

DRAFT

Northeastern Illinois Public Transit Task Force Governance Working Group Presentation

March 17, 2014

INTRODUCTION

1. *BACKGROUND*
2. *FINDINGS*
3. *GOVERNANCE STRUCTURES*
4. *ADDITIONAL RECOMMENDATIONS*
5. *OTHER ISSUES*

I hope we have a good discussion.

Please email me any thoughts you may have!

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Governance and Guiding Principles

The Task Force embraced several principles to guide our recommendations:

- Put the customer first by offering a safe, well-maintained, coordinated, fast, convenient, and accessible system that is a viable transportation alternative.
- Function in an ethical, efficient, transparent manner that demonstrates professional competence and clear accountability to all regional residents.
- Promote economic vitality by matching development with transit service, connecting communities, employment centers, and destinations throughout the region.
- Plan ambitiously and adapt to change, continually refining transit services and investments to increase ridership, relieve congestion, and provide an abundance of transportation choices.
- Embrace innovative technology and systems in finance, communications, vehicles, infrastructure, and customer service.
- Be adequately, predictably, equitably, and sustainably funded to provide high levels of performance and maintain a state of good repair.

FINDINGS

The following are broad findings supported by input that the Task Force and Working Group received from various sources.

More details can be found in the Working Group Report.



Finding #1

Power and authority for transit have been vested with the Service Boards.

- The Service Boards were designed to be autonomous, independent authorities.
- The 1983 reorganization left the RTA with taxing authority, budgeting oversight, and planning functions, but few tools execute its responsibilities.
- 47 board members are appointed to the four transit boards by the same elected officials.



Finding #2

Transit reform in 2008.

- A financial crisis and lagging ridership prompted stakeholders to study the system problems in the mid-2000s.
- 2007 performance audit: Lack of strong, centralized planning, and the absence of a long-term plan were major contributors to the problem.
- The 2008 law gave RTA new responsibility and authority to shape regional transit through a strategic plan and capital program.
 - Strategic plan requires goals, performance measures, and evaluation criteria
 - Service Board budgets, financial plans must be consistent with the strategic plan.

Finding #3

2008 reforms didn't achieve the intended result.

- RTA has not fully utilized its authorities
- 2013 Strategic Plan does not adequately address the 2008 directives with concrete targets and implementation plans
- Structural, cultural, and historical impediments led to stalemates and dormancy, inhibited collaboration
 - Controversial topics, like discretionary funding allocations, led to inaction on other important issues.

Finding #4

- **Despite significant state and federal investment, it is widely believed that Northeastern Illinois has been under-investing in transit.**
 - State-of-good-repair backlog
 - Lack of system expansion
 - Occasional service cuts

It is widely believed that governance structure is related to funding.

The Challenge:

Is the current transit system organized in the most efficient and effective manner?

The widespread belief is that it is not.

This belief is reinforced by:

- Findings & recommendations of other working groups
- Conversations with transit experts.

Opinions vary about how much change is needed.

Introduction to Models:

There is an infinite number of options or components to any governance structure.

The Working Group analyzed multiple alternatives, including specific proposals submitted by stakeholders.

After a deliberative process, the Working Group is advancing two broad choices:

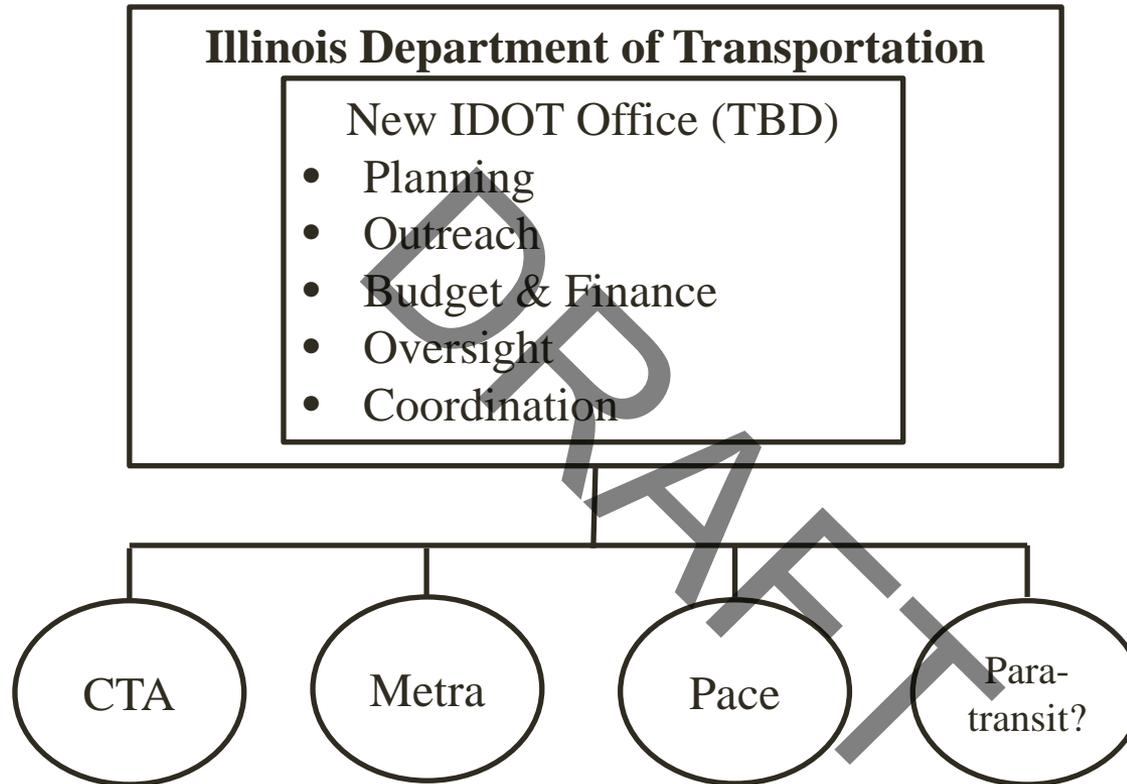
- ***The State Agency Model***
- ***The Integrated Model***



State Agency Model

- **Eliminates the RTA**
- **Creates a new unit in IDOT to oversee NEIL transit**
 - Oversees transit finance, implements major capital projects, coordinates transit agency activities and plans.
 - Implements regional financial planning process and other system-wide policies that reflect Task Force recommendations.
 - Operating funding would be allocated according to a formula that would incorporate performance measures and would be set by the Legislature.

State Agency Model



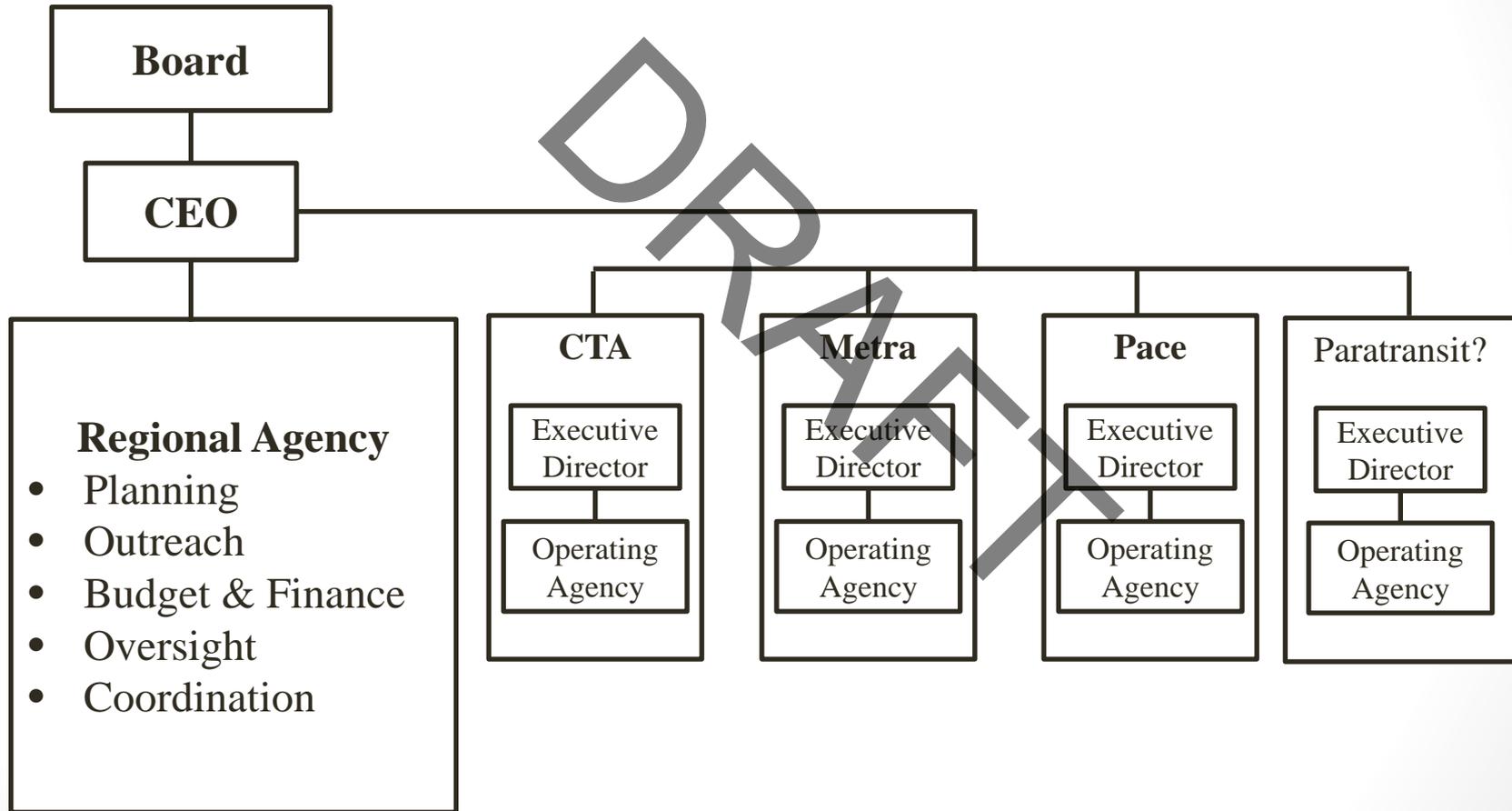
Two Model Variations for Discussion Purposes:

1. IDOT absorbs RTA responsibilities, existing Service Board governance structure is retained (FTA similarities)
2. All transit administration is absorbed by IDOT (possible advisory board? See MassDOT)

The Integrated Model

- **Eliminates the RTA**
- **Consolidates all transit into one regional agency**
 - Eliminates Service Board governance
 - Single board responsible for setting policy, strategic direction, determining funding allocations, and prioritizing investments for entire system
- **Service Boards become operating divisions of regional entity**
 - Responsible for day-to-day operations of transit service.

Integrated Model





Model Summary

- Both models have potential to increase coordination and better connect development with transit
- Both models increase accountability
- Both models increase the potential to plan and adapt to change, including flexibility to implement region-wide plans and prioritize projects
- Both models offer potential cost savings
 - Depends on additional details



MTA and MassDOT/MBTA

Several models informed our thought process. For comparative purposes, I would like to highlight two in particular:

- **MTA (New York)**
- **MassDOT/MBTA (Massachusetts)**

MTA: governed by single-board, integrated structure with various operating “companies” responsible for day-to-day transit operations

- Prendergast: “And the ability to raise capital funding—to support a unified, regional transportation network—has historically been a huge benefit of our governance model.”

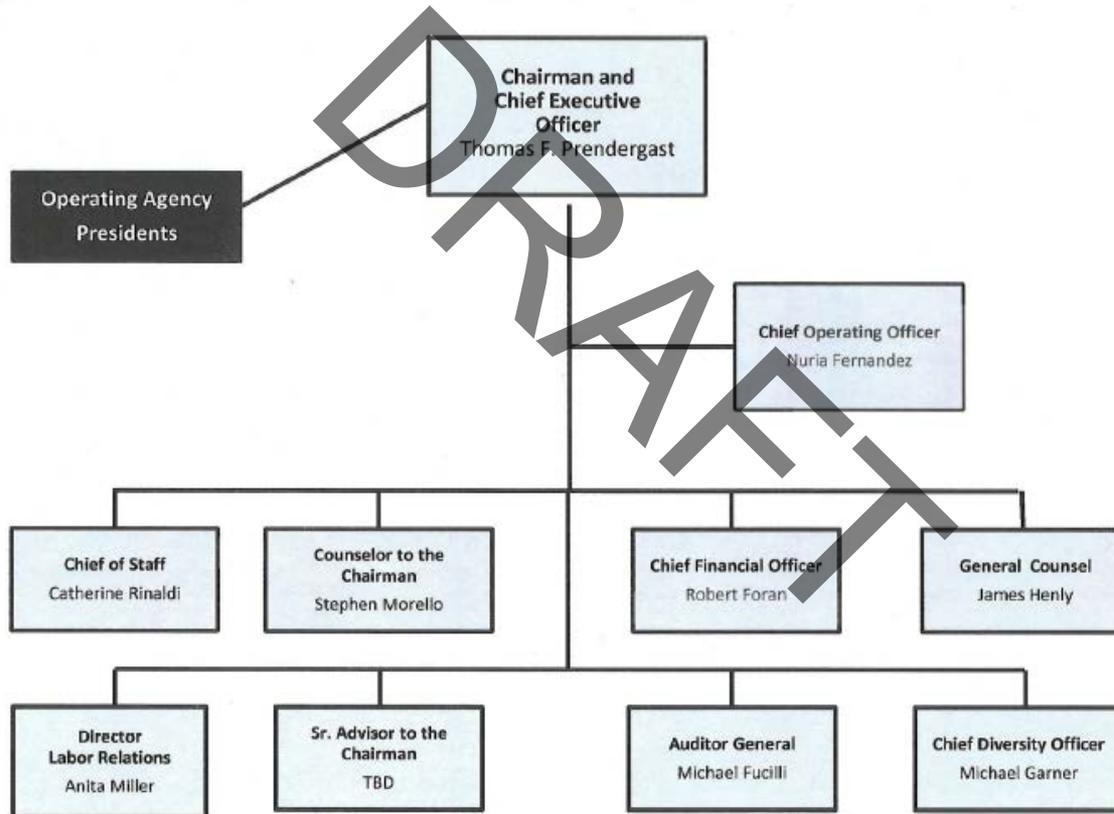
MassDOT/MBTA: MBTA is a division within MassDOT alongside other transportation modes.

- Note – MassDOT/MBTA Board of Directors

New York (MTA) 1 of 2



Office of the Chairman and Chief Executive Officer

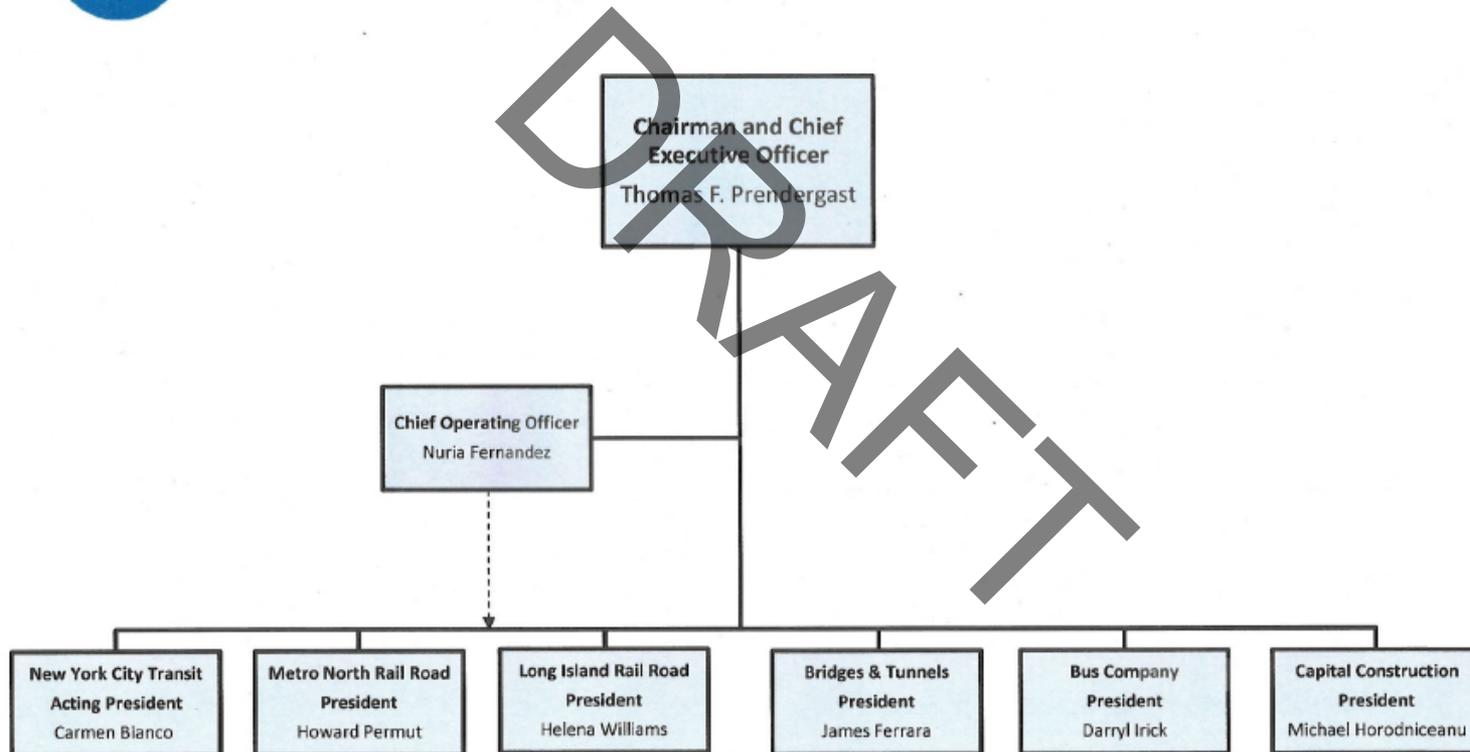


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New York (MTA) 2 of 2



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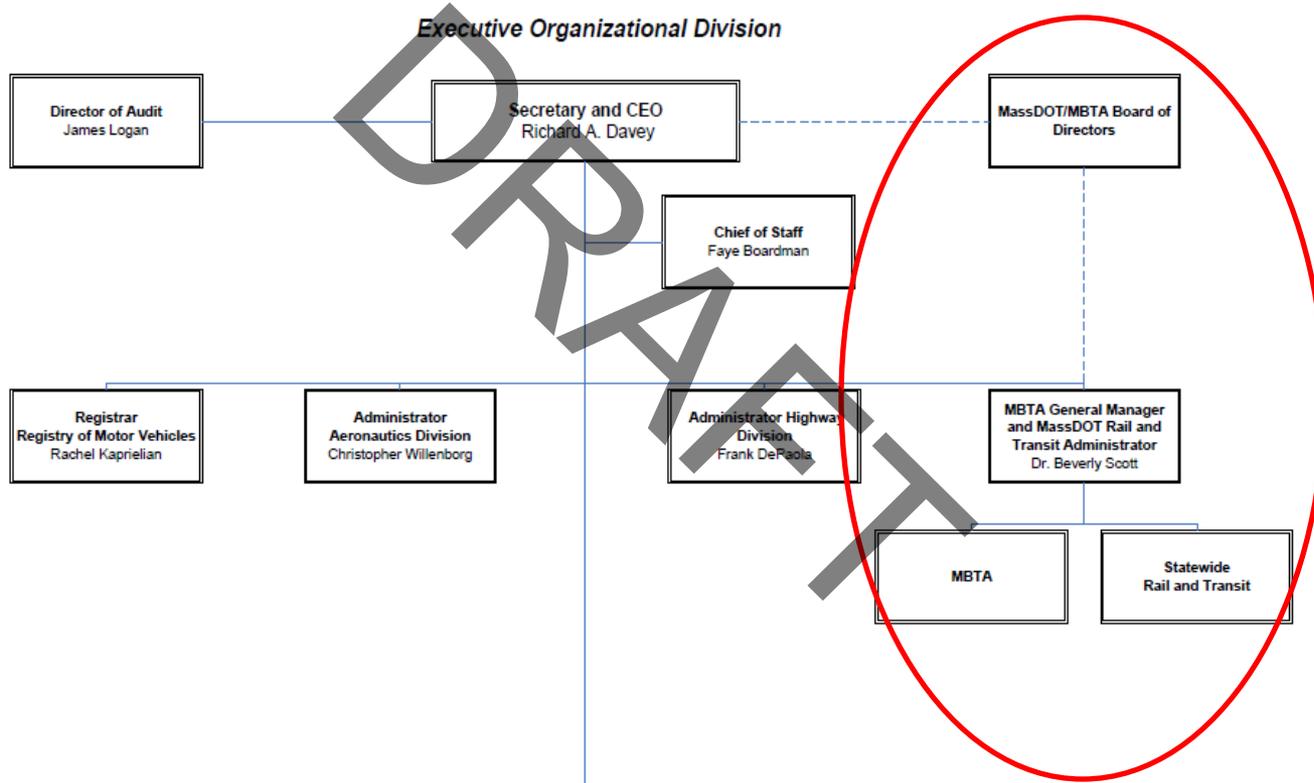
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MassDOT (MBTA)



Massachusetts Department of Transportation

Executive Organizational Division



- Deputy Secretary for Policy and Executive Director
Office of Transportation Planning
David Mohler
- Assistant Secretary for Performance Mgmt. and Innovation
Celia Blue
- Assistant Secretary for Communications
Cyndi Roy Gonzalez
- Chief Financial Officer
Dana Levenson
- General Counsel
Paige Scott Reed
- Undersecretary and Interim Chief Diversity and Civil Rights Officer
Stephanie D. Neal-Johnson
- Chief Information and Technology Officer
Gary S. Foster
- Assistant Secretary of Human Resources
Bill Perez
- Senior Director of Security and Emergency Management
Randy Clarke
- Assistant Secretary Real Estate & Asset Development
Jeffrey Simon
- Assistant Secretary for Energy, Technology and Management
Al Shaw

Additional Recommendations

Increase state representation on transit boards.

- **The state contributes a significant portion of transit operating and capital funding to the transit system.**

Set minimum qualifications for board members.

- **Transit boards should include members with proven leadership qualities and relevant professional experience (transportation, construction and engineering, finance, law, information technology, or other related fields.)**

Other topics for discussion:

The following governance issues were not formally considered by the Working Group, but raise questions that could inform Task Force deliberations:

Board Nominations and Appointments

- Strong links with other working groups (Ethics)
- Some existing models can provide guidance:
 - MTA (municipalities nominate, governor appoints, senate vets)
 - MBTA (governor appoints, senate vets)
 - Existing NEIL Transit System

Operational:

Voting thresholds – Supermajority has pros and cons.

Staffing/Organizational/Cultural implications – Major reforms raise various issues

THANK YOU!

DRAFT