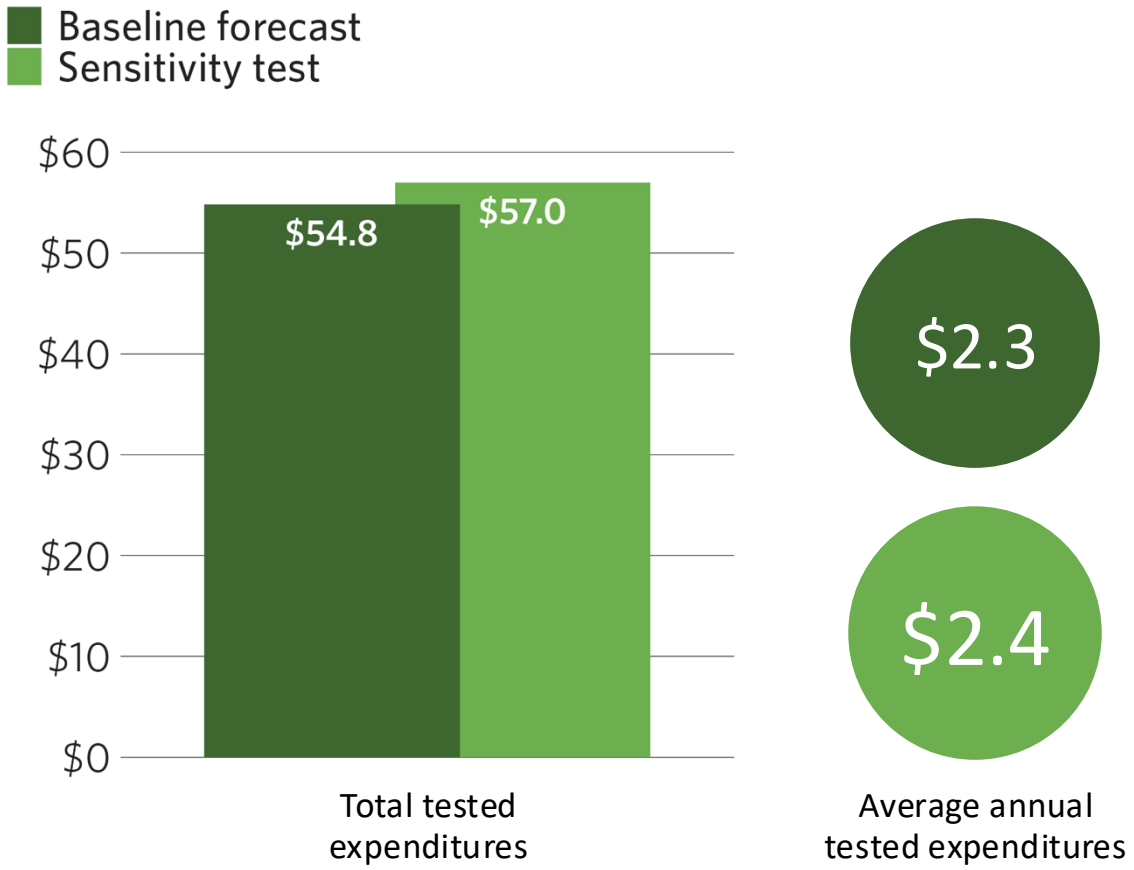
SENSITIVITY TEST

- The Financial Plan baseline forecast predominately relies on project delivery assumptions provided by regional transportation implementers.
- Research shows that the impacts of cost delays for high-cost projects will be exponentially more significant than other project costs included in the Financial Plan.
- Therefore, to reflect the opportunity costs (or penalties) of delivery delays, the Risk Assessment tests the timing of Regional Capital Projects (RCPs).
- The result is a **potential $2.2 billion (or 4 percent) increase** over the planning period.

RCP project delivery inputs

A **one-year delay** is applied to all RCPs, subjecting them to an additional year of cost inflation.

Expenditure forecasts with project delays (in billions), 2027-2050



E4: Lack of coordination

Misalignment between regional stakeholders often translates into higher capital costs, particularly for complex, multi-jurisdictional projects.

- Multi-jurisdictional initiatives often face scoping challenges and staging issues that result from a lack of coordination between project stakeholders.
- Different agencies can have competing processes and requirements, complicating project development timelines and project review processes.[16]
- Additionally, utility relocations that occur during project construction can be especially complicated and therefore require careful sequencing. Coordination problems between transportation agencies, utility providers, and contractors, can lead to significant delays.[17]
- Project delivery delays frequently translates into avoidable cost increases (see *E3: Project delays*).

Image: Locomotives staged at the groundbreaking ceremony for a new flyover bridge in Chicago, part of the CREATE program.

Source: CREATE

Case study

The Chicago Region Environmental and Transportation Efficiency (CREATE) program is a public-private partnership focused on modernizing northeastern Illinois' freight rail network. Launched in 2003, the program brings together the State of Illinois, City of Chicago, Amtrak, Metra, U.S. Department of Transportation, and all six Class I railroads to deliver 70 interconnected projects that improve the movement of people and goods via capital investments and coordinated operations. As of 2025, 36 projects have been completed, 6 are under construction and 14 are in final design or undergoing environmental review.[18]

A Program Management Office staffed and administered by the railroads oversees CREATE. Committees and working groups rotate leadership responsibilities among public and private partners.[19, 20] This governance structure has facilitated shared ownership and established coordination procedures for all the partners involved, which has been essential for securing funding, developing joint project development and environmental review processes, and resolving complex design and construction conflicts.

E4: Lack of coordination

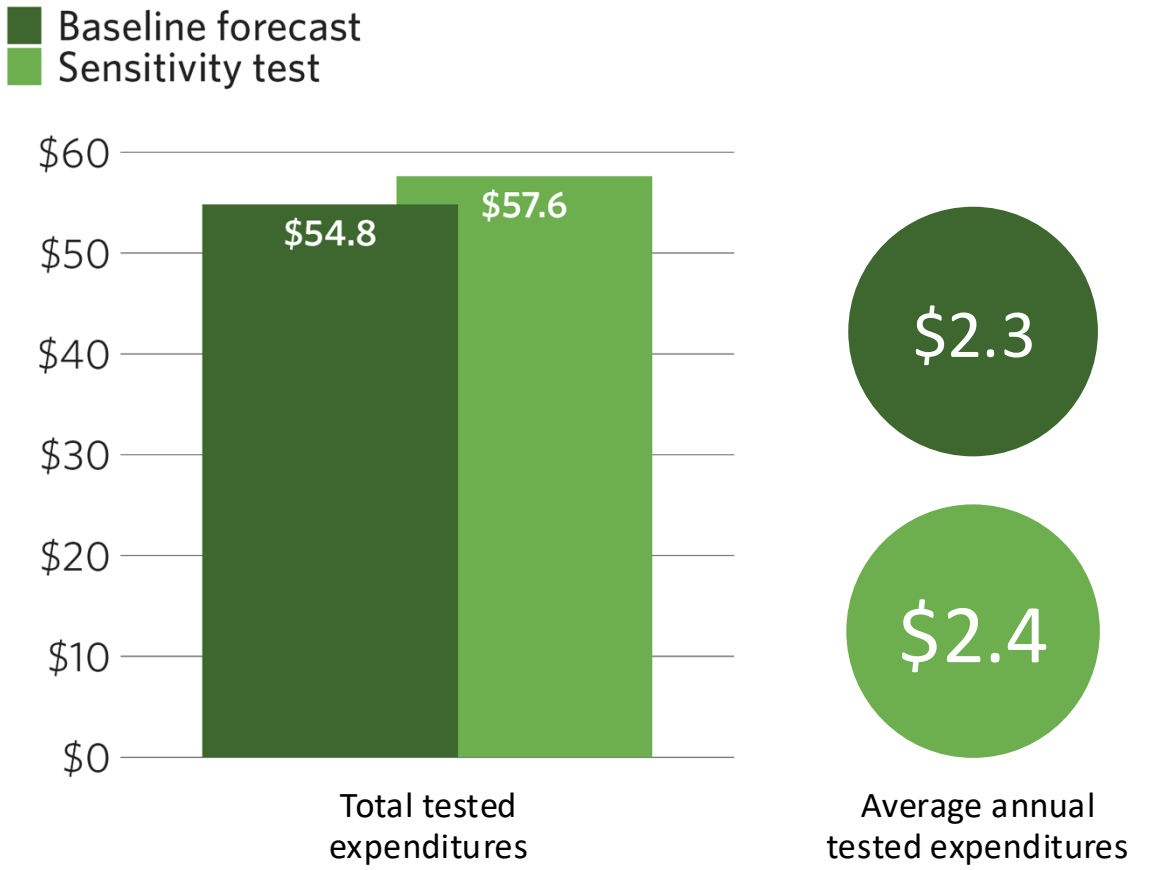
SENSITIVITY TEST

- The Financial Plan baseline forecast predominately relies on project delivery assumptions provided by regional transportation implementers.
- To reflect the inefficiencies resulting from poor coordination and misaligned schedules, the Risk Assessment tests RCP costs.
- The result is a potential **$2.8 billion (or 5 percent) increase** over the planning period.

RCP costs

All RCP project costs are **increased by 5 percent.**

Expenditure forecasts with poor coordination (in billions), 2027-2050

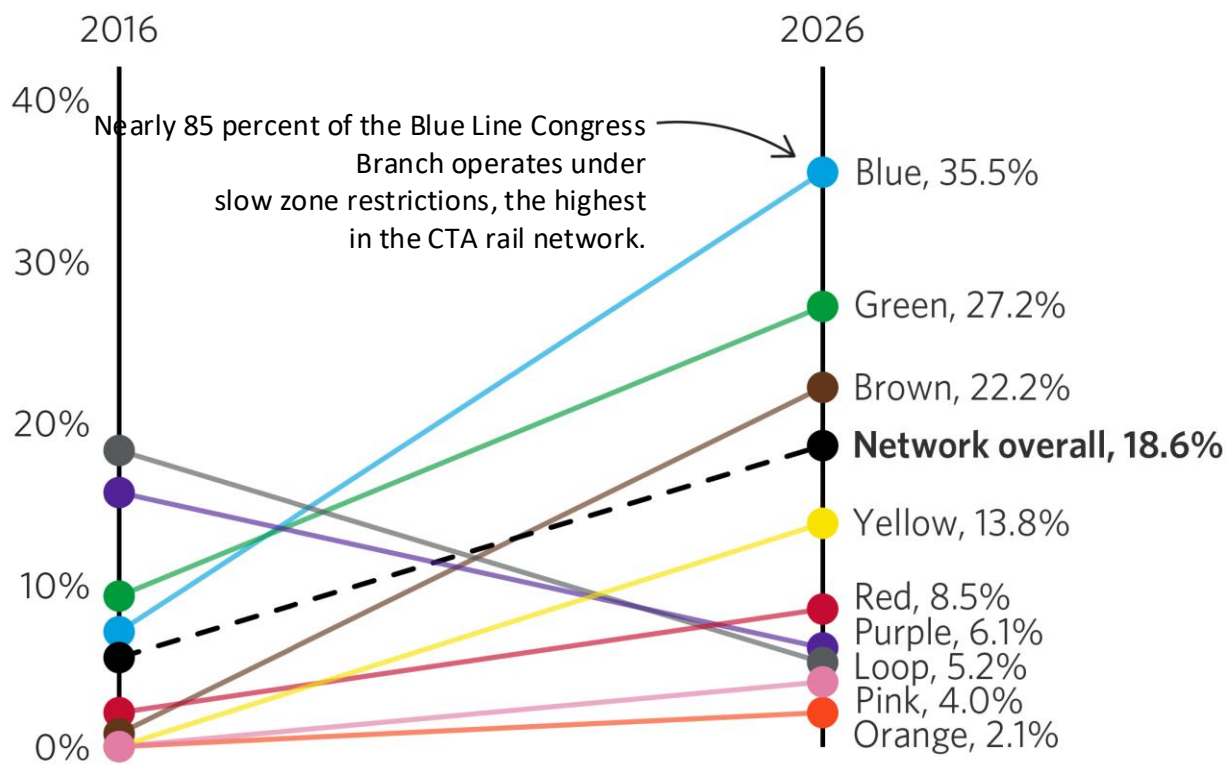


E5: Operating inefficiencies

Deferring maintenance on transportation assets raises operating costs and heightens financial unpredictability, particularly for the transit system.

- Deferred reinvestment and aging assets contribute to a growing backlog of capital investment needs. For example, NITA estimates that the current transit asset investment needs total $30 billion.[21]
- These backlogs can lead to operational inefficiencies and higher operating costs due to more frequent breakdowns, higher spare part and labor costs, and lower system reliability.
- The most pronounced impacts are on components of the transportation system with high operating costs, such as transit.
- For example, over the past decade, slow zones on the CTA rail network have more than doubled.[22] This translates into higher operating costs via additional labor hours and greater energy consumption needed to cover slower trips. In addition, because each trip takes longer, more trains are needed to maintain the same schedule, resulting in higher fleet costs.

Percentage of CTA track under slow zone restrictions by line



Note: Slow zones are areas of track where trains operate at slower-than-normal speeds due to track conditions or other temporary concerns. Slow zones percentages represent track conditions at points in time: May 31, 2016, and May 31, 2026.

Source: CTA

E5: Operating inefficiencies

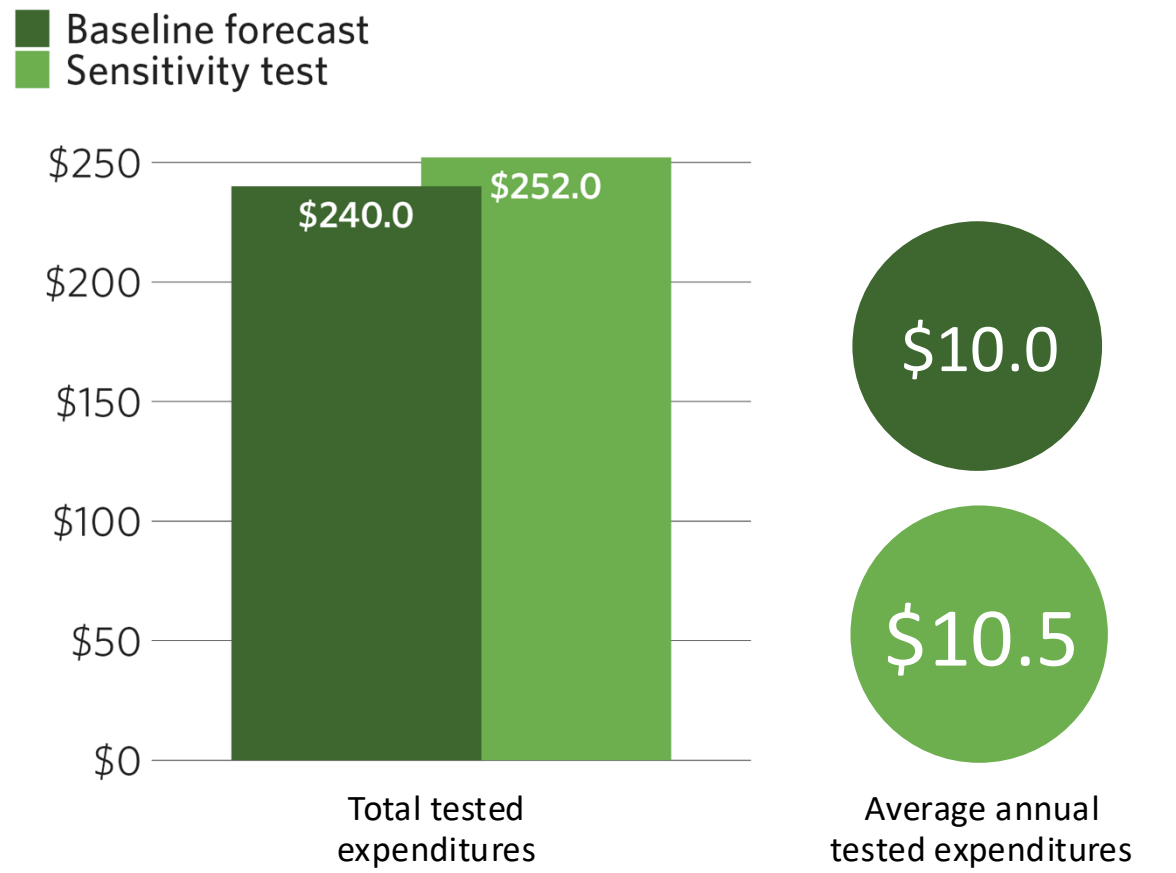
SENSITIVITY TEST

- The Financial Plan baseline forecast accounts for the level of capital spending that can reasonably occur during the planning period given revenue constraints. It also projects future operating costs based on historic trends.
- To reflect additional inefficiencies across the system caused by ongoing maintenance backlogs, the Risk Assessment tests increases in operating costs associated with more frequent vehicle breakdowns and higher labor costs.
- The result is a potential **$12 billion (or 5 percent) increase** over the planning period.

Operating costs

Operating costs are **increased by 5 percent** regionwide for transit and roadway functions.

Operating expenditure forecasts (in billions), 2027-2050



E6: Disruptive technological changes

Rapid technological changes could make transportation assets obsolete sooner, straining budgets as the region adapts.

- Emerging and advancing technologies such as intelligent transportation systems (ITS), zero-emissions and autonomous vehicles, fare media systems, and data platforms require adaptation costs that are highest in early phases.
- Though these costs tend to stabilize as technologies mature, the transition can carry costly learning curves and can even lead to the early retirement of obsolete capital assets.
- Supply chain challenges can also increase the upfront costs of more advanced technological investments, which can limit the benefits ultimately provided.

Image: Pace celebrates the introduction of its first electric bus, the first step in the agency's plan to decarbonize its entire fleet by 2040.

Source: Pace

Case study

CTA and Pace have both committed to converting their entire bus fleets to zero-emission operations by 2040. At the same time, more than 30 percent of the transit system's vehicle fleet is currently beyond its useful life.[23] Due to supply chain instability in the electric bus market — driven by a lack of battery supply and recent manufacturer closures — traditional diesel-powered buses may be more financially viable replacements for aging assets at this time. Careful planning will be required to maintain transit service levels while facilitating a smooth transition to zero-emission buses and cost-effectively phasing out the existing fleet of diesel buses.

E6: Disruptive technological changes

SENSITIVITY TEST

- To reflect emerging technological changes and the resulting adaptation needs, the Risk Assessment tests costs related to decarbonization and bus priority investments.
- The result is a potential **$4.2 billion (or 6 percent) increase** over the planning period.

Decarbonization investments

Regional priority decarbonization investments are **increased by 10 percent.**

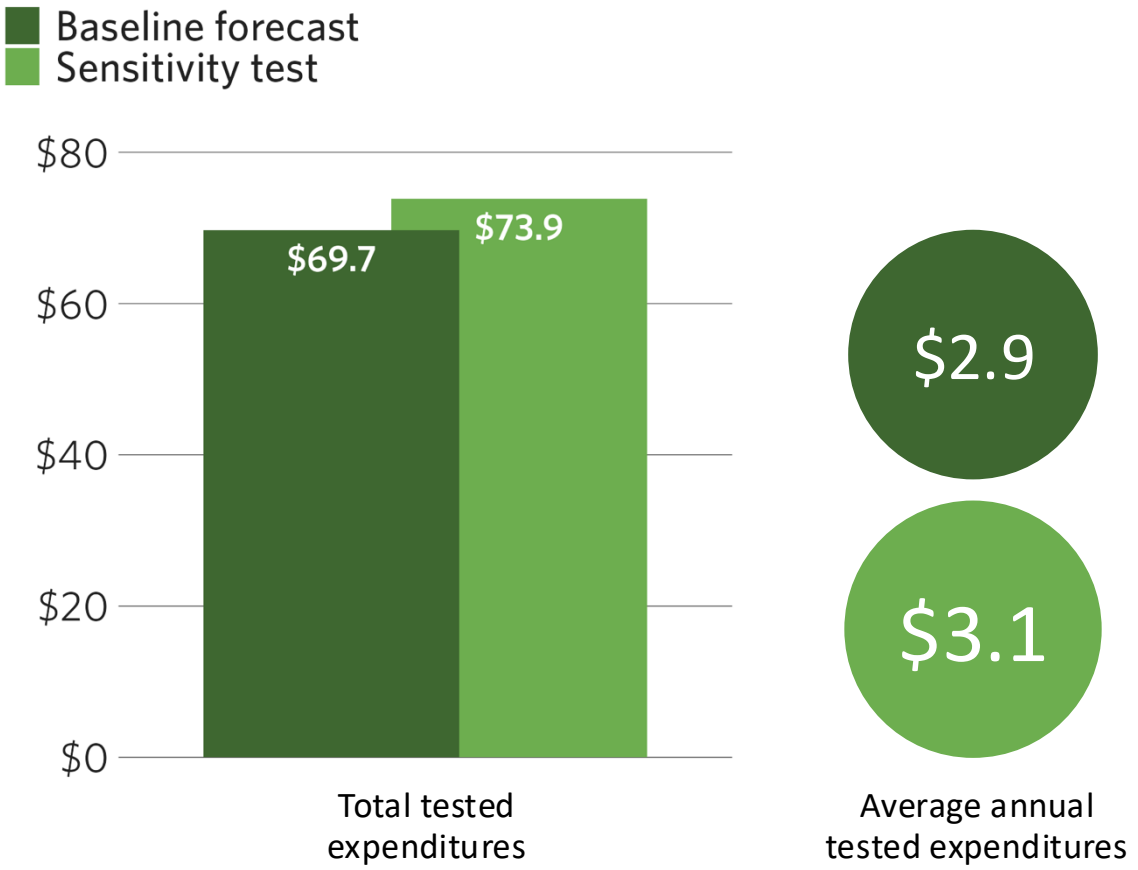
Bus priority investments

Regional priority bus investments are **increased by 10 percent.**

RCP costs

Half of RCPs are **increased by 10 percent.**

Expenditure forecasts with technological change (in billions), 2027-2050

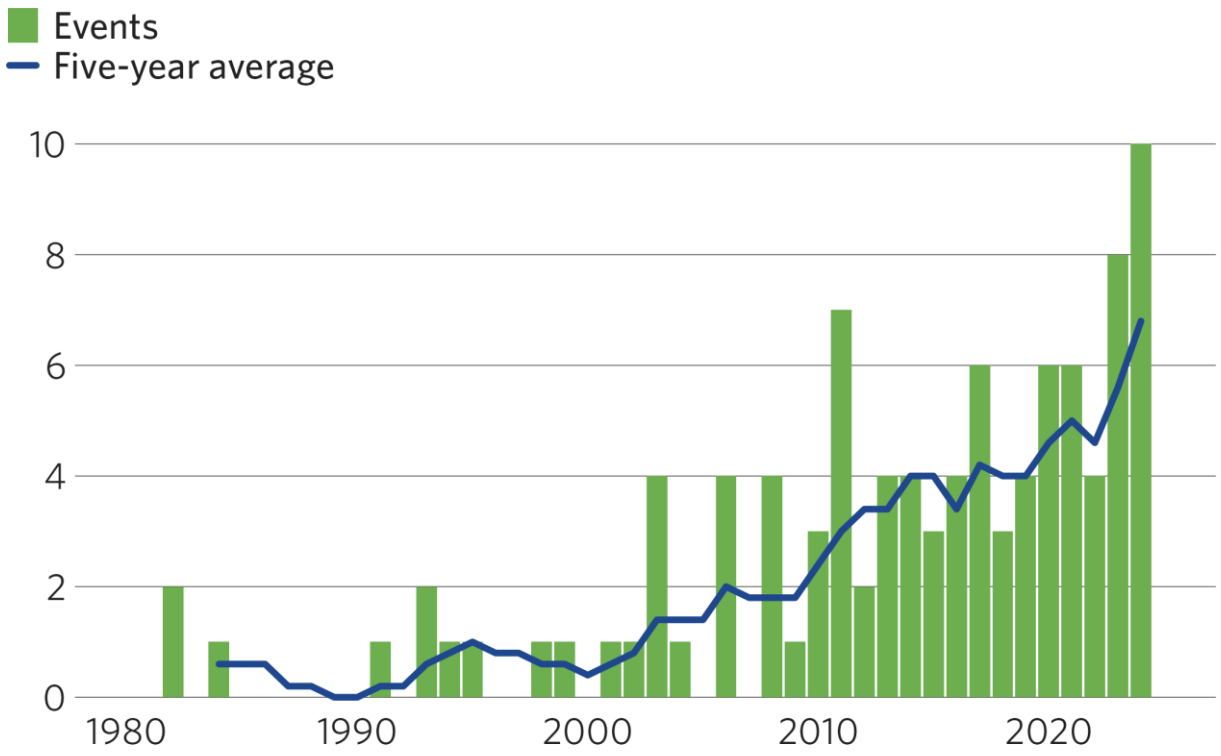


E7: Escalated weather-related impacts

Changing climate conditions and more severe weather can increase maintenance needs and shorten the service life of critical roadway and transit assets.

- Weather and climate conditions have long contributed to deterioration across the transportation network. New and changing climate stressors are likely to interact and compound, amplifying infrastructure deterioration and adding complexity to long-term planning.
- Illinois and the region are experiencing increasingly severe weather patterns, accompanied by more frequent and heavier precipitation. For example, the number of billion-dollar flood and severe storm events observed in Illinois in 2023 (8) and 2024 (10) each set a new record.
- The frequency and severity of future extreme weather events will likely accelerate asset deterioration and increase emergency response and preservation costs across the system.
- Weather conditions regularly damage concrete pavement, but increased average temperatures will add more variability to freeze-thaw cycles and increase pavement rutting, adding to maintenance needs.[24]

Billion-dollar flood and severe storm events in Illinois



Note: Cost adjusted for inflation using the Consumer Price Index.

Source: NOAA National Centers for Environmental Information

E7: Escalated weather-related impacts

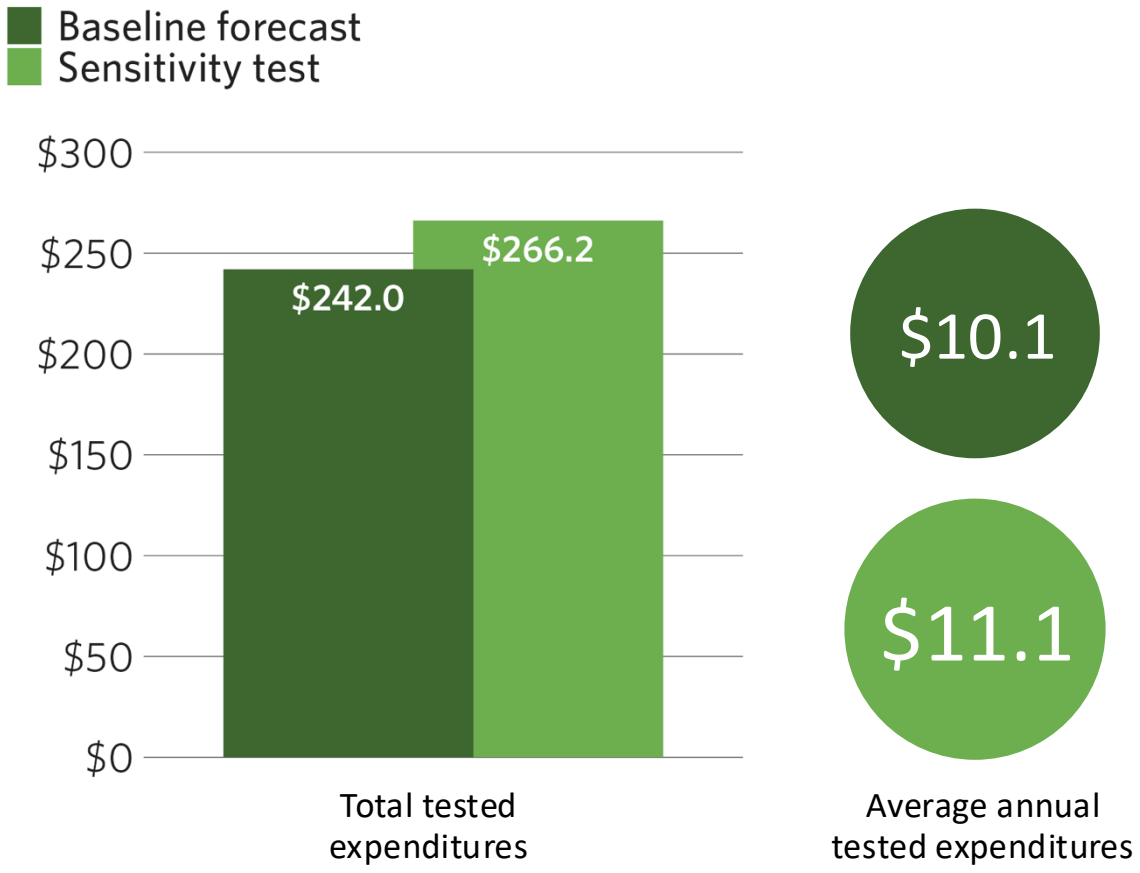
SENSITIVITY TEST

- To reflect the cumulative effects of extreme weather and changing climate conditions on the region's transportation assets, the Risk Assessment tests system maintenance and improvement costs.
- The result is a potential **$24.2 billion (or 10 percent) increase** over the planning period.

Maintenance and improvement costs

System maintenance and improvement costs are **increased by 10 percent.**

Maintenance and improvement expenditure forecasts (in billions), 2027-2050

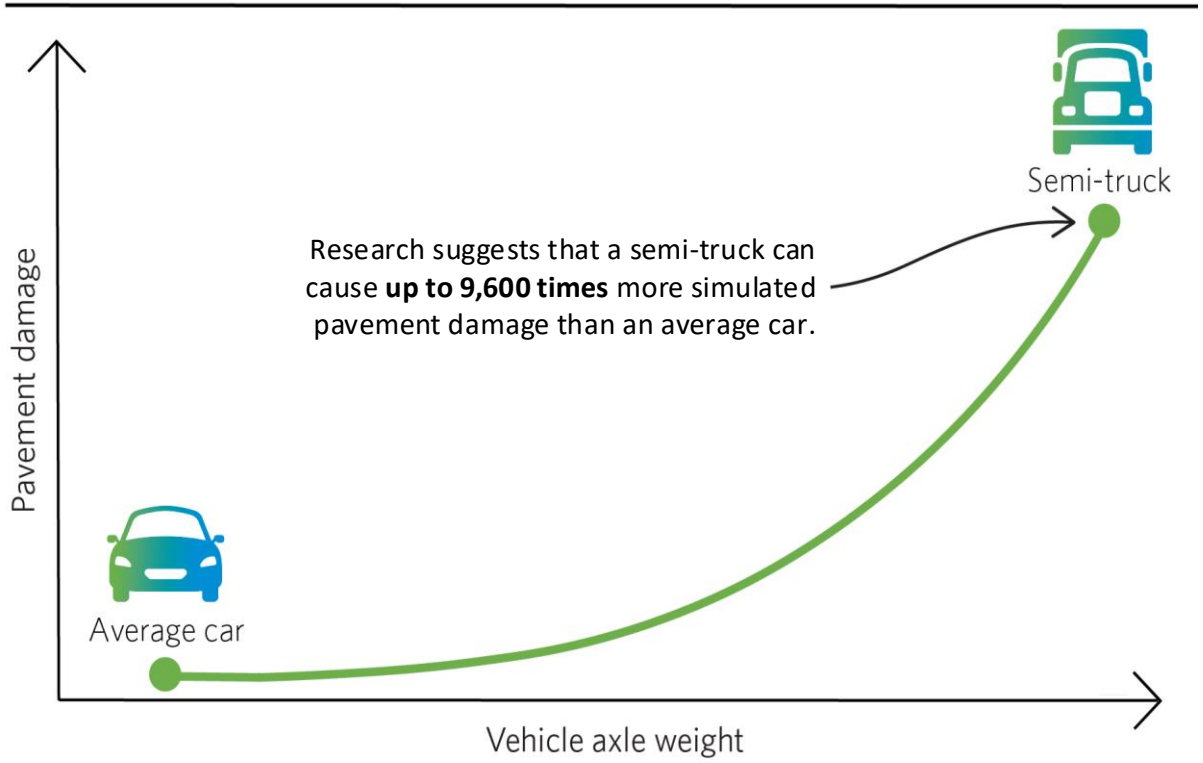


E8: Increased roadway wear

Heavier trucks accelerate pavement deterioration, raising long-term maintenance and preservation needs across the system.

- Research suggests the relationship between vehicle weight and roadway deterioration is exponential: a vehicle with twice the axle weight inflicts not double but approximately sixteen times the damage. As a result, a semi-truck can cause up to 9,600 times more simulated damage than the average passenger vehicle.[25]
- Likewise, decades of engineering research and federal pavement performance data have found that heavy commercial vehicles cause almost all load-related pavement damage.
- Over 700 million tons of freight moves through the region annually, and national freight is expected to grow by 50 percent between 2020 and 2050.[26, 27]
- Electrification of the commercial truck fleet will also substantially increase axle loads on the roadways. Battery-electric heavy-duty trucks require large onboard battery systems, often on the order of 8,000 pounds or more.[28]
- Taken together, heavier truck loads will intensify pavement stress and maintenance needs moving forward. Comparatively, impacts from light-duty EVs will be limited.

Estimated pavement damage by vehicle axle weight



Source: American Association of State and Highway Officials (AASHO)

E8: Increased roadway wear

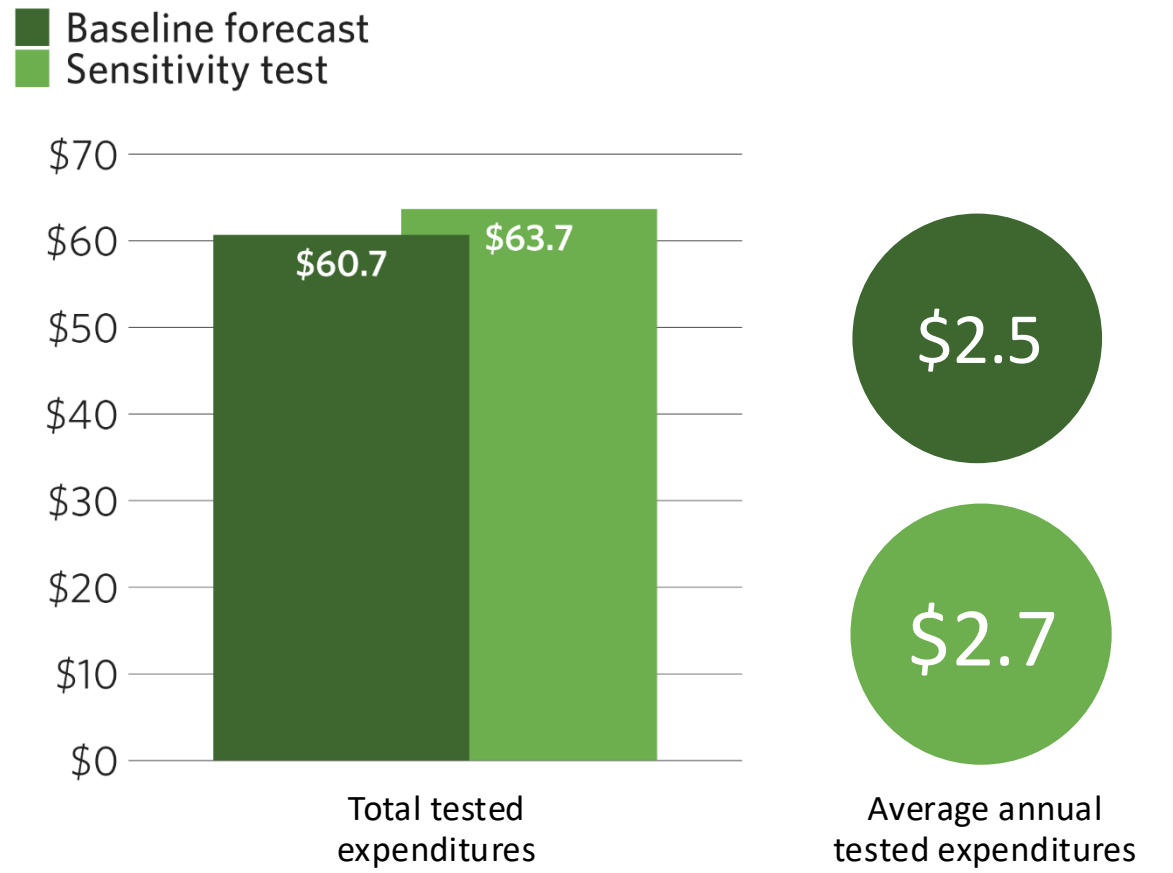
SENSITIVITY TEST

- To reflect the impact of higher average vehicle weight from heavier cargo loads and adoption of heavier electric vehicles, the Risk Assessment tests maintenance and improvement costs.
- The result is a potential $3 billion (or 5 percent) increase over the planning period.

Maintenance and improvement costs

Roadway maintenance and improvement costs across regional transportation agencies are **increased by 5 percent.**

Pavement expenditure forecasts (in billions), 2027-2050



Multi-risk scenarios

Multi-risk scenario overview

Most revenue and expenditure risks do not occur in isolation, making it essential to understand how uncertainties can interact and build on each other to create far greater fiscal pressure than any single factor. Whether it is external funding reductions, structural economic and demographic shifts, cost escalations, or operational inefficiencies, concurrent shocks can simultaneously weaken revenues, raise costs, and constrain the region's ability to advance the goals of the RTP. Multi-risk scenarios further illuminate where the financial plan is most vulnerable, the scale of potential gaps, and the need for adaptive planning and strong monitoring moving forward.

Multi-risk scenarios

S1. Federal funding shortfalls and operating inefficiencies
S2. Increased fuel efficiency, lower VMT growth, and lower population growth
S3. Cost escalation, project delays, and operating inefficiencies

S1: Federal funding shortfall, operating inefficiencies, and project delays

SENSITIVITY TEST

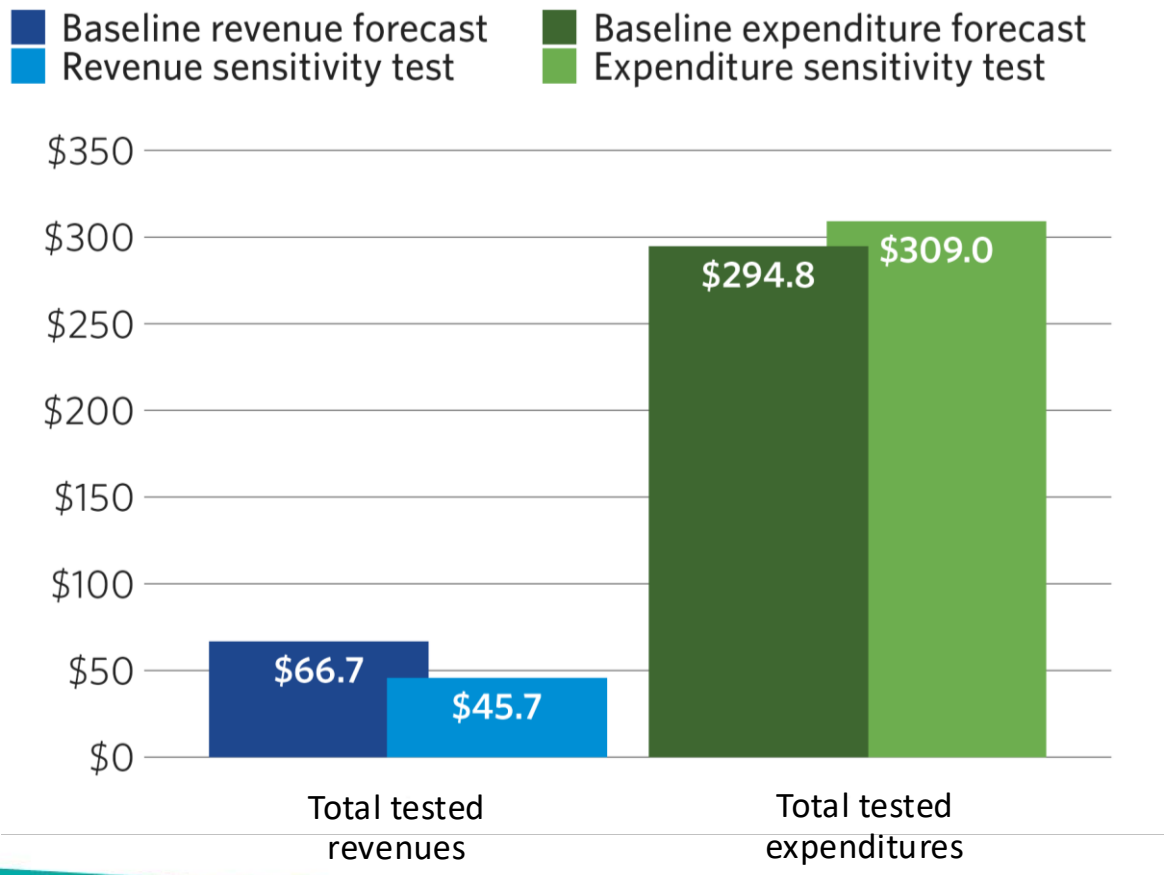
- This scenario underscores the vulnerability of the region's capital program to both external funding shocks and internal cost pressures.
- A simultaneous reduction in federal funding and persistent operating inefficiencies would significantly constrain the region's ability to deliver planned projects. When combined, these risks reduce the region's ability to draw on outside funds, divert resources from capital reinvestment, and increase the likelihood of project delays.
- Strategic planning and readiness are essential to mitigate compounding risks and maintain capital program momentum. Adequate local matching funds will be key to maximizing funding opportunities.

Federal formula funding

Federal competitive funding

Operating costs

Scenario 1: Revenue and expenditure forecasts (in billions), 2027-2050



S2: Increased fuel efficiency, lower VMT growth, and lower population growth

SENSITIVITY TEST

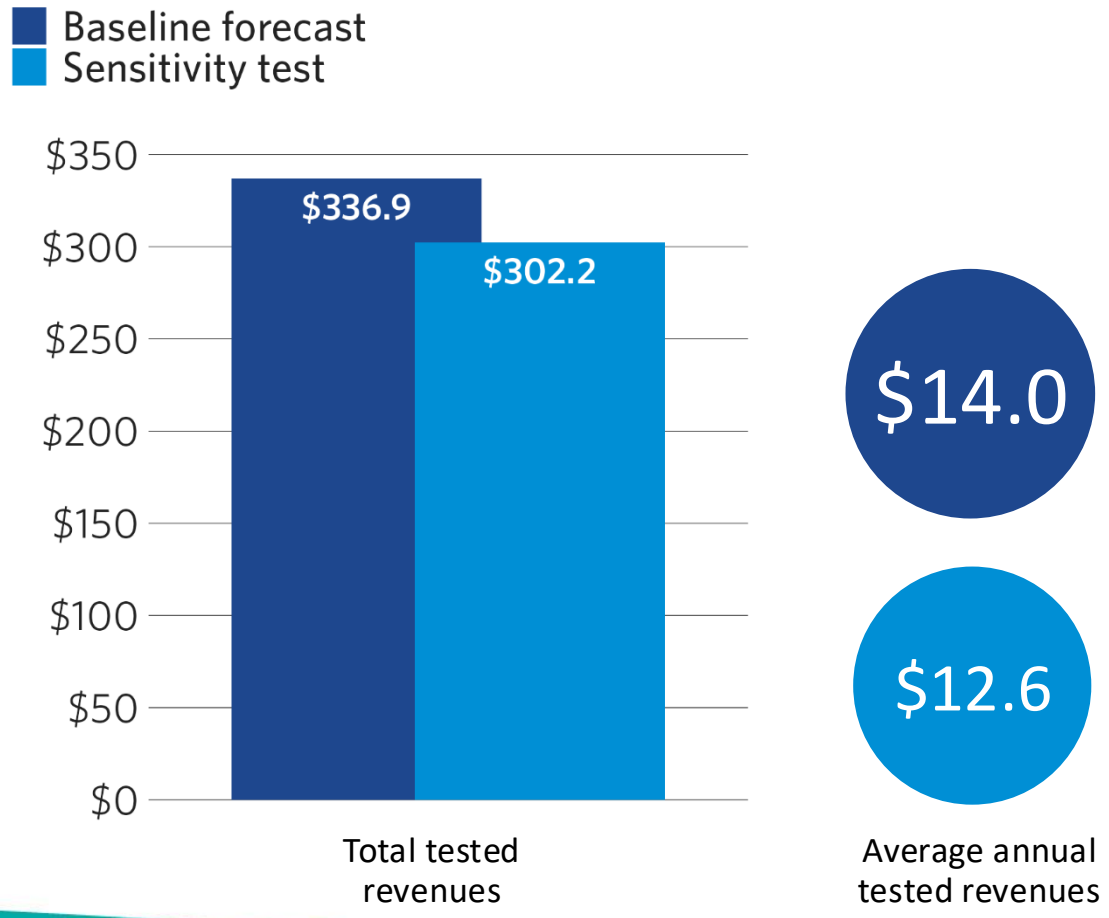
- This scenario models how technological change and demographic patterns interact and compound over time, reducing the region's long-term fiscal capacity.
- Faster improvements in vehicle fuel efficiency, evolving travel patterns, and slower population growth combine to place downward pressure on major transportation revenues.
- The region needs alternative funding sources as traditional revenues tied to fuel consumption and population growth become less reliable.

Vehicle fuel efficiency

VMT growth

Population growth

Scenario 2: Revenue forecasts (in billions), 2027-2050



S3: Cost escalation, project delays, and operating inefficiencies

SENSITIVITY TEST

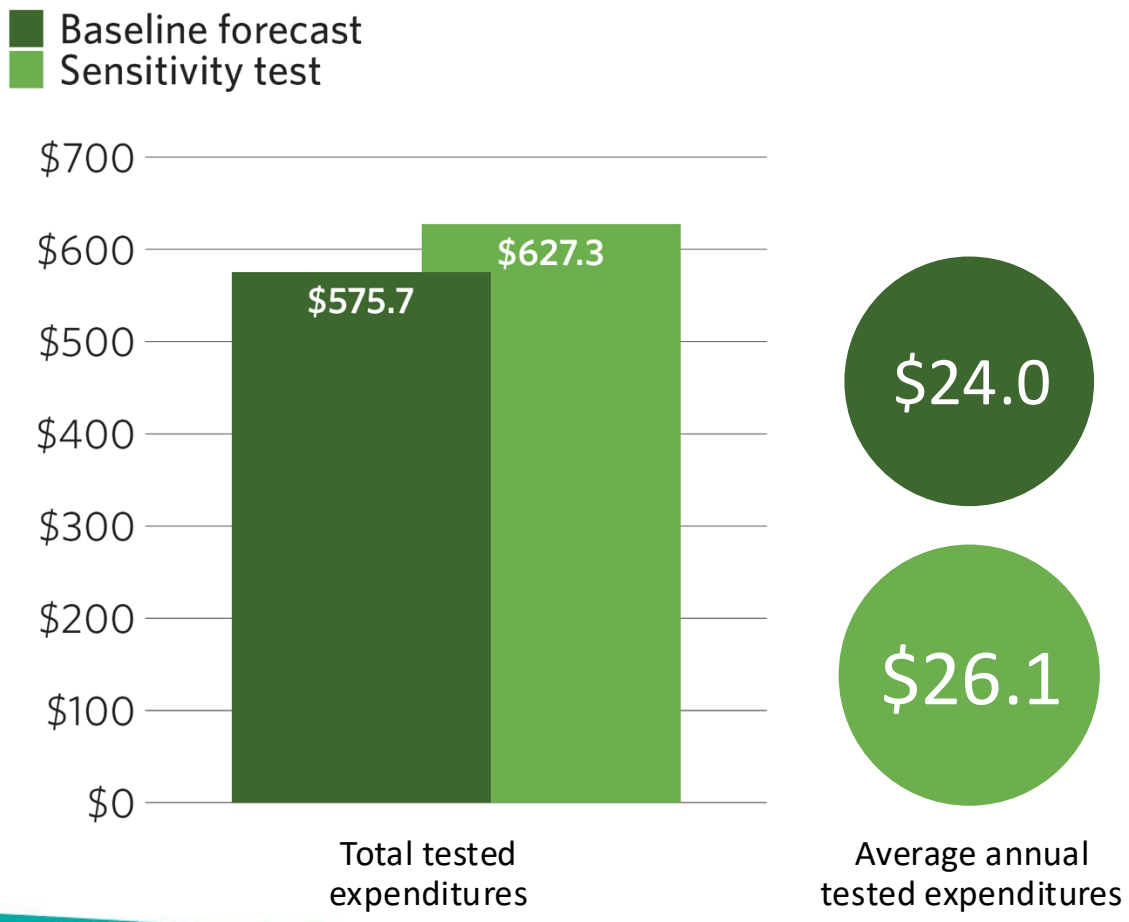
- This scenario demonstrates how expenditure-side risks can undermine the region's investment strategy and long-term system performance.
- Escalating construction input costs — driven by sharp increases in materials and labor costs — and persistent project delivery delays threaten agencies' ability to deliver projects on time and within budget. At the same time, unaddressed operating inefficiencies further strain budgets and reduce the number of deliverable projects.
- Effective cost controls and streamlined delivery processes are vital for maintaining system integrity.

Construction cost inflation

RCP delivery timing

Operating costs

Scenario 3: Expenditure forecasts (in billions), 2027-2050



Mitigation strategies

Mitigation strategy overview

Sensitivity testing across revenue and expenditure risks reveals where the Financial Plan for Transportation's long-term fiscal constraint is most vulnerable, underscoring the need for targeted strategies that strengthen fiscal capacity under varied future conditions. Together, these strategies respond directly to the region's challenges by identifying more sustainable and diversified revenue options, improving coordination and project delivery, reinforcing data-driven decision-making, and supporting stable transit and local funding capacity. They offer a pragmatic pathway to improve the region's fiscal stability, ensure preparedness for shifting conditions, and maintain a realistic foundation for regional transportation investment over the planning period.

Strategy recommendations

A. Build regional consensus to improve preparedness for federal funding opportunities
B. Pursue additional state and regional funding sources
C. Improve state and regional planning, coordination, and data-informed decision-making
D. Support local funding capacity
E. Ensure durability of transit revenues over time
F. Focus on policies supporting regional growth
G. Streamline project delivery
H. Prioritize maintenance and preservation

A. Build regional consensus to improve preparedness for federal funding opportunities

1. **Engage in regional collaboration and consensus building around priorities for federal funding**
   While CMAP, IDOT, RTA/NITA, CTA, Metra, Pace, the Illinois Tollway, counties, municipalities, and other agencies can each submit applications to the federal government for funding, these regional and local agencies should continue to collaborate to ensure applications for federal competitive funds present a coherent and aligned set of priorities. Like in previous collaborative efforts, including the *2025-2026 Northeastern Illinois Priority Investments booklet*, these agencies should establish a unified pipeline that aligns with the principles and priorities of the 2026 RTP. A unified approach reduces fragmentation in applications and strengthens the credibility of regional competitive applications. It also demonstrates a shared understanding of the regional fiscal constraint.

2. **Educate local, state, and national leaders about the metropolitan planning process**
   CMAP and partner agencies should regularly brief elected officials and agency leaders to clarify the metropolitan planning process, fiscal constraint requirements, and performance-based programming. These briefings help protect existing federal funding streams and position the region for incremental increases where justified. By explaining how projects connect to long-range outcomes, CMAP strengthens support for authorization and appropriations decisions. Consistent education builds a shared understanding of eligibility and benefit-cost framing, which is essential for competitive federal programs.

3. **Ensure accurate data reporting to optimize formula-based federal funding allocations**
   CMAP should strengthen data accuracy and reporting standards to maximize formula-based federal funding allocations. Consistent methods and shared standards improve the likelihood that northeastern Illinois receives its fair share of highway and transit funds. Consolidating reporting workflows and closing known data gaps also reduces audit findings and administrative delays. Improved data governance supports credible performance dashboards and strengthens the region's position in competitive funding applications.

B. Pursue additional state and regional funding sources (1/2)

CMAP and regional partners could pursue one or more supplemental revenue options to strengthen long-term fiscal capacity. Some of these sources are identified as ***Reasonably Expected Revenues (RERs)*** in the *Financial Plan for Transportation* because they meet feasibility, policy, and implementation criteria established through the RTP planning process. Others represent ***emerging opportunities*** that warrant continued exploration.

1. **Advocate for continued capital state funding**
   CMAP and partner agencies should advocate for predictable state capital support to stabilize delivery of major rehabilitation and modernization projects. Transparent performance reporting demonstrates that capital investments yield state of good repair, mobility, safety, and resilience outcomes. Reliable state funding limits stop-start delivery patterns, reduces lifecycle costs, and simplifies procurement and staffing. Regular program updates and budget status reports help sponsors identify constraints early and maintain legislative support for multi-year capital set-asides.

2. **Transition from Motor Fuel Tax to Road Usage Charge** *RER*
   A Road Usage Charge (RUC) offers a sustainable, long-term revenue base as fuel efficiency improves and electric vehicle adoption accelerates. This approach directly addresses the decline in motor fuel tax receipts by shifting the funding mechanism from gallons purchased to miles traveled, preserving the user-pay principle. RUC has been identified as a reasonably expected revenue in the RTP due to its feasibility, policy momentum in peer regions, and its alignment with national trends in transportation funding. Implementation should include careful planning for rate design, privacy protections, cost burden, and integration with registration systems. Pilot phases allow agencies to refine enforcement and customer service before broader rollout, supporting a smooth transition and revenue continuity. For more information, see *Advancing a road usage charge in Illinois*.

3. **Modernize the sales tax** *RER*
   Modernizing the sales tax base to include selected consumer services ensures that transportation revenues keep pace with shifts in spending and the growth of service-based economic activity. This strategy diversifies the region's funding portfolio and reduces reliance on fuel-linked receipts, which are increasingly volatile. Sales tax modernization is considered a reasonably expected revenue because it reflects current economic trends and has demonstrated feasibility in other metropolitan areas. Policy design should balance uniformity, fairness, and competitiveness, while providing operating stability for transit agencies. For more information, see *Modernizing Illinois' sales tax: A pathway to a sustainable future*.

B. Pursue additional state and regional funding sources (2/2)

4. **Enact a freight delivery fee** *RER*
   A delivery-based fee captures new revenue from e-commerce to offset its impacts on the transportation system, particularly in freight corridors and last-mile networks. This source is considered reasonably expected due to strong revenue potential and its alignment with regional freight activity and logistics trends. Fee design should address thresholds, exemptions, and clear linkage of proceeds to corridor maintenance, safety, and bottleneck mitigation. Annual reporting on pavement condition, reliability, and freight performance helps demonstrate benefits and maintain public trust in how revenues are used.

5. **Implement a motor vehicle registration surcharge** *RER*
   A regional motor vehicle registration surcharge provides a stable and widely distributed revenue stream that is less volatile than sources tied to travel volume, such as motor fuel tax or a future RUC. This funding mechanism is considered reasonably expected because it offers dependable, vehicle-based revenue that supports state of good repair across modes or funds targeted programs consistent with regional priorities. Registration-based revenues are well-suited for multi-year capital programs that require predictable cash flow, and their stability helps agencies plan and deliver long-term investments.

6. **Authorize regional transportation network company fees** *RER*
   The growth of transportation network company (TNC) activity (such as Uber and Lyft) presents an opportunity for a flexible, scalable regional fee that adapts to evolving mobility patterns. CMAP has identified TNC fees as a reasonably expected revenue source due to their alignment with changing travel behaviors and demonstrated success in other metropolitan regions. Fee structures can vary by time and location and may include incentives for pooled rides. Revenues can support transit operations, bus priority, and multimodal safety in high-demand corridors, helping the region respond to shifting mobility trends while maintaining fiscal stability.

7. **Explore financializing carbon policies** *Emerging opportunity*
   Market-based approaches such as carbon pricing or emissions trading mechanisms can diversify transportation funding and support regional resilience goals. Early analysis should confirm legal authority, administrative feasibility, and effects on household costs and access across jurisdictions. If pursued, clear use-of-funds language should prioritize resilience upgrades on vulnerable assets and preservation in high-wear locations where avoided costs are greatest. These strategies can help the region align fiscal policy with sustainability objectives and prepare for future federal or state carbon policies.

For more information about the strategies included on this page, see *Transportation funding strategies: Revenue options for consideration in the Financial Plan for Transportation*.

C. Improve state and regional planning, coordination, and data-informed decision-making

1. **Incorporate performance-based criteria into state disbursements to reflect regional needs**
   Embedding performance measures in state funding allocations ensures that state investments target projects with the strongest benefits across condition, mobility, safety, and resilience needs. Shared criteria clarify tradeoffs, make outcomes transparent, and help ensure that the regional long-range plan remains financially realistic over the entire planning horizon. Regular publication of outcomes against targets would keep stakeholders informed and provides a foundation for iterative improvements to program design and project selection. Transparent evaluation improves credibility in both formula and competitive processes, supporting the region's ability to secure future funding.

2. **Engage in regional collaboration around tolling and congestion pricing**
   Regional transportation plans have long supported the use of tolling and congestion pricing, and advancing these approaches requires coordinated policies and interagency strategies to move from concept to implementation. Tolling or pricing transportation facilities requires agreements on rate setting, exemptions, discounts, and use-of-funds, particularly when crossing jurisdictional boundaries. Coordinated planning improves public understanding and feasibility, especially when pricing is paired with visible transit and multimodal improvements. A clear communication plan and stakeholder engagement help maintain acceptance. Early policy alignment and detailed implementation steps prevent later conflicts and keep delivery on schedule, ensuring that tolling and congestion pricing strategies support regional mobility and equity goals. For more information, see *Tolling and pricing strategies: Revenue options for consideration in the Financial Plan for Transportation*.

D. Support local funding capacity

1. **Expand and improve tools used to meet local match requirements**
   Toll credits can replace cash match on eligible highway and transit projects. This approach strengthens local access to federal dollars by enabling participation by communities with constrained budgets and addressing the risk of inadequate local match. Clear guidance on eligibility and timing increases uptake and reduces uncertainty, especially for first-time sponsors. Predictable match mechanisms keep applications moving and prevent late changes that complicate delivery. Templates and checklists simplify documentation and shorten review cycles, helping local agencies leverage available resources and maintain a pipeline of deliverable projects.

2. **Advocate for local parking policies (pricing, special districts)**
   Demand-based parking pricing and district revenues create steady, place-based funding streams tied to local land use and travel patterns. Funds can support station access, first- and last-mile improvements, streetscape, and bus priority. Local revenue tools reduce dependence on external sources (often state or regional) for small projects that matter for corridor performance. They also make it easier to meet match requirements and maintain a pipeline of deliverable work across the region, supporting broader transportation and development objectives. For more information, see *Transportation funding strategies: Revenue options for consideration in the Financial Plan for Transportation*.

E. Ensure durability of transit revenues over time

1. **Implement fare policy that balances performance, fiscal responsibility, and affordability**
   Northeastern Illinois transit agencies should regularly review and calibrate fare policies to align with service performance, customer experience, and financial goals. Targeted discounts, pass products, and transparent criteria help sustain ridership while maintaining revenue stability. Periodic evaluation against outcomes ensures that fare structures remain credible and defensible, supporting both affordability and fiscal responsibility. As part of this evaluation, agencies should consider periodic adjustments that reflect inflation and rising operating costs, ensuring that fare revenues keep pace with long-term financial needs while maintaining access. Predictable fare policies enable agencies to plan for service, staffing, and asset use, while clear metrics and reporting build public trust and reduce pressure for reactive changes when conditions shift.

2. **Promote transit-supportive development in regional centers and corridors**
   Coordinated land use and transportation planning in regional centers and corridors can expand all-day ridership and shorten access times to jobs and services. Higher-intensity, mixed-use developments near stations maximize the value of existing capital investments and support sustainable operations over time. Agencies should work with local governments to update station-area design standards, improve walkability, and target access upgrades that strengthen the link between new development and actual ridership gains. Local agencies can also consider how to use new authorities granted in the NITA Act to support transit-oriented development and reinvestment in priority corridors, providing durable revenue even as commute patterns evolve and helping maintain fare stability and efficient operations.

F. Focus on policies supporting regional growth

1. **Better align transportation planning with local development priorities, including economic growth and job creation**
   Coordinated planning between transportation agencies and local governments ensures that investments reinforce employment centers, housing objectives, and community priorities. Joint corridor plans and station-area frameworks translate regional goals into deliverable projects with measurable outcomes. Program design should emphasize access to major destinations, reduced travel time variability, and fair access. Clear alignment with local priorities increases use and helps maintain support for continued investment, advancing both economic growth and job creation across the region.

2. **Prioritize access to regional employment and economic centers**
   Improving connections to major job clusters strengthens workforce mobility and regional competitiveness. Investments that reduce travel barriers improve reliability and add tangible value for riders and firms. Targeted bus priority, station upgrades, and safe pedestrian access are practical tools for faster, more dependable trips. Monitoring access metrics helps agencies adjust service and capital features as conditions change, ensuring that transportation investments continue to support economic vitality and opportunity.

3. **Promote transit-supportive development in regional centers and corridors**
   Concentrating growth in transit corridors promotes ridership and reduces auto dependence, supporting sustainable operations and efficient use of existing infrastructure. Updating codes and design standards to support walkable, mixed-use places around stations creates a pathway from planning concepts to built outcomes. Consistent urban form and improved station access increase all-day demand, while targeted investments in station-area improvements strengthen the link between new development and actual ridership gains. Over time, stronger corridor ridership supports fare stability and efficient operations, advancing regional growth objectives.

G. Streamline project delivery (1/2)

1. **Enhance project management practices**
   Effective project management is essential for controlling scope, cost, and schedule on major transportation investments. Agencies should implement risk registers, baseline schedules, and earned value tracking to monitor progress and identify issues early. Proactive management of procurement constraints, utilities, and right-of-way needs helps avoid common bottlenecks that delay delivery. Clear roles, decision gates, and concise quarterly dashboards sustain attention and enable timely corrective action when projects trend off plan, supporting reliable and accountable program execution.

2. **Increase public sector capacity to deliver projects**
   Expanding staffing and developing targeted technical skills within public agencies improves permitting, coordination, and contract administration. Building core functions in-house reduces reliance on external vendors for tasks that require sponsor accountability and local expertise. Treating capacity investment as a program asset shifts staff from reacting to issues to preventing them, which keeps schedules intact and budgets stable. Stronger internal capability supports consistent delivery and enhances the region's reputation for effective project management.

3. **Improve staff training for small agencies including contracting**
   A standard curriculum covering procurement rules, eligibility, documentation, and project closeout reduces procedural errors and supports consistent quality across sponsors. Templates and checklists simplify compliance and shorten review cycles, making it easier for small agencies to participate in federal and state programs. Targeted training reduces avoidable mistakes that drive change orders and delays, raising predictability in reviews and improving the overall efficiency of project delivery.

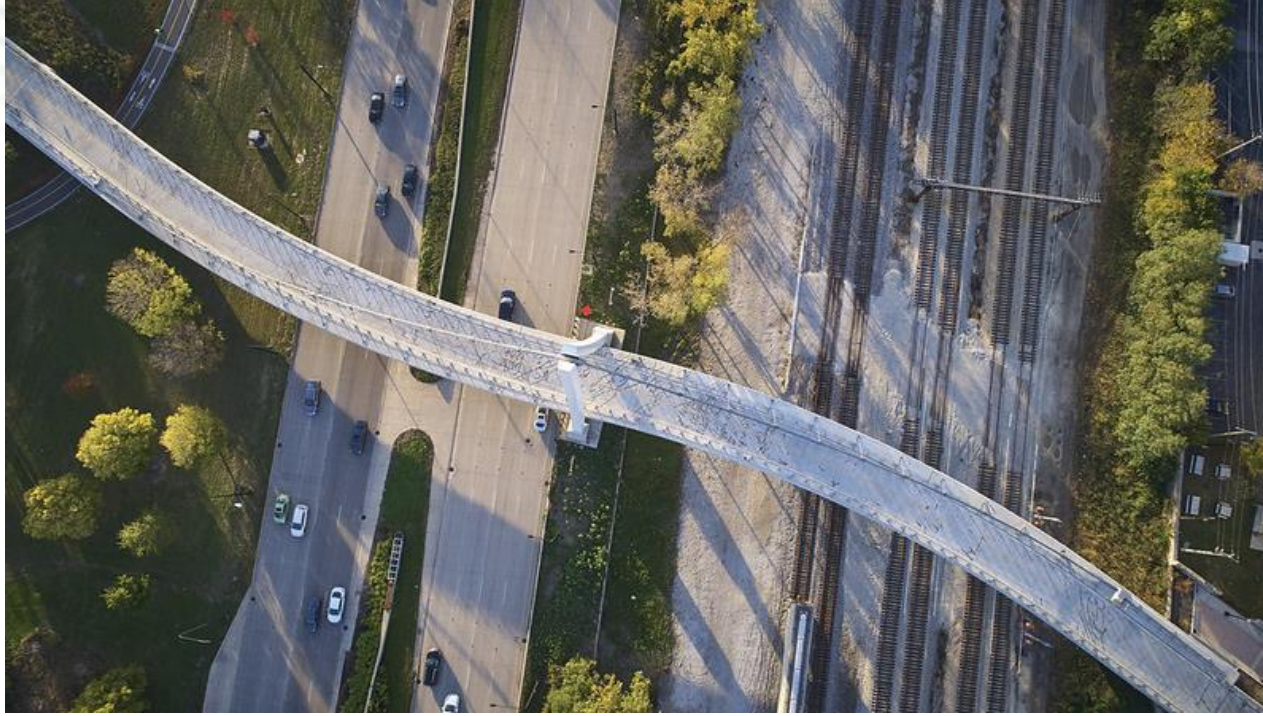
4. **Implement cost control measures in project delivery to minimize overruns**
   Independent cost estimates, value engineering, and disciplined change control are critical tools for limiting scope creep and enforcing accountability. Early discussions with suppliers and contractors align procurements with current conditions and improve price certainty at bid. Robust controls protect program balance and reduce the risk of late-stage changes that can compound inflation and interest costs. Effective cost management ensures resources are used efficiently and projects can be delivered within fiscal constraints.

5. **Reassess scope and priorities in response to rising costs**
   Periodic scope reviews allow sponsors to adjust project features, sequence elements, or bundle work to capture economies of scale. Clear criteria for deferring lower-value components preserve affordability in volatile markets and ensure that regional agencies maintain sufficient funds to achieve maintenance and preservation goals. Active scope management keeps projects deliverable when inputs shift and ensures that essential investments are prioritized even as costs fluctuate.

G. Streamline project delivery (2/2)

6. **Identify and address major sources of project delays**
   Common delay drivers such as permits, utilities, and right-of-way should be tracked through a standing issues list with assigned owners and dates. Routine escalation closes gaps quickly and reduces knock-on effects that expand cost and time. Addressing systemic delays improves credibility in future grant applications and demonstrates a proven delivery record to federal partners, strengthening the region's competitiveness for funding.

7. **Utilize alternative project delivery and financing approaches**
   Approaches such as construction manager/general contractor (CMGC) and design-build can shorten schedules and reallocate risk more effectively than traditional delivery methods. Targeted financing may improve timing and price stability when structured prudently. Agencies should screen projects to identify where integrated delivery and innovative financing offer the greatest benefits. These strategies support timely completion and efficient use of resources, advancing regional transportation goals.



H. Prioritize maintenance and preservation (1/2)

1. **Optimize preservation of existing infrastructure through asset management**
   The region's agencies should use condition data and lifecycle modeling to identify interventions that extend asset life and avoid costly emergency repairs. Proactive preservation improves reliability and makes service adjustments easier to plan and communicate. Planned maintenance reduces disruption and allows agencies to control costs, while a predictable program builds trust with users and funders. Asset management practices support long-term fiscal constraint and ensure that investments deliver sustained value for the region.

2. **Prioritize maintenance that reduces operating inefficiencies**
   Investments in track, signals, and smoother pavement reduce delays and improve reliability, lowering recurring costs for both transit and roadway systems. Upgrading locations with frequent performance restrictions yields immediate benefits for riders and freight operators. Improved reliability stabilizes operations and supports ridership retention, saving money over the plan horizon and avoiding the spiral of emergency fixes that drive up costs.

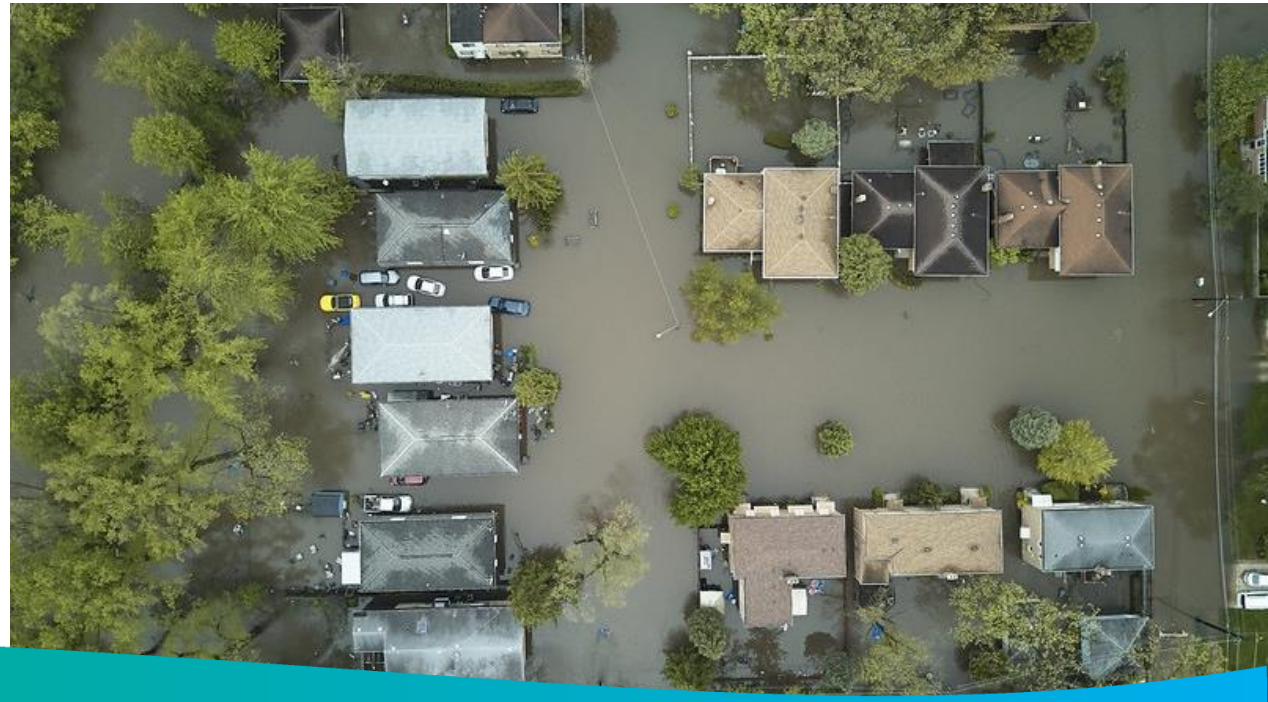
3. **Integrate technology to optimize use of existing infrastructure**
   Deploying real-time monitoring, adaptive signals, and predictive maintenance technologies increases throughput and reduces downtime without major expansion. Technology helps agencies target the right fix at the right time and can be scaled across jurisdictions. Integration of advanced systems lowers lifecycle costs, reduces emergency repairs, and strengthens asset accountability. Agencies can track performance and adjust programs quickly as conditions change, supporting efficient use of resources.

4. **Prepare for emerging technology while protecting public safety and security**
   Planning for emerging technologies such as connected and automated vehicles, fleet electrification, and advanced transit technology ensures readiness while safeguarding users. Safety and security protocols should accompany pilots and deployments, with clear communication to highway users, riders and operators. Anticipatory planning avoids large unplanned capital spikes and retrofits, while phased upgrades allow agencies to learn and maintain service continuity. Proactive preparation supports regional resilience and positions the region to benefit from technological advancements.

H. Prioritize maintenance and preservation (2/2)

5. **Share maintenance resources and equipment across jurisdictions**
   Pooling equipment and crews through shared services agreements reduces duplication and improves response times. Formalizing access, scheduling, and cost-sharing arrangements increases throughput of small jobs that otherwise accumulate into backlogs. Backlog reduction improves reliability and user experience at relatively low cost, supporting regional goals for efficient maintenance and preservation.

6. **Identify and prioritize investments in assets most vulnerable to climate change**
   Targeting the most vulnerable bridges, stations, and corridors for resilience upgrades protects critical infrastructure from flooding, extreme heat, and severe storms. Prioritization should integrate risk maps, community access and service needs, and lifecycle cost modeling to ensure that resources are directed where they have the greatest impact. Resilience upgrades reduce disruptions and avoid emergency costs from flooding, extreme heat, and severe storms. Protecting key assets preserves economic activity and travel demand, stabilizing revenue streams and supporting long-term regional growth.



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Endnotes

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The Chicago Metropolitan Agency for Planning (CMAP) is the region's comprehensive planning organization. The agency and its partners developed and are now implementing ON TO 2050, a long-range plan to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

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2026 Regional Transportation Plan

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