



# TFIC ANNUAL REPORT 2022

**Transportation for Illinois Coalition**

# TABLE OF CONTENTS

TFIC Mission & Vision _____	3
How to Become a Member _____	3
Vision _____	3
Letter from the managing director _____	4
TFIC State house committee _____	6
Federal Affairs Committee _____	8
Mass Transit Committee _____	10
TFIC Policy and Programming Committee _____	11
TFIC Annual Meeting _____	12



## TFIC MISSION & VISION

### How to Become a Member

Membership in TFIC is open to organizations, associations, unions, local governments, regional groups, and chambers of commerce from throughout Illinois. Any organization with members who realize the importance of transportation Illinois jobs and the economy is encouraged to join. Contact TFIC staff at 217-572-1272 or [Rebecca@tficillinois.org](mailto:Rebecca@tficillinois.org) or Matt Wells or Mike Weidmaier, TFIC Membership Chairs.

### Mission Statement

The Transportation for Illinois Coalition is the recognized authority on and unifying voice for transportation needs in Illinois. TFIC exists to achieve the best transportation systems in order to guarantee economic success.

### Vision

The Transportation for Illinois Coalition identifies issues and aggressively advocates policy to secure maximum and sustainable federal and state funding for the transportation needs of Illinois.

# LETTER FROM THE MANAGING DIRECTOR

December 2021



TFIC members and staff were fortunate to be able to celebrate the passage of the federal Infrastructure Investment and Jobs Act this year, a historic level of investment in the nation's transportation, water and telecommunications infrastructure. The investment plan is expected to significantly increase Illinois' Road, transit, airport, and passenger rail funding from the federal government. Illinois can expect to receive about \$17.8 billion over five years in formula funds and can compete for additional funding through a variety of grant programs.

The much-needed funds will make it possible for Illinois to tackle costly Interstate rebuild projects that will make our traveling public safer in the years ahead. Under the leadership and guidance of the TFIC Federal Affairs Committee, TFIC members

worked with the Illinois congressional delegation to encourage and support the IJA. Unfortunately, due to partisan opposition to the President's agenda, only one Republican - Congressman Adam Kinzinger - voted for the investment program.

Illinois also received a significant federal investment of COVID relief funds in 2021 to try to sustain transportation construction and transit operations during a time of sharply reduced revenues as a result of the pandemic.

These federal funds were a welcome addition to Illinois' own Rebuild Illinois transportation program, approved in 2019. That state-approved historic transportation investment positioned the state well for drawing down added federal funds. And, with the impact of the COVID pandemic on the state revenues, federal funding was particularly helpful.

TFIC members and staff spent most of the 2021 calendar year tracking revenue receipts tied to the Rebuild Illinois program, and also tracking implementation of the transportation projects under Rebuild Illinois by the Department of Transportation. With the impact of COVID on vehicle registrations and on gas tax revenues, it was clear that our 2021 revenues did not meet the level of the original 2019 estimates. Much of the discussion among TFIC committees, necessarily then, focused on that impact and the ways in which we could build back toward the original revenue estimates.

TFIC also had to fight off a proposal in the Governor's proposed budget introduced in February that would have reduced overall spending for transportation by delaying the initial transfer from the general revenue fund to the transportation renewal fund of 1% of the state's 5% sales tax on motor fuel. The Governor also proposed cutting General Revenue Fund support for transit and moving that obligation to transit onto the Road Fund. TFIC was able to work with the General Assembly to prevent those proposals from taking effect.

While the coalition celebrated passage of the historic federal investment program and defeated the Governor's proposal to reduce transportation spending in FY 2022, we have learned that the coalition cannot rest on its laurels. As I retire from the role of managing director which I have held since the creation of TFIC in 2003, I am pleased that the coalition

will continue to be a force in support of Illinois' transportation infrastructure investment and programs. The work continues.

Jennifer Morrison  
Managing Director



# TFIC STATE HOUSE COMMITTEE

## Tracking Implementation and Revenue for Rebuild Illinois

In 2020 and 2021, COVID caused a reduction in transportation related revenues that impacted the state's ability to meet its Rebuild Illinois commitments in a timely way. In the first year of the Rebuild Illinois roll out, Illinois experienced about 5 months of reduced revenues due to COVID. Motor Fuel Tax was down 20% under expectations early in 2021, and vehicle registrations were down approximately 35% under expectations, likely due to suspension of penalties for non-payment of fees during the COVID pandemic. Some challenges unique to COVID included:

- courts being shut down which prevented permit resolutions,
- IDOT staff working from home slowed program delivery

Motor fuel tax and vehicle registration receipts largely recovered to expected levels by the end of 2021.

## 2021 Transportation Budget Discussions

In February 2021, Governor Pritzker presented a budget proposal that would have reduced funding for transportation, despite passage of the Rebuild Illinois revenues and despite concern about lagging revenues. In response, TFIC proposed that a small portion of the \$7.5 billion COVID relief funding from the federal government be used to replace the \$224 million in transportation spending cuts proposed to support other government services by the Governor in his February budget address. The proposed cuts would have resulted in the loss of 3,000 direct construction jobs this year. Specifically, TFIC asked the General Assembly to:

- Honor the Rebuild Illinois plan to begin moving sales taxes on motor fuel into the Transportation Renewal Fund of \$72 million.
- Continue to support transit operations through General Revenue Funds, rather than the Road Fund of \$100 million.
- Eliminate the 90% proration of the State's commitment to the Regional Transportation Authority of \$52 million.

When the General Assembly concluded budget discussions with the administration at the end of the 2021 legislative session, the transportation cuts proposed by the administration were removed.

## New Legislators Outreach

TFIC identified legislators who were new in 2019 or took office after 2019 in order to begin briefing them on transportation issues and ask them to champion transportation in the legislature. TFIC met with the following legislators.

- Senator Joyce
- Senator Belt
- Senator Loughran Cappel
- Senator Johnson
- Senator Pacione-Zayas
- Senator Doris Turner
- Senator Villivalam
- Representative Avelar
- Representative Buckner
- Representative Delgado
- Representative Vella

## Public Private Partnership

TFIC staff was asked to join a 3P working group organized by Senator John Curran to monitor the discussion. A public private partnership is an arrangement between two or more public and private sectors of a long-term nature. It involves private capital financing government project and services up front. The purpose of the 3P is to allow flexibility so that big projects that will be completed faster than would be possible without the private partners' involvement. Discussions on the 3P legislation continued into 2022.



# FEDERAL AFFAIRS COMMITTEE

2021 was a big year for TFIC on the federal level. With approval of President Biden's infrastructure program and the distribution of federal COVID relief.

## Infrastructure Investment and Jobs Act

After years of kicking the can down the road, Congress seriously undertook serious discussion on the question of a new transportation authorization investment program. In February, TFIC shared through our Federal Affairs Committee the principles we wanted Congress to consider. Most important was our desire to achieve a long-term authorization backed by revenues dedicated to transportation.

- Providing for inflationary growth in all transportation funding revenue streams.
- Distribution formulas should recognize and reward states that are full investment partners.
- Environmental goals should be aligned with the need for economic growth.
- Authorization language should allow states to initiate alternative funding pilot programs.
- Legislation should authorize a national VMT pilot program and the exploration of other alternate revenue sources for long term funding of infrastructure.
- Illinois has benefitted from the earmark process in the past, and TFIC remains supportive of earmarks as they have been successfully used to reach consensus on priorities for investment.

Under the leadership and guidance of the TFIC Federal Affairs Committee, TFIC members worked with the Illinois Congressional delegation to encourage and support the IJA. Debate on the investment program continued through December of 2021. Federal Affairs Committee Chair Mike Sturino and his committee members called and stayed in touch with Illinois delegation members throughout the year and sent thank you letters when the legislation was approved.

The investment plan is expected to significantly increase Illinois's Road, transit, airport, and passenger rail funding from the federal government. Illinois can expect to receive about \$17.8 billion over five years in formula funds and can compete for additional funding through a variety of grant programs.

## COVID Relief Funds

Early in 2021 the federal government approved COVID relief funding for the states. Illinois' state share was \$355 million. Highlights of the funding included:

- Illinois received \$1.5 billion in transit funding for the Chicago region as part of the bill which helped fund operating expenses and payroll for frontline workers of the CTA, Metra, and Pace through 2023.
- An estimated \$388 million for Illinois airports.
- Protection for thousands of airlines industry jobs in Illinois as a result of \$15 billion for airline worker payroll support program for six months, along with an additional \$3 billion for payroll support for aviation manufacturers.
- Protection of hundreds of Amtrak jobs in Illinois by restoring furloughs and reversing service cuts as part of the \$1.7 billion included in the bill for Amtrak.



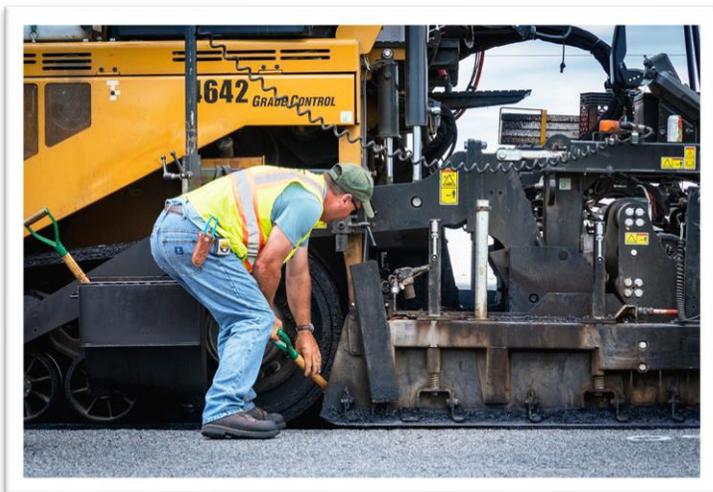
# MASS TRANSIT COMMITTEE

The Mass Transit Committee focused on two main issues in 2021:

- Reversing the Governors proposed budget cuts
- COVID Relief for transit operations

In February, the Governor proposed budget cuts to transportation including operating and capital cuts for transit. Along with TFIC State House Committee, the Mass Transit Committee worked with legislators to defeat the proposed cuts.

The COVID pandemic caused significant reductions to the sales taxes and rider fares for transit systems, jeopardizing transit operations. TFIC Mass Transit Committee members successfully worked with members of the Illinois Federal delegation to encourage federal operating relief.



# TFIC POLICY AND PROGRAMMING COMMITTEE

Through its Policy and Programming Committee, TFIC proposed language to ensure IDOT would study the impact of promoting electric vehicle use. This language was included in the clean energy bill approved in September and ensured that the legislature acknowledged the need to adopt new funding mechanisms as electric vehicles become more popular. The clean air legislation (SB 2408) became public act 102-0662 on September 15. The statutory language is here:

*The study shall consider how the proliferation of electric vehicles will adversely affect resources needed for transportation infrastructure and take into consideration any relevant federal actions. The study shall identify the potential revenue loss and offer multiple options for replacing those lost revenues. The Illinois Department of Transportation shall collaborate with organizations representing businesses involved in designing and building transportation infrastructure, organized labor, the general business community, and users of the system. In addition, the Illinois Department of Transportation may collaborate with other state agencies, including but not limited to the Illinois Secretary of State and the Illinois Department of Revenue.*

Over the course of 2021, the Policy and Programming Committee looked at whether a need exists for state funding for charging infrastructure and what types of funding mechanisms should be considered as an increasing number of electric vehicles hit the road in Illinois and nationwide. Currently, electric vehicles pay an additional fee of \$100 with their registration, for a total of \$251. An average gasoline powered car pays \$349 per year in state MFT and registration (not including federal MFT). Out of state electric vehicles pay no state MFT or registration.

## **Some revenues options discussed by the committee included:**

- Increased registration fees on electric vehicles: This is the method already used by Illinois and many other states to replace at least some lost MFT. However, the state is currently looking at ways to incentivize the use of electric vehicles and it could be perceived as working against that goal.
- Fees on charging infrastructure: Fees on charging infrastructure would capture mostly out of state lost MFT revenue because most (80%) charging happens at home. There are no other states currently taxing charging stations, but there are charging stations that charge a fee. The cost to replace MFT would be very low per vehicle.
- Fees on electricity: This could be used to fund both the increased electricity grid needs and transportation infrastructure. However, it would be complicated to propose and can be seen as harmful to people of lower socioeconomic status.
- Mileage-based user fees: Mileage-based user fees have been proposed in many states and there are several pilot programs that have been completed. However, no state has initiated an actual mileage-based fee to replace MFT due to concerns over administration and privacy.

# TFIC ANNUAL MEETING

On November 17<sup>th</sup>, TFIC held its annual meeting with presentation by Senate President Don Harmon, Representative Jay Hoffman, IDOT Secretary Omer Osman, Deputy Governor Christian Mitchell.

