

# MEETING MINUTES

Blue-Ribbon Commission on Transportation Infrastructure  
Funding and Policy  
Commission Meeting | June 18, 2024 | 10:00am – 12:00pm

| <b>Commission Members Present</b> | <b>Commission Members Absent</b> |
|-----------------------------------|----------------------------------|
| Chair – Secretary Omer Osman      | Commissioner Eileen Chin         |
| Commissioner Romaine Brown        | Representative C.D. Davidsmeyer  |
| Commissioner Laura Calderon       | Senator Don DeWitte              |
| Commissioner Jacquelyn Grimshaw   | Representative Marcus Evans Jr.  |
| Representative Michael Kelly      | Representative Dave Fowler       |
| Commissioner Thomas Kotarac       |                                  |
| Commissioner Duana Love           |                                  |
| Senator Laura Murphy              |                                  |
| Commissioner Marc Poulos          |                                  |
| Representative Ryan Spain         |                                  |
| Senator Ram Villivalam            |                                  |

| <b>Staff Attendees Present</b> | <b>Representing</b>                   |
|--------------------------------|---------------------------------------|
| John Donovan                   | Illinois Department of Transportation |
| Jeremy LaMarche                | Illinois Department of Transportation |
| Hannah Martin                  | Illinois Department of Transportation |
| Karen Rogulja                  | Illinois Department of Transportation |
| David Schafer                  | Illinois Department of Transportation |
| Tracinda Sisk                  | Illinois Department of Transportation |
| Margaret “Peggy” Smith         | Illinois Department of Transportation |
| Michael Vanderhoof             | Illinois Department of Transportation |
| Janel Veile                    | Illinois Department of Transportation |
| Joanne Woodworth               | Illinois Department of Transportation |

| <b>Other Attendees Present</b> | <b>Representing</b>                    |
|--------------------------------|--|
| Berenice Alvarez               | Morreale Communications                |
| Diane Bustamante               | Morreale Communications                |
| Mary McIlvain                  | Morreale Communications                |
| Henry Guerriero                | Illinois Tollway                       |
| Byran Bungo                    | KPMG                                   |
| Ted Hamer                      | KPMG                                   |
| Michael Lampl                  | Ernst & Young, LLP                     |
| Gabe Sanders                   | Ernst & Young, LLP                     |
| Robert Rescot                  | Illinois Concrete Pavement Association |
| Ashlyn Deakin                  | DBP Team Illinois, LLC                 |

## Overview of Meeting

### I. Introductions

Commission Chair Omer Osman called the meeting to order. Following Chair Osman’s introduction, a roll call was conducted. Although quorum was not met at the start of the meeting, it was counted and confirmed with 11 Commissioners present shortly after the meeting began.

### II. Multi-Year Program Announcement

Bureau Chief Tracinda Sisk and Bureau Chief Michael Vanderhoof led the discussion.

The FY 2025-2030 Highway and Multimodal Multi-Year Improvement Program (MYP) includes a total of \$41.42 billion distributed amongst Highway (\$29.56 billion), Other Modes (\$11.7 billion), Marine (\$160 million), Rail (\$2.54 billion), Aero (\$1.57 billion) and Transit (\$7.5 billion).

Bureau Chief Sisk noted that this year’s total Highway and Multimodal MYP is the largest in the program’s history.

The FY 2025-2030 Highway MYP includes \$29.65 billion and includes state (\$23.01 billion) and local (\$6.65 billion) program dollars. The local program

provides four of the six years of the program. Bureau Chief Sisk noted that the local program does not include MFT dollars. The local program receives an 18.92% allocation of the federal formula funds.

Commissioner Kotarac asked why the allocation is 18.92%.

Bureau Chief Sisk stated that it is an agreed-upon percentage among the executive office, county engineers, municipal league members and MPOs. The agreement dates to around the 1980s. It looks at the largest federal funds and gives 18.92% to the locals, mainly the Surface Transportation Funds, which are the most flexible funds.

Chair Osman stated that compared to other states, Illinois' contribution to the local side with the formula is relatively high.

Commissioner Kotarac emphasized that it is at the heart of some of the issues that the Commission looks to address. He asked if that number still works for a 35+ year agreement and raised the notion of revisiting the formula.

Bureau Chief Sisk noted that 75% of the Highway Program is used for road and bridge maintenance, 10% for system expansion and 15% is for other support functions.

Bureau Chief Sisk provided a breakdown of the Highway MYP funding sources, which include federal, state, bond and local dollars. The Highway MYP is fiscally constrained, updated annually in the spring and provides highway projects for state and local programs.

Bureau Chief Sisk provided a high-level overview of how the bureau initiates the program, including developing available revenues, accessing highway needs, developing funding targets (restricted and unrestricted program), prioritizing projects, reviewing, approving and publishing.

Commissioner Grimshaw asked if the data-driven uses the Data-Driven Decisions Tool that the department developed.

Bureau Chief Sisk stated that the data-driven decision tool is only for state added capacity projects. Many of the projects in the program are to maintain the current system, so they are not adding capacity (e.g., expanding roads).

Chair Osman asked Bureau Chief Sisk to expand on the legislatively mandated line items and those developed over the years.

Bureau Chief Sisk stated that the local benefits package includes the township bridge program, which was mandated and increased to \$60 million a year from \$15 million.

Chair Osman emphasized that it had been \$15 million since 1979.

Bureau Chief Sisk said there are also high-road cities, needy townships and needy counties.

Commissioner Kotarac asked if it would be possible to determine when those programs were created and the use percentage. It will be good to look at how much funding is programmed by the department, how much is suballocated and how much is competitive compared to the state's peers.

Senator Villivalam asked if a breakdown of the mass transit allocation of the plan and a breakdown of the local portions of the plan could be provided.

Chair Osman stated that it will be noted.

Bureau Chief Sisk discussed aspects of the Transportation Asset Management Plan (TAMP). The current TAMP is approved as of January 2023, and most notably, 75% of state programs are focused on TAMP improvements, which maintain assets proactively and in an acceptable condition to lower overall long-term costs. There is an emphasis on the National Highway System roads and bridges.

Prioritization of new capacity improvements for data-driven decisions includes traffic operations/congestion metrics, safety, economic development, environmental impacts and regional rating.

Commissioner Love asked in the meeting chat if the Commission would receive a copy of the presentation.

Chair Osman emphasized that the presentation will be made available. He stated that April 1 is the MYP date legislatively, but in previous years, it was done in mid-May and mid-June to ensure a successful implementation of the program.

Bureau Chief Vanderhoof provided an overview of the funding total for multimodal programs, which include Marine, Aeronautics, Rail and Transit.

Bureau Chief Vanderhoof stated that Illinois has over 1,100 miles of navigable waterways, upwards of 400 ports and 19 private ports. Funding for marine projects includes Rebuild Illinois—The Illinois Port Capital Investment Grant Program and Illinois Competitive Freight Program (Intermodal Projects-Marine).

Bureau Chief Vanderhoof noted that ports have no recurring funding sources and are more discretionary opportunities led by individual port districts.

Unlike Marine, Aeronautics is primarily federal formula and local funding (airport fees), which is distributed among general aviation airports (72%), reliever airports (12%) and primary airports (16%). Funding includes the Airport Improvement Program, which uses a priority ranking system to identify projects and Rebuild Illinois-Illinois Airport Capital Investment Program.

Bureau Chief Vanderhoof emphasized that Illinois is the rail hub of North America, and it utilizes state funds and numerous federal discretionary awards. Transit funding is locally programmed. The majority of the funding goes directly to urban/rural operators. The MYP identifies the IDOT-administered funding.

Bureau Chief Vanderhoof noted that the FTA maintains a national transit database that looks into the funding for transit. He also noted ridership levels post-pandemic.

In response to an earlier question from Senator Villivalam, Bureau Chief Vanderhoof stated, that a breakdown of the mass transit allocation could be provided.

Commissioner Kotarac asked if the department tracks whether the programs are efficiently spending the funding.

Bureau Chief Vanderhoof stated that the Illinois Competitive Freight Program is monitored regularly and that it should be checked to see if it extends to other programs.

Chair Osman emphasized the need to track funds.

In the meeting chat, Karen Rogulja from the Illinois Department of Transportation said, “Tom, we do track our projects on the Transit Capital side and work with our grantees to make sure the projects we fund are spending.”

Commissioner Kotarac responded in the chat, “Thank you. I think this is also a critical piece of the Commission’s work —finding a way to track the efficiency of spending across different funding practices and programs (suballocation, competitive programs, program types, earmarks, etc.).”

### **III. Multi-year Program Development**

Bureau Chief Joanne Woodworth and Sr. Fiscal Analyst Margaret “Peggy” Smith from IDOT led the discussion.

The Multi-year Program is a three-step program, which includes estimating revenues, subtracting baseline expenditures, and developing annual elements.

Responsibilities for the construction, preservation, maintenance and operations of roads and bridges in Illinois are shared between state and local governments. IDOT primarily relies on federal and state funding sources. State sources include state Motor Vehicle Registration, Motor Vehicle Tax, Sales Tax on Motor Fuel and bond proceeds. Rebuild Illinois establishes tax rates for these sources and bond issuances. Local public agencies, including counties, municipalities and townships, primarily rely on state MFP, allotted by formulas set in state law. Other sources include local reimbursement and investment income. Federal funds are allocated through federal transportation bills and fund competitive grants. Federal funds are reimbursements and cash only. The money from the federal reimbursement is deposited into the program's funds. In FY 2023, federal reimbursements made up 33% of Illinois road and construction funds. Federal funds have strict guidelines.

Ms. Smith noted that based on the data study, there is an expected decrease in motor fuel consumption of .65% each fiscal year of the FY2025-2030 MYP. This is consistent with what is being seen in FY2024.

With Rebuild Illinois, revenues from the sales tax on motor fuels begin to move incrementally over a 5-year period to the Road Fund. Each retailer prepares the sales tax when purchasing fuel. The sales tax is a cent per gallon rate established by the Illinois Department of Revenue each year.

Revenues for motor vehicle registration come from motor vehicle registration fees, titles, and driver license fees. They're distributed among other state funds, such as the Construction Fund and the Road Fund. Based on the data collected, a .15% increase is expected each fiscal year from FY25 to FY30 MYP in motor vehicle registrations.

For interest paid on cash balances in the Road and Construction funds and bond funds. Due to high inflation and high fund balances, interest paid on cash balances has been greater than in prior years.

Moving to step two of the program, subtracting base expenses. Base expenses include debt service, IDOT operations (salaries, social security, commodities, telecommunications, etc.), other agencies (Secretary of State, Workers Compensation, Court of Claims, etc.) and expenses for existing construction projects.

Ms. Smith noted that debt service is the first claim on Road Fund Revenue by law.

The last step of the program is developing annual elements. The match requirement captures all available federal funds, but there must be sufficient cash in the funds to meet State and Local match requirements. After the federal program is maximized, the remaining balance is dedicated to projects funded with state and local funds. Also included in the program are appropriations for local consultation and local reimbursement.

**IV. Approval of Minutes (May 28, 2024)**

Chair Osman introduced the May meeting minutes for approval. Chair Osman motioned to approve the minutes. Commissioner Grimshaw approved the motion, and Commissioner Kotarac seconded it. All voted in favor, and the motion was passed.

**V. New Business**

Commissioner Grimshaw asked if there was an update on the procurement.

Chair Osman stated that the selection committee is reviewing the request for proposals and reiterated that there were six. One was deemed non-responsive, so the evaluators are reviewing the remaining.

**VI. Public Comment**

The meeting was opened to public comment. No public comments were made.

**VII. Next Meeting**

The next Commission meeting is Tuesday, July 23<sup>rd</sup>, from 10:00am to 12:00pm.

**VIII. Adjournment**

A motion was made to adjourn and seconded. The motion passed.

*The meeting adjourned at 11:30 a.m.*