



Suburban Service and Regional ADA Paratransit Budget

*2026 Operating Budget
2027–2028 Two-Year Financial Plan
2026–2030 Five-Year Capital Program*

Proposed Program • October 2025



Board of Directors and Senior Staff



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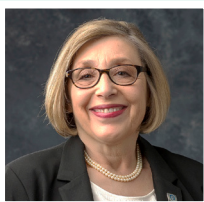
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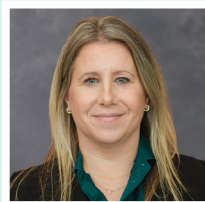
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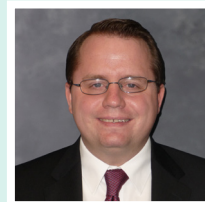
Melinda J. Metzger
Executive Director



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Chief Operating Officer



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Table of Contents

From the Office of the Executive Director	<i>ii</i>
From the Office of the Chairman of the Board	<i>iii</i>
Executive Summary	1
Suburban Service Operating Budget	5
Suburban Service Budget & Two-Year Financial Plan	21
Regional ADA Paratransit Operating Budget	27
Regional ADA Paratransit Budget & Two-Year Financial Plan	31
Combined Suburban Service/ADA Budget & Two-Year Financial Plan	35
Suburban Service Capital Budget & Five-Year Business Plan	37
Five-Year Regional ADA Paratransit Unconstrained Capital Program	47
Appendix A: Pace Overview	49
Appendix B: Ridership & Fares	62
Appendix C: Community Profile	67
Appendix D: Performance Measures	73
Appendix E: Agency Initiatives	81
Appendix F: Operating Budget Detail	86
Appendix G: Budget Process	92
Appendix H: Financial Policies	94
Appendix I: Debt Overview	98
Appendix J: Glossary	99
Appendix K: 2026 Budget & Two-Year Financial Plan – Scenario 2	110
Appendix L: Legal Notice - Public Hearings	113
Pace Quick Facts	116



Dear Stakeholders,

Pace has always been more than a transit agency. We are a vital connector of people, places, and opportunities across the suburbs. Every day, thousands of riders rely on us to get to work, school, medical appointments, and the activities that fulfill life. This budget reflects both the challenges we face and the resilience we devote to our mission.

Like many transit agencies across the country, we are approaching a fiscal cliff as the demand for safe, reliable, and accessible transit service continues to grow. These financial challenges are already impacting critical paratransit subsidy programs, which may not be funded past the first quarter of 2026.

Every Pace service, from fixed routes to paratransit to innovative on-demand options, supports the economy. Our buses connect workers to job sites, patients to medical care, and students to classrooms. They strengthen industrial corridors and expand access to talent for employers. And our paratransit system empowers people with disabilities and older adults to participate fully in our economy and civic life.

In this budget book, you'll find more than just numbers. You'll see the work behind the figures — the partnerships, priorities, and planning to preserve critical access to public transportation.

Our work has never been more important. Together, with the support of our riders, employees, and elected officials, we can meet this moment and build a stronger, more resilient transit system for the future. We are proud to represent the riders and communities who rely on Pace every day. We will continue to advocate for the sustainable, transformative funding our region needs to build the world-class transit system our passengers deserve.

Sincerely,

A handwritten signature in blue ink that reads "Melinda J. Metzger".

Melinda J. Metzger
Executive Director
Pace Suburban Bus



Dear Partners and Stakeholders,

On behalf of the Pace Board of Directors, I am pleased to share our 2026 budget. This budget maintains Pace's current level of service and ensures infrastructure needs are met.

As directed by the Regional Transportation Authority, this budget includes a 10% fare increase. This is Pace's first fare increase since 2018.

This document is more than a budget. It is a blueprint for how we continue to serve our communities in the face of difficult financial realities. Federal pandemic relief funds allowed us to sustain service and invest in technology, but those funds will soon be exhausted. Because of Pace's long-standing fiscal discipline, we are able to maintain service into 2027.

The regional fiscal cliff is real, and Pace, like our sister agencies, must plan responsibly for the future. We have made significant progress in recent years, but we know our region needs and deserves even more. That means making tough choices while staying firmly committed to providing safe, reliable, and accessible service for those who depend on us most.

Even in these times, Pace has delivered for our communities. Through ongoing improvements to our infrastructure, technology, and service delivery, we continue to show the impact of careful planning and smart investment. These achievements reflect the hard work of our employees, the guidance of our Board, and the steadfast support of our partners at every level of government.

While the path ahead is challenging, I am hopeful. With continued collaboration, smart planning, and sustainable funding solutions, we can ensure that transit not only survives but thrives — strengthening the economic vitality and quality of life across our region.

Thank you for your continued trust and partnership.

Sincerely,

A handwritten signature in black ink that reads "Rick Kwasneski". The signature is fluid and cursive, with a small superscript "1" at the end.

Rick Kwasneski

Chairman, Pace Board of Directors

Connecting Communities



Cook County • DuPage County • Will County • Kane County • Lake County • McHenry County

Budget Highlights

The Suburban Service and Regional ADA Paratransit Service budgets are balanced to funding levels approved by the Regional Transportation Authority (RTA) Board of Directors on August 21, 2025. In order to achieve a balanced budget for Suburban Service, a one-time use of \$39.8M in previous years' Positive Budget Variance is applied.

Suburban Service

The 2026 operating budget includes a proposed 10% average fare increase for all services as directed by the RTA. This fare increase is expected to temper ridership growth to only 0.5% over 2025 estimated levels. It also includes \$13.8 million in operating efficiencies from the delay of previously planned service adjustments, holding headquarters vacancies at 2025 estimated levels, and other administrative expense savings. The funding approved by the RTA includes a shift of \$23.9 million of discretionary sales tax funding historically allocated to Pace be directed to CTA to support 2026 operations while a solution to the regional funding crisis is sought. The funding available requires the use of \$39.8 million of Positive Budget Variance to support Suburban Service operations, which is expected to be fully exhausted in 2027.

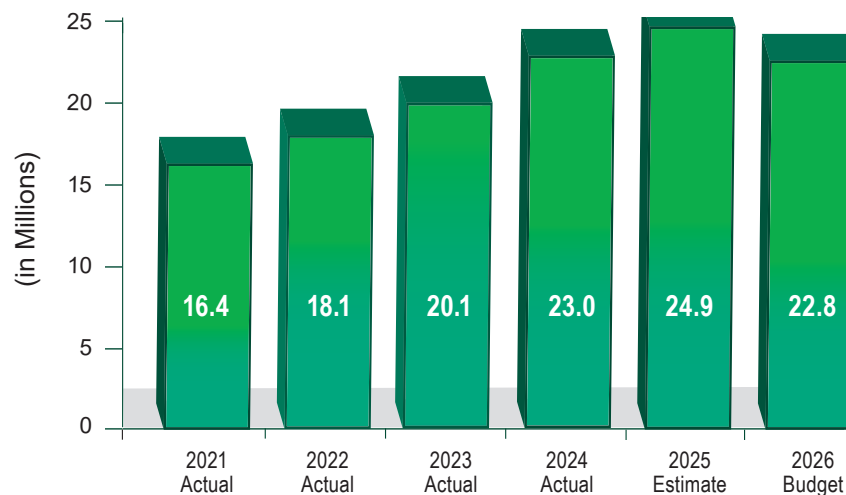
The 2026 Suburban Service Capital Program totals \$78.1 million and includes support for rolling stock, facilities,

and equipment. Highlights of the 2026 capital budget include \$50.7 million to replace 37 diesel buses with hybrid electric and battery electric buses and \$2.0 million to replace 17 paratransit vehicles. The budget also includes \$12.6 million to replace voice and data radios that have exceeded their useful life and \$7.5 million to complete multi-year funding for the electrification and expansion of the Southwest Division garage in Bridgeview.

Regional ADA Paratransit

The 2026 Regional ADA Paratransit budget is balanced to the RTA-approved funding level of \$268.6 million from sales tax and \$11.5 million from a state grant for ADA Paratransit services and includes, at RTA direction, a proposed fare increase from \$3.25 to \$3.50 for all services. The funding level is a 10.0% decrease from the established 2025 funding requirement. The 2026 funding mark fully funds federally required ADA Paratransit services, but is only expected to provide funding for subsidized Taxi Access and Rideshare Access programs for approximately one quarter of 2026. Pace is committed to supporting these services for as long as funding is available. With the expected end of subsidized services after the first quarter, Regional ADA Paratransit service is estimated to provide 4.3 million passenger trips, a 33.3% decrease from 2025 estimated levels.

CHART A. Total System Ridership



Executive Summary

2026 Combined Operating Budget Summary

The 2026 budgets for Suburban Service and the Regional ADA Paratransit program are balanced to the funding levels and recovery ratio requirements approved by the RTA on August 21, 2025.

The 2026 Suburban Service expense budget is \$348.0 million. Suburban Service operating revenue is budgeted at \$51.2 million. Total public funding for Suburban Service is estimated at \$257.0 million, leaving a funding shortfall of \$39.8 million. Positive budget variance will be used to fund the remaining deficit.

The 2026 ADA Paratransit Services budget is balanced to the RTA-directed funding level of \$280.1 million. The 2026 expense budget for Regional ADA Paratransit is \$296.3 million and the operating revenue budget is \$16.2 million. This proposed budget fully funds traditional ADA Paratransit services, but is only expected to support subsidized TAP and RAP services for approximately three

months. Additional funding of \$49.5 million would be required to operate TAP and RAP services for all of 2026.

An amendment to the RTA Act which waived Suburban Service and ADA recovery ratio requirements due to the impact of the coronavirus pandemic will expire at the end of 2025. As such, RTA has reinstated the Service Boards' pre-pandemic recovery ratio requirements for 2026. This returns Pace's Suburban Service recovery ratio requirement to 30.3% and the Regional ADA Paratransit recovery ratio to 10.0%. Using credits authorized by the RTA, the 2026 Suburban Service recovery ratio would only reach 19.6% and the Regional ADA Paratransit recovery ratio would only reach 9.2%. An additional \$34.7 million revenue credit has been applied to reach the 30.3% Suburban Service requirement. An additional \$1.4 million revenue credit has been applied to reach the 10.0% Regional ADA Paratransit requirement.

Table 1. 2026 Combined Services Operating Budget Summary (000s)

	Suburban Service	Regional ADA Paratransit	Combined Pace Services
Total Operating Expenses	\$348,016	\$296,316	\$644,332
Less: Total Operating Revenue	51,161	16,252	67,413
Funding Requirement	\$296,855	\$280,064	\$576,919
Less:			
Sales Tax (Part I)	\$150,934	\$0	\$150,934
Sales Tax (Part II)	23,375	268,564	291,939
Suburban Community Mobility Fund (SCMF)	39,767	0	39,767
South Suburban Job Access Fund	7,500	0	7,500
PTF (Part I)	0	0	0
PTF (Part II)	30,036	0	30,036
RTA Sales Tax (Part I)	0	0	0
Federal Discretionary Fund Programs	5,436	0	5,436
State ADA Funds	0	11,500	11,500
Positive Budget Variance	39,807	0	39,807
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	30.30%	10.00%	N/A

2026 Capital Budget Summary

The preliminary Capital Program funding marks prepared by the RTA include estimated federal, state, and local funds that are expected to be available to the region for capital investment purposes. Listed below are the highlights of the 2026 capital budget.

Suburban Service

The 2026 Suburban Service Capital Program totals \$78.1 million.

The program consists of:

- \$52.7 million for Rolling Stock, including 37 fixed route buses and 17 paratransit vehicles.
- \$12.6 million for Electrical/Signal/Communications, including voice and data radios.
- \$10.8 million for Support Facilities & Equipment, including electrification/expansion of Southwest Division, computer hardware, non-revenue vehicles, and security cameras.
- \$2.0 million for Miscellaneous, including unanticipated capital projects.

Table 2.
2026 Suburban Service Capital Budget (000s)

	Amount
Rolling Stock	
Fixed Route Hybrid Buses (28)	\$37,150
Fixed Route Electric Buses (9)	13,500
Paratransit Vehicles (17)	2,037
Subtotal	\$52,687
Electrical/Signal/Communications	
Voice Radios	\$9,600
Data Radios	2,960
Subtotal	\$12,560
Support Facilities & Equipment	
Southwest Division Electrification/Expansion	\$7,500
Computer Hardware	1,948
Non-Revenue Vehicles	840
Security Cameras	550
Subtotal	\$10,838
Miscellaneous	
Unanticipated Capital	\$2,000
Subtotal	\$2,000
Total Suburban Capital Program	\$78,085
Total Funding	
Federal 5307/5339	\$55,835
State PAYGO	20,250
Pace PBV	2,000
Total Suburban Funding	\$78,085

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2026 Suburban Service Operating Budget

In 2026, Pace projects \$348.016 million in operating expenses. This estimate includes \$13.747 million in operating efficiencies from the delay of previously planned service increases, holding headquarters vacancies at 2025 estimated levels, and other administrative expense savings.

A total of \$51.161 million in revenue will be generated from operations. This estimate reflects RTA direction to implement a 10% average fare increase and halt service expansion plans until a solution can be found for the regional funding crisis.

The funding requirement of \$296.855 million is funded by sales tax and other public funding.

The RTA marks for 2026 provide a total of \$251.612 million in funding generated from Regional Sales Tax. This is a 3.13% decrease from 2025 estimated levels, reflecting the allocation of all regional discretionary sales tax funding to CTA in 2026.

A total of \$2.936 million in federal Congestion Mitigation/Air Quality (CMAQ) funds will be used to support Pulse Dempster operations and \$2.500 million in federal 5310 funds will be used to support call center operations.

A total of \$39.807 million of Positive Budget Variance will be used to cover the shortfall in sales tax and operating revenue.

Ridership is projected to increase 0.5% in 2026 to 18.5

million trips with growth only expected in Demand Response and Vanpool service.

An amendment to the RTA Act which waived the 50% regional recovery ratio requirement due to the impact of the coronavirus pandemic will expire at the end of 2025. As such, RTA has reinstated the Service Boards' pre-pandemic recovery ratio requirements for 2026. This returns Pace's recovery ratio requirement to 30.3% from 17.5% in recent years. Using credits authorized by the RTA, the 2026 budgeted recovery ratio would only reach 19.63%. Pace has applied an additional \$34.701 million revenue credit to reach the 30.3% requirement. Without the above revenue credit, Pace would be required to decrease expenses by \$114.525 million in order to meet the reinstated recovery ratio requirement.

If the actual year-end regional recovery ratio falls below 50%, the financial penalty provisions under RTA Act 4.09(g)(i) will be triggered, requiring the RTA to remit the shortfall to the State and proportionally reduce funding to any Service Board that did not meet its required ratio. The \$34.701 million additional revenue credit budgeted in 2026 represents Pace's potential year-end financial penalty if the recovery ratio is not reached. The RTA and Service Boards will continue to work with legislators to seek temporary recovery ratio requirement relief to avoid the penalties that can exacerbate potential harm to riders and critical transit services in the region.

Table 3. 2026 Suburban Service Operating Budget Summary (000s)

	2024 Actual	2025 Estimate	2026 Budget
Total Operating Expenses	\$274,950	\$329,953	\$348,016
Less: Total Operating Revenue	54,595	49,172	51,161
Funding Requirement	\$220,355	\$280,781	\$296,855
Less:			
Sales Tax (Part I)	\$132,006	\$146,099	\$150,934
Sales Tax (Part II)	21,486	23,883	23,375
Suburban Community Mobility Fund (SCMF)	34,779	35,850	39,767
South Suburban Job Access Fund	7,500	7,500	7,500
PTF (Part I)	6,354	6,958	0
PTF (Part II)	25,986	28,783	30,036
RTA Sales Tax (Part I)	7,512	10,657	0
RTA Discretionary Fund Programs	334	0	0
Federal Discretionary Fund Programs	8,724	5,916	5,436
Positive Budget Variance	0	15,135	39,807
Net Funding Available	\$24,326	\$0	\$0
Recovery Ratio	26.31%	19.99%	30.30%

Sources of Funds

Pace relies on two sources to fund operations—funds classified as “public”, which come from the State of Illinois and the federal government, and revenue derived from operations.

Public funding is split into two main categories—Part I and Part II. Part II funding was added in 2008 as a result of legislative funding changes which increased the amount and sources of funds and established a new allocation basis for the additional funding. The main sources of funding for both Part I and Part II funding are the same—a regional sales tax and a state sales tax matching grant from the Public Transportation Fund (PTF). It is important to understand that Part II funding is in addition to Part I funding and the two taken together comprise the total public funding available.

With the adoption of the Illinois Fiscal Year 2018 budget, the state imposed a 2% administrative surcharge on RTA sales tax which is still in effect today.

By September 15 each year, the RTA is required to advise Pace and the other Service Boards of the amounts and timing of public funds provided for the coming and following two fiscal years. The RTA is also required to establish a recovery ratio at this time which indirectly sets the levels of operating revenue that each of the Service Boards needs to achieve to meet the RTA marks. Further discussion of the RTA marks and the budget process can be found in Appendix G. A detailed look at the funding sources is provided below.

Table 4. Allocation of Part I Sales Tax Receipts

	RTA	CTA	Metra	Pace
Chicago	15%	(100%	0%	0% of remaining 85%)
Suburban Cook	15%	(30%	55%	15% of remaining 85%)
Collar Counties	15%	(0%	70%	30% of remaining 85%)

Table 5. Regional Sales Tax & Public Transportation Fund Trends (000s)

	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Budget
Regional Funds					
Sales Tax - Part I	\$1,161,319	\$1,206,550	\$1,264,349	\$1,398,958	\$1,445,647
PTF Match to Sales Tax - Part I (25%)	294,582	307,069	317,694	347,883	366,095
Sales Tax - Part II	408,248	424,333	444,309	497,806	508,019
PTF Match to Sales Tax - Part II (+5% Part I)	205,005	207,983	213,622	237,392	248,295
Total Sales Tax and PTF	\$2,069,154	\$2,145,935	\$2,239,974	\$2,482,039	\$2,568,056
Pace Share of Regional Funds					
Sales Tax - Part I	\$123,182	\$127,231	\$132,006	\$146,099	\$150,934
PTF Match to Sales Tax - Part I	5,892	6,141	6,354	6,958	0
Sales Tax - Part II and PTF - Part II	78,094	80,942	84,512	91,274	93,178
Total Pace Share	\$207,168	\$214,314	\$222,872	\$244,331	\$244,112
Pace Funding as a Percent of Regional Funding					
PTF Match to Sales Tax - Part II (RTA Discretionary)	2.0%	2.0%	2.0%	2.0%	0.0%
Sales Tax - Part I and PTF - Part I	8.9	8.8	8.7	8.8	8.3
Sales Tax - Part II and PTF - Part II	12.7	12.8	12.8	12.4	12.3
Total Receipts	10.0%	10.0%	9.9%	9.8%	9.5%

Funding Sources - Part I

Sales Tax

The Part I sales tax amount represents the pre-2008 sales tax imposed by the RTA. The effective sales tax rate for Part I is 1.0% in Cook County and 0.25% in Will, Lake, Kane, DuPage, and McHenry Counties. Part I sales tax is distributed to the RTA and the Service Boards in accordance with the allocation shown in Table 4.

The estimated Part I sales tax funding mark for Pace is \$150.934 million for 2026. This represents approximately 10.4% of the total RTA region's estimate of \$1.446 billion. The RTA estimate for Pace Part I Sales Tax receipts is 3.3% higher than 2025 estimated levels. The RTA estimate is based on a projection of current sales tax trends which continue to rise over prior year levels. Table 5 highlights recent trend and upcoming estimates for Part I sales tax revenue for both the region and Pace.

Public Transportation Fund (PTF)

Section 4.09 of the RTA Act establishes a Public Transportation Fund in the State Treasury. The PTF is to be funded by transfers from the General Revenue Fund. All funds in the PTF are to be allocated and paid to the RTA, provided it meets the budgeting and financial requirements set forth in the Act. The amount transferred to the fund under Part I equals 25% of the net revenue realized from the Part I sales tax.

For 2026, the RTA will not provide Pace with a portion of the PTF match received for Part I Sales Tax revenue. Instead, all funding from the PTF match for Part I Sales Tax will be allocated to CTA.

Funding Sources - Part II Sales Tax & PTF

The passage of Public Act 95-0708 in January 2008 restructured RTA governance, oversight responsibilities, and funding. Pace operating funding was enhanced with additional resources that are based on new sales taxes and matching PTF allocations.

Under the new funding package, the regional sales tax is increased by 0.25% of 1% throughout the six-county region. An additional PTF grant from the State equal to

5% of total sales tax collections—Part I existing sales tax and the new additional 0.25% sales tax—was established.

The existing PTF match of 25% of sales tax was extended to the new 0.25% sales tax, bringing the total PTF match to 30%. Authorization for a Real Estate Transfer Tax (RETT) was created in the City of Chicago with the proceeds of RETT and a State 25% match from PTF on RETT going to CTA.

Funds generated by the new package are pooled and then allocated by the state statute. The allocation for 2026 is as follows:

- \$268.564 million is allocated to Regional ADA Paratransit Service based on program requirements.
- \$39.767 million is allocated to Pace under the Suburban Community Mobility Fund (SCMF).
- \$19.883 million is allocated to the RTA for the Innovation, Coordination and Enhancement (ICE) fund.
- \$17.246 million is allocated to CTA for the 25% PTF match on RETT.

The SCMF and ICE amounts are adjusted annually for sales tax performance (Table 6). The remaining balance is allocated to CTA (48%), Metra (39%), and Pace (13%).

In addition to the above funds, Public Act 95-0708 requires RTA to provide Pace \$7.5 million annually for services in south Cook County, but this funding is not required to be provided out of Part II Sales Tax or PTF funding.

Table 6 shows the allocation of the new funding sources for the 2026 RTA budget.

Suburban Community Mobility Fund (SCMF)

In 2026, the \$39.767 million available through SCMF will allow Pace to provide non-traditional transit services such as demand response, vanpool, ridesharing, reverse commute, bus rapid transit, and other innovative services that enhance suburban mobility. Both new and existing services are eligible for SCMF funding. For 2026, Pace will use these funds to support existing services.

SCMF fund levels are tied to the percentage change in sales taxes.

South Suburban Cook Job Access Fund

While not representing a new source of funds, the RTA legislation (January 2008) established a requirement that the RTA provide \$7.5 million annually to Pace for the provision of services in south Cook County.

The \$7.5 million does not grow with sales tax growth. These funds can be used for new or existing services that focus on employment opportunities. In 2026, Pace expects to spend a total of \$41.754 million for services in south Cook County for two of its operating divisions—South Division in Markham and Southwest Division in Bridgeview.

Federal Discretionary Fund Programs

Congestion Mitigation/Air Quality (CMAQ) Program

Pace relies on funds from the CMAQ program to implement and maintain various new services that support program objectives. Funding from this source is included in 2026 to support Pulse Dempster service.

Enhanced Mobility of Seniors and Individuals with Disabilities (\$5310)

This program encourages service and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act. Funding from this source is included in 2026 to support the Regional Mobility Management Call Center (RMMCC).

Positive Budget Variance

A service board generates positive budget variance (PBV) when funding available exceeds funding required in a given year. These funds are held by a service board until such time that the service board chooses to use the funds for capital or operating purposes. Funding from this source will be used to balance 2026 funding to the estimated funding requirement.

Operating Revenue

The 2026 budget includes \$51.161 million of operating revenue, a 4.0% increase from the 2025 estimate. An expected increase in farebox revenue due to the proposed 10% average fare increase is partially offset by an expected decrease in interest income.

Table 6.
Allocation of Part II Sales Tax Receipts (000s)

	2026 Budget
Sales Tax - Part II	\$508,019
PTF - Part II	248,295
Total Sales Tax II & PTF II	\$756,314
Distribution of Sales Tax - Part II and PTF - Part II	
Less:	
Regional ADA Paratransit Fund	\$268,564
Suburban Community Mobility Fund - Pace	39,767
ICE Fund - RTA	19,883
25% PTF Match on RETT - CTA	17,246
Balance Available for Allocation to Service Boards	\$410,854
Service Board Allocation	
CTA - 48%	\$197,210
Metra - 39%	160,233
Pace - 13%	53,411
Total Service Board Allocation	\$410,854

Uses of Funds

All funds received in 2026 will be used to support Pace services. The components of the 2026 Suburban Service operating program are fixed route services (i.e., Pace divisions, public/municipal-contracted, and private-contracted); demand response services; the Vanpool program; centralized support expenses; and costs for administration.

Pace Divisions

Pace is responsible for the direct operation of service from nine divisions in the six-county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 88% of the total suburban service ridership. Pace expects to expend \$164.777 million for these services in 2026. Further information can be found on page 12.

Public/Municipal Contracted Services

Pace will contract directly with two municipalities (Niles and Highland Park) and maintain an agreement with the Village of Schaumburg for fixed route services. These services are expected to cost an estimated \$4.131 million in 2026. Further information can be found on page 13.

Private Contract Services

Pace provides a portion of fixed route service by directly contracting with two private transit companies. The total cost for private contract services in 2026 is estimated at \$3.770 million. Further information can be found on page 14.

Demand Response Services

Pace partners in 41 demand response projects throughout the six-county region. Services are operated by townships and local municipalities under contract with Pace or by private providers. Pace provides funding for these services based on a formula applied to the total service cost. The local government also provides a portion of the service cost. Additionally, Pace oversees the Community Transit Program. The total cost for demand response services in 2026 is estimated at \$27.294 million. Further information can be found on pages 15 and 16.

Vanpool Services

The 2026 budget for vanpool services is \$1.984 million. This program is comprised of three elements—the Vanpool Incentive Program (VIP) provides traditional commute vanpools and VanGo services, the Advantage program provides a transit alternative to individuals who commute on a regular basis to worksites or rehabilitative workshops, and the Shuttle program provides suburban employers and qualifying not-for-profit human services organizations a means to transport employees and program participants to and from transit connections or worksites. Pace expects the Vanpool program to have 329 vans in service in 2026. Further information can be found on pages 17 and 18.

Centralized Support

Pace provides a variety of direct operational support services through a centralized support program allowing Pace to save money by buying in bulk and consolidating services. In total, Pace will spend \$98.513 million to provide fuel, insurance, healthcare, and other support items in 2026. Further detail is provided on page 19.

Administration

To accomplish the duties of direct operational support, mobility management, service planning, capital planning, financial control and IT support, Pace's 2026 administrative budget, including debt service, is set at \$60.882 million. Further information can be found on page 20.

Regional ADA Paratransit Credit

In July 2006, Pace assumed responsibility for providing all ADA Paratransit Service in the northeastern Illinois six-county region. To offset the cost of administrative support (i.e., Accounting, Procurement, IT and other departments), a credit is applied to the Suburban Service budget and allocated to the Regional ADA Paratransit Services budget. For 2026, the allocation is \$13.335 million.

Table 7. Suburban Service Revenue Summary (000s)

	2024 Actual	2025 Estimate	2026 Budget
Operating Revenue			
Pace Divisions	\$19,786	\$19,533	\$21,400
Public/Municipal Contracted Services	1,218	1,480	1,588
Private Contract Services	974	792	807
Demand Response Services	13,504	11,060	12,428
Vanpool Services	991	994	1,168
Half-Fare Reimbursement	1,460	1,760	1,767
Investment/Other Income	15,887	12,710	11,073
Advertising Revenue	775	843	930
Total Operating Revenue	\$54,595	\$49,172	\$51,161
Public Funding			
Sales Tax (Part I)	\$132,006	\$146,099	\$150,934
Sales Tax (Part II)	21,486	23,883	23,375
PTF (Part I)	6,354	6,958	0
PTF (Part II)	25,986	28,783	30,036
Suburban Community Mobility Fund (SCMF)	34,779	35,850	39,767
South Suburban Cook Job Access Fund	7,500	7,500	7,500
RTA Sales Tax (Part I)	7,512	10,657	0
Federal Discretionary Fund Programs	8,724	5,916	5,436
Non-federal Discretionary Fund Programs	334	0	0
Positive Budget Variance	0	15,135	39,807
Total Public Funding	\$244,681	\$280,781	\$296,855
Total Sources of Funds	\$299,276	\$329,953	\$348,016

2026 Sources of Funds (000s) - Total \$348,016

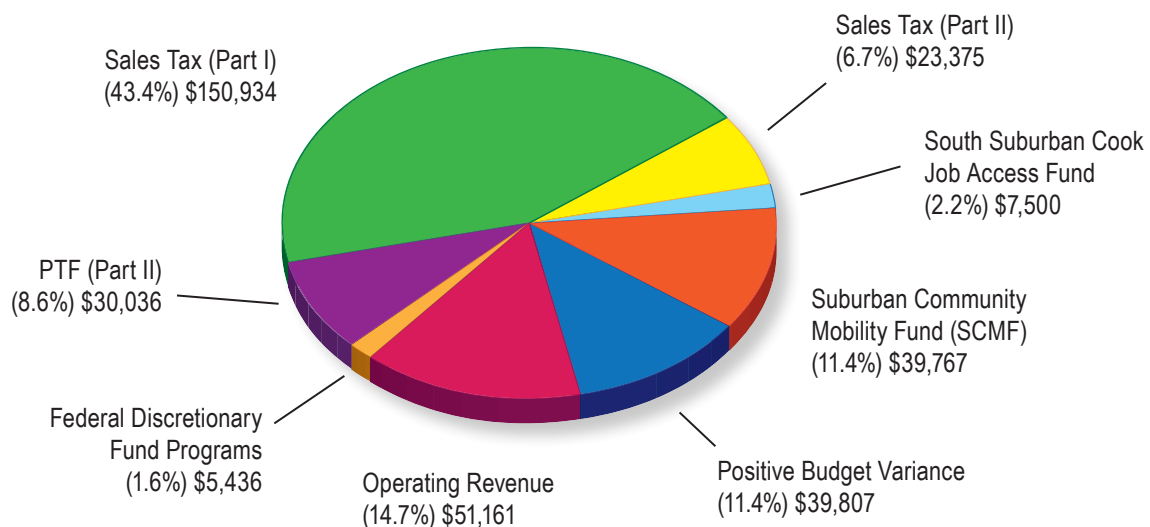
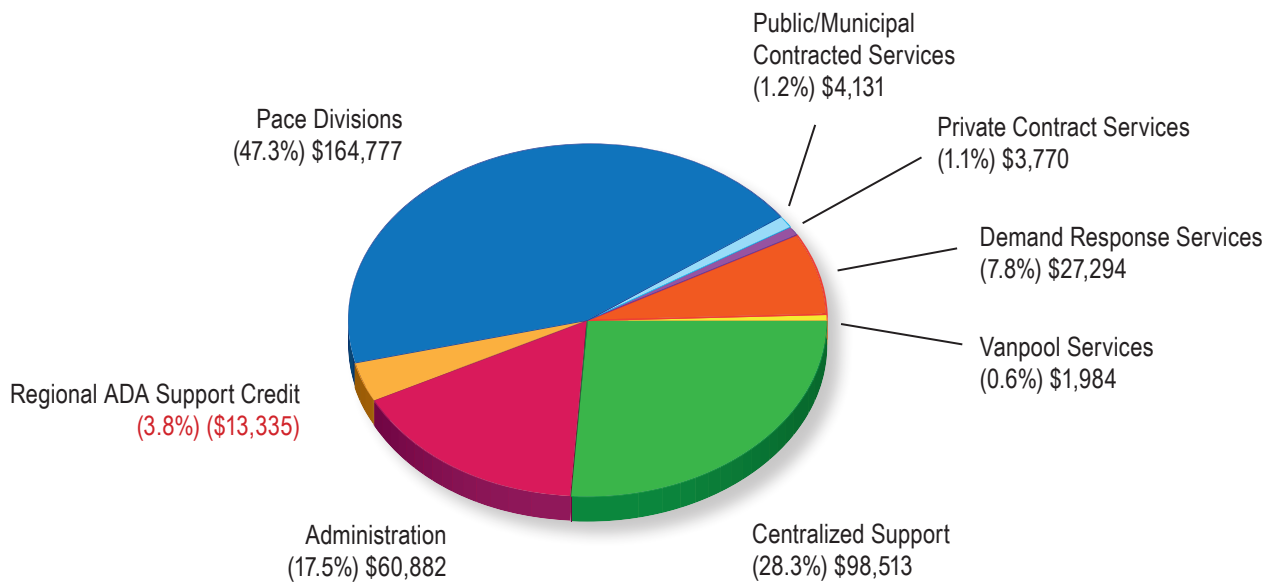


Table 8. Suburban Service Expense Summary (000s)

	2024 Actual	2025 Estimate	2026 Budget
Expenses			
Pace Divisions	\$140,427	\$158,557	\$164,777
Public/Municipal Contracted Services	3,488	3,859	4,131
Private Contract Services	3,899	3,572	3,770
Demand Response Services	23,616	26,166	27,294
Vanpool Services	1,569	1,842	1,984
Centralized Support	65,833	90,595	98,513
Administration*	44,196	57,024	60,882
Regional ADA Support Credit	(8,078)	(11,662)	(13,335)
Total Expenses	\$274,950	\$329,953	\$348,016
Net Funding Available	\$24,326	\$0	\$0
Recovery Ratio	26.31%	19.99%	30.30%

*Includes Debt Service through 2024

2026 Uses of Funds (000s) - Total \$348,016



2026 Pace Divisions Budget



2026 Goals

Pace's efforts for 2026 include providing 16.515 million rides via service provided by Pace Divisions.

Pace operates fixed route service from nine divisions located throughout the six-county region: Fox Valley in North Aurora, Southwest in Bridgeview, Northwest in Des Plaines, River in Elgin, North Shore in Evanston, Heritage in Plainfield, South in Markham, West in Melrose Park, and North in Waukegan. Combined, these carriers account for 88.1% of the system's suburban ridership.

In 2026, Pace will spend \$164.777 million to provide service in these areas. This represents a 3.92% increase over estimated 2025 levels and is primarily due to inflation and contractual labor and fringe growth. Total revenue is expected to increase 9.56% due to the proposed 10% average fare increase.

The budget for Pace divisions is summarized in the table below.

Table 9. Budget Summary - Pace Divisions (000s)

	2024 Actual	2025 Estimate	2026 Budget
Revenue			
Pace Divisions	\$19,423	\$19,081	\$21,152
CMAQ/ICE	363	452	248
Total Revenue	\$19,786	\$19,533	\$21,400
Expenses			
Operations	\$90,725	\$100,933	\$106,203
CMAQ/ICE	6,237	6,218	3,185
Maintenance	22,414	25,860	28,713
Bus Parts/Supplies	11,207	13,124	14,071
Non-Vehicle Maintenance	3,548	4,564	4,714
General Administration	6,296	7,858	7,891
Total Expenses	\$140,427	\$158,557	\$164,777
Funding Requirement	\$120,641	\$139,024	\$143,377
Recovery Ratio	14.09%	12.32%	12.99%
Ridership	16,402	16,515	16,515
Vehicle Miles	26,139	26,334	26,334
Vehicle Hours	1,769	1,848	1,848
Full Time Equivalents (FTEs)*	1,478.0	1,629.0	1,633.0

**FTEs not rounded to nearest thousand*

2026 Public/Municipal Contracted Services Budget

Pace contracts with two municipalities—Highland Park and Niles—and maintains an agreement with the Village of Schaumburg for fixed route service. The budget for Public/Municipal contracted service is summarized in the table below. Detailed information is provided in Appendix F.

Municipal Fixed Route Services

The City of Highland Park and the Village of Niles will continue to contract with Pace in order to provide fixed route services in 2026. Combined, these services will provide 0.244 million rides and generate \$1.266 million in farebox and local share revenue. Total service expenditures will reach \$3.516 million in 2026 and net required funding will be \$2.250 million.

Schaumburg

Trolley service is provided in the Woodfield area of Schaumburg. The 2026 estimated cost of this service is \$0.615 million, which will be partially funded by the Village of Schaumburg.



2026 Goals

Pace's efforts for 2026 include providing 0.265 million rides via Public/Municipal Contracted Services.

Table 10. Budget Summary - Public/Municipal Contracted Services (000s)

	2024 Actual	2025 Estimate	2026 Budget
Revenue			
Highland Park	\$349	\$579	\$648
Niles	516	602	618
Schaumburg	353	299	322
Total Revenue	\$1,218	\$1,480	\$1,588
Expenses			
Highland Park	\$1,501	\$1,609	\$1,800
Niles	1,438	1,673	1,716
Schaumburg	549	577	615
Total Expenses	\$3,488	\$3,859	\$4,131
Funding Requirement	\$2,270	\$2,379	\$2,543
Recovery Ratio	39.36%	38.24%	38.26%
Ridership	247	265	265
Vehicle Miles	323	322	322
Vehicle Hours	29	26	26

2026 Private Contract Services Budget

In 2026, Pace will continue to use contract carriers for fixed route service provision in Rosemont, McHenry County, and the Wheaton/Westmont area.

The cost of providing fixed route contracted service will increase by 5.54% to \$3.770 million in 2026 due to contractual cost increases.

Operating revenue is projected to increase 1.9% from 2025 estimated levels due in part to the proposed 10% average fare increase.

The budget for private contract services is summarized in the table below.



2026 Goals

Pace's Private Contract Services efforts for 2026 include providing service to 0.321 million riders.

Table 11. Budget Summary - Private Contract Services (000s)

	2024 Actual	2025 Estimate	2026 Budget
Revenue			
Private Contract	\$974	\$792	\$807
Total Revenue	\$974	\$792	\$807
Expenses			
Private Contract	\$3,899	\$3,572	\$3,770
Total Expenses	\$3,899	\$3,572	\$3,770
Funding Requirement	\$2,925	\$2,780	\$2,963
Recovery Ratio	24.98%	22.17%	21.41%
Ridership	321	321	321
Vehicle Miles	751	715	715
Vehicle Hours	45	41	41

2026 Demand Response Services Budget

Demand Response Services include traditional local Dial-a-Ride, County-led Coordinated Service, On Demand Service, and the Community Transit Program as detailed below.

In 2026, Pace will continue to offer suburban counties the option to provide subsidized trips for eligible riders using transportation network companies (TNCs) via Pace's regionwide Rideshare Access Program (RAP).

Local Dial-a-Ride Service

Dial-a-Ride is available in a large portion of the Pace service area through local projects serving over 125 townships and municipalities. Nearly all services are provided with Pace-owned accessible paratransit vehicles.

Pace has service agreements with villages and townships for the operation of nine dial-a-ride projects. In most cases, the local community operates the service with Pace contributing funding and providing vehicles. For 2026, Pace's funding formula for service agreements is based on providing a subsidy of \$7.00 per trip. As in past years, individual project funding will also be limited to the inflationary growth rate for 2026.

Pace contracts directly with private providers for the operation of 14 additional traditional dial-a-ride projects. The communities served by these programs collaborate with Pace to provide financial support for these projects through local share agreements.

County-led Coordinated Service

Pace has been nationally recognized for its effort to coordinate local Demand Response services into county-wide programs. These expand transportation access for thousands of riders who rely on these services. Pace works closely with elected officials, local government staff, and human service/advocate agencies to coordinate funding and delivery of paratransit services through its Township Riders Initiative Program (TRIP) in suburban Cook, Ride DuPage, Ride in Kane, Ride Lake, MCRide in McHenry, and Access Will Ride. These programs grew out of local dial-a-ride service and have now been coordinated and standardized to provide service across local boundaries. These programs are designed by coordinating councils to meet local needs and led by county departments.

On Demand Service

Pace's On Demand reservation-based service offers low-cost rides in 11 different suburban zones. Having improved and expanded over its 15 years, the service is designed to supplement fixed route service by providing the first and/or last mile to connect people to routes in the area. In addition to phone reservations, customers may book their reservation online. Fares for this service are the same as the local fixed route service and vehicles are equipped with the Ventra® fare system.

Listed below are the 11 On Demand services Pace operates throughout the region.

- | | |
|----------------------|-------------------------------------|
| • Batavia | • Vernon Hills/Mundelein |
| • Naperville/Aurora | • Arlington Heights/Rolling Meadows |
| • Round Lake Area | • Wheaton/Winfield |
| • Southeast Aurora | • Hoffman Estates |
| • St. Charles/Geneva | • Lansing Area |
| • West Joliet | |

Community Transit Program

The Community Transit program allows local municipalities to provide flexible public transportation in their communities using a Pace-owned vehicle. For 2026, Pace expects the program to have 96 vehicles in service.

The budget shown in Table 12 will provide \$27.294 million for all Demand Response services throughout the six-county region.



2026 Goals

Pace's Demand Response efforts for 2026 include assisting collar counties with implementing or enhancing county-wide service.

Table 12. Budget Summary - Demand Response Services (000s)

	2024 Actual	2025 Estimate	2026 Budget
Revenue			
Municipal Provided Service	\$3,202	\$2,676	\$2,853
Contractor Provided Service	724	351	388
On Demand Service	82	104	116
County Coordinated Service	9,229	6,416	6,698
Subsidized Service	84	1,399	2,259
Community Transit	113	114	114
Total Revenue	\$13,504	\$11,060	\$12,428
Expenses			
Municipal Provided Service	\$3,629	\$3,452	\$3,644
Contractor Provided Service	4,412	5,292	4,619
On Demand Service	2,714	2,995	3,162
County Coordinated Service	12,509	13,003	13,585
Subsidized Service	314	1,399	2,259
Community Transit	38	25	25
Total Expenses	\$23,616	\$26,166	\$27,294
Recovery Ratio			
Municipal Provided Service	88.23%	77.54%	78.30%
Contractor Provided Service	16.43%	6.63%	8.40%
On Demand Service	3.01%	3.46%	3.67%
County Coordinated Service	74.35%	49.34%	49.30%
Subsidized Service	26.67%	100.00%	100.00%
Community Transit	295.05%	461.04%	450.81%
Total Recovery Ratio	57.18%	42.27%	45.53%
Ridership			
Municipal Provided Service	104	97	99
Contractor Provided Service	51	43	46
On Demand Service	83	85	87
County Coordinated Service	272	278	281
Subsidized Service	18	87	136
Community Transit	150	148	148
Total Ridership	678	738	797

2026 Vanpool Services Budget

The Vanpool program is a commuting option which provides passenger vans to small groups of four to 14 people, allowing them to commute to and from work together. The Vanpool program generates the highest return on investment of Pace's services.

Pace's Vanpool program is comprised of three elements: Vanpool Incentive Program (VIP), Shuttle program, and Advantage program. As part of the VIP program, Pace also offers VanGo service—a self-serve travel option providing a connection between designated bus or train stations and the rider's place of work for a proposed round trip fare of \$5.50 in 2026. The Vanpool program budget is summarized in Table 13.

Pace estimates to have 329 vans in service by year-end 2026 providing 0.574 million rides. Revenue is forecasted to increase in 2026 due to increased participation in the VIP and Advantage programs and the impact of the proposed 10% average fare increase. Expenses are projected to grow 7.73% over 2025 levels primarily due to ridership.

Vanpool Incentive Program

VIP is a traditional commuter vanpool program and is the core element of Pace's vanpool services. VIP is projected to reach a ridership level of 0.232 million rides with 115 vans in service by the end of 2026. The 2026 budgeted revenue is anticipated to increase from 2025 revenue due to a 24.02% increase in ridership and the

proposed 10% average fare increase. Total expenses are projected to grow 15.00%, with most of the increase coming from the increased ridership.

Shuttle Program

The Shuttle program provides vans to suburban employers to shuttle employees to and from nearby transit connections. It also provides vans to qualifying not-for-profit human services organizations to shuttle program participants to and from transit connections and worksites. Pace expects to have 28 shuttle vans in service at the end of 2026. Program revenue is expected to increase 18.46% due to increased ridership and the proposed 10% average fare increase.

Advantage Program

The Advantage program provides a transit alternative to individuals who commute on a regular basis to worksites or rehabilitative workshops supported by qualifying not-for-profit human services organizations. It is an alternative for those unable to use the regular ADA Paratransit service or those living outside the 3/4 mile ADA service area.

Advantage program revenue is expected to grow 12.42% in 2026, mostly due to the proposed 10% average fare increase. Pace estimates to have 186 vans in service at year-end to accommodate the increased ridership. Program expenses are expected to grow 3.99% in 2026.

2026 Goals

Pace's efforts for Vanpool Services in 2026 include providing 0.574 million passenger trips.



Table 13. Vanpool Services Budget (000s)

	2024 Actual	2025 Estimate	2026 Budget
Revenue			
VIP	\$391	\$395	\$490
Shuttle	78	75	89
Advantage	522	524	589
Total Revenue	\$991	\$994	\$1,168
Expenses			
VIP	\$511	\$550	\$632
Shuttle	129	140	154
Advantage	929	1,152	1,198
Total Expenses	\$1,569	\$1,842	\$1,984
Funding Requirement	\$578	\$848	\$816
Recovery Ratio			
VIP	76.55%	71.94%	77.57%
Shuttle	60.62%	53.53%	57.72%
Advantage	56.17%	45.44%	49.12%
Total Recovery Ratio	63.17%	53.96%	58.85%
Ridership			
VIP	212	206	232
Shuttle	34	41	44
Advantage	288	291	298
Total Ridership	534	538	574
Vehicle Miles			
VIP	1,922	1,904	2,146
Shuttle	269	362	390
Advantage	1,281	1,265	1,293
Total Vehicle Miles	3,472	3,531	3,829
Vehicles in Service (year-end) - VIP*	98	102	115
Vehicles in Service (year-end) - Shuttle*	25	26	28
Vehicles in Service (year-end) - Advantage*	182	182	186
Total Vehicles in Service (year-end)*	305	310	329

*Vehicles in Service not rounded to nearest thousand

2026 Centralized Support Budget

Pace centrally manages numerous functions and expenditures on behalf of the entire agency, including expenses for fuel, liability insurance, healthcare, and the Ventra® fare system. The centralized support budget is comprised of four activity areas: Operations, Maintenance, Non-Vehicle Maintenance, and Administration. The centralized support budget will reach \$98.513 million in 2026.

In 2025, Pace's centralized support expense is estimated to end the year up 37.61% from 2024 levels. Significant areas of growth include vehicle maintenance and repair, liability insurance, and employee healthcare expenses.

The 2026 centralized support budget will grow 8.74% over estimated 2025 levels, mostly due to growth in labor and fringe, fuel, liability insurance and health insurance expenses.

The Operations component of the 2026 Centralized Support budget is comprised of 40.0 positions that provide support to all operations areas of Pace. Total operations expenses will increase 3.28% from 2025 levels mostly due to fuel expenses. Total fuel costs are projected to grow 4.10% in 2026. These costs include diesel, gasoline, CNG and electricity for vehicle charging.

The price per gallon for liquid fuels (diesel, gasoline, CNG) is forecasted to grow by 2.97% in 2026. For Pace, this represents a \$0.06 increase to \$2.27 per gallon. Fuel consumption measured in gallons will reach 6.0 million which is flat to 2025 estimated consumption.

In 2026, Pace expects to add 23 fixed route battery electric buses (BEBs) to the one fixed route electric bus and one paratransit electric bus operating in 2025. Consumption

for BEBs is measured in kilowatt hours (kWh) of charging. The price per kWh of charging in 2026 is expected to increase 13.93% from 2025 levels. Due to the increase in the size of the BEB fleet, consumption will reach 1.8 million kWh of charging in 2026.

The Maintenance component of Centralized Support is comprised of 32.0 positions tasked with overseeing fleet maintenance and vehicle procurement. Total maintenance expense is projected to increase 2.23% from 2025 levels due to labor and fringe expense growth.

The Non-Vehicle Maintenance component is comprised of 16.0 positions which provide support to all facility and passenger shelter maintenance functions. This area is expected to grow 7.42% in 2026 due to outside service expenses.

The General Administration component of the central support budget is comprised of various expenses including marketing, Ventra® fare system, liability insurance, and healthcare. This area is expected to increase 11.77% in 2026, mostly associated with increased liability and employee healthcare costs.

2026 Goals

Pace's 2026 efforts include continued utilization of joint procurements in order to maximize cost savings.

Table 14. Centralized Support Budget (000s)

	2024 Actual	2025 Estimate	2026 Budget
Operations	\$7,190	\$7,891	\$8,041
Fuel	12,484	13,365	13,913
Maintenance	\$5,618	\$7,474	\$7,641
Non-Vehicle Maintenance	\$2,809	\$5,302	\$5,696
General Administration	\$9,070	\$10,479	\$11,308
Liability Insurance	2,522	12,744	15,621
Healthcare	26,140	33,339	36,294
Total	\$65,833	\$90,595	\$ 98,513
Full-Time Equivalents (FTEs)*	83.0	88.0	88.0

*FTEs not rounded to the nearest thousand

2026 Administrative Budget

The 2026 administrative budget is estimated to reach \$60.882 million. Pace will use 185.5 positions to manage the agency’s administrative responsibilities including accounting, financial and capital assistance programs, marketing, information systems, legal services, procurement, and strategic planning.

The following table summarizes the two major activity areas of the administrative budget: Non-Vehicle Maintenance, which represents the operating costs for the headquarters facility, and the General Administration category. Administration costs include labor, parts and supplies, utilities, and other expenses.

In addition to a concerted effort to fill vacant positions, the largest contributor to 2025 year-over-year expense growth is investment in improved IT software and services.

The 2026 administrative budget will increase 6.77% over 2025 estimated levels. This budget will continue to support the modernization of Pace’s enterprise resource planning software, as well as ongoing construction engineering and oversight services for the largest capital program in Pace’s history.

More information on staffing levels, as well as an organization chart, is provided in Appendix A.



2026 Goals

Pace's administrative budget goals for 2026 include continued efforts to improve systems and infrastructure.

Table 15. Administrative Budget (000s)			
	2024 Actual	2025 Estimate	2026 Budget
Non-Vehicle Maintenance	\$359	\$366	\$322
General Administration	\$41,774	\$54,426	\$58,268
Parts/Supplies	164	177	188
Utilities	1,857	2,054	2,104
Bond Interest	42	0	0
Total Expenses	\$44,196	\$57,023	\$60,882
Full Time Equivalents (FTEs)*	169.5	185.5	185.5

**FTEs not rounded to the nearest thousand*

2026 Suburban Service Budget & Two-Year Financial Plan

The RTA Act requires that the service boards submit a budget and two-year financial plan which shows a balance between the funding estimates provided by the RTA and the anticipated costs of providing services. Pace's plan for 2026–2028 achieves this balance. The assumptions and highlights for the three years in review are provided in this section.

The 2026 Budget assumes ridership will grow 0.5% from 2025 estimated levels, with the only growth expected in Demand Response and Vanpool services. The outlook for 2026–2028 is that fixed route ridership will stay flat in all years. Demand Response ridership is expected to grow 8.0% in 2026 and 2.1% in both 2027 and 2028. Vanpool ridership is expected to stay flat in 2027 and 2028 after growing 6.7% in 2026.

After growing 10.1% from 2024 to 2025, Pace's total RTA sales tax allocation is forecasted to decrease 3.1% in 2026 before increasing 11.8% in 2027, and 1.6% in 2028. The 2026 decrease reflects the allocation of all regional discretionary sales tax funding to support CTA operations in 2026. Federal discretionary Congestion Mitigation/Air Quality (CMAQ) funding for Pulse Dempster service is programmed for 2025 and 2026, while Enhanced Mobility (Section 5310) funding for call center operations is programmed for 2026.

The 2026 Budget is balanced to the funding levels provided by the RTA through the use of positive budget variance. Those funds will be exhausted part-way through 2027. To balance the funding required to funding available, budget balancing expense reductions of \$22.422 million and \$46.860 million are planned for 2027 and 2028.

In recognition of the effect that the coronavirus pandemic has had on ridership, and therefore system-generated revenue, the RTA Act was amended to waive the legislative regional recovery ratio requirement for RTA, CTA, Metra, and Pace. This amendment expires at the end of 2025. As such, RTA has reinstated Pace's recovery ratio requirement to 30.3% for 2026 and later. Using credits authorized by the RTA, the 2026 budgeted recovery ratio would only reach 19.63%. Pace has applied an additional \$34.701 million revenue credit to reach the 30.3% requirement. Without this additional revenue credit, Pace would be required to decrease expenses by \$114.525 million in order to meet the reinstated recovery ratio requirement, which is nearly one-third of budgeted 2026 expense.

If the actual year-end regional recovery ratio falls below 50%, the financial penalty provisions under RTA Act 4.09(g) (i) will be triggered, requiring the RTA to remit the shortfall to the State and proportionally reduce funding to any Service Board that did not meet its required ratio. The \$34.701 million additional revenue credit budgeted in 2026 represents Pace's potential year-end financial penalty if the recovery ratio is not reached. The RTA and Service Boards will continue to work with legislators to seek temporary recovery ratio requirement relief to avoid the penalties that can exacerbate potential harm to riders and critical transit services in the region.

A discussion of the assumptions used in developing the multi-year plan and a review of the highlights of the plan are provided on the following pages, along with Table 18, showing the full details of the plan.

Table 16. Baseline Economic Assumptions

	2025	2026	2027	2028
Change in Demand (Based on Total Ridership) ⁽¹⁾	1.1%	0.5%	0.1%	0.1%
T-Bill Rates (90 Day) ⁽²⁾	5.0%	3.8%	3.3%	3.2%
CPI-U (National) ⁽³⁾	3.3%	2.5%	2.2%	2.2%
Ultra-Low Sulfur Diesel Fuel (Price Growth)	6.9%	2.5%	2.2%	2.2%
Sales Tax ⁽⁴⁾	10.1%	(3.1%)	11.8%	1.6%

⁽¹⁾ Assumptions for demand, as measured by estimates for total ridership, are generated by Pace's planning staff.

Demand estimates are used to forecast fare revenue.

⁽²⁾ T-Bill rates are considered when forecasting investment income.

⁽³⁾ While numerous sources are referenced for CPI, the Congressional Budget Office (CBO) is the source for most CPI data.

⁽⁴⁾ Reflects RTA sales tax and Public Transportation Fund match estimates for Pace for the 2026 budget and two-year plan cycle.

Assumptions

Numerous factors must be considered when developing an annual budget and multi-year plan. Demand must be identified and evaluated for both the short and long term. Demand is measured by estimating ridership to forecast farebox revenue. Economic assumptions related to the costs of providing transit services must be identified. Estimates of inflation, as measured by the consumer price index (CPI), and estimates for fuel are of significant importance. The outlook for public funding growth, as identified by the RTA, is extremely important as it provides between 80%-85% of annual funding for operations. A list of baseline economic assumptions used to develop the budget and two-year plan is summarized in Table 16. The following list of key sources were also referenced for information/

outlooks on the industry/economy: the Congressional Budget Office (CBO)—the primary source used for inflation indices; The Kiplinger Letter—referenced for general economic information including outlooks for inflation, interest rates, etc.; the U.S. Bureau of Labor Statistics (BLS)—a source for key indicators including the Producer Price Index (PPI), utilities, inflation, etc.; and the U.S. Energy Information Administration (EIA)—a source for energy price growth for fuel.

The outcome of applying the assumptions identified in Table 16 to known or anticipated conditions is reflected in Table 17. The assumptions reflect the allocation of all regional discretionary sales tax funding to CTA in 2026.

Table 17. Multi-Year Category Growth

	2026	2027	2028
Fare Revenue	10.7%	0.4%	0.2%
Total Revenue	4.0%	(2.7%)	0.0%
Labor/Fringes	3.6%	3.7%	5.1%
Healthcare	8.9%	8.0%	8.2%
Parts/Supplies	6.1%	6.4%	6.4%
Purchased Transportation	4.5%	5.4%	5.6%
Utilities	4.5%	5.4%	5.5%
Insurance/Claims	22.6%	6.5%	6.5%
Fuel Cost	4.4%	4.4%	2.7%
Fuel Cost - Liquid Fuels*	\$14.340 mil	\$14.970 mil	\$15.362 mil
Consumption in Gallons - Liquid Fuels	6.227 mil	6.331 mil	6.340 mil
Price per Gallon*	\$2.30	\$2.36	\$2.42
Electric Vehicle Charging Cost	\$0.310 mil	\$0.327 mil	\$0.345 mil
Consumption in kWh of Charging	1.761 mil	1.761 mil	1.761 mil
Price per kWh of Charging	\$0.18	\$0.19	\$0.20

*Fuel Cost and Price per Gallon forecasts reflect use of diesel, gasoline, and compressed natural gas for fixed route, demand response, and vanpool services

Highlights – 2026 Budget & Two-Year Financial Plan

Pace's 2026 budget presented in Table 18 is balanced using RTA Sales Tax funding, federal discretionary fund programs, and Positive Budget Variance (PBV). For 2027 and 2028, the plan is also balanced using expense budget balancing actions because PBV funding is expected to be exhausted in 2027. The 2026 public funding budget reflects the allocation of all regional discretionary sales tax funding to support CTA operations while a solution is sought for the regional funding crisis.

Though additional farebox revenue is expected from the proposed 10% average fare increase, 2026–2028 operating revenue is anticipated to fall at an annual compound rate of 1.4%. While most revenue categories are expected to grow, decreases to interest income will offset expected growth due to declining interest rates and the use of PBV to fund operations.

Expenses are expected to decrease at an annual compound rate of 1.8% over the same period including the budget balancing expense reductions required in 2027 and 2028. Expense growth from 2026 to 2028 is mostly associated with labor/fringe and inflationary expense growth and does not include any new efforts. Without budget balancing expense reductions, operating expense would be expected to increase at an annual compound rate of 4.8%.

Total public funding before the use of PBV grows at an annual compound rate of 5.4% between 2026 and 2028 and includes both sales tax and federal discretionary fund programs but excludes Positive Budget Variance funding. This reflects the reallocation of a portion of regional discretionary sales tax funding to Pace in 2027 and 2028.



Suburban Service Budget & Two-Year Financial Plan

Table 18. 2026 Suburban Service Budget and Two-Year Financial Plan (000s)

	2024 Actual	2025 Estimate	2026 Budget	2027 Plan	2028 Plan
Operating Revenue					
Farebox Revenue	\$21,717	\$21,827	\$24,157	\$24,248	\$24,306
Reduced Fare Reimbursement	1,460	1,760	1,767	1,767	1,767
Advertising	775	843	930	1,025	1,125
Local Share/Other Revenue	30,643	24,742	24,307	22,756	22,596
Total Revenue	\$54,595	\$49,172	\$51,161	\$49,796	\$49,794
Operating Expenses					
Labor/Fringes	\$159,853	\$178,332	\$184,789	\$191,631	\$201,319
Healthcare	26,140	33,339	36,294	39,197	42,411
Parts/Supplies	14,766	17,152	18,199	19,361	20,607
Purchased Transportation	28,064	30,315	31,678	33,393	35,279
Fuel	13,122	14,029	14,650	15,298	15,706
Utilities	4,917	4,981	5,205	5,486	5,785
Insurance	2,522	12,744	15,621	16,630	17,715
Other*	33,644	50,723	54,915	55,335	58,223
Regional ADA Support Credit	(8,078)	(11,662)	(13,335)	(14,002)	(14,702)
Budget Balancing Action				(22,422)	(46,860)
Total Expenses	\$274,950	\$329,953	\$348,016	\$339,907	\$335,483
Funding Requirement	\$220,355	\$280,781	\$296,855	\$290,111	\$285,689
Public Funding					
Sales Tax (Part I)	\$132,006	\$146,099	\$150,934	\$154,707	\$157,802
Sales Tax (Part II)	21,486	23,883	23,375	22,960	22,315
Suburban Community Mobility Fund (SCMF)	34,779	35,850	39,767	40,761	41,576
South Suburban Job Access Fund	7,500	7,500	7,500	7,500	7,500
PTF (Part I)	6,354	6,958	0	7,522	7,672
PTF (Part II)	25,986	28,783	30,036	30,853	31,484
RTA Sales Tax (Part I)	7,512	10,657	0	14,397	14,755
RTA Discretionary Fund Programs	334	0	0	2,510	2,585
Federal Discretionary Fund Programs	8,724	5,916	5,436	0	0
Positive Budget Variance	0	15,135	39,807	8,901	0
Total Public Funding	\$244,681	\$280,781	\$296,855	\$290,111	\$285,689
Net Funding Available	\$24,326	\$0	\$0	\$0	\$0
Recovery Ratio	26.31%	19.99%	30.30%	30.30%	30.30%

*Other includes Debt Service through 2024

2026 Suburban Service Projected Cash Flow

The following table provides a monthly estimate of Pace's revenue, expense, and cash position for Suburban Service operations. Cash flow estimates for Suburban Service public funding are included in total revenue and are based on information provided by the RTA.

The projected cash flow for Pace's Suburban Service operations shows sufficient funds for Pace to maintain operations during 2026.



Table 19. 2026 Suburban Service Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$275,992	\$21,749	\$31,651	(\$9,902)	\$266,090
February	266,090	21,601	29,599	(7,998)	258,091
March	258,091	23,928	33,281	(9,353)	248,738
April	248,738	24,034	31,651	(7,617)	241,121
May	241,121	24,725	29,599	(4,874)	236,247
June	236,247	25,437	29,599	(4,162)	232,085
July	232,085	24,150	31,651	(7,502)	224,583
August	224,583	24,493	29,599	(5,106)	219,478
September	219,478	24,856	29,599	(4,743)	214,734
October	214,734	28,161	31,651	(3,490)	211,244
November	211,244	26,814	29,599	(2,785)	208,459
December	208,459	38,262	29,599	8,663	217,122

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2026 Regional ADA Paratransit Operating Budget

In 2006, Pace took over operations of Regional ADA Paratransit service which included traditional paratransit and the Taxi Access Program (TAP) subsidized service. The Regional ADA Rideshare Access Program (RAP) pilot began in March 2022 in DuPage County to provide equitable service to RTA-certified ADA riders in suburban Cook and the collar counties. This program was expanded to the entire ADA service area in April 2024. From April 2024 to October 2025, TAP and RAP provided a \$30 subsidy for up to eight trips per day for RTA-certified ADA riders after a two-dollar fare per ride.

The RAP program has experienced extraordinary growth since its regionwide expansion, far outpacing 2025 budgeted levels due to increased demand for the service. As of June 2025, the RAP and TAP programs were projected to end the year nearly \$53M over budget. On June 12, 2025, the RTA Board of Directors introduced an ADA Action Plan to address rising costs. The plan considered increasing the TAP and RAP fares from \$2.00 to \$3.25 per trip and implementing a cap of 30 rides per month rather than eight per day.

On August 21, 2025, the RTA Board of Directors approved an ordinance formally approving the ADA Action Plan items along with an amendment to 2025 Regional ADA Paratransit funding to add \$42.326 million in funding from three sources—the ADA Paratransit Reserve, discretionary

Sales Tax I, and the Innovation, Coordination, and Enhancement fund to cover the projected \$45.084 million deficit. On September 17, 2025, the Pace Board approved the use of \$2.759 million from Pace Suburban Service's Suburban Community Mobility Fund to cover a portion of eligible 2025 Suburban RAP services on a one-time, non-precedential basis.⁽¹⁾ This transfer fully balanced the FY2025 amended ADA Paratransit budget.

At the same August board meeting, the RTA Board of Directors approved 2026 Regional ADA Paratransit funding marks totaling \$280.064 million, a 10.0% decrease from the established 2025 funding requirement of \$311.285 million. Per the RTA Act, Pace is required to submit a budget that operates within the 2026 funding levels authorized by RTA. The 2026 Regional ADA Paratransit funding marks will fully fund traditional ADA services, as required by federal law. The remaining 2026 funding will support approximately one quarter of TAP and RAP service. This is expected to result in an overall decrease to total ADA ridership of 33.3%.

Operating expenses are budgeted at \$296.316 million in 2026, down 10.2% from 2025 estimated levels. Though the 2026 budget includes a proposed fare increase from \$3.25 to \$3.50 for all ADA Paratransit services, operating revenue is expected to decrease by 13.6% due to ridership loss.

Table 20. Regional ADA Paratransit Budget Summary (000s)

	2024 Actual	2025 Estimate	2026 Budget
Total Operating Expenses	\$277,528	\$330,098	\$296,316
Less: Total Operating Revenue	16,054	18,813	16,252
Funding Requirement	\$261,474	\$311,285	\$280,064
Less:			
Sales Tax & PTF (Part II)	\$226,865	\$256,180	\$268,564
State Funds	9,108	10,020	11,500
ADA Paratransit Reserve Fund	25,501	8,260	0
RTA Sales Tax (Part I)	0	17,467	0
RTA Discretionary Fund Programs	0	16,598	0
Suburban Community Mobility Fund	0	2,760	0
Net Funding Available	\$0	\$0	\$0
Recovery Ratio	10.95%	11.21%	10.00%

⁽¹⁾ Pace expressly reserves all rights and no action taken in regard to the 2025 ADA Paratransit budget may be construed as a waiver of any rights or remedies with regard to the 2026 ADA Paratransit budget or any past, present, or future budgets or funding decisions or actions.

Regional ADA Paratransit Sources of Funds

The Regional ADA Paratransit Budget is funded from two sources—public funds and revenue generated from operations.

ADA Paratransit Fund

In January 2008, the RTA Act dedicated a new source of funding for the Regional ADA Paratransit Program out of regional Part II Sales Tax and Public Transportation Fund (PTF) match. Section 2.01(d) requires that the RTA establish an ADA Paratransit Fund, and each year deposit an amount equal to the final budgeted funding for ADA Paratransit services. Section 4.03.3 requires that certain sales tax revenue be deposited into the fund, including any additional funds provided by the state for this purpose. Any amounts deposited into the fund are for the exclusive purpose of funding ADA Paratransit services. The RTA can carry over positive fund balances, should they exist, from one year to the next and use those proceeds to fund future year ADA Paratransit services. Section 4.03.3 further requires that the ADA Paratransit Fund, along with the Suburban Community Mobility Fund and Innovation, Coordination, and Enhancement Fund, be funded out of Part II Sales Tax and PTF before the remaining balance is allocated to CTA, Metra, and Pace Suburban Service.

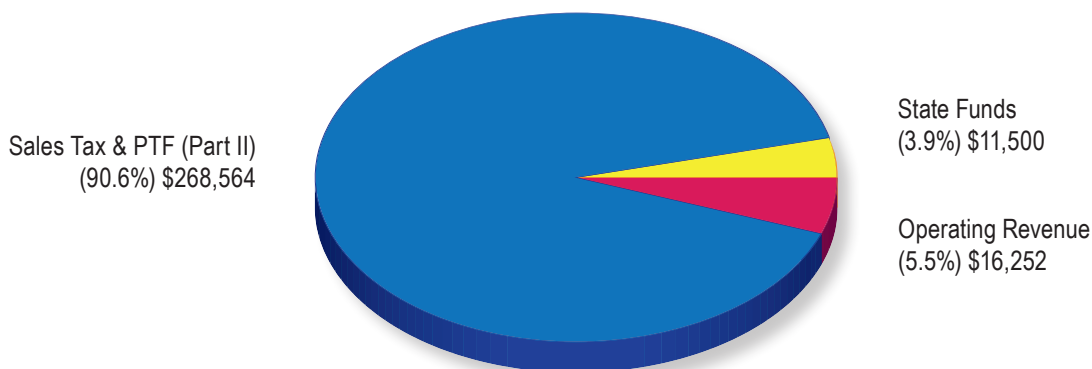
In 2011, the RTA Act was amended to increase the ADA Fund level to \$115 million for 2012. The Act also states that for each year thereafter, an amount equal to the final budget funding for ADA Paratransit service for the current year shall be provided by RTA.

RTA has established a 2026 ADA Paratransit service funding level of \$280.064 million for 2026, which includes \$268.564 million generated from Sales Tax and Public Transportation Fund (Part II) match and \$11.500 million from a state grant for ADA Paratransit Services. This will fully fund traditional ADA services in 2026 but is only expected to fund subsidized TAP and RAP services for approximately three months.

Operating Revenue

The second source of funding available for ADA Paratransit service comes from operations. Operating revenue is generated largely from passenger fares but also includes ADA investment income and reimbursement from RTA for the cost of providing trips for RTA's ADA Certification process. In 2026, operating revenue is budgeted at \$16.252 million.

2026 ADA Sources of Funds (000s) - Total \$296,316



Regional ADA Paratransit Uses of Funds

All funds received in 2026 will be used to provide and support ADA Paratransit services. Service delivery in Chicago and the suburban counties is operated by private service contractors and Pace River Division. Two subsidized services are also available to RTA-certified ADA riders —the Taxi Access Program (TAP) which provides subsidized taxi service in the City of Chicago and the Ride-share Access Program (RAP) which provides similar subsidized service using transportation network companies (TNCs) in both the City of Chicago and suburban counties.

In addition to the city and suburban cost elements, there are regional support costs which represent the indirect overhead costs of supporting the Regional ADA Paratransit program provided by Pace. Details on the Chicago and suburban ADA services and subsidized services are included in Table 21.

Chicago ADA Services

For 2026, Pace expects to spend \$215.172 million for federally required ADA service in Chicago. Costs for contracted service in Chicago will account for 91.7% of total budgeted expense in this category. The balance includes costs for insurance, administration, fuel, and costs related to trips for certifying ADA-eligible participants.

Suburban ADA Services

For 2026, Pace expects to spend \$43.560 million for federally required ADA service in suburban Cook and collar counties. Costs for contracted service in the suburbs will account for 91.3% of total budgeted expense in this category. Similar to the Chicago service, the balance includes costs for insurance, administration, fuel, and costs related to trips for certifying ADA-eligible participants.

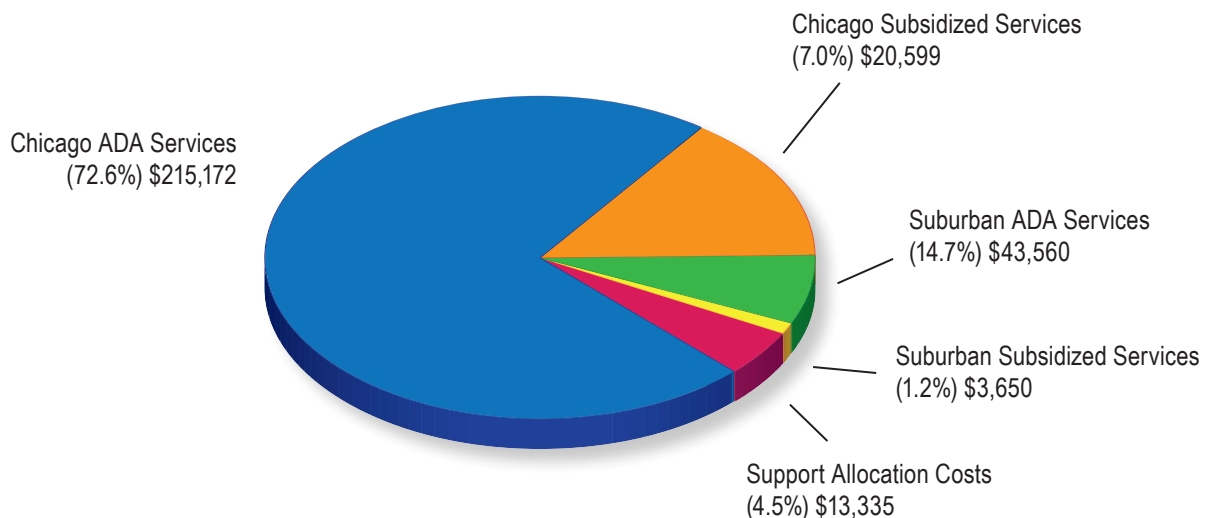
Subsidized Services

Subsidized taxi service is offered to RTA-certified ADA riders in the City of Chicago via TAP and subsidized TNC service is offered to RTA-certified ADA riders in both the City of Chicago and suburban counties via RAP. These services may cease operating part way through 2026 at a total cost of \$20.599 million for Chicago service and \$3.650 million for suburban service.

Support Allocation Costs

There are administrative support costs that Pace incurs on behalf of managing and operating the ADA program. The 2026 budget includes \$13.335 million in overhead support costs that will be allocated to the Regional ADA program.

2026 ADA Uses of Funds (000s) - Total \$296,316



2026 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail

Pace's 2025 estimate and 2026 budget for revenue, expense, and funding requirements for the Regional ADA Paratransit program are presented in the table below, separated by Chicago and Suburban components. The 2026 program is balanced to both the funding and recovery marks set by the RTA.

An amendment to the RTA Act that waived the legislative ADA recovery ratio requirement will expire at the end of 2025. As such, the Regional ADA recovery ratio has been returned to 10.0% for 2026 after being lowered to

7.5% for the duration of the waived requirement. Pace will use credits authorized by the RTA to meet the goal in both years; however, the 2026 budgeted recovery ratio will only reach 9.2%. An additional revenue credit of \$1.362 million is needed to reach the 10.0% requirement. Without this additional revenue credit, 2026 Regional ADA Paratransit expenses would need to decrease an additional \$13.617 million from budgeted levels to meet the 10.0% requirement.

Table 21. 2026 Regional ADA Paratransit Program Budget - Chicago/Suburban Detail (000s)

	2025 Estimate			2026 Budget			2025–2026
	Chicago	Suburban	Region Total	Chicago	Suburban	Region Total	Net Change
Revenue							
Fares—Contract	\$6,837	\$2,058	\$8,895	\$7,607	\$2,256	\$9,863	\$968
Fares—Subsidized	6,267	1,098	7,365	3,057	627	3,684	(3,681)
RTA Certification	1,554	418	1,972	1,713	447	2,160	188
ADA Investment Income			581			545	(36)
Total Revenue	\$14,658	\$3,574	\$18,813	\$12,377	\$3,330	\$16,252	(\$2,561)
Expenses							
Contract Services	\$183,813	\$37,812	\$221,625	\$197,326	\$39,773	\$237,099	\$15,474
Subsidized Services	66,085	9,792	75,877	20,599	3,650	24,249	(51,628)
Fuel	5,410	2,164	7,574	5,699	2,256	7,955	381
Insurance	343	0	343	70	0	70	(273)
Administration	10,117	1,092	11,208	10,507	1,119	11,626	418
RTA Certification	1,425	384	1,809	1,571	411	1,982	173
ADA Support Allocation			11,662			13,335	1,673
Total Expenses	\$267,193	\$51,244	\$330,098	\$235,772	\$47,209	\$296,316	(\$33,782)
Funding Requirement	\$252,535	\$47,670	\$311,285	\$223,395	\$43,879	\$280,064	(\$31,221)
Public Funding			\$311,285			\$280,064	(\$31,221)
Net Funding Available			\$0			\$0	\$0
Recovery Ratio			11.21%			10.00%	
Ridership							
Total Ridership—Contract	2,467	710	3,177	2,549	722	3,271	94
Total Ridership—Subsidized	2,811	492	3,303	874	179	1,053	(2,250)
Ridership—Total	5,278	1,202	6,480	3,423	901	4,324	(2,156)

2026 Regional ADA Paratransit Budget & Two-Year Financial Plan

The 2026 Regional ADA Paratransit budget is balanced to the funding marks approved by the RTA Board of Directors on August 21, 2025 with a proposed fare increase for all services from \$3.25 to \$3.50. The 2026 RTA marks fully fund traditional ADA Paratransit services, but the remaining funding is only expected to cover TAP and RAP subsidized services for approximately the first quarter. As such, 2026–2028 ridership, farebox revenue, and expense forecasts reflect the expected end of ADA subsidized services part way through 2026.

The 2026 budget assumes overall ridership will decrease 33.3% from 2025 levels. Traditional ADA ridership is forecasted to increase 3.0%, but the expected cessation of subsidized services will decrease ridership for these programs by 68.0%. Total ridership will decrease another 20.6% in 2027—while contract service ridership is expected to increase 5.0%, overall ridership reflects the impact of the end of subsidized services in 2026. Contract service ridership is expected to grow an additional 5.0% in 2028.

Public funding in 2026 is expected to decrease 10.0% from 2025 estimated levels before increasing 5.1% in 2027 and 4.8% in 2028, resulting in expected out year budget surpluses. While combined Sales Tax and State Funding for ADA is expected to increase 5.2% in 2026, the 2025 estimate includes \$45.084 million in additional funding that is not included in the 2026 marks.

An amendment to the RTA Act that waived the legislative ADA recovery ratio requirement will expire at the end of 2025. As such, the Regional ADA recovery ratio has been

returned to 10.0% for 2026 and beyond. Using credits authorized by the RTA, the 2026 budgeted recovery ratio would only reach 9.2%. An additional revenue credit of \$1.362 million is needed to reach the 10.0% requirement. Without this additional revenue credit, Regional ADA Paratransit expenses would need to decrease an additional \$13.617 million from budgeted levels to meet the 10.0% requirement.

Assumptions

The economic assumptions used in this plan are the same as those used for Pace's Suburban Service budget and are described in detail in Tables 16 and 17. The assumptions for expense growth items unique to this ADA Paratransit Financial Plan, specifically service-related elements such as contractor costs, demand and fuel, are shown in the table below.

Highlights – 2026 Budget and Two-Year Financial Plan

The budget and two out years presented in Table 23 show that the ADA program is balanced to approved funding marks. Despite increased revenue expected from the proposed fare increase, 2026–2028 operating revenue is expected to decrease at a compound rate of 7.5% due to loss of ridership between 2026 and 2027. Operating expenses are expected to grow at a compound rate of 3.4% over the same period due to inflation and contractual growth. Total funding for 2026–2028 Regional ADA Paratransit service is expected to grow at a compound rate of 5.0% over the three years, resulting in surplus funding in 2027 and 2028.

Table 22. Expense Growth Factors

	2026	2027	2028
Chicago Contract Services Cost	7.4%	7.8%	8.2%
Suburban Contract Services Cost	5.2%	9.3%	10.2%
Subsidized Services Cost	(68.0%)	0.0%	0.0%
Chicago Contract Services Demand	3.3%	5.0%	5.0%
Suburban Contract Services Demand	1.8%	5.0%	5.0%
Subsidized Services Demand	(68.0%)	0.0%	0.0%
Fuel Costs - ADA	\$7.955 mil	\$8.537 mil	\$9.59 mil
Number of Gallons - ADA	2.793 mil	2.933 mil	3.079 mil
Price per Gallon - ADA	\$2.85	\$2.91	\$2.97

2026 Regional ADA Paratransit Budget & Two-Year Financial Plan

Table 23. 2026 Regional ADA Paratransit Budget and Two-Year Financial Plan (000s)

	2024 Actual	2025 Estimate	2026 Budget	2027 Plan	2028 Plan
Operating Revenue					
Fares	\$12,277	\$16,260	\$13,547	\$10,356	\$10,874
Certification Revenue	1,873	1,972	2,160	2,368	2,522
ADA Investment Income	1,904	581	545	525	521
Total Revenue	\$16,054	\$18,813	\$16,252	\$13,249	\$13,917
Operating Expenses					
Labor/Fringes	\$4,983	\$5,769	\$6,195	\$6,334	\$6,670
Health Care	807	1,310	1,434	1,555	1,687
Administrative Expense	2,583	4,129	3,997	4,085	4,176
Fuel	7,241	7,574	7,955	8,537	9,159
Insurance/Claims	996	343	70	70	70
RTA Certification Trips	1,543	1,809	1,982	2,173	2,314
Suburban ADA Contract Services	36,752	37,812	39,773	43,473	47,924
Chicago ADA Contract Services	174,929	183,813	197,326	212,788	230,290
Subsidized Services	39,616	75,877	24,249	0	0
Regional ADA Support Allocation	8,078	11,662	13,335	14,002	14,702
Total Expenses	\$277,528	\$330,098	\$296,316	\$293,017	\$316,992
Funding Requirement	\$261,474	\$311,285	\$280,064	\$279,768	\$303,075
Public Funding					
Sales Tax & PTF (Part II)	\$226,865	\$256,180	\$268,564	\$282,966	\$297,114
State Funds	9,108	10,020	11,500	11,500	11,500
ADA Paratransit Reserve Fund	25,501	8,260	0	0	0
RTA Sales Tax (Part I)	0	17,467	0	0	0
RTA Discretionary Fund Programs	0	16,598	0	0	0
Suburban Community Mobility Fund	0	2,760	0	0	0
Total Public Funding	\$261,474	\$311,285	\$280,064	\$294,466	\$308,614
Net Funding Available	\$0	\$0	\$0	\$14,698	\$5,539
Recovery Ratio	10.95%	11.21%	10.00%	10.00%	10.00%

2026 Regional ADA Paratransit Projected Cash Flow

The following table provides an estimate of Pace's 2026 revenue, expenses, and cash position for Regional ADA Paratransit service operations on a monthly basis.

Estimates for public funding are included in total revenue and are based on information provided by the RTA.

Table 24. 2026 Regional ADA Paratransit Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expenses	Net Results	Ending Balance
January	\$27,394	\$23,735	\$24,693	(\$958)	\$26,436
February	26,436	23,735	24,693	(958)	25,478
March	25,478	23,735	24,693	(958)	24,520
April	24,520	23,735	24,693	(958)	23,562
May	23,562	23,735	24,693	(958)	22,604
June	22,604	23,735	24,693	(958)	21,646
July	21,646	23,735	24,693	(958)	20,688
August	20,688	23,735	24,693	(958)	19,730
September	19,730	23,735	24,693	(958)	18,772
October	18,772	23,735	24,693	(958)	17,814
November	17,814	23,735	24,693	(958)	16,856
December	16,856	35,231	24,693	10,538	27,394



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Combined Suburban Service/ADA Budget & Two-Year Financial Plan

Pace's Combined Budget and Two-Year Financial Plan are included in the table below. A table presenting anticipated cash flows for 2026 has also been provided on the following page.

The combined programs are balanced and show adequate funds to support operations over the three-year planning horizon.

Table 25. Combined Suburban Service/ADA Budget & Two-Year Financial Plan (000s)

	2024 Actual	2025 Estimate	2026 Budget	2027 Projected	2028 Projected
Suburban Service					
Revenue	\$54,595	\$49,172	\$51,161	\$49,796	\$49,794
Expenses	274,950	329,953	348,016	339,907	335,483
Funding Requirement	\$220,355	\$280,781	\$296,855	\$290,111	\$285,689
Public Funding	\$244,681	\$280,781	\$296,855	\$290,111	\$285,689
Net Funding Available	\$24,326	\$0	\$0	\$0	\$0
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$251,155	\$268,135	\$242,727	\$182,857	\$161,692
Net Operating Results	24,326	0	0	0	0
Less: Change in Lease Liability	1,841	1,000	1,000	1,000	1,000
Less: Operating Expended from Fund Balance	0	15,135	39,807	8,901	0
Less: Capital Expended from Fund Balance	5,505	9,273	19,063	11,264	2,250
Ending Balance	\$268,135	\$242,727	\$182,857	\$161,692	\$158,442
Regional ADA Paratransit Service					
Revenue	\$16,054	\$18,813	\$16,252	\$13,249	\$13,917
Expenses	277,528	330,098	296,316	293,017	316,992
Funding Requirement	\$261,474	\$311,285	\$280,064	\$279,768	\$303,075
Public Funding	\$261,474	\$311,285	\$280,064	\$294,466	\$308,614
Net Funding Available*	\$0	\$0	\$0	\$14,698	\$5,539
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Net Operating Results	0	0	0	0	0
Less: Capital Expended from Fund Balance	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0
Combined Service					
Revenue	\$70,649	\$67,985	\$67,413	\$63,045	\$63,711
Expenses	552,478	660,051	644,332	632,924	652,475
Funding Requirement	\$481,829	\$592,066	\$576,919	\$569,879	\$588,764
Public Funding	\$506,155	\$592,066	\$576,919	\$584,577	\$594,303
Net Funding Available*	\$24,326	\$0	\$0	\$14,698	\$5,539
Fund Balance - Unrestricted Net Assets					
Beginning Balance	\$251,155	\$268,135	\$242,727	\$182,857	\$161,692
Net Operating Results	24,326	0	0	0	0
Less: Change in Lease Liability	1,841	1,000	1,000	1,000	1,000
Less: Operating Expended from Fund Balance	0	15,135	39,807	8,901	0
Less: Capital Expended from Fund Balance	5,505	9,273	19,063	11,264	2,250
Ending Balance	\$268,135	\$242,727	\$182,857	\$161,692	\$158,442

*For Regional ADA Paratransit Service, positive year-end net funding available is returned to RTA and does not increase Fund Balance held by Pace

2026 Combined Services Projected Cash Flow

The following table provides an estimate of 2026 revenue, expense, and cash position for Pace's combined operations—Suburban Service and Regional ADA Paratransit Service.

The agency budget is balanced to the funding levels set by the RTA for 2026. Pace's combined cash position is balanced and sufficient to meet next year's needs.

Balanced budgets for Suburban Service and Regional ADA Paratransit ensure Pace's combined cash position is sufficient for 2026.

Table 26. 2026 Combined Services Projected Cash Flow Summary (000s)

Month	Beginning Balance	Revenue	Expense	Net Results	Ending Balance
January	\$303,386	\$45,484	\$56,344	(\$10,860)	\$292,526
February	292,526	45,336	54,292	(8,956)	283,570
March	283,570	47,663	57,974	(10,311)	273,259
April	273,259	47,769	56,344	(8,575)	264,684
May	264,684	48,460	54,292	(5,832)	258,851
June	258,851	49,172	54,292	(5,120)	253,731
July	253,731	47,885	56,344	(8,460)	245,271
August	245,271	48,228	54,292	(6,064)	239,208
September	239,208	48,591	54,292	(5,701)	233,507
October	233,507	51,896	56,344	(4,448)	229,058
November	229,058	50,549	54,292	(3,743)	225,315
December	225,315	73,493	54,292	19,201	244,516

Suburban Service Capital Budget & Five-Year Business Plan

The RTA Budget Call, released in June, defines the schedule and information requirements that the Service Boards (CTA, Metra, and Pace) must follow to develop their five-year capital program based on the preliminary funding amounts released in August. The capital program for each Service Board identifies projects to be undertaken in the 2026–2030 program period and is evaluated based on 15 metrics identified in *Transit is the Answer*, the regional transit strategic plan for Northeastern Illinois that was adopted February 16, 2023, by the RTA and developed in collaboration with stakeholders and the Service Boards. This plan outlines the case for pursuing dependable funding streams that will enable its vision of safe, reliable, accessible public transportation that connects people to opportunity, advances equity, and combats climate change.

The Service Boards must articulate their methodology for analyzing priorities and selecting projects to be funded in the 2026–2030 Capital Program. This process should be reflective of each Service Board's Transit Asset Management (TAM) Plan. Updates to TAM plans should be provided to the RTA as a part of the budget process and posted on each Service Board's website in accordance with state legislation. The RTA reviews the plans to ensure

compliance with federal and state requirements, understand each Service Board's approach to TAM, and to inform RTA's Strategic Asset Management activities. TAM plans must include condition assessments of inventoried assets and a prioritized list of investments to improve the state of good repair of those assets. Each year, transit providers are required to set performance targets for their capital assets and report them to the National Transit Database.

Federal formula funding estimates for the region are aligned with the Infrastructure Investment and Jobs Act (IIJA), signed into law November 2021. State funding estimates for the region are aligned with *Rebuild Illinois*, signed into law June 2019, which includes PAYGO funds. In July 2021, the RTA Board of Directors adopted the Performance-Based Capital Allocation Process, which is guided by three principles: Addressing Capital Reinvestment Need, Incentivizing Capital Expenditure Performance, and Advancing Policy Priorities, which determines the percentages of state PAYGO funds and federal formula funds allocated to each of the Service Boards. These funding marks are adopted by the RTA Board no later than the statutorily required date of September 15 each year.

Table 27. Estimated Five-Year State Capital Funding (000s)

Funding Source	2026	2027	2028	2029	2030	Total
PAYGO	\$20,250	\$19,649	\$20,140	\$20,644	\$14,370	\$95,054



2026 Suburban Service Capital Program/Project Descriptions

Capital Budget Mark Assumptions

The RTA's funding marks include estimated federal, state, and local funds that are anticipated to be available to the region for capital investment purposes. The 2026 Capital Program marks provide Pace \$55.835 million of Sections 5307 and 5339 federal formula funds, \$20.250 million of state PAYGO funds, and \$2.000 million of Pace Positive Budget Variance (PBV) funds.

The 2026 Suburban Capital Program totals \$78.085 million, and includes the following:

Rolling Stock (\$52.687 Million)

Pace will replace 37 diesel buses operating fixed route service systemwide with 28 hybrid buses and 9 electric buses. Pace will also replace 17 paratransit vehicles operating systemwide.

Operating Cost Impacts

Pace's average fleet age is 9.0 years for fixed route buses, while their typical useful life expectancy is 12 years. Pace's average fleet age for paratransit vehicles is 5.6 years, while their typical useful life expectancy is four years. Replacing vehicles will reduce the average fleet age and lower maintenance costs. Electric and hybrid propulsion technologies will improve air quality and reduce operating expenses.

Electrical/Signal/Communications (\$12.560 Million)

Pace will replace in-vehicle, dispatch, and portable voice radios as well as in-vehicle data radios systemwide which have exceeded their useful life.

Support Facilities & Equipment (10.838 Million)

Southwest Division Electrification/Expansion: Funding will be used to complete the renovation and expansion of the Southwest garage located in Bridgeview, including installation of charging infrastructure for electric buses.

Computer Hardware: Replacement of keyboard, video, mouse, and switch equipment. Replacement of servers for Citrix, IBS, and Trapeze application infrastructure as well as hardware for storage and offsite replication of backups. Installation of a cellular distributed antenna system. All items will be located at Pace Headquarters and/or South Campus data center in Markham.

Non-Revenue Vehicles: Replacement of 18 non-revenue vehicles beyond useful life with 15 SUVs and 3 light duty pick-up trucks.

Security Cameras: Replacement of security camera systems at North Shore, Northwest, River, and Southwest Divisions.

Operating Cost Impacts

Southwest Division will be equipped with charging infrastructure for electric buses, which will reduce fuel expenses. Replacement of non-revenue vehicles will reduce maintenance costs.

Miscellaneous (\$2.000 Million)

Unanticipated Capital (\$2.000 million): Funding will be used for unforeseen expenses to complete capital projects.



Table 28. 2026 Capital Program (000s)

Funding Source	Amount
Federal 5307/5339	\$55,835
State PAYGO	20,250
Pace PBV	2,000
Total	\$78,085



The modernization of the Northwest Transportation Center in Schaumburg, which includes a new ADA Transfer facility, was completed on September 10, 2025.



The Southwest garage in Bridgeview will be expanded and renovated with the installation of charging infrastructure for electric buses.

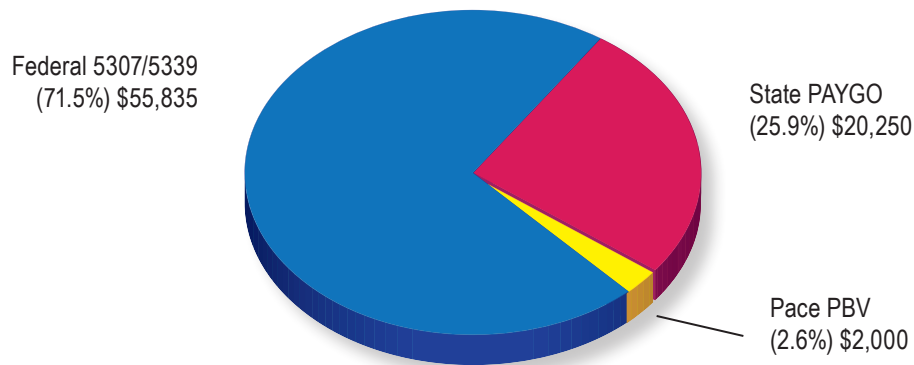
Capital Budget Suburban Service

Table 29. 2026 Suburban Service Capital Program (000s)

	Total Budget	Federal 5307/5339	State PAYGO	Pace PBV
Rolling Stock				
Fixed Route Hybrid Buses (28)	\$37,150	\$16,900	\$20,250	\$0
Fixed Route Electric Buses (9)	13,500	13,500	0	0
Paratransit Vehicles (17)	2,037	2,037	0	0
Subtotal	\$52,687	\$32,437	\$20,250	\$0
Electrical/Signal/Communications				
Voice Radios	\$9,600	\$9,600	\$0	\$0
Data Radios	2,960	2,960	0	0
Subtotal	\$12,560	\$12,560	\$0	\$0
Support Facilities & Equipment				
Southwest Division Electrification/Expansion	\$7,500	\$7,500	\$0	\$0
Computer Hardware	1,948	1,948	0	0
Non-Revenue Vehicles	840	840	0	0
Security Cameras	550	550	0	0
Subtotal	\$10,838	\$10,838	\$0	\$0
Miscellaneous				
Unanticipated Capital	\$2,000	\$0	\$0	\$2,000
Subtotal	\$2,000	\$0	\$0	\$2,000
Total 2026 Suburban Capital Program	\$78,085	\$55,835	\$20,250	\$2,000
2026 Marks	\$78,085	\$55,835	\$20,250	\$2,000

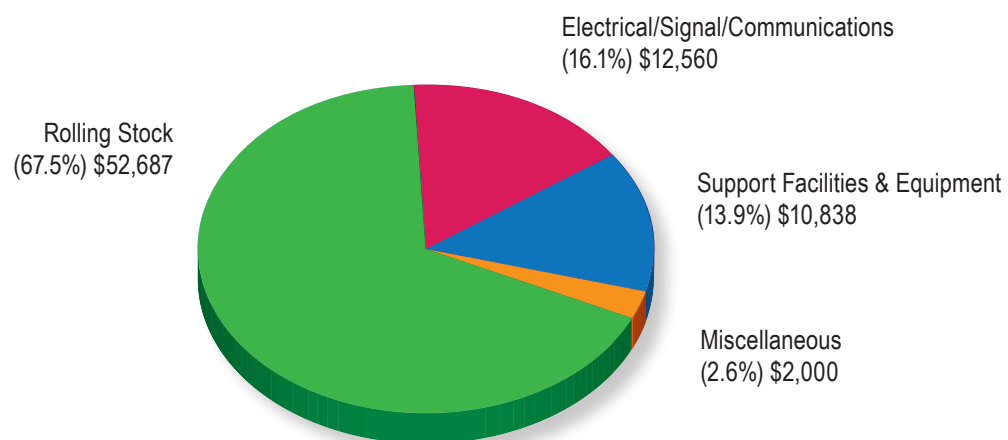
2026 Suburban Service Capital Program

2026 Sources of Funds (000s) - Total \$78,085



Over 70% of Pace's capital funding is expected to come from federal sources.

2026 Uses of Funds (000s) - Total \$78,085



Over two-thirds of Pace's capital program will be allocated to Rolling Stock.

Capital Funding Sources

State Funding

In June 2019, the Illinois General Assembly passed *Rebuild Illinois*, which established a PAYGO fund from the motor fuel tax to provide an ongoing, reliable funding source for the Service Boards' capital needs. Pace expects to receive \$95.054 million of these funds in 2026–2030.

Driving a Cleaner Illinois is the IEPA's discretionary grant program for various types of mobile source electrification projects. The program implements funding from a variety of sources, including the Climate and Equitable Jobs Act, the Volkswagen Environmental Mitigation Trust, and U.S. EPA's Diesel Emission Reduction Act Program. In 2025, Pace received \$27 million from this program for the purchase of 27 electric buses.

Federal Formula and Discretionary Funding

Federal formula funds, which include Section 5307 Urbanized Area and Section 5339(a) Bus and Bus Facilities, are expected to total \$267.177 million for Pace in 2026–2030. Federal discretionary funds are made available on a competitive basis nationally and awarded on a project-specific basis.

Some of these discretionary programs include:

- Better Utilizing Investments to Leverage Development (BUILD)—funds investments in surface transportation infrastructure such as roads, bridges, transit, rail, ports, or intermodal transportation; previously known as Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Transportation Investment Generating Economic Recovery (TIGER).
- Bus and Bus Facilities Discretionary Program (5339(b))—funds capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities.
- Capital Investment Grants (CIG) (5309)—funds major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. Projects are categorized as either New Starts, Core Capacity, or Small Starts.
- Carbon Reduction Program (CRP)—funds a wide range of projects designed to reduce carbon dioxide emissions from on-road highway sources, including constructing Bus Rapid Transit corridors.
- Community Project Funding (CPF)—funds projects sponsored by Members of Congress in annual federal appropriations bills.
- Congestion Mitigation and Air Quality Improvement (CMAQ)—funds transportation projects that reduce traffic congestion and improve air quality in non-attainment and maintenance areas to help meet the requirements of the Clean Air Act.
- Enhanced Mobility of Seniors and Individuals with Disabilities (5310)—funds innovative projects that promote coordinated access and mobility for the transportation disadvantaged.
- Federal Emergency Management Agency (FEMA) Grant—funds programs to prevent, protect against, respond to, recover from, and mitigate terrorism and other disasters and emergencies.
- Low or No-Emission Vehicle Program (5339(c))—funds the purchase or lease of low or no emission buses or to lease, construct, or rehabilitate facilities to support low or no emission buses.

RTA and Local Funding

The RTA provides funding to the Service Boards through the Innovation, Coordination and Enhancement (ICE) program, which can be applied to either operating or capital projects. These funds are planned for operating expenses in this budget cycle.

Invest in Cook is a transportation grant program that began in 2017 and is administered by the Cook County Department of Transportation and Highways. In addition to operating funds, Pace received \$176,000 for the Cermak Road/22nd Street Business Access and Transit Lane Pilot construction for the capital program in 2025.

Service Board Funding

Positive Budget Variance (PBV) represents the amount by which a Service Board is favorable to its operating budget and then retained in an unrestricted fund balance which can be used for capital projects. Pace has programmed \$2 million of these funds in 2026 for unanticipated capital needs.

Public Act 97-0770 gave Pace authority to issue bonds for eligible capital projects effective January 1, 2013, that totaled \$100 million for four specific construction projects. Public Act 99-0665, effective July 29, 2016, amended Public Act 97-0770 to allow Pace to issue bonds for the purchase of transit buses, in addition to the previously authorized projects, while maintaining total bonding authority at \$100 million. Pace has not programmed these funds in this five-year capital program.

2026–2030 Five-Year Suburban Service Capital Business Plan

The RTA funding marks for Pace's 2026–2030 Five-Year Suburban Service Capital Plan total \$364.231 million; comprised of \$267.177 million in federal 5307/5339 funds, \$95.054 million in state PAYGO funds, and \$2.000 million in Pace Positive Budget Variance (PBV) funds.

Following is a summary of Pace's Five-Year Capital Plan:

Rolling Stock (\$293.050 Million)

- 91 Fixed Route Electric Buses
- 73 Fixed Route Hybrid Buses
- 16 Fixed Route CNG Buses
- 8 Fixed Route OTR Coach Buses
- 287 Paratransit Vehicles

Electrical/Signal/Communications (\$19.060 Million)

- Voice Radios
- Data Radios

Support Facilities & Equipment (\$15.107 Million)

- Southwest Division Electrification/Expansion
- Computer Hardware/Software
- Improvements to Support Facilities
- Non-Revenue Vehicles

Stations & Passenger Facilities (\$35.014 Million)

- Pulse Cermak Road/22nd Street Line

Miscellaneous (\$2.000 Million)

- Unanticipated capital



Table 30.
2026–2030 Five-Year Suburban Service
Capital Business Plan (000s)

Funding Source	Amount
Federal 5307/5339	\$267,177
State PAYGO	95,054
Pace PBV	2,000
Total	\$364,231

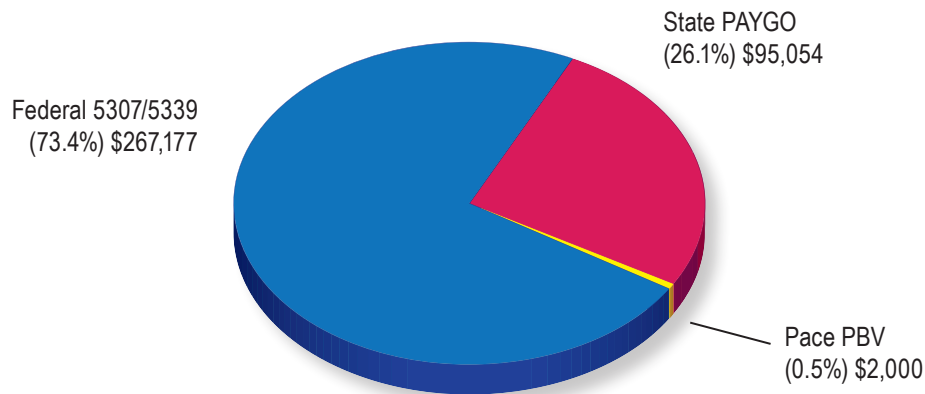
Table 31. 2026–2030 Five-Year Suburban Service Capital Business Plan (000s)

	2026	2027	2028	2029	2030	Total
Rolling Stock Quantities*						
Fixed Route Electric Buses	9	9	17	28	28	91
Fixed Route Hybrid Buses	28	15	30	0	0	73
Fixed Route CNG Buses	0	16	0	0	0	16
Fixed Route OTR Coach Buses	0	8	0	0	0	8
Paratransit Vehicles	17	56	65	94	55	287
Rolling Stock						
Fixed Route Electric Buses	\$13,500	\$13,500	\$25,500	\$42,000	\$42,000	\$136,500
Fixed Route Hybrid Buses	37,150	19,649	39,640	0	0	96,440
Fixed Route CNG Buses	0	16,000	0	0	0	16,000
Fixed Route OTR Coach Buses	0	9,600	0	0	0	9,600
Paratransit Vehicles	2,037	6,737	7,838	11,339	6,560	34,510
Subtotal	\$52,687	\$65,486	\$72,978	\$53,339	\$48,560	\$293,050
Electrical/Signal/Communications						
Voice Radios	\$9,600	\$6,500	\$0	\$0	\$0	\$16,100
Data Radios	2,960	0	0	0	0	2,960
Subtotal	\$12,560	\$6,500	\$0	\$0	\$0	\$19,060
Support Facilities & Equipment						
Southwest Division Electrification/Expansion	\$7,500	\$0	\$0	\$0	\$0	\$7,500
Computer Hardware/Software	1,948	500	500	500	500	3,948
Improvements to Support Facilities	550	548	581	620	520	2,820
Non-Revenue Vehicles	840	0	0	0	0	840
Subtotal	\$10,838	\$1,048	\$1,081	\$1,120	\$1,020	\$15,107
Stations & Passenger Facilities						
Pulse Cermak Road/22nd Street Line	\$0	\$0	\$0	\$20,644	\$14,370	\$35,014
Subtotal	\$0	\$0	\$0	\$20,644	\$14,370	\$35,014
Miscellaneous						
Unanticipated Capital	\$2,000	\$0	\$0	\$0	\$0	\$2,000
Subtotal	\$2,000	\$0	\$0	\$0	\$0	\$2,000
Grand Total - Constrained	\$78,085	\$73,035	\$74,060	\$75,102	\$63,951	\$364,231

*Rolling Stock Quantities are not in thousands

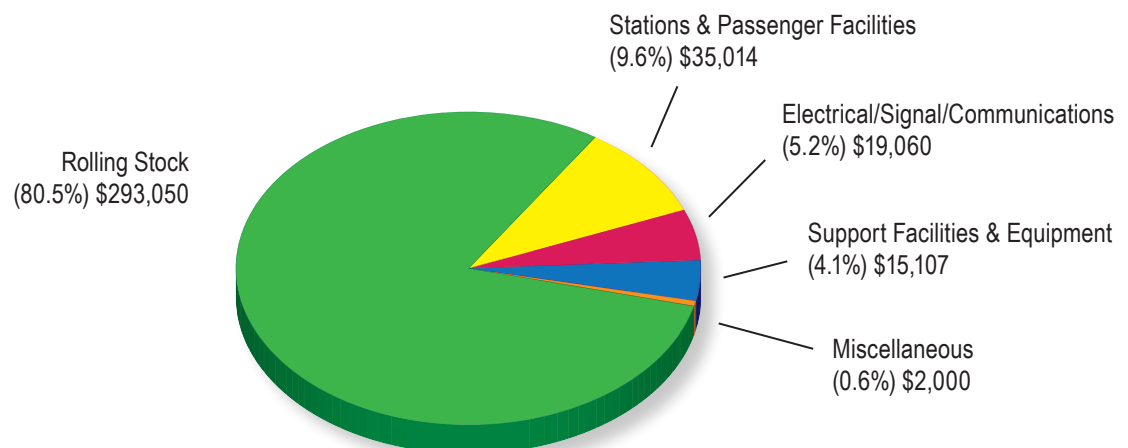
2026–2030 Five-Year Suburban Service Capital Business Plan

2026–2030 Sources of Funds (000s) - Total \$364,231



Nearly three quarters of Pace's capital funding is expected to come from federal sources.

2026–2030 Uses of Funds (000s) - Total \$364,231



A majority of the Pace capital program will be allocated to Rolling Stock.

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2026–2030 Five-Year Regional ADA Paratransit Unconstrained Capital Program

Overview

No capital funding is projected to be available for Regional ADA Paratransit capital needs in the five-year program marks; however, a Five-Year Unconstrained Capital Program has been developed to demonstrate to the RTA and Pace stakeholders that a predictable and sustainable capital funding source would be necessary to meet these unfunded needs.

For the ADA service in the City of Chicago, Pace currently utilizes private contractors who own the vehicles and rent or own the garages from which they operate. The costs of these vehicles and buildings are included in the hourly rates in the current contracts. A long-term capital funding solution is needed to replace these private carrier vehicles and to begin building facilities which support the service.

An alternative would be for Pace to own the fleet and garages and only contract for services. This would increase the number of eligible bidders, resulting in more competition. This would also reduce service rates since the private carriers would not need to account for depreciation of capital assets.

The 2026–2030 Five-Year Regional ADA Paratransit Unconstrained Capital Program totals \$203.491 million.

Highlights include:

- 1,013 replacement vehicles
- 75 expansion vehicles
- Radio system
- Four garage facilities
- Farebox system
- Two passenger transfer locations



Table 32. 2026–2030 Regional ADA Paratransit Unconstrained Capital Program (000s)

	2026	2027	2028	2029	2030	Total
Rolling Stock Quantities*						
Chicago Vehicle Replacement	166	166	167	167	167	833
Suburban Vehicle Replacement	36	36	36	36	36	180
Regional Vehicle Expansion	15	15	15	15	15	75
Total Vehicle Needs	217	217	218	218	218	1,088
Rolling Stock						
Chicago Vehicle Replacement	\$19,920	\$19,920	\$20,040	\$20,040	\$20,040	\$99,960
Suburban Vehicle Replacement	4,320	4,320	4,320	4,320	4,320	21,600
Regional Vehicle Expansion	1,800	1,800	1,800	1,800	1,800	9,000
Subtotal	\$26,040	\$26,040	\$26,160	\$26,160	\$26,160	\$130,560
Electrical/Signal/Communications						
Radio System	\$977	\$977	\$981	\$981	\$981	\$4,896
Subtotal	\$977	\$977	\$981	\$981	\$981	\$4,896
Support Facilities & Equipment						
Construct Four Garage Facilities	\$2,700	\$3,900	\$17,500	\$14,000	\$16,000	\$54,100
Farebox System	1,628	1,628	1,635	1,635	1,635	8,160
Subtotal	\$4,328	\$5,528	\$19,135	\$15,635	\$17,635	\$62,260
Stations & Passenger Facilities						
Construct Passenger Transfer Locations	\$0	\$0	\$0	\$2,888	\$2,888	\$5,775
Subtotal	\$0	\$0	\$0	\$2,888	\$2,888	\$5,775
Grand Total Needs	\$31,344	\$32,544	\$46,276	\$45,664	\$47,664	\$203,491

*Rolling Stock Quantities are not in thousands

Organizational Overview

Pace staffing requirements are classified into four primary categories: administration, centralized support, Pace divisions, and Regional ADA Paratransit services. Within each category, employees are further classified into four activity areas: operations, maintenance, non-vehicle maintenance, and administration. These activity areas are defined by the National Transit Database (NTD) reporting requirements which apply to all public transit operators.

For 2026, the headquarters administration category is budgeted at 221.0 approved full-time equivalent (FTE) positions with 30.0 FTE vacancies and 5.5 FTE positions allocated to ADA operations, resulting in 185.5 budgeted FTE positions. The headquarters central support category is budgeted at 108.0 approved FTE positions with 20.0 FTE vacancies, resulting in 88.0 budgeted FTE positions. No additional positions are authorized in either category and total vacancies will be held flat to 2025 estimated levels as a cost-saving measure.

The Pace divisions category is comprised of nine garages and is budgeted at 1,633.0 filled FTE positions for 2026. This is an increase of only 4.0 positions over 2025 estimated levels, reflecting RTA direction to halt expansion plans until the regional funding crisis is resolved.

The Regional ADA Paratransit category includes 48.5 approved FTE positions and 5.5 FTE positions allocated from headquarters administration with 4.0 FTE vacancies, resulting in 50.0 budgeted FTE positions for 2026. No additional positions are authorized; however, total vacancies are expected to decrease by 3.0 FTE positions from 2025 estimated levels.

Pace's headquarters functions are organized into four main units—Finance, Operations, Planning, and External Relations—which report to the Executive Director and oversee the work of additional reporting departments. Other departments that report directly to the Executive Director are Internal Audit, Human Resources, Communications, Ethics, Government Affairs, Legal, Priority Project Management, Procurement, Capital Infrastructure, and Information Technology.

The organization structure is shown on the next page. The number of employees assigned to each department is detailed in Table 34 and an overview of each department's duties and responsibilities is presented on the following pages.

Table 33. Full-Time Equivalent Positions (FTEs)

	Admin	Central Support	Pace Divisions	Total
2024 Actual				
Operations	0.0	37.0	1,130.0	1,167.0
Maintenance	0.0	30.0	295.0	325.0
NVM*	0.0	16.0	16.0	32.0
Administration	169.5	0.0	37.0	206.5
Suburban Service	169.5	83.0	1,478.0	1,730.5
Reg. ADA Paratransit	42.0	0.0	0.0	42.0
Total	211.5	83.0	1,478.0	1,772.5
2025 Estimated				
Operations	0.0	40.0	1,276.0	1,316.0
Maintenance	0.0	32.0	300.0	332.0
NVM*	0.0	16.0	16.0	32.0
Administration	185.5	0.0	37.0	222.5
Suburban Service	185.5	88.0	1,629.0	1,902.5
Reg. ADA Paratransit	47.0	0.0	0.0	47.0
Total	232.5	88.0	1,629.0	1,949.5
2026 Budget				
Operations	0.0	40.0	1,280.0	1,320.0
Maintenance	0.0	32.0	300.0	332.0
NVM*	0.0	16.0	16.0	32.0
Administration	185.5	0.0	37.0	222.5
Suburban Service	185.5	88.0	1,633.0	1,906.5
Reg. ADA Paratransit	50.0	0.0	0.0	50.0
Total	235.5	88.0	1,633.0	1,956.5

*Non-Vehicle Maintenance

Pace Organizational Chart

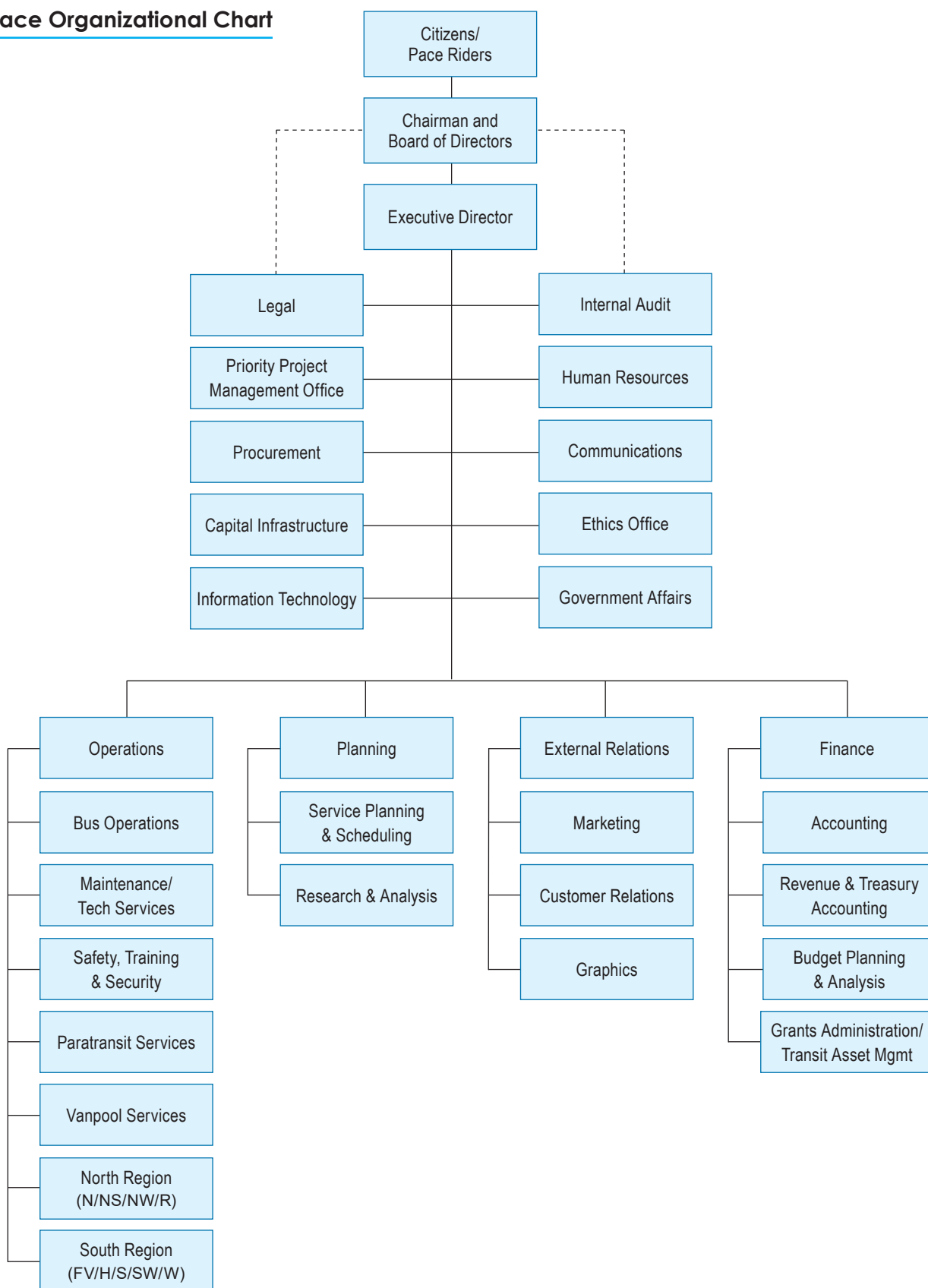


Table 34. 2026 Operating Budget - Department Budgeted Positions (FTEs)

Suburban Service	2024 Actual	2025 Estimate	2026 Budget	Suburban Service	2024 Actual	2025 Estimate	2026 Budget
Office of the Executive Director	5.0	5.0	5.0	Planning	2.0	2.0	2.0
Internal Audit	6.0	6.0	6.0	Service Planning & Scheduling	12.0	12.0	12.0
Human Resources	17.0	19.0	19.0	Research & Analysis	7.0	7.0	7.0
Communications	3.0	3.0	3.0	Total	21.0	21.0	21.0
Ethics Office	1.0	1.0	1.0	External Relations	2.0	2.0	2.0
Government Affairs	11.0	11.0	11.0	Marketing	5.0	5.0	5.0
Legal	13.0	13.0	13.0	Customer Relations	4.0	4.0	4.0
Priority Project Management Office	4.0	4.0	4.0	Graphics	8.0	8.0	8.0
Procurement	19.0	19.0	19.0	Total	19.0	19.0	19.0
Capital Infrastructure	28.0	28.0	28.0	Total Suburban Service	1,807.0	1,958.0	1,962.0
Information Technology	35.0	35.0	35.0				
Unassigned Vacancies	3.0	1.0	1.0				
Total	145.0	145.0	145.0				
Finance	1.0	1.0	1.0				
Accounting	17.0	17.0	17.0	Regional ADA	2024 Actual	2025 Estimate	2026 Budget
Revenue & Treasury Accounting	7.0	7.0	7.0	Chicago ADA Paratransit	48.5	48.5	48.5
Budget Planning & Analysis	5.0	5.0	5.0	Suburban Service Allocation	5.5	5.5	5.5
Grants Administration/ Transit Asset Management	10.0	10.0	10.0	Total Regional ADA	54.0	54.0	54.0
Total	40.0	40.0	40.0	Total Suburban & Regional ADA	1,861.0	2,012.0	2,016.0
Operations	4.0	4.0	4.0	Suburban Svc Vacancy Factor	(71.0)	(50.0)	(50.0)
Bus Operations	27.0	27.0	27.0	Regional ADA Vacancy Factor	(12.0)	(7.0)	(4.0)
Maintenance/Tech Services	38.0	38.0	38.0	ADA Allocation	(5.5)	(5.5)	(5.5)
Safety/Training/Security	11.0	11.0	11.0	Total - With Vacancy Factors	1,772.5	1,949.5	1,956.5
Paratransit Services	10.0	10.0	10.0				
Vanpool Services	14.0	14.0	14.0				
Pace Divisions:							
Bus Operators	1,024.0	1,170.0	1,174.0				
Operations Supervisors	106.0	106.0	106.0				
Maintenance	295.0	300.0	300.0				
Non-Vehicle Maintenance	16.0	16.0	16.0				
Administration	37.0	37.0	37.0				
Total	1,582.0	1,733.0	1,737.0				



Department Overview

A detailed description of each department is provided as follows:

Office of the Executive Director

Office of the Executive Director: The Executive Director is responsible for overall management of the agency including all staffing and contractual relationships necessary to carry out the powers of the Suburban Bus Board (Pace) in accordance with the RTA Act. Guides the agency in making decisions prioritizing investments in capital assets and new programs/services. Oversees Disadvantaged Business Enterprise compliance with regulatory requirements.

Internal Audit: Responsible for directing performance, financial, and compliance audits to ensure maintenance of organizational and professional ethical standards.

Human Resources: Responsible for recruitment, compensation, benefit administration, employee relations, and development of the agency's human resource policies. Oversees professional development and training for the agency. Responsible for programs and initiatives that enhance Pace's diverse and inclusive work environment.

Communications: Responsible for managing the organization's external communications with stakeholders. Serves as the organization's primary media contact.

Ethics Office: Responsible for acting as Ethics Officer pursuant to state law, conducts ethics training for employees, provides guidance to Board members and employees regarding the interpretation and implementation of state ethics laws.

Government Affairs: Responsible for coordinating governmental outreach campaigns, as well as planning and directing legislative strategies.

Legal: Responsible for reviewing contracts, monitoring litigation, handling claim defense litigation, and assuring legal compliance with all required federal, state, and local regulations. Also responsible for insurance and claims handling for the entire agency.

Priority Project Management Office: Responsible for oversight support of Pace's priority capital projects and the implementation of the Rapid Transit Program and other initiatives identified in Pace's strategic plan, *Driving Innovation*.

Procurement: Responsible for directing and coordinating all purchasing and procurement activities and contracting services.

Capital Infrastructure: Responsible for real estate management, design, engineering and construction of all fixed facilities, environmental management, and facility maintenance management.

Information Technology: Responsible for direction and provision of all information technology systems for the agency. The department includes IT administration, application services, client services, infrastructure services, and data services.

Finance

Accounting: Responsible for accounts payable, accounts receivable and billing, fixed assets, payroll, general accounting, and financial reporting. Produces monthly interim and year-end financial statements, the annual schedule of federal awards and expenditures, as well as regulatory compliance reporting.

Revenue & Treasury Accounting: Responsible for debt, investment, and cash management services. Fare revenue analysis and reporting is performed along with National Transit Database reporting.

Budget Planning & Analysis: Responsible for Suburban Service and ADA operating budget planning, analysis, and management reporting. Performs special analysis and reporting on financial impact topics. Produces quarterly reports to the RTA. Prepares annual budget document and materials for public hearings.

Grants Administration/Transit Asset Management: Responsible for federal, state, and local grants administration, capital budget development, and Transit Asset Management administration.

Operations

Bus Operations: Responsible for managing and controlling the provision of bus service contracts and direct operation of Pace-operated and subsidized fixed route service providers, as well as non-revenue fleet management. Also oversees passenger facility maintenance, including the installation and maintenance of Pace's bus stop shelters and signage.

Maintenance/Tech Services: Responsible for setting policy for all maintenance procedures as well as managing fleet procurements and distribution.

Safety, Training, and Security: Responsible for safety and training programs for all operations. Establishes program guidelines and assures compliance with regulatory requirements. Assures security and safety of Pace assets, employees, and passengers.

Paratransit Services: Responsible for the management of the Regional ADA Paratransit Program.

Vanpool Services: Responsible for the management of Pace's Vanpool services.

Pace Divisions: Regional management (North and South) oversees and manages the provision of fixed route services from Pace's nine operating garages and support facilities. Responsible for day-to-day operations of fixed route services and all related activities including, but not limited to: employment, work assignment, collective bargaining, inventory management, equipment and facility maintenance, reporting, and employee safety oversight (in coordination with the Safety Department).

Planning

Service Planning & Scheduling: Responsible for all fixed route and community service planning and scheduling, including adjustment of existing services to improve performance, evaluating new markets for service expansion and service reductions, and the creation of operator run work schedules.

Research & Analysis: Responsible for the management of customer satisfaction measurement and reporting, and special studies that support business objectives. Produces ridership reporting, performance measures, on-time performance measures, and other operational data.

External Relations

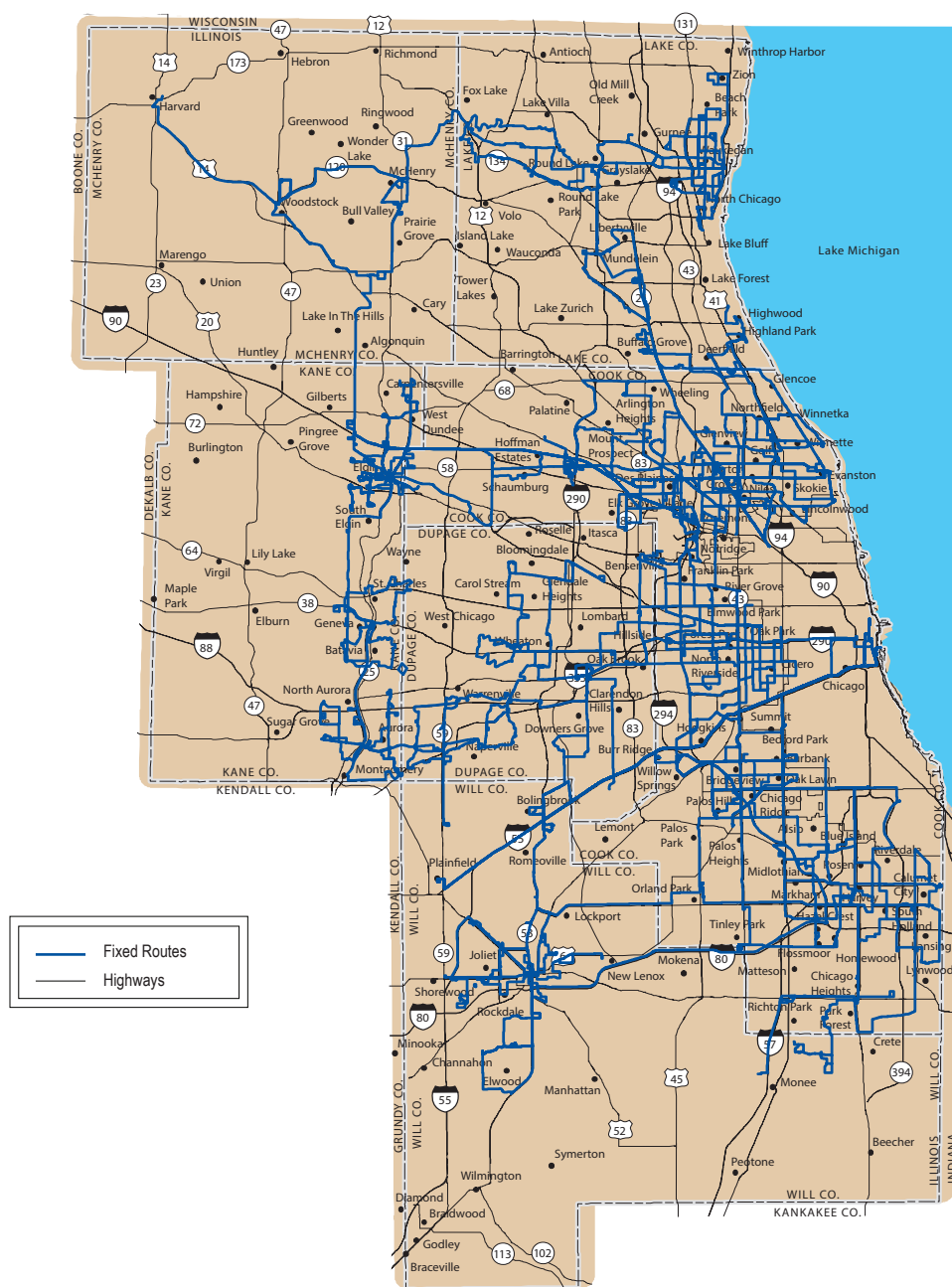
Marketing: Responsible for planning, developing, and administering marketing programs to promote the agency and its services to the public.

Customer Relations: Responsible for handling customer inquiries and providing schedule information to Pace customers. Administers customer management system for tracking customer complaints, produces customer complaints metrics, and follows up with responsible business units.

Graphics: Responsible for designing/producing communication pieces, providing audio/visual communication resources, print production of bus schedules, and other printed materials.

Fixed Route Service Characteristics

Fixed Route Service includes 133 regular routes and numerous seasonal routes which are operated by Pace. These routes serve 210 communities and are estimated to carry 1.4 million rides per month in 2025, utilizing 517 vehicles during peak periods. All routes are fully wheelchair accessible.



Pace contracts directly with private service providers for the operation of 14 demand response projects, six coordinated County-wide programs, 11 On Demand services, and has agreements with villages and townships for the operation of over 10 other demand response projects. Pace River Division operates one demand response project and five On Demand services. The other six On Demand services are operated by paratransit contracted service providers in each service area. These projects provide services to over 125 townships and municipalities throughout the six-county area.

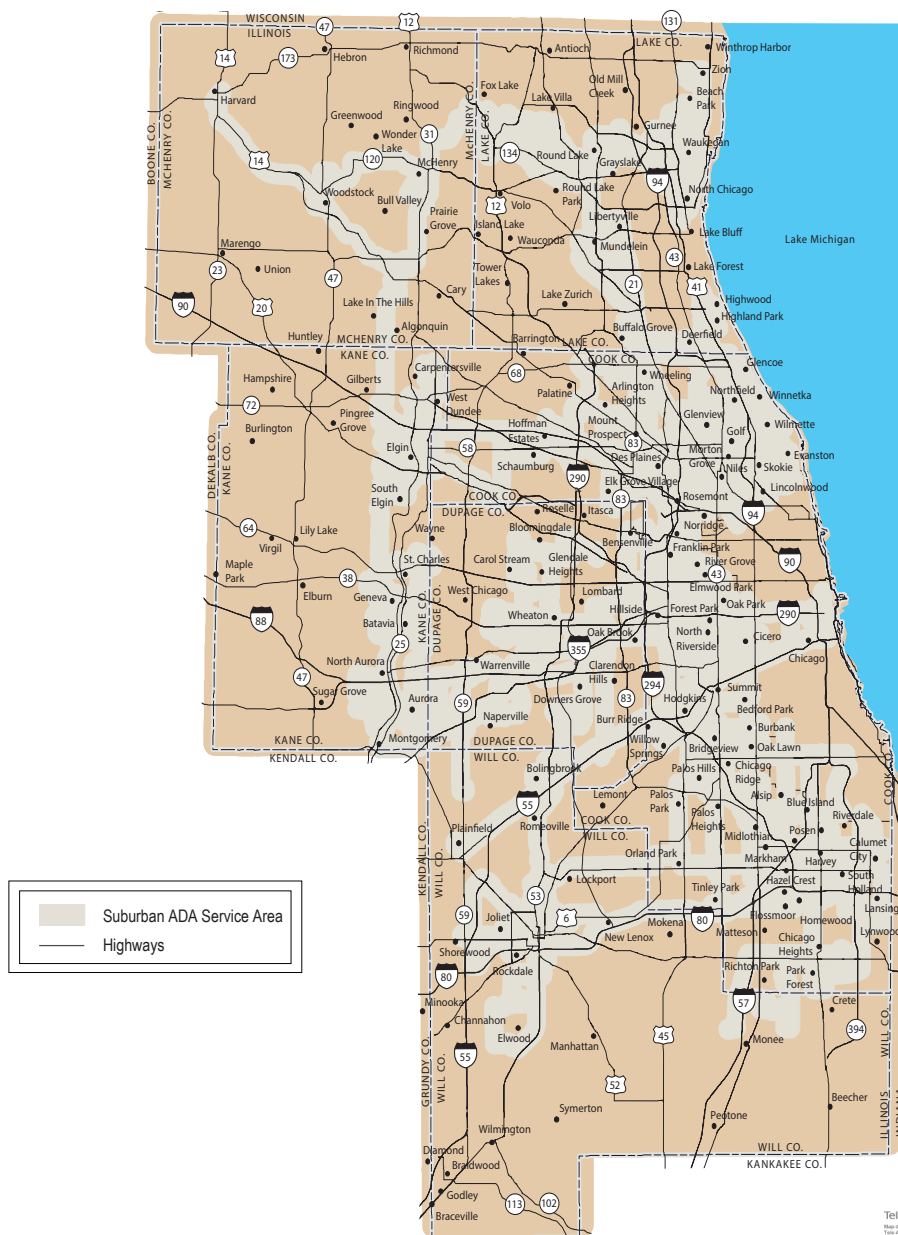


Suburban ADA Paratransit Service Characteristics

Individuals who have difficulty accessing fixed route service may apply for RTA ADA certification to utilize ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a 3/4-mile corridor to either side of Pace's regular fixed routes in suburban areas as required by federal regulations.

Pace contracts with dedicated paratransit transportation service providers and local taxi/TNC providers for ADA Paratransit services. Pace River Division provides a portion of ADA Paratransit service in Kane County. Suburban ADA Paratransit utilizes 276 accessible vehicles, as well as taxi/TNC-owned vehicles to provide service. These services are estimated to carry approximately 59,000 monthly riders in 2025.

Certified riders can also use the Rideshare Access Program (RAP). Trips are subsidized up to \$30 after riders pay the first \$2 towards the cost of their trip. The fare for this service increased to \$3.25 in October 2025. This service is estimated to carry 41,000 monthly riders in 2025.

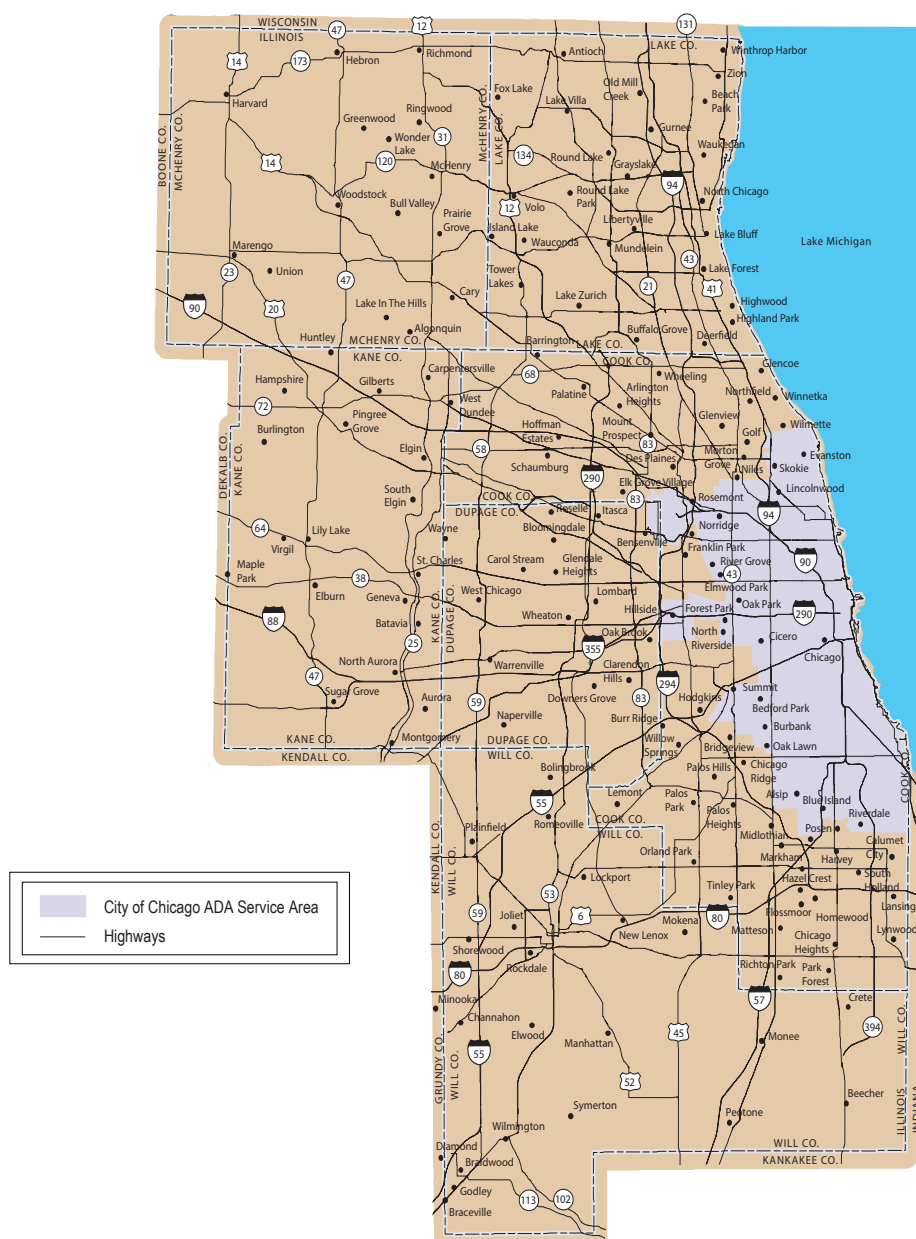


City of Chicago ADA Paratransit Service Characteristics

Individuals who have difficulty accessing fixed route service may apply for RTA ADA certification to utilize ADA Paratransit Service. The RTA administers a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area represents a 3/4-mile corridor to either side of CTA/Pace regular fixed routes and each CTA rail station in the City of Chicago as required by federal regulations.

Pace contracts with dedicated paratransit transportation service providers and local taxi/TNC providers for ADA Paratransit services. Chicago ADA Paratransit utilizes 762 accessible vehicles, as well as taxi/TNC-owned vehicles to provide service. These services are estimated to carry approximately 205,600 monthly riders in 2025.

Certified riders in Chicago can also use the Taxi Access Program (TAP) and Rideshare Access Program (RAP). Trips are subsidized up to \$30 after riders pay the first \$2 towards the cost of their trip. The fare increased to \$3.25 in October 2025. These services are estimated to carry 234,200 monthly riders in 2025.



Tele Atlas
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Table 35. Pace Rolling Stock - Active Fleet on December 31, 2024

Fixed Route (Fully Accessible)				
Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado	2007	31	18	30'
EIDorado	2008	11	17	30'
EIDorado	2009	11	16	30'
EIDorado	2010	22	15	30'
Orion Hybrid	2011	2	14	30'
EIDorado	2011	4	14	30'
EIDorado	2013	46	12	40'
MCI	2013	12	12	40'
EIDorado	2014	25	11	40'
EIDorado	2015	38	10	40'
MCI	2015	8	10	40'
EIDorado CNG	2015	16	10	40'
EIDorado	2016	68	9	40'
EIDorado	2017	80	8	40'
EIDorado Trolley	2017	7	8	30'
EIDorado CNG	2017	57	8	40'
MCI	2017	7	8	40'
EIDorado CNG	2018	9	7	40'
EIDorado CNG	2020	4	5	40'
New Flyer	2020	82	5	40'
EIDorado	2020	21	5	30'
MCI	2021	7	4	40'
EIDorado	2022	36	3	30'
Coach Phoenix	2023	4	2	28'
Total		608		
Average Age			9.0 years	

Vanpool				
Manufacturer	Model Year	# of Vehicles	Age	Length
Dodge Caravan	2012	1	13	17'
Dodge Caravan	2013	14	12	17'
Ford E350	2013	4	12	18'-20'
Dodge Caravan	2016	3	9	17'
Ford Transit	2016	51	9	20'
Dodge Caravan	2017	156	8	17'
Ford Transit	2017	44	8	19'
Ford Transit	2018	72	7	19'
Ford Transit	2020	60	5	18'-19'
Ford Transit	2024	19	1	22'
Total		424		
Average Age			7.4 years	



Paratransit (Fully Accessible)

Manufacturer	Model Year	# of Vehicles	Age	Length
EIDorado Aerotech	2014	1	11	25'
Champion Challenger	2014	47	11	22'
EIDorado Aerotech	2016	13	9	25'
EIDorado Aerotech	2017	118	8	25'
EIDorado Aerotech	2018	28	7	25'
Coach Phoenix	2022	111	3	28'
Coach Phoenix	2023	95	2	28'
Total		413		
Average Age			5.6 years	

Community Transit & On Demand

Manufacturer	Model Year	# of Vehicles	Age	Length
Champion Crusader	2009	1	16	21'
Champion Crusader	2012	2	13	21'
Dodge Caravan	2013	3	12	17'
Champion Crusader	2015	11	10	23'
Dodge Caravan	2016	1	9	17'
Ford Transit	2016	7	9	20'
Dodge Caravan	2017	2	8	17'
Champion Crusader	2017	34	8	23'
Ford Transit	2017	6	8	19'
Champion Crusader	2018	3	7	23'
Ford Transit	2018	18	7	19'
Champion Crusader	2019	21	6	21'
Ford Transit	2020	25	5	18'-19'
Ford Transit	2024	1	1	22'
Total		135		
Average Age			7.4 years	



Paratransit vehicle



On Demand vehicle

Pace System Infrastructure

Pace's Operating Divisions provide inside bus storage for approximately 700 buses with a total building size of over 1.3 million square feet at the locations provided below. Pace also leases Administrative and Operating space. Lastly, Pace contracts with regional municipal and private carriers to supplement Fixed Route and Paratransit Passenger Services.

Operating Divisions

- Pace Headquarters
Arlington Heights
- Fox Valley Division
North Aurora
- Heritage Division
Plainfield
- McHenry Paratransit Garage
McHenry
- North Division
Waukegan
- North Shore Division
Evanston
- Northwest Division
Des Plaines
- River Division
Elgin
- South Division
Markham
- South Campus
Centralized Training/Customer Relations Facility
Markham
- South Campus
Acceptance Facility
Markham
- Southwest Division
Bridgeview
- West Division
Melrose Park

Municipal Garages

- City of Highland Park
- Village of Niles

Leased Premises

- Chicago Paratransit Office
Chicago
- East Dundee Garage
East Dundee
- Print Shop
Elk Grove Village

Passenger Facilities

Pace has established numerous passenger facilities throughout the region that provide convenient transfers and connections between Pace services and those provided by CTA and Metra. An extensive list of passenger facilities can be found on Pace's website:

www.PaceBus.com/passenger-facilities

Transportation Centers

- Aurora Transportation Center
- Bridgeview Transit Center
- Buffalo Grove Transportation Center
- Chicago Heights Transportation Center
- Cumberland Transit Center
- Elgin Transportation Center
- Forest Park Transit Center
- Harvey Transportation Center
- Jefferson Park Transit Center
- Joliet Transit Center
- Midway Transit Center
- Northwest Zetttek Transportation Center
(Schaumburg)
- Rosemont Transit Center
- Route 59 Transportation Center
(Aurora/Naperville)

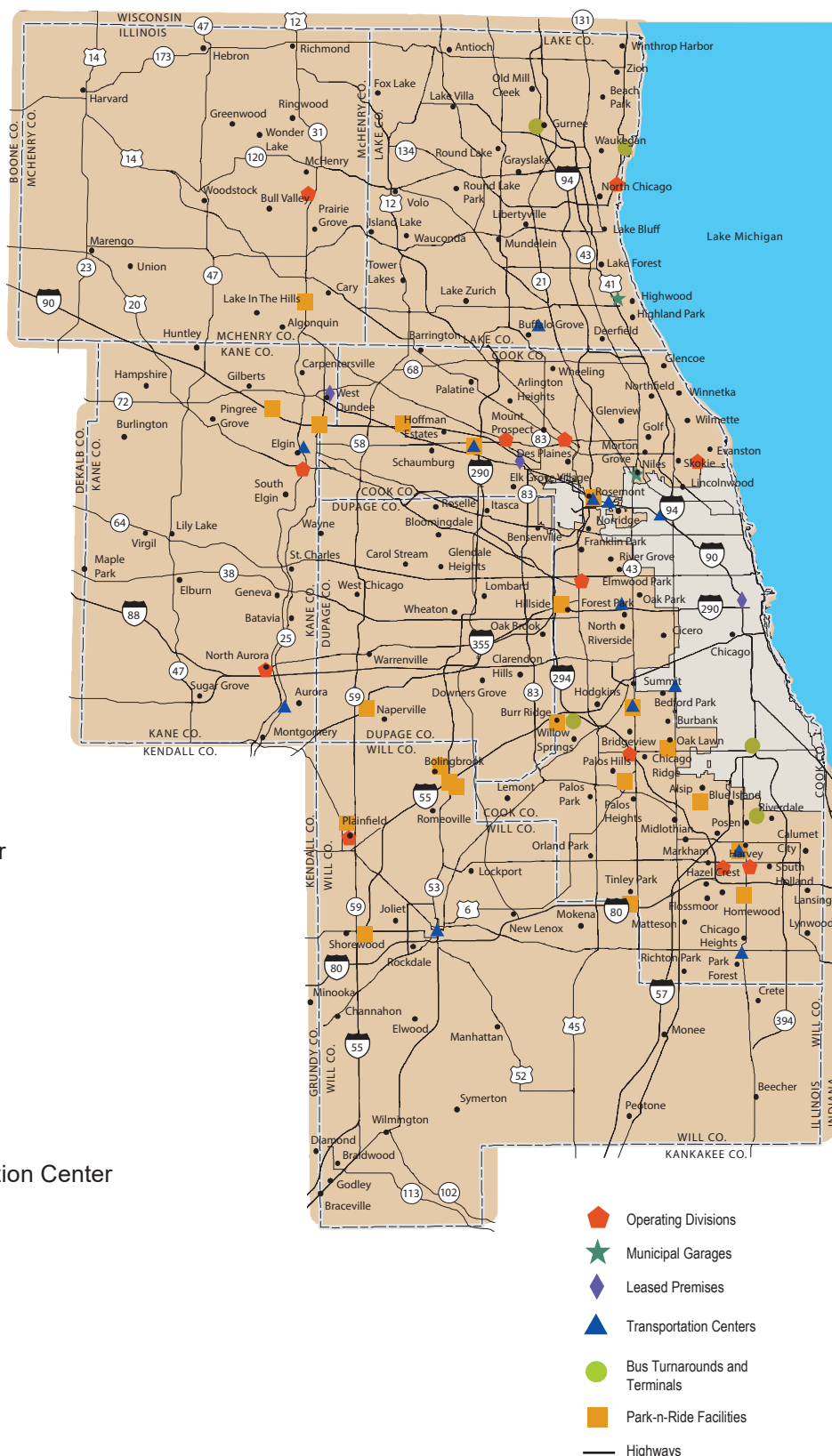
Pace System Passenger and Support Facilities

Bus Turnarounds and Terminals

- 95th/Dan Ryan Terminal
- Gurnee Mills Terminal
- Riverdale Turnaround
- UPS Hodgkins Terminal
- Waukegan Terminal

Park-n-Ride Facilities

- Blue Island
- Bolingbrook - Canterbury
- Bolingbrook - Old Chicago
- Bridgeview Transit Center
- Burr Ridge
- Community Christian Church (Naperville)
- DeVry University (Tinley Park)
- Harvey Transportation Center
- Hillside
- Homewood
- I-90/Barrington Road
- I-90/IL 25
- I-90/Randall Road
- IDOT Shorewood
- McHenry DOT
- Northwest Zetek Transportation Center (Schaumburg)
- Oak Lawn Metra
- Palos Heights Metra
- Plainfield
- Rosemont Transit Center
- White Fence Farm (Romeoville)



Appendix B • Ridership & Fares

Ridership

The following table identifies projected ridership changes by operating element for 2024 through 2028.

Table 36. 2024–2028 Ridership Projections (000s)									
	2024 Actual	2025 Estimated	% Change	2026 Projected	% Change	2027 Projected	% Change	2028 Projected	% Change
Pace Divisions	16,402	16,515	0.7%	16,515	0.0%	16,515	0.0%	16,515	0.0%
Public Carriers	247	265	7.3%	265	0.0%	265	0.0%	265	0.0%
Private Carriers	321	321	0.0%	321	0.0%	321	0.0%	321	0.0%
Total Fixed Route	16,970	17,101	0.8%	17,101	0.0%	17,101	0.0%	17,101	0.0%
Demand Response*	678	738	8.8%	797	8.0%	814	2.1%	831	2.1%
Vanpool	534	538	0.7%	574	6.7%	574	0.0%	574	0.0%
Suburban Service Total	18,182	18,377	1.1%	18,472	0.5%	18,489	0.1%	18,506	0.1%
Regional ADA Paratransit*	4,859	6,480	33.4%	4,324	(33.3%)	3,435	(20.6%)	3,606	5.0%
Combined Pace Service	23,041	24,857	7.9%	22,796	(8.3%)	21,924	(3.8%)	22,112	0.9%

*Ridership includes companions and personal care attendants



Ridership & Fares

Suburban Service Ridership

Pace Suburban Service ridership is estimated to finish the year 1.1% above 2024 levels. Fixed route and Vanpool ridership are expected to finish the year 0.8% and 0.7% above 2024 levels, respectively while Demand Response is expected to grow 8.8% over prior year levels.

For 2026, total Suburban Service ridership is expected to increase 0.5% from 2025 levels, with growth expected in Demand Response and Vanpool services. Fixed route ridership is not expected to grow from 2025 levels, reflecting RTA direction to increase fares 10% and halt service expansion plans until a resolution is found to the regional funding crisis. Demand Response and Vanpool ridership are expected to grow 8.0% and 6.7% respectively but are a proportionally small amount of total Suburban Service ridership.

Following RTA direction to halt service expansion, no growth in fixed route ridership is expected in 2027 or 2028. Vanpool ridership is also expected to stay flat to 2026 levels in both out-years while Demand Response ridership is expected to grow 2.1% in both 2027 and 2028.

Regional ADA Paratransit Ridership

The Rideshare Access Program (RAP), which uses Transportation Network Companies (TNC) to provide similar services to the existing Taxi Access Program (TAP), was implemented regionwide in April 2024 and

has seen exponential growth since that time, causing the Regional ADA Paratransit program to be significantly over budget in 2025. In response, RTA implemented mitigating actions requiring RAP and TAP rides be capped at 30 rides per month and the fare increased from \$2.00 to \$3.25 per trip. These program restrictions were implemented in October 2025. Total Regional ADA Paratransit ridership, with the mitigating actions, is expected to finish 2025 33.4% above 2024 levels.

In order to fully fund traditional ADA services as required by federal law and still operate the Regional ADA Paratransit program within the funding levels authorized by the RTA for 2026, Pace expects that RTA will require the cessation of RAP and TAP subsidized services approximately three months into 2026. This will result in a 33.3% decrease in overall Regional ADA Paratransit ridership from 2025 levels. The expected end of RAP and TAP services carries forward into 2027, resulting in a further 20.6% decrease in ridership from 2026 levels. In 2028, the remaining traditional ADA services are expected to grow 5% from 2027 levels.

Pace Fares

As required by the RTA, Pace proposes implementing an average increase of 10% for all Suburban Service and Regional ADA Paratransit fare products in 2026. The existing Pace/CTA 3-Day Pass is proposed to be eliminated. Tables 37 and 38 on the following pages identify the current and proposed structures.



Fare Structure

Table 37. Fare Structure				
	Current Fares		Proposed Fares	
	Full Fare	Reduced Fare	Full Fare	Reduced Fare
Regular Fares				
Cash Fare	\$2.25	\$1.10	\$2.50	\$1.20
Ventra® Fare	2.00	1.00	2.25	1.10
Transfer to Pace (with Ventra transit value only)	0.30	0.20	No Change	No Change
Passes				
Pace/CTA 30-Day Pass	\$75.00	\$35.00	\$85.00	\$40.00
Pace/CTA 7-Day Pass	20.00	N/A	25.00	N/A
Pace/CTA 3-Day Pass	15.00	N/A	Discontinued	
Pace/CTA 1-Day Pass	5.00	N/A	6.00	N/A
Pace 30-Day Pass	60.00	30.00	66.00	33.00
Regional Connect Pass	30.00	N/A	45.00	N/A
Student Summer Haul Pass	45.00	N/A	50.00	N/A
Pace Campus Connection (College Student Pass)				
Valid for One Semester - 5 months				
Purchased in:				
August or January	\$175.00	N/A	\$193.00	N/A
September or February	165.00	N/A	182.00	N/A
October or March	140.00	N/A	154.00	N/A
November or April	105.00	N/A	116.00	N/A
December or May	60.00	N/A	66.00	N/A
Campus Connection - Summer Pass	140.00	N/A	154.00	N/A
Premium/Other Fares				
Premium Routes*	\$4.50	\$2.25	\$5.00	\$2.40
Transfer from Pace Regular to Pace Premium Routes (with Ventra only)	2.50	1.25	2.75	1.30
Transfer from CTA to Pace Premium Routes (with Ventra only)	2.50	1.25	2.75	1.35
Transfer from CTA or Pace to Pace Premium Routes (with Pace/CTA or Pace-only Passes)	2.50	1.25	2.75	1.35
Pace Premium 30-Day Pass	140.00	70.00	154.00	77.00
Regional Day Pass	2.50	N/A	3.00	N/A
Demand Response	Fare based on community policy			
ADA Paratransit				
ADA Paratransit	\$3.25	N/A	3.50	N/A
Rideshare Access Program	3.25	N/A	3.50	N/A
Taxi Access Program (Chicago Only)	3.25	N/A	3.50	N/A

*Premium routes include: 236, 755, 768, 769, 776, 850, 851, 855

Please visit Pace's website for further information concerning current fares and other special programs.

Table 38. Monthly VIP & Other Vanpool Services Fare Schedule

CURRENT VIP FARE SCHEDULE							
Daily Round Trip Van Miles	4 Pass*	5 Pass*	6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20	\$112	\$99	\$92	\$85	\$73	\$73	\$73
21-30	117	103	96	89	75	73	73
31-40	122	109	102	95	78	73	73
41-50	128	114	107	99	81	73	73
51-60	133	119	111	103	86	75	73
61-70	138	124	116	107	89	77	73
71-80	142	130	121	112	92	79	73
81-90	146	134	125	116	97	81	73
91-100	150	138	129	119	100	85	75
101-110	153	141	132	123	103	87	77
111-120	160	145	136	127	107	89	79
121-130	163	149	140	130	112	91	81
131-140	166	153	144	134	116	94	85
141-150	171	157	148	138	119	97	87
151-160	174	161	151	141	123	99	89

PROPOSED VIP FARE SCHEDULE							
Daily Round Trip Van Miles	4 Pass*	5 Pass*	6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20	\$123	\$109	\$101	\$94	\$80	\$80	\$80
21-30	129	113	106	98	83	80	80
31-40	134	120	112	105	86	80	80
41-50	141	125	118	109	89	80	80
51-60	146	131	122	113	95	83	80
61-70	152	136	128	118	98	85	80
71-80	156	143	133	123	101	87	80
81-90	161	147	138	128	107	89	80
91-100	165	152	142	131	110	94	83
101-110	168	155	145	135	113	96	85
111-120	176	160	150	140	118	98	87
121-130	179	164	154	143	123	100	89
131-140	183	168	158	147	128	103	94
141-150	188	173	163	152	131	107	96
151-160	191	177	166	155	135	109	98

*The van driver is excluded from this passenger/van count



Fares are based on 21 work/commute days per month (approximately five work/commute days per week). Fares will be adjusted to accommodate van operation which is consistently greater or fewer than 21 work days per month. Passengers commuting three days or less each week have fares set at fifty percent of the fares in Table 38.

Indiana Tollway/Chicago Skyway monthly surcharge is \$6 per passenger.

VanGo fares are proposed to increase from \$5.00 to \$5.50 per day.

Current Other Vanpool Service Monthly Fares	
Program	Current Fare
Advantage	\$250
Not-For-Profit Shuttle	250
Employer Shuttle	600
VIP Metra Feeder/Per Rider	58

Proposed Other Vanpool Service Monthly Fares	
Program	Proposed Fare
Advantage	\$275
Not-For-Profit Shuttle	275
Employer Shuttle	660
VIP Metra Feeder/Per Rider	64

Demographic Profiles of Pace Users



The summary demographic profiles of Pace users, as based on our research, is presented in Table 39.

Research indicates that Pace users earn significantly less than the regional average and nearly half do not own an automobile. This underscores the critical role Pace plays in getting residents to jobs. About 63% of Pace riders use the service to get to work. Without Pace services and without an automobile, many of our residents would not be able to get to work.

Table 39. User Demographic Profiles

Age in Years	
Group Median	42.3
Sex:	
Male	50%
Female	48%
Prefer to self-describe	2%
Education	
Some high school or less	8%
High school graduate	25%
Some college or technical school	29%
College graduate	27%
Graduate or Professional Degree	12%
Total Annual Household Income	
Group Median	\$33,940
Auto Ownership	
None	49%
One	29%
Two or more	22%
Ethnic Background <i>(multiple responses apply)</i>	
African American	40%
Asian	9%
Hispanic	27%
Caucasian	24%
Other	7%

Data Source

2025 Customer Satisfaction Survey, sample size = 5,084

Regional Population

Population

The suburban population has continued to increase over the past few decades, continuing to outpace Chicago's population. There are now 5.7 million suburban residents to serve, nearly twice the population of Chicago. The city's population has dropped 8% since 1985, while suburban population has grown 37% in that same timeframe. The region's population distribution looks quite different than it did when Pace was created 40 years ago.

CHART B. 1985 to 2020 Regional Population

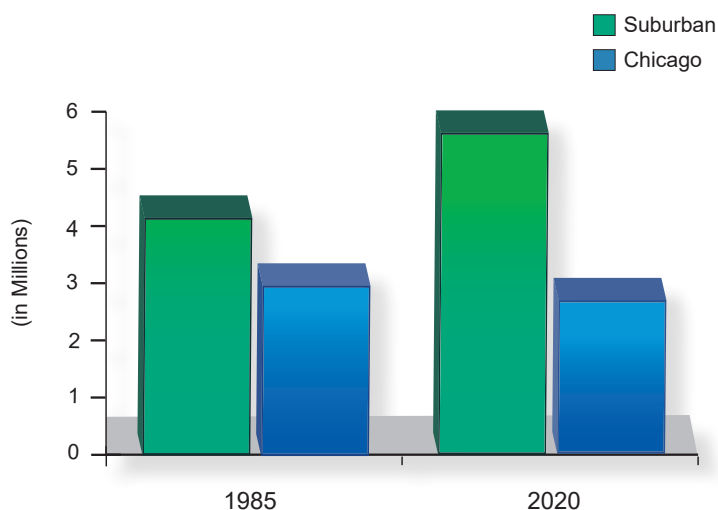
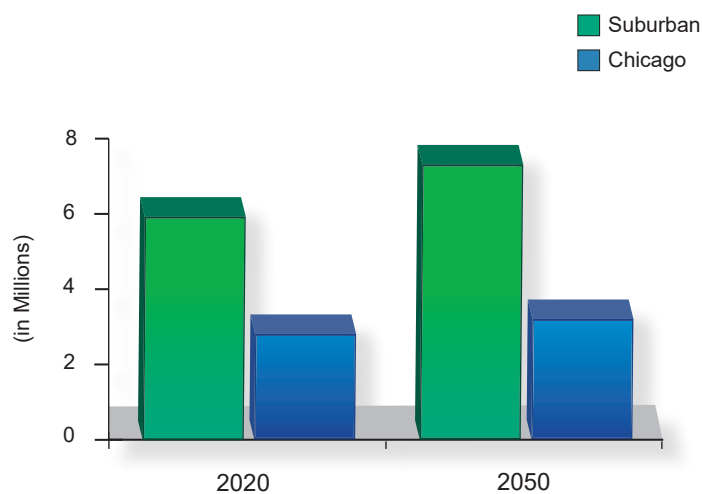
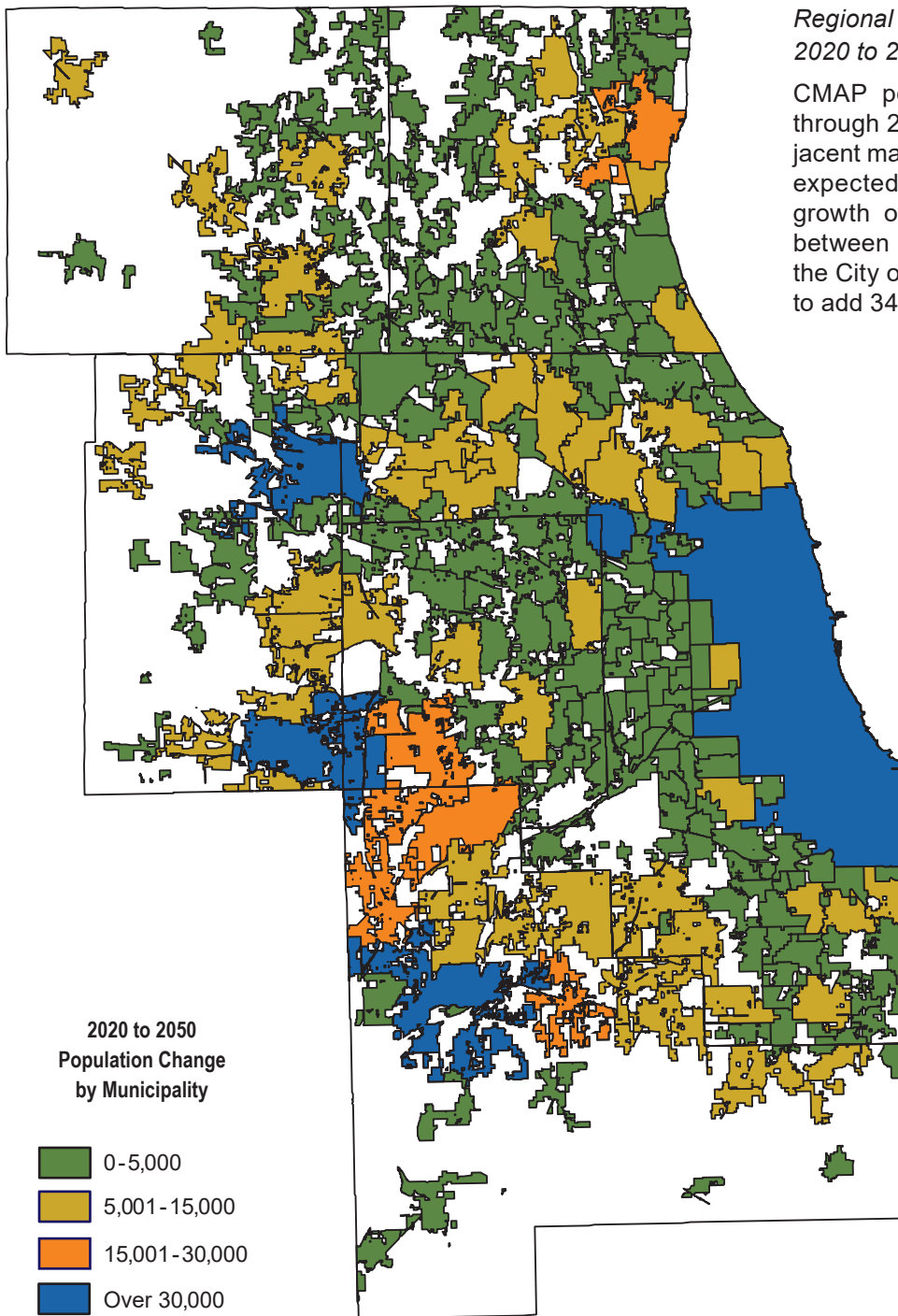


CHART C. 2020 to 2050 Regional Population Projection



Regional Population Change 2020 to 2050

The Chicago Metropolitan Agency for Planning (CMAP) provides official 35-year (2015 to 2050) population forecasts for the region. These forecasts project population growth rates and patterns. According to CMAP, the regional population is expected to increase by 1.7 million people between 2020 and 2050 to 10.6 million. CMAP projects the number of residents between 65 and 84 years of age will increase over 38% between 2020 and 2050. Furthermore, the number of residents in the region over 85 years of age is projected to increase 171% during the same time period. Between 2020 and 2050, 1.4 million new residents will be added to Pace's service region, while Chicago's population will increase by 0.3 million new residents.



Regional Population Change 2020 to 2050

CMAP population growth forecasts through 2050 are depicted on the adjacent map. Suburban Cook County is expected to experience population growth of nearly 0.4 million people between 2020 and 2050, followed by the City of Chicago which is expected to add 347,000 residents by 2050.

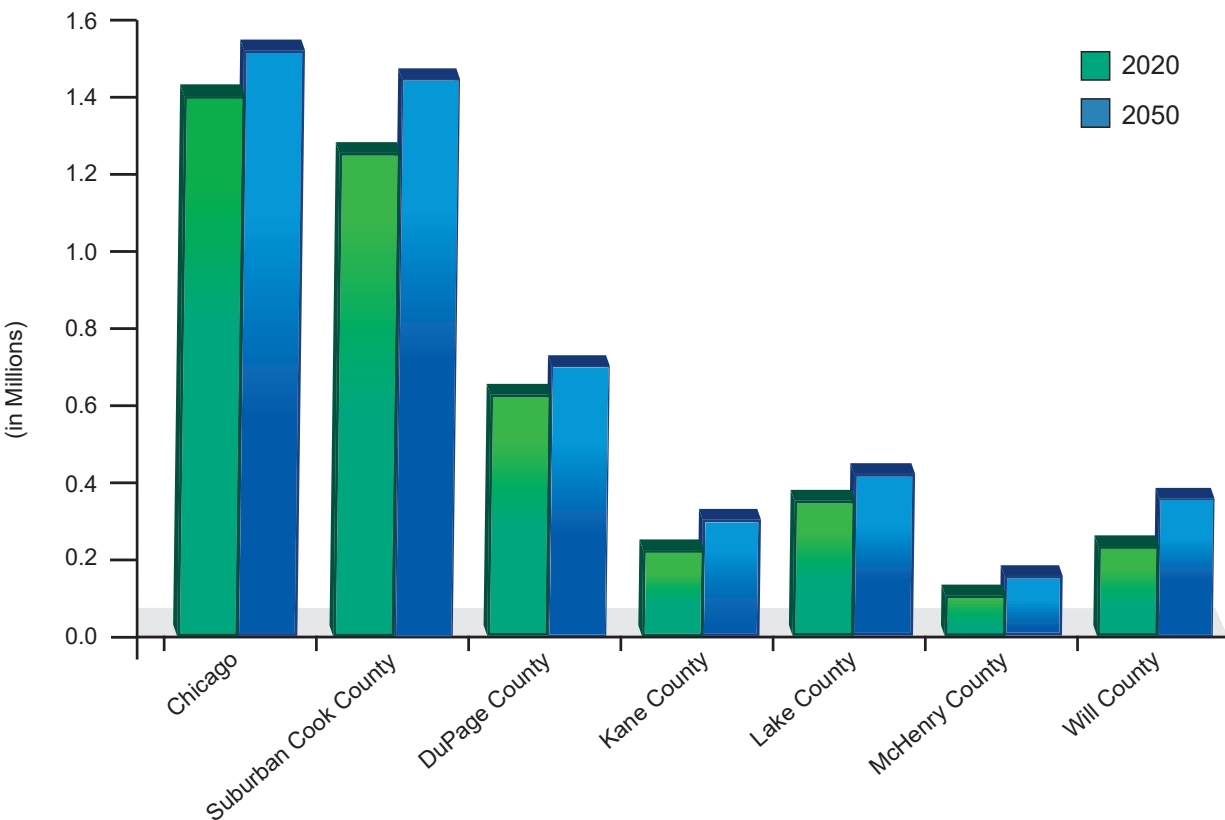
Regional Employment

Employment

The Chicago Metropolitan Agency for Planning (CMAP) forecast anticipates an increase of 0.7 million jobs in the region by 2050, of which 0.6 million will be added to the suburban areas. As a percentage of 2020 employment, Will County's increase is projected to be the greatest at 55%, followed by McHenry County (45%) and Kane

County (35%), representing an increase of 252,000 jobs. Suburban Cook County's projected employment growth (197,000) is the largest in absolute terms followed by growth in Will County (128,000), Chicago (123,000), and Kane County (78,000).

CHART D. 2020 to 2050 Employment Projection



Travel & Congestion

Travel Patterns

According to Texas Transportation Institute's *2023 Urban Mobility Report*, traffic is back to pre-Covid level. In 2022, the Chicagoland area was ranked fourth nationally behind Los Angeles, New York, and Miami for the longest travel delay due to traffic congestion. As a result of traffic congestion during the peak periods, our residents consume an extra 127 million gallons of fuel, at a cost of \$1,675 per auto commuter annually, just sitting in traffic.

The regional cost of traffic congestion reaches \$8.26 billion annually when factoring in lost time and wages, increased shipping costs, and fuel wasted. More than 306 million

hours of travel delay time are lost in the region annually according to the report.

The impact congestion has on the regional economy underscores the need for increased public transportation. Without it, traffic congestion will continue to worsen as it has since 1982, and the cost in wasted time and fuel will continue to rise.

Regional studies such as the RTA's *Moving Beyond Congestion* have documented that for every \$1.00 invested in improving transit, the region saves \$1.50 on transportation costs.



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Pace Goals & Performance Measures

Driving Innovation, Pace's strategic plan, established updated agency-wide goals which support the core business purpose of providing excellent public transportation service that is:

- Safe
- Accessible
- Responsive
- Equitable
- Productive

Table 40 identifies the measures and performance standards that Pace has established for each goal. Actual performance for 2024, projected performance for 2025, and 2026 goals are identified. Performance standards marked with an asterisk (*) are in the process of being further evaluated and those shown are preliminary.

Results that meet or exceed the performance standards are shown in green. Those that fall within 10% of meeting the standard are shown in yellow. Performance more than 10% below the standard is indicated in red.

In addition to these goals and performance standards, this appendix provides comparative performance data for Pace's peer groups.



A rider thanked Pace for “all the excellent drivers” on our staff.

Another rider said they appreciated how their operator was extremely knowledgeable about her route and routes located nearby.

A first-time rider from New York who took the Pulse Dempster bus from O'Hare Airport said he will take this bus again when he visits the area because it was an extremely convenient and safe option for traveling to and from the airport.

Table 40. Pace Goals & Performance Measures

Safety: Operate and maintain a system that prioritizes safety					
Measure:	Performance Standard	2024 Actual	2025 Estimate	2026 Projected	
Accidents per 100,000 Revenue Miles	Less than 5	0.29	0.32	0.26	
Accessibility: Maximize transit access for residents and employers					
Measure:	Performance Standard	2024 Actual	2025 Estimate	2026 Projected	
On-Time Performance	Greater than 85%	67.80%	66.78%	70.00%	
Actual Vehicle Miles per Road Call	Greater than 14,000	12,537	9,231	14,433	
Percent Missed Trips per Total Trip Miles	Less than 0.50%	1.08%	0.72%	0.50%	
Responsiveness: Provide superior experiences for all customers					
Measure:	Performance Standard	2024 Actual	2025 Estimate	2026 Projected	
Complaints per 100,000 Passenger Miles	Less than 4	5.07	5.80	5.50	
Equity: Support an inclusive transit system that provides connections and prioritizes communities of highest need					
Measure:	Route Type:	Performance Standard	2024 Actual	2025 Estimate	2026 Projected
Peak Vehicle Load	Minority Routes	Less than 1.25	0.21	0.20	0.22
	Non-Minority Routes	Less than 1.25	0.25	0.24	0.26
Off-Peak Vehicle Load	Minority Routes	Less than 1	0.17	0.16	0.18
	Non-Minority Routes	Less than 1	0.19	0.18	0.20
Meet Peak Headway Standard	Minority Routes	100% compliance	98.90%	98.90%	99.00%
	Non-Minority Routes	100% compliance	97.60%	97.60%	98.00%
Meet Off-Peak Headway Standard	Minority Routes	100% compliance	100.00%	100.00%	100.00%
	Non-Minority Routes	100% compliance	96.80%	96.80%	97.00%
Productivity: Efficiently move large numbers of passengers					
Measure:	Performance Standard	2024 Actual	2025 Estimate	2026 Projected	
Ridership	Increase from prior period	13.81%	0.77%	0.00%	
Ridership per Revenue Hour	Greater than 24*	12.78	12.38	12.38	
Ridership per Revenue Mile	Greater than 1.5*	0.72	0.70	0.70	
Passenger Miles per Revenue Mile	Greater than 9*	4.27	4.12	4.12	
Revenue Miles per Revenue Hour	Greater than 17	17.67	17.71	17.71	

*Performance standard under evaluation

Below performance standard
 Within 10% of performance standard
 Meets/exceeds performance standard

Peer Performance Comparison

The following analysis compares Pace's performance to a select group of transit agency peers. The RTA selected the peer group for Pace based on what they identified as similar service characteristics—operating in suburban areas, providing comparable amounts of service levels, and contracting with private providers for some of the service.

The RTA's peer group includes the following systems:

- Alameda-Contra Costa Transit District (AC Transit)
Alameda & Contra Costa Counties, CA
- Broward County Transit (BCT)
Broward County, FL
- Orange County Transportation Authority (OCTA)
Orange County, CA
- Santa Clara Valley Transportation Authority (VTA)
Santa Clara County, CA
- Montgomery County Transit Services (Ride On)
Montgomery County, MD



Performance was measured against six performance criteria, as reported by the Federal Transit Administration (FTA) in their National Transit Database (NTD). The following performance measures were reviewed:

Service Efficiency

- Operating Expense per Revenue Hour
- Operating Expense per Revenue Mile

Cost Effectiveness

- Operating Expense per Passenger
- Operating Expense per Passenger Mile



Service Effectiveness

- Passengers per Revenue Hour
- Passengers per Revenue Mile



The following charts were prepared using 2023 National Transit Database (NTD) data for bus only, which is the latest data available as of this writing.

Appendix D • Performance Measures

Peer Performance Comparison

Service Efficiency

CHART E. Operating Expense per Revenue Hour

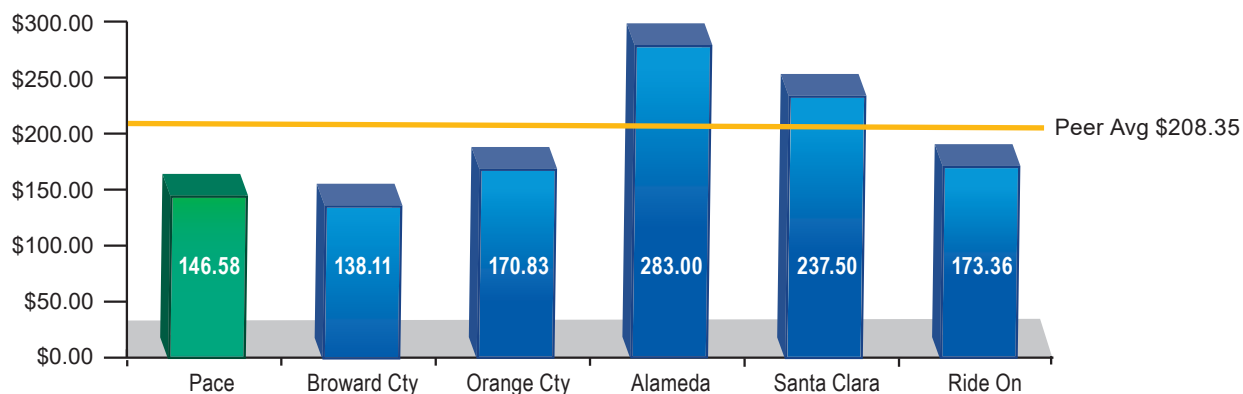


CHART F. Operating Expense per Revenue Mile

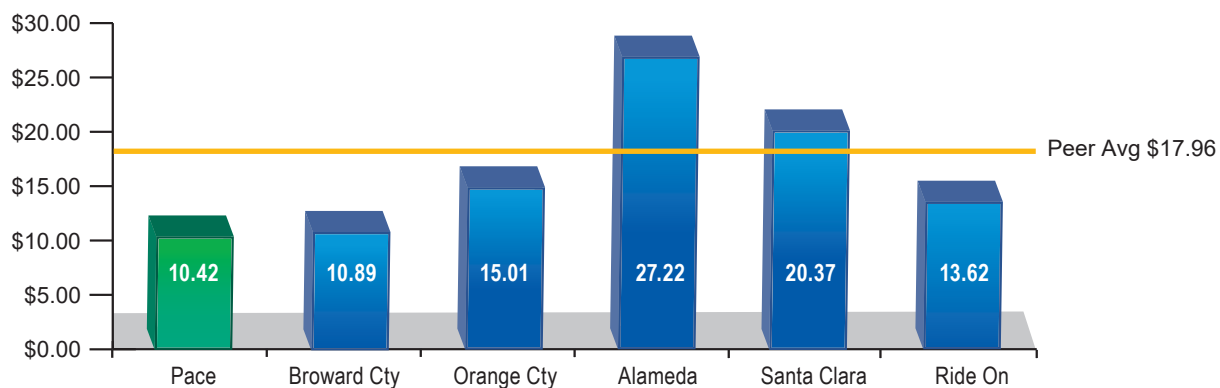


CHART E - Service efficiency, as measured by the performance ratios of operating expense per total revenue hour and revenue mile, shows Pace to be more efficient than the peer average. At \$146.58, Pace's cost is \$61.77 per hour or 29.65% less than the peer average for this performance measurement category.

CHART F - At \$10.42, Pace is \$7.54 per mile or 41.98% below the peer average.

Cost Effectiveness

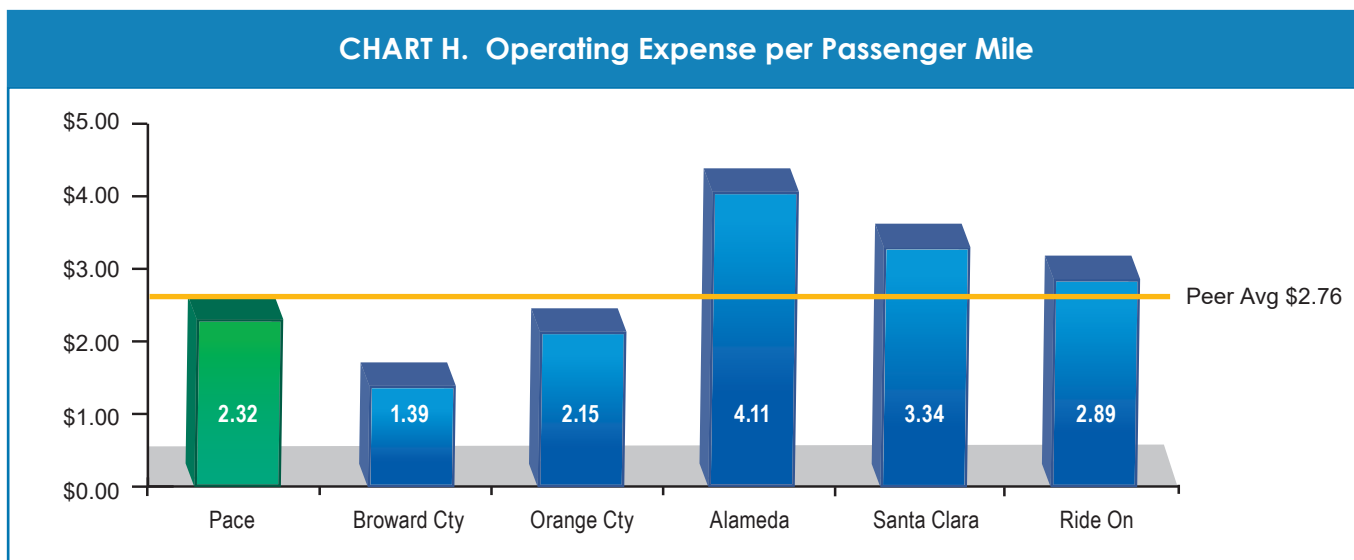
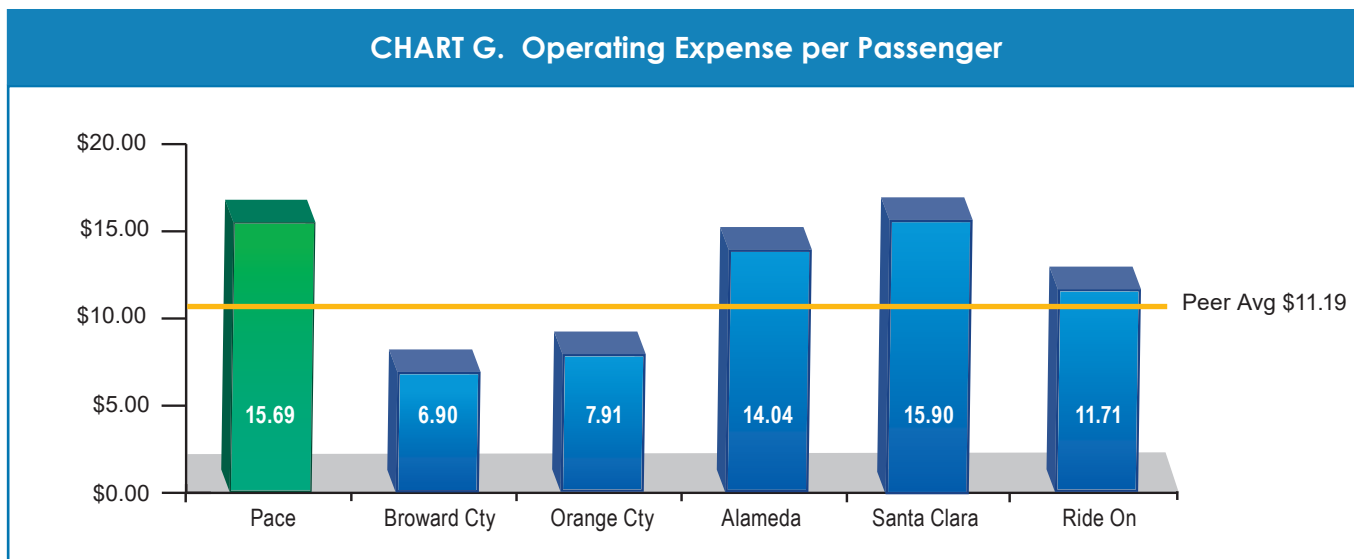


CHART G - Cost effectiveness, as measured by the performance ratio of operating expense per passenger, shows Pace to be consistent with the agencies within this peer group.

CHART H - At \$2.32, Pace's expense per passenger mile is below the peer average by \$0.44 or 15.94%. Pace's low cost structure combined with high passenger miles contributes to this result.

Service Effectiveness

CHART I. Passengers per Revenue Hour

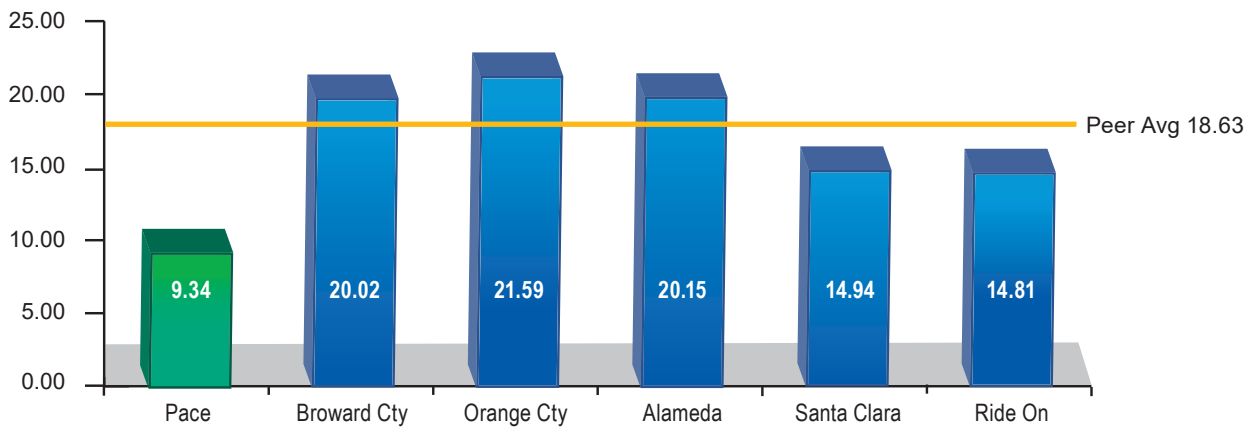
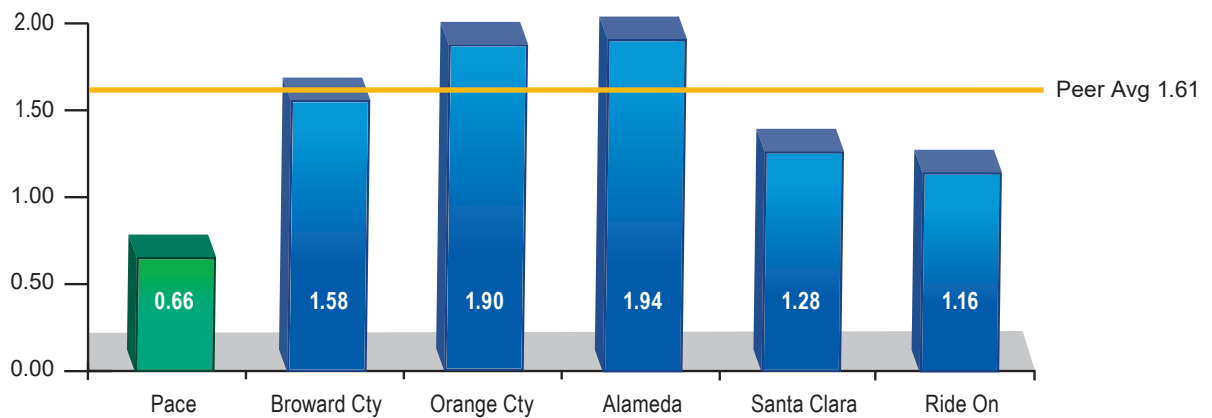


CHART J. Passengers per Revenue Mile



Farebox Recovery Ratio

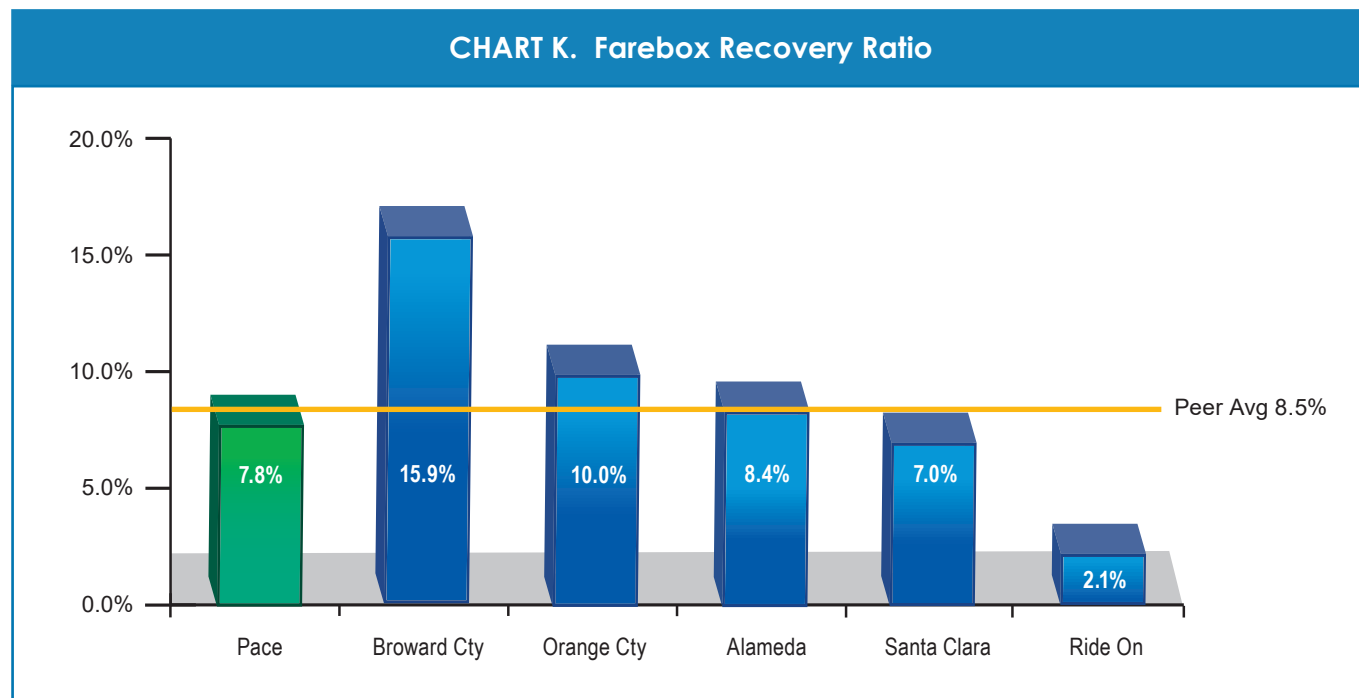


CHART I - Service effectiveness, as measured by passengers per total revenue hour and passengers per total revenue mile, shows Pace to have the lowest performance ratio compared to all agencies. The size of Pace's service area directly affects this performance indicator. At nearly 3,500 square miles, Pace serves the largest and lowest population density service area of all peers in this group.

CHART J - Pace has the lowest number of passengers per total revenue mile compared to the peer group. Pace's large service area, combined with lower population density than its peers, contributes to this result.

CHART K - Pace's bus only farebox recovery ratio of 7.8% is consistent with the agencies within this peer group.

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Reimagining Public Transportation

Driving Innovation

In September 2021, Pace adopted a new strategic vision plan called *Driving Innovation*. This plan establishes the agency's vision for its future and identifies 20 strategic initiatives that Pace is committed to either implementing or further investigating in the coming years.



Since the plan's adoption, Pace has invested substantial resources in several innovative projects supporting *Driving Innovation* initiatives. Pace's primary focus has been on the Agency Priority Initiatives outlined in the plan. Historic capital investments in new garages, passenger facilities, and rapid transit lines highlight Pace's steadfast dedication to reimagining our region's transit network.

Driving Innovation calls for new fixed route transit investments in the highest demand markets, while concurrently harnessing technology and new mobility solutions to provide less expensive yet more effective coverage services in lower-demand areas. The plan encourages communities

to upgrade land uses, pedestrian environments, and development patterns that make public transit a more attractive and convenient option. Perhaps most critically, Pace is committed to becoming an agency operating a 100 percent zero-emission fleet by 2040. In 2026, Pace will continue efforts to procure electric vehicles and to ensure that forthcoming capital investments are designed to handle this new technology. Additionally, Pace continues to advance two of the key strategic initiatives in *Driving Innovation*, the Network Revitalization & Systemwide Restructuring Initiative and the Service Standards Framework.

More information on the *Driving Innovation* plan can be found on Pace's website at:

www.PaceBus.com/driving-innovation

Project Zero

In 2022, Pace initiated Zero Emissions Fleet and Facility Transition Plans, as called for under the first of the Agency Priority Initiatives outlined in *Driving Innovation*. This effort coordinates future and existing capital projects with ongoing zero emissions fixed route bus purchases to ensure Pace facilities are able to support zero emissions buses as they enter the fleet. The plan employs a data-driven approach to evaluate how garage maintenance facilities will be used to support service plans and other strategic initiatives that will allow Pace to operate a zero emissions fleet by 2040.

In December 2022, Pace released "Project Zero: Zero Emission Fleet Transition Plan" and a companion plan, "Project Zero: Zero Emissions Facility Transition Plan," was released in March 2024. This facility plan allows Pace to prepare for the costs and operational logistics of new vehicle technologies and associated capital needs, as the agency seeks funding to support this historic shift in its operations.

Pace began to meet this challenge by kicking off the first phase of facility improvements at North Division in Waukegan. Scheduled for completion in the fourth quarter of 2025, these improvements will support an initial battery electric bus fleet of 12 vehicles. Also in 2025, Pace kicked off the second phase of facility improvements at North Division, which will support a fully electric bus fleet of 60 vehicles by 2027. Pace also installed support infrastructure for zero-emission vehicles at the new South Campus acceptance facility and is in Phase 2 Engineering for the expansion and modification of River Division to support zero-emission fixed route and paratransit fleets. Finally, in July 2025, the Pace Board of Directors authorized the

purchase of 27 new 40-foot battery-electric buses from Gillig, LLC. The Board also approved Pace's work with the Chicago Transit Authority (CTA) on a joint procurement of battery-electric buses.

More information on Pace's Zero Emissions Commitment and associated fleet and facilities electrification work can be found on Pace's website at:

www.PaceBus.com/zero

Pulse Network

Pace's Pulse network is a series of arterial-based bus rapid transit services planned throughout the agency's service area.

The Pulse Milwaukee Line, which connects the Jefferson Park Transit Center in Chicago with the Golf Mill Shopping Center in Niles, marked its sixth year of operation, while the Pulse Dempster Line, which connects downtown Evanston and O'Hare Airport, entered its second year of operation. Since Pulse Dempster service launched in late October 2023, there are now well over 300,000 riders in the corridor per quarter. The \$10.5 million investment in transit infrastructure along the corridor was funded by a federal Congestion Mitigation Air Quality (CMAQ) grant. Pace was also awarded an additional \$15.8 million in CMAQ funding to operate the first three years of expanded service.

Pace has advanced to final design on both the Pulse Halsted and 95th Street Lines. The Pulse Halsted Line will run between the CTA Red Line 95th/Dan Ryan Station in Chicago and the Pace Harvey Transportation Center in Harvey using 95th and South Halsted. This future Pulse line has 16 proposed stations and designs include dedicated

bus-only and queue-jump lanes in portions of the corridor as well as transit signal priority.

In 2023, the Pulse Halsted Line was awarded a \$0.5 million grant through Cook County's Invest in Cook Program to fund a portion of the design work and an additional \$20.0 million federal discretionary grant was secured to help fund construction. This project was also awarded \$12.1 million from CMAP's Carbon Reduction Program.

The Pulse 95th Street Line will span approximately 13 miles and operate between the CTA Red Line 95th/Dan Ryan Station in Chicago and Moraine Valley Community College in Palos Hills. Both design and construction of the Pulse 95th Street Line is funded by a \$17.1 million CMAQ grant. Additionally, the combined investments from the RTA and federal government will fund the installation of transit signal priority in this corridor.

In the summer of 2025, the fifth line in the Pulse network, the Pulse Cermak Road/22nd Street Line, entered environmental review and Phase I design. This phase will result in the project satisfying all requirements of the National Environmental Policy Act (NEPA) to be eligible for federal funding and will produce a design report to support the project's proposed transit priority treatments, including queue-jump and bus only lane segments. Pace is working closely with IDOT and the FTA to carry out the required steps. To fund a portion of this work, Pace applied for and was awarded a \$0.5 million grant from Cook County's Invest in Cook Program. It is anticipated that this work will be complete by the fall of 2026.

More information on the Pulse Program can be found on Pace's website at:

www.PaceBus.com/pulse



ReVision

Pace Network Restructuring Initiative

Pace's strategic plan, *Driving Innovation*, identified the need to conduct a systemwide restructuring initiative to better understand current and future travel needs, that creates a framework to guide service investments, and recommends systemwide service improvements. To help accomplish this task, Pace hired a consultant to conduct the Network Revitalization & Systemwide Restructuring Initiative, which Pace has branded as *ReVision*.

Pace's fixed route system is tasked with serving approximately 5.7 million residents over a 3,600 square mile service area. This is comparable to transit agencies that are responsible for serving entire states. Yet compared to peer agencies, Pace has extremely limited resources. This results in low service levels and large service gaps throughout the region. Regional revenues also have not kept up with the cost of providing service, and a 'fiscal cliff' is looming without additional funding.

Pace has a firm belief that not only should the budget shortfall be addressed, but additional funding should be provided to increase service options throughout the suburbs. Now more than ever, there is a need to develop a more robust regional service network that is based on market demand and provides the appropriate level of service to each travel market. *ReVision* will address these needs.

ReVision will also enable Pace to continue to use public resources in an efficient manner across the region, ensure future expansion of the system to meet emerging demand markets, and proactively contribute toward climate sustainability and regional social equity.

Major components of *ReVision* include: a review of current Pace services; conducting a systemwide market analysis assessment to understand current and future travel markets and demand; creating a service standards framework; developing various service concepts and infrastructure recommendations; service design; completing a Title VI analysis; and establishing an implementation plan and timeline.

An extensive outreach program is included throughout all phases of the initiative. The process will engage the public to reimagine how transit service will be provided in the future. This input will be used to design alternatives for restructuring the entire Pace service network.

In late 2024, Pace collected feedback from residents and stakeholders on the *ReVision* network concepts in order

to help guide the creation of a draft network plan. However, due to uncertain regional transit funding, Pace is developing multiple draft network scenarios to account for different possible funding levels. Once a funding level has been determined, a single draft network plan will be created and then refined into a final proposed network plan. Additional rounds of public outreach will occur at each stage.

In 2026, work products for *ReVision* will include the development of a draft network plan, the Service Standards Framework and the creation of the final network plan.

Concurrent with *ReVision*, Pace will continue to review and make service changes, as needed, throughout the region. However, with future regional transit funding levels still in question, there will be an emphasis on funding partnerships to increase service and on resource neutral service changes that enhance operational efficiencies and the customer experience, such as adjusting trip times to make better transit connections or improve on-time performance.

Investments in technology will also be a focus in 2026. To improve scheduling practices, Pace will update its fixed route scheduling software. This update will include the incorporation of electric vehicle scheduling capabilities to help facilitate Pace's transition to zero emission buses.

Shared Use Mobility Projects

As identified in *Driving Innovation*, shared mobility services offer an opportunity to supplement existing Pace service and fill in service gaps, while ensuring great stewardship of taxpayer funds. Funding partnerships with other agencies will allow Pace to continue to implement new shared use mobility pilots. Through Cook County's Invest in Cook Program, Pace received a grant award to fund the expansion of the Arlington Heights-Rolling Meadows On Demand service. This pilot program will begin sometime in late 2025/early 2026 to extend the boundaries of the zone and include an additional vehicle to support increased transit access.

In 2026, Pace will continue to leverage technology to power many of the shared use mobility services the agency operates. Some technological upgrades include forward facing passenger projects such as a booking website redesign that aims to improve the booking experience for passengers using Pace On Demand services and backend facing administrative projects that aim to improve the management experience for dispatchers and administrative staff. To continue to improve the experience for passengers, Pace will investigate technology upgrades

that streamline information and increase real time data availability, while also reducing operating expenses for the agency.

Work continues to proceed on the Mobility as a Service (MaaS) program with new service integrations and upgrades to existing services such as Pace On Demand. These integrations will continue to make it easier for passengers to find their options in one place and become more familiar with Pace's service offerings. Pace will continue to explore how we can improve trip planning for passengers and enable them to learn about services in one place.

Transportation Innovation and Technology Program

The goal of the Transportation Innovation and Technology Program is to use the latest technology to provide an advantage to transit on the region's roadways by creating connected and automated infrastructure with a specific emphasis on an increase in speed and reduction in delay to transit vehicles. This planned technology uses communication to roadside infrastructure that is connected and automated.

When Pace vehicles can communicate with roadways, they can get an advantage over regular car traffic and become more attractive to commuters who have a choice between driving and taking transit.

For years, Pace buses have benefitted from our Transit Signal Priority (TSP) system, which extends green lights or shortens red lights for buses. This technology, deployed in collaboration with state and county departments of transportation, results in reduced delays at signalized intersections, increased speed, improved schedule adherence, and reliability—hence a more attractive transit service.

Pace already deployed the TSP system for the Pulse Milwaukee Line, Pulse Dempster Line, and on Roosevelt Road, Grand Avenue (Lake County), portions of 95th Street, Sibley Boulevard/147th Street and Cicero Avenue. Installation of TSP equipment is currently underway on Cermak Road. Pace plans to deploy TSP along seven

additional corridors including: Golf Road, Rand Road, 159th Street, Western Avenue, Harlem Avenue, North Avenue and Washington Street.

Pace is currently working on proof-of-concept deployment for a regionwide centralized TSP system as part of the Illinois Department of Transportation's Advanced Traffic Management Center and plans to expand the centralized TSP system to an additional 300 signals along identified TSP corridors.

Fare Collection and Data Analysis Initiatives

Pace and CTA introduced the Ventra® fare system in 2013, with Metra joining in 2015, making it an integrated regional fare system. While in many ways it is still a state-of-the-art fare payment and collection system, additional improvements and upgrades are needed to keep current with changing needs.

The technology for the Ventra platform will see a significant change in the coming year. Ventra 3.0, with new software and hardware, will undergo pilot testing in late-2025 with the goal of launching this new system in mid-2026. Ventra 3.0 will be better able to seamlessly integrate fare products for Pace, CTA, and Metra. As part of this upgrade, a new driver's terminal will be incorporated with the farebox and integrated with Ventra. This will allow for more accurate counts of ridership and revenue, as well as requiring fewer road calls and repairs.

The Ventra 3.0 upgrade will also enable the service boards to more quickly respond and react to changes in fares and fare policies, as it will be easier to add different modes and different fares than ever before.

Together, these fare collection initiatives will allow faster boarding time for customers, more reliable service across the region, and better data for planning and reporting.

Finally, to improve data analysis efforts, software upgrades to multiple reporting tools will allow for better data quality and availability. These upgrades will also make it easier to automate key processes and reports, leading to more accurate and timely information.

Marketing & Public Engagement

As Pace adapts to meet the region's post-pandemic transportation needs, ridership continued to grow in all markets in 2025, despite a continued challenge with filling bus operator positions. Pace has not been immune to what has been a multi-year, nationwide driver shortage. To that end, the top marketing priority in 2025, as it had been for several years, was to recruit bus operators and maintenance staff. Pace intends to continue the emphasis on that goal in 2026. Pace focused more advertising spending on recruitment than any other subject in 2025 and has been holding weekly open houses at which prospective employees can get hired "on the spot". Those efforts proved fruitful, with 335 new staff hired in the first eight months of 2025. Even so, an even more aggressive effort is needed in 2026 to achieve a full roster of employees.

Pace concluded several major customer satisfaction surveys in 2025, and we are now using that newly collected data to improve both the transit service we provide and improve how we communicate about that service to the public. Survey efforts were separately undertaken for On Demand riders, vanpool riders, fixed route bus riders, and ADA Paratransit riders. Notably, 98% of vanpool riders are satisfied with the program, with similar positive results in the other service types. In recent years, Pace has implemented several technologies which improve the customer experience for riders, and those investments have proven worthwhile as evidenced by strong approval ratings from riders.

Pace celebrated its 40th anniversary in 2024–25, and marked the occasion throughout the year with buses traversing streets across the region adorned with a 40th anniversary decal. Pace enlisted local artists to decorate 40 bus stop benches. Those vibrant, creative and comfortable seating options continue to be placed at bus stops throughout the region.

Hand painted by William Markowski, the bus stop bench shown above is one of 40 benches planned to be installed by the end of 2025.



Even as we await a potential solution to the transit "fiscal cliff" from the Illinois General Assembly, progress continues on several key initiatives. The next step in Pace's *ReVision* plan is to solicit feedback on proposed service plans that lay out options for either expanding service overall and modernizing the bus route network throughout northeastern Illinois, or reducing transit service to match a new, smaller overall funding level. As *ReVision* is one of the most important initiatives ever undertaken in Pace's history, and because stakeholder input is critical at every step of the process, considerable emphasis has been and will be placed on public awareness and encouraging participation.

Our optimism about a fiscal cliff solution also guides our plan for a marketing campaign to tout what we hope will eventually be a continued expansion of service on our most heavily used routes, some of which have become overcrowded due to post-pandemic ridership growth. Just as we did in 2024, each one of those possible service improvements would see a corresponding public awareness campaign.

Riders with disabilities have been, and will continue to be, a major focus of Pace's marketing efforts in 2026.

In 2025, Pace consistently communicated with this vital audience about the convenience and affordability of fixed route options—including the option for ADA-certified riders to ride free on Pace fixed routes—as well as the benefits of subsidies offered for taxis in Chicago and transportation network company (TNC) trips throughout the region, as part of the Taxi Access Program (TAP) and Rideshare Access Program (RAP). The coming year will also see promotion of additional new technologies that will improve the customer experience for ADA Paratransit riders, along with a longstanding message about the convenience and affordability of fixed route transit service relative to ADA Paratransit.

Appendix F • Operating Budget Detail

2024 Actual Operating Results

2024 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$18,576,793	\$517,085	\$149,495	\$1,482,445
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,209,549	700,716	824,666	12,021,879
Total Revenue	\$19,786,342	\$1,217,801	\$974,161	\$13,504,324
Operating Expenses				
Operations				
Labor/Fringes	\$96,540,054	\$1,536,289	\$0	\$0
Parts/Supplies	1,471	1,022	0	0
Purchased Transportation	0	549,209	3,898,878	23,506,143
Fuel	0	0	0	0
Other	420,429	10,055	0	0
Total Operations	\$96,961,954	\$2,096,575	\$3,898,878	\$23,506,143
Vehicle Maintenance				
Labor/Fringes	\$21,971,051	\$555,589	\$0	\$0
Parts/Supplies	11,207,595	68,695	0	0
Other	442,696	88,952	0	38,226
Total Vehicle Maintenance	\$33,621,342	\$713,236	\$0	\$38,226
Non-Vehicle Maintenance				
Labor/Fringes	\$836,743	\$0	\$0	\$0
Parts/Supplies	789,890	0	0	0
Other	1,921,072	0	0	71,442
Total Non-Vehicle Maintenance	\$3,547,705	\$0	\$0	\$71,442
General Administration				
Labor/Fringes	\$2,886,318	\$387,020	\$0	\$0
Parts/Supplies	63,509	720	0	0
Utilities	3,058,600	986	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	287,512	289,888	0	0
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$6,295,939	\$678,614	\$0	\$0
Total Expenses	\$140,426,940	\$3,488,425	\$3,898,878	\$23,615,811
Funding Requirement	\$120,640,598	\$2,270,624	\$2,924,717	\$10,111,487
Recovery Ratio	14.09%	34.91%	24.99%	57.18%

Appendix F • Operating Budget Detail

2024 ACTUAL PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2024 Actual
\$991,118	\$0	\$0	\$21,716,936	\$12,276,965	\$33,993,901
0	1,460,256	0	1,460,256	0	1,460,256
0	774,259	0	774,259	0	774,259
0	14,772,127	0	14,772,127	1,903,984	16,676,111
0	1,114,332	0	15,871,142	1,873,098	17,744,240
\$991,118	\$18,120,974	\$0	\$54,594,720	\$16,054,047	\$70,648,767
\$0	\$0	\$4,959,512	\$103,035,855	\$0	\$103,035,855
0	0	2,230,488	2,232,981	0	2,232,981
0	0	0	27,954,230	251,297,155	279,251,385
637,353	0	12,484,282	13,121,635	7,240,994	20,362,629
931,631	0	0	1,362,115	0	1,362,115
\$1,568,984	\$0	\$19,674,282	\$147,706,816	\$258,538,149	\$406,244,965
\$0	\$0	\$3,725,004	\$26,251,644	\$0	\$26,251,644
0	0	238,888	11,515,178	0	11,515,178
0	0	1,653,661	2,223,535	0	2,223,535
\$0	\$0	\$5,617,553	\$39,990,357	\$0	\$39,990,357
\$0	\$0	\$1,756,913	\$2,593,656	\$0	\$2,593,656
0	0	0	789,890	0	789,890
0	359,170	1,052,164	3,403,848	0	3,403,848
\$0	\$359,170	\$2,809,077	\$6,787,394	\$0	\$6,787,394
\$0	\$24,700,181	\$0	\$27,973,519	\$4,982,715	\$32,956,234
0	163,692	0	227,921	6	227,927
0	1,857,162	0	4,916,748	511,863	5,428,611
0	0	2,522,163	2,522,163	995,542	3,517,705
0	0	26,140,024	26,140,024	806,894	26,946,918
0	17,115,897	9,070,298	26,763,595	3,614,445	30,378,040
0	0	0	(8,078,469)	8,078,469	0
\$0	\$43,836,932	\$37,732,485	\$80,465,501	\$18,989,934	\$99,455,435
\$1,568,984	\$44,196,102	\$65,833,397	\$274,950,068	\$277,528,083	\$552,478,151
\$577,866	\$26,075,128	\$65,833,397	\$220,355,348	\$261,474,036	\$481,829,384
63.17%	41.00%	0.00%	26.31%	10.95%	

Appendix F • Operating Budget Detail

2025 Estimated Operating Results

2025 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$18,328,740	\$527,690	\$149,451	\$1,827,213
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,204,266	952,752	642,936	9,232,301
Total Revenue	\$19,533,006	\$1,480,442	\$792,387	\$11,059,514
Operating Expenses				
Operations				
Labor/Fringes	\$106,785,888	\$1,707,069	\$0	\$0
Parts/Supplies	3,997	1,100	0	0
Purchased Transportation	0	577,063	3,572,428	26,105,322
Fuel	0	0	0	0
Other	360,390	13,750	0	0
Total Operations	\$107,150,275	\$2,298,982	\$3,572,428	\$26,105,322
Vehicle Maintenance				
Labor/Fringes	\$25,348,822	\$681,954	\$0	\$0
Parts/Supplies	13,123,867	88,989	0	0
Other	511,285	116,093	0	24,746
Total Vehicle Maintenance	\$38,983,974	\$887,036	\$0	\$24,746
Non-Vehicle Maintenance				
Labor/Fringes	\$1,424,211	\$0	\$0	\$0
Parts/Supplies	874,351	0	0	0
Other	2,265,911	0	0	35,856
Total Non-Vehicle Maintenance	\$4,564,473	\$0	\$0	\$35,856
General Administration				
Labor/Fringes	\$4,492,030	\$451,066	\$0	\$0
Parts/Supplies	100,659	720	0	0
Utilities	2,926,791	1,000	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	338,758	220,100	0	0
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$7,858,238	\$672,886	\$0	\$0
Total Expenses	\$158,556,960	\$3,858,904	\$3,572,428	\$26,165,924
Funding Requirement	\$139,023,954	\$2,378,462	\$2,780,041	\$15,106,410
Recovery Ratio	12.32%	38.36%	22.18%	42.27%

Appendix F • Operating Budget Detail

2025 ESTIMATED PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2025 Estimate
\$994,020	\$0	\$0	\$21,827,114	\$16,260,193	\$38,087,307
0	1,759,610	0	1,759,610	0	1,759,610
0	843,000	0	843,000	0	843,000
0	11,686,841	0	11,686,841	580,976	12,267,817
0	1,022,776	0	13,055,031	1,971,986	15,027,017
\$994,020	\$15,312,227	\$0	\$49,171,596	\$18,813,155	\$67,984,751
\$0	\$0	\$5,509,739	\$114,002,696	\$0	\$114,002,696
0	0	2,380,976	2,386,073	0	2,386,073
0	0	0	30,254,813	297,502,200	327,757,013
663,344	0	13,365,471	14,028,815	7,574,385	21,603,200
1,178,759	0	0	1,552,899	0	1,552,899
\$1,842,103	\$0	\$21,256,186	\$162,225,296	\$305,076,585	\$467,301,881
\$0	\$0	\$4,050,753	\$30,081,529	\$0	\$30,081,529
0	0	400,000	13,612,856	0	13,612,856
0	0	3,023,400	3,675,524	0	3,675,524
\$0	\$0	\$7,474,153	\$47,369,909	\$0	\$47,369,909
\$0	\$0	\$1,775,542	\$3,199,753	\$0	\$3,199,753
0	0	0	874,351	0	874,351
0	366,050	3,526,846	6,194,663	0	6,194,663
\$0	\$366,050	\$5,302,388	\$10,268,767	\$0	\$10,268,767
\$0	\$26,104,489	\$0	\$31,047,585	\$5,768,961	\$36,816,546
0	177,080	0	278,459	1,953	280,412
0	2,053,849	0	4,981,640	475,686	5,457,326
0	0	12,743,742	12,743,742	342,586	13,086,328
0	0	33,338,844	33,338,844	1,309,665	34,648,509
0	28,321,655	10,479,929	39,360,442	5,460,622	44,821,064
0	0	0	(11,661,884)	11,661,884	0
\$0	\$56,657,073	\$56,562,515	\$110,088,828	\$25,021,357	\$135,110,185
\$1,842,103	\$57,023,123	\$90,595,242	\$329,952,800	\$330,097,942	\$660,050,742
\$848,083	\$41,710,896	\$90,595,242	\$280,781,204	\$311,284,787	\$592,065,991
53.96%	26.85%	0.00%	19.99%	11.21%	

Appendix F • Operating Budget Detail

2026 Operating Budget

2026 PROGRAM, ACTIVITY & OBJECT MATRIX				
	Pace Operating Divisions	Public Carriers	Private Carriers	Demand Response Services
Revenue				
Farebox	\$20,196,844	\$559,106	\$164,396	\$2,068,775
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Investment Income	0	0	0	0
Other	1,203,590	1,028,798	642,936	10,358,769
Total Revenue	\$21,400,434	\$1,587,904	\$807,332	\$12,427,544
Operating Expenses				
Operations				
Labor/Fringes	\$109,044,619	\$1,748,755	\$0	\$0
Parts/Supplies	3,925	1,179	0	0
Purchased Transportation	0	614,540	3,769,661	27,231,981
Fuel	0	0	0	0
Other	338,977	14,400	0	0
Total Operations	\$109,387,521	\$2,378,874	\$3,769,661	\$27,231,981
Vehicle Maintenance				
Labor/Fringes	\$28,190,093	\$700,920	\$0	\$0
Parts/Supplies	14,071,410	95,492	0	0
Other	522,737	127,092	0	25,308
Total Vehicle Maintenance	\$42,784,240	\$923,504	\$0	\$25,308
Non-Vehicle Maintenance				
Labor/Fringes	\$1,465,587	\$0	\$0	\$0
Parts/Supplies	927,587	0	0	0
Other	2,321,183	0	0	36,749
Total Non-Vehicle Maintenance	\$4,714,357	\$0	\$0	\$36,749
General Administration				
Labor/Fringes	\$4,355,086	\$461,607	\$0	\$0
Parts/Supplies	92,346	738	0	0
Utilities	3,100,543	1,025	0	0
Insurance	0	0	0	0
Health Insurance	0	0	0	0
Other	342,991	365,100	0	0
Indirect Overhead Allocation	0	0	0	0
Total Administration	\$7,890,966	\$828,470	\$0	\$0
Total Expenses	\$164,777,084	\$4,130,848	\$3,769,661	\$27,294,038
Funding Requirement	\$143,376,650	\$2,542,944	\$2,962,329	\$14,866,494
Recovery Ratio	12.99%	38.44%	21.42%	45.53%

Appendix F • Operating Budget Detail

2026 PROGRAM, ACTIVITY & OBJECT MATRIX					
Vanpool	Administration	Centralized Support	Total Suburban Service	Total Regional ADA Paratransit	Combined 2026 Budget
\$1,167,861	\$0	\$0	\$24,156,982	\$13,546,621	\$37,703,603
0	1,766,912	0	1,766,912	0	1,766,912
0	930,000	0	930,000	0	930,000
0	10,279,364	0	10,279,364	545,000	10,824,364
0	793,196	0	14,027,289	2,160,482	16,187,771
\$1,167,861	\$13,769,472	\$0	\$51,160,547	\$16,252,103	\$67,412,650
\$0	\$0	\$5,632,643	\$116,426,017	\$0	\$116,426,017
0	0	2,407,880	2,412,984	0	2,412,984
0	0	0	31,616,182	261,347,913	292,964,095
737,296	0	13,913,097	14,650,393	7,955,050	22,605,443
1,247,192	0	0	1,600,569	0	1,600,569
\$1,984,488	\$0	\$21,953,620	\$166,706,145	\$269,302,963	\$436,009,108
\$0	\$0	\$4,132,492	\$33,023,505	\$0	\$33,023,505
0	0	409,960	14,576,862	0	14,576,862
0	0	3,098,683	3,773,820	0	3,773,820
\$0	\$0	\$7,641,135	\$51,374,187	\$0	\$51,374,187
\$0	\$0	\$1,796,501	\$3,262,088	\$0	\$3,262,088
0	0	0	927,587	0	927,587
0	321,750	3,899,388	6,579,070	0	6,579,070
\$0	\$321,750	\$5,695,889	\$10,768,745	\$0	\$10,768,745
\$0	\$27,261,062	\$0	\$32,077,755	\$6,194,934	\$38,272,689
0	188,308	0	281,392	1,956	283,348
0	2,103,604	0	5,205,172	487,530	5,692,702
0	0	15,620,691	15,620,691	70,000	15,690,691
0	0	36,293,563	36,293,563	1,434,263	37,727,826
0	31,007,398	11,307,809	43,023,298	5,489,347	48,512,645
0	0	0	(13,335,235)	13,335,235	0
\$0	\$60,560,372	\$63,222,063	\$119,166,636	\$27,013,265	\$146,179,901
\$1,984,488	\$60,882,122	\$98,512,707	\$348,015,713	\$296,316,228	\$644,331,941
\$816,627	\$47,112,650	\$98,512,707	\$296,855,166	\$280,064,125	\$576,919,291
58.85%	22.62%	0.00%	30.30%	10.00%	

Budget Process & Calendar

The RTA Act, which governs Pace, CTA and Metra, contains specific language describing both the budget process and the RTA review criteria.

The Budget Process

By September 15 each year, the RTA must advise the Service Boards of the amount and timing of the provision of public funding for the upcoming and two following fiscal years. At the same time, the RTA is to advise the Service Boards of their required system-generated recovery ratio for the coming fiscal year. In establishing the recovery ratio requirement, the RTA is to take into consideration the historical system-generated recovery ratio for the services subject to each Service Board. The RTA is not to increase the recovery ratio for a Service Board disproportionately or prejudicially compared to increases in the ratio for the other Service Boards.

With the amendment of the RTA Act in 2008 to address ADA Paratransit, a specific recovery ratio of 10% was established for the ADA Paratransit program. The ADA recovery ratio is independent of the ratios set by the RTA for Pace's suburban service.

To facilitate the RTA action by September 15, Pace and the other Service Boards begin meetings with the RTA in May. The series of meetings and budget discussions serve to improve the budget process by allowing the RTA to consider up-to-date input on financial matters prior to making their September 15 decision on funding levels and recovery rate requirements.

By November 15, Pace is required to submit a budget proposal to the RTA for the coming fiscal year and a financial plan for the following two years, which is consistent with the recovery ratio and funding marks established by the RTA in September.

Prior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document) and hold at least one public hearing on the budget in each of the six counties Pace serves. Public notice of the hearings is published in a newspaper of general circulation in the metropolitan region. Pace also meets with each of the six county boards to review the proposed budget. In addition to these required meetings, Pace participates in numerous meetings of local government organizations and councils such as Chicago Metropolitan

Agency for Planning (CMAP) and various transportation committees to inform the public of the proposed budget. Copies of the proposed budget document and supplemental brochure are printed and distributed to elected officials, local governments, transportation advocacy organizations, public libraries, and citizens. An electronic copy is also available on Pace's website at:

www.PaceBus.com/budgets

At the conclusion of these meetings and hearings, the Pace Board of Directors meets to evaluate the input gained, make recommendations for changes to the proposed budget as necessary, and then adopt a final budget by ordinance. This action is taken prior to the submittal of the budget to the RTA by November 15.

Once the RTA has evaluated the budget submittals of Pace and the other Service Boards, they consolidate the information along with their own into a regional budget.

The consolidated regional budget must also achieve certain criteria. Chief among them is the requirement for the consolidated budget to cover 50% of its operating costs from fares and other operating revenue. This is the regional recovery rate requirement. This requirement has been waived through 2025 due to the impact of the coronavirus pandemic on system-generated revenue. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget. At the conclusion of these meetings and hearings, the RTA adopts a final budget which requires the approval of twelve of the RTA's sixteen-member Board of Directors. The RTA Act requires that the RTA adopt the consolidated regional budget no later than December 31 for presentation to the Governor and General Assembly.

Budget Amendment Process

The Pace Board of Directors may make additional appropriations, transfers between line items, and other changes to its budget at any time, as long as the changes do not alter the basis upon which the RTA made its balanced budget determination. Budget amendments are made from time to time by the Board and are generally accomplished by revision to the annual appropriations ordinance. In the event a budget revision results in a general fare increase or a significant reduction of service, the Board will also conduct public hearings in the affected service areas.

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for informational purposes. The RTA may also initiate the need for a budget amendment by Pace or another Service Board if it determines such an amendment is necessary. Generally, this would only occur if a Service Board failed to achieve its budgeted recovery ratio and/or exceeded its public funding allocation, in which case the RTA can direct the Service Board to submit an amended budget within a specified time frame. Additionally, the RTA may require the Service Boards to submit amended budgets to reflect a revision to public funding or the recovery ratio,

as deemed necessary by the RTA. The Service Boards have 30 days from date of notice to submit a revision. There are no public hearing requirements for budget amendments which do not affect fares or services.

Budget Calendar

Below are key dates and events in the budget development cycle. The annual capital budget and five-year program, as well as the annual budget and two-year financial plan for operations, are developed in accordance with this schedule.

2026 Budget Development Calendar	
Date (2025)	Event
May 9	Budget call released to Pace management
May-August	Budget discussions/meetings with RTA and other Service Boards
June 9	Budget call requests due from Pace management
June-August	Staff develops a preliminary budget
September 15	Statutory date for RTA to set 2026 Funding and Recovery Marks
September 17	Pace Board meets to discuss preliminary 2026 Budget
October 10	Pace submits Proposed 2026 Budget to RTA
October 15	Pace Board releases Proposed 2026 Budget for Public Hearing
October 17-28	Public Hearings on Pace's Proposed 2026 Budget
November 12	Pace Board adopts Final 2026 Budget
November 15	Pace submits Final 2026 Budget to RTA
November	RTA evaluates Pace, Metra, and CTA budgets for compliance
November 20	RTA Finance Committee Review of Regional Budget
December 18	RTA scheduled to approve 2026 Regional Budget

Budget & Financial Policies

Budget Policies Overview

Pace is one of three service boards, along with CTA and Metra, subject to the budgetary control provisions of the Regional Transportation Authority (RTA) Act, which is an Illinois state statute. One of the RTA's chief responsibilities is to ensure compliance with the budgetary controls set forth by the Act.

In addition to the budgetary controls defined by the RTA Act, the Pace Board of Directors has adopted additional budgetary policies which further enhance the control and utilization of resources. The following sections describe the budgetary controls and policies that govern Pace at both the RTA level and internally.

Balanced Budget Definition and Criteria

As described in the Budget Process and Calendar section, the RTA Act requires Pace to submit an adopted budget for the coming fiscal year (calendar basis); a two-year financial plan for the two subsequent years; and a five-year capital improvement program and budget by November 15.

Once the final program and budget is submitted, the RTA is required to evaluate it in accordance with seven key criteria as established in the RTA Act. These criteria constitute the definition of a balanced budget.

- 1** The budget plan must show a balance between (a) anticipated revenue from all sources including operating subsidies, and (b) the costs of providing the services specified and funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness.
- 2** The budget and plan must show cash balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs and expenses, as incurred.
- 3** The budget and plan must provide for a level of fares or charges and operating or administrative costs for the public transportation provided by, or subject to, the jurisdiction of the service board, sufficient to allow the service board to meet its required system-generated recovery ratio and ADA Paratransit recovery ratio.

- 4** The budget and plan are based upon and employ assumptions and projections which are reasonable and prudent.
- 5** The budget and plan must have been prepared in accordance with sound financial practices and be in the form and format as determined by the RTA Board of Directors.
- 6** The budget and financial plan must meet such other financial, budgetary, or fiscal requirements that the Board may, by rule or regulation, establish.
- 7** The budget and plan are consistent with the goals and objectives adopted by the Board in its strategic plan.

If the RTA finds a service board budget submittal does not meet these criteria, it can withhold 25% of the public funding from the service board. The RTA Act further requires that the RTA adopt a budget for the service board, should the service board fail to submit a budget which meets the criteria.

In addition to the seven statutory criteria, the RTA has adopted additional budgetary and financial policies which govern Pace. They are summarized as follows:

Budget Monitoring and Reporting

To ensure compliance with the RTA Act requirements for a balanced budget, Pace is required to report quarterly budget results to the RTA within 30 days after the quarter end. The RTA evaluates the results and formally adopts an ordinance which assesses compliance with budgetary funding levels and recovery ratio requirements. If found to be non-compliant with the budget, the RTA may direct Pace to provide a corrective action plan and corresponding budget for their approval.

Pace also produces a monthly budget report for its Board and management. Managers are also advised monthly as to significant budget variances which are further evaluated by the Budget Department and the respective manager. In addition, all procurement contracts submitted to the Board require the approval of the Budget Department Manager who reviews the contract proposal for budget compliance.

Budget Control Policies

The Pace Board of Directors adopted three key budget policies which further govern the control of financial resources. They are summarized as follows:

Line-Item Budget Control

This policy identifies the specific budgetary line items under control of the Board as established via the annual appropriations ordinance. It further identifies that the Executive Director has control over the individual expense components and budgets which comprise the Board controlled line items.

Authorized Head Count

This policy establishes the Board as controlling the total employees in full-time equivalents (FTEs) and allows the Executive Director to make FTE changes between individual areas within the Board approved total.

Use of Positive Budget Variance (PBV)

This policy establishes that earnings generated by favorable budgetary performance are restricted to capital uses, finite operating purposes, or to offset future unfavorable budget performance.

Long Range Financial Planning

Pace is required by the RTA Act to prepare and submit to the RTA for review annually, a three-year financial plan for operations and a five-year capital investment program. The plans are to be balanced to RTA's projections of available resources. Pace prepares these plans based on detailed assumptions for each program element. Major assumptions regarding program service levels, ridership, fleet requirements, revenue, and expense growth serve as the basis for these plans and are documented in the plan narratives, charts, and tables.

Working Capital Policy

To allow for the payment of obligations in a timely manner, the Pace Board of Directors adopted a Working Capital Policy. The policy adopts best practices outlined by the Government Finance Officers Association (GFOA). Working capital is defined by the GFOA as the difference between

current assets and current liabilities. For Pace's policy, the unexpended, approved PBV capital projects balance is also deducted from current assets. The policy requires working capital of between 45 and 90 days. Based on the policy, as of June 30, 2025, Pace has 319 days of liquidity.

The ADA Paratransit service is excluded from this policy.

Investment Policy

The Pace Board of Directors has adopted an investment policy that governs the investment of public funds. The policy conforms to all applicable State statutes. The primary objectives, in priority order, of Pace's investment activities shall be:

Safety of Principal

Pace will invest funds in a manner that seeks to safeguard principal in Pace's overall investment portfolio by minimizing credit risk and interest rate risk.

Liquidity of Funds

Pace will provide sufficient liquidity of funds to pay obligations as they come due by structuring the investment portfolio so that: (1) investments mature concurrently with cash needs and (2) the investment portfolio consists largely of investments with active secondary or resale markets or a portion of the investment portfolio is placed in money market mutual funds of local government investment pools that offer same-day liquidity for short-term funds.

Return on Investment

Pace will design the investment portfolio to attain a competitive market rate of return when practicable by limiting investments to relatively low risk investments and generally holding those investments until maturity.

An objective of Pace's investment policy is to maximize earnings. To facilitate the evaluation of investments, the 90-day Treasury Bill rate has been established as a performance benchmark.

Use of One-Time Revenue

Pace's use of one-time revenue is subject to policies established by both the Pace and RTA Boards of Directors.

RTA Funding Policy

This policy establishes the basis for RTA funding of Pace. RTA policy is to pass through actual funding results based on the source. In September 2022, the RTA rescinded the requirement that positive budget variances from operations be used for capital projects or finite operating uses subject to RTA budgetary approval. Lastly, the RTA Reserve Policy, established in October 2015, requires the service boards to maintain adequate reserves to address funding and revenue shortfalls and expense overruns. Pace's working capital policy satisfies this requirement.

Asset Inventory/Condition Assessment

Pace performs a biennial fixed asset inventory, as required by the Federal Transit Administration (FTA). The FTA has established stringent controls over the procurement, use, maintenance, and disposition of federally funded public transportation assets. The FTA requires the biennial fixed asset inventory to be reconciled to records and accurately reported on the audited financial statements of the agency. Pace is required to ensure safeguards are in place to prevent loss, damage, theft, and premature failure of assets. Leases of equipment by Pace to subcontractors must provide for use and control of assets in accordance with federal regulations. Disposition of assets is also strictly controlled by federal regulations with useful life standards established for each asset type. All Pace fixed assets are subject to these control standards.

The FTA also requires Pace to develop and maintain a Transit Asset Management Plan (TAM). TAM plans include an asset inventory, condition assessments of inventoried assets, and a prioritized list of improvements to attain the state of good repair (SGR) of capital assets. Transit providers are required to set performance targets for their capital assets based on SGR measures and report their targets, as well as other information related to the condition of capital assets, to the National Transit Database (NTD). All major assets are included in future capital improvement replacement plans contained in the annual capital program and budget document.

Risk Management

Pace purchases excess insurance for potential catastrophic occurrences and incorporates risk control and claims management techniques to manage the cost of more frequent, predictable property/casualty loss exposures. Pace utilizes risk management and actuarial data to establish reserves for incurred and incurred-but-not-reported claims to establish appropriate funded reserves to pay future potential liabilities.

Pace currently maintains a Self-Insured Retention (SIR) for automobile liability, general liability and workers' compensation exposures. Excess liability insurance is purchased above the SIR, and additionally, Pace may utilize the RTA Loss Financing Plan to finance recovery for qualified losses. Pace also purchases other property/casualty excess policies including crime, cyber liability, director and officer liability, employment practices liability, pollution, and property (including boiler & machinery).

Pace also has elected to self-insure a portion of its health and welfare exposures. Pace maintains stop-loss coverage for any individual health claims exceeding \$150,000.

Debt Policy

Effective January 2013, Pace was authorized by the State of Illinois to issue up to \$100 million in bonds for capital improvements.

The legislation authorizing Pace to issue debt for capital improvements limits how Pace may issue the bonds, what projects may be financed, and how the debt is to be repaid. The bonds are not to be general obligations of Pace, but rather revenue bonds. The amortization schedule(s) cannot be greater than twenty-five years, nor can the principal and interest be capitalized, but rather level debt payments must be scheduled.

The authorized projects are: (1) conversion of the South Division garage in Markham to a compressed natural gas (CNG) facility; (2) construction of a new garage in the northwestern Cook County suburbs; (3) construction of a new paratransit garage in DuPage County; (4) expansion of the North Shore garage in Evanston to accommodate additional indoor bus parking; and (5) acquisition of buses.

Suburban Service operating revenue is expected to be the revenue source dedicated for debt service payments. Pace generates over \$30 million annually in operating revenue, leaving a coverage ratio of greater than three when considering the estimated bond payment schedules for the authorization limit of \$100 million.

The Pace Board of Directors has approved a Debt Management Policy. This policy incorporates government best practices and recognizes the statutory limitations placed on Pace when issuing debt. Pace has also updated its Investment Policy, recognizing how unused bond proceeds will be accounted for and invested.

Pace will strategically issue bonds based on authorized capital project schedules, market conditions, and long-term financial planning.

In 2024, Pace made its final principal and interest payments on the \$12.000 million South Division garage bond. With the passage of the *Rebuild Illinois* state capital funding legislation, Pace is no longer planning to issue bonds for construction of a new garage in the northwestern Cook County suburbs or for the expansion of the North Shore garage in Evanston. The other projects have yet to have a timeline formulated; however, a reimbursement resolution has been adopted by the Board of Directors that covers all five projects.

Basis of Accounting and Budgeting

Pace prepares its financial statements and budget reports using the accrual basis of accounting.

Accounting

Pace maintains its accounting records and prepares its financial reports in conformity with generally accepted accounting principles. The financial activities of Pace are organized on the basis of an individual fund which is an accounting entity segregated for the purpose of carrying

out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Pace operates as an enterprise fund, a type of proprietary fund. Beginning January 1, 2007, Pace established a second enterprise fund to account for the financial activities of the Regional ADA Paratransit program. Revenue and expenses for these funds are recognized using the accrual basis of accounting.

Budgeting

Pace's operating budget is prepared in a manner consistent with Pace's financial statements, which are prepared on the accrual basis of accounting for a proprietary fund type.

Pace maintains a chart of accounts consistent with the FTA's financial reporting requirements. In general, these accounts are established by activity type (i.e., labor, materials, etc.) for four main expense object areas: operations; maintenance; non-vehicle maintenance; and administration. Further segregation of accounts is used to identify activities by object class for individual service programs (i.e., vanpool, demand response, etc.).

Reporting Entity

Pace has defined its reporting entity as a primary government unit based on the criteria in the Governmental Accounting Standard Board (GASB) Statement No. 14, "The Financial Reporting Entity." Pace's financial statements include the accounts of its nine operating divisions.

External Audit

An independent accounting firm performs an annual examination of Pace's financial statements including Single Audit requirements. Pace's goal is to receive an unqualified opinion on the financial statement audit and a separate report that Pace is in compliance with all federal single audit requirements.

Debt Administration - Bond Issues

Pace was authorized by the State of Illinois in 2013 to issue up to \$100 million in bonds for capital improvements. The legislation authorizing Pace to borrow money for capital improvements was restrictive in how Pace could issue the bonds, what projects could be financed, how much could be issued per project, and how the debt was to be repaid. Pace was authorized to issue bonds for converting the South Division garage in Markham to a compressed natural gas (CNG) facility, to construct a new garage in the northwestern Cook County suburbs, to construct a new paratransit garage in DuPage County, and to expand the North Shore garage in Evanston to accommodate additional indoor bus parking. On July 29, 2016, Pace's bonding authority was amended to allow Pace to purchase buses. This legislation did not change the total bonding authority; however, keeping it at \$100 million eliminated the previous bonding limit for each purpose.

Prior to 2015, Pace did not have any outstanding debt and had never issued bonds. Pace has the authority to direct the Regional Transportation Authority (RTA) to issue up to \$5 million in working cash notes on its behalf. Pace has never exercised this option.

In 2013, the Pace Board of Directors approved a bond reimbursement resolution which allows Pace to strategically issue bonds for authorized projects based on Pace's financial and capital planning. In December 2013, the Pace Board of Directors approved a Debt Management Policy establishing best practices staff must follow when administering and issuing bonds.

Bond Payments

State statute limits Pace to issue only revenue bonds, which can only be repaid using Pace operating revenue. Pace is not allowed to pledge or use sales tax revenue for repayment of the authorized bonds.

Bond Rating

Pace does not have a bond rating and, depending on the size and use of a future bond, may pursue a public offering which will require Pace to receive a bond rating. In this case, the bond rating will analyze Pace's financial strength, management, condition of the local economy, and long-term financial planning. The bond rating will state if Pace is stable, trending downward (negative), or upward (positive).

2026 Budget

The 2026 Budget does not include plans for issuing a bond.

Budget/Funding/Transit Service Terms

accessible vehicle

A vehicle that a wheelchair-bound person may enter either via an onboard retractable lift or ramp, or directly from a station platform reached by a lift or a ramp.

accrual

Recognition of an expense or income in the period incurred or earned that has not been paid or received.

ADA—Americans with Disabilities Act

Civil rights legislation that was signed into law in 1990. Transit systems are required to offer accessible mainline services and complimentary ADA paratransit services and were given until January 1997 to achieve full compliance.

ADA paratransit service

Accessible transportation service required by the ADA for individuals with disabilities who may not be able to use fixed route transportation services.

administrative expense

Cost of labor, materials, and fees associated with general office functions, insurance, IT, legal services, and customer services.

appropriation

An amount, from a fund balance or budget, that has been designated for a specified purpose and is not available for other uses.

ART—Arterial Rapid Transit

Transit service along an arterial roadway that typically includes Transit Signal Priority (TSP) and queue jump lanes to improve travel times.

audit

A review to determine the accuracy and validity of records and reports or the conformity of procedures with established policies.

balanced budget

Financial plan in which revenue and expenses are equal.

bond

A written contract evidencing a long-term, interest bearing loan.

BOS—Bus on Shoulder

Bus service that can use shoulder lanes on expressway corridors to bypass slow traffic, thus reducing travel times. In 2014, the Illinois General Assembly enacted legislation permanently authorizing Pace to be the only transit agency allowed to operate Bus on Shoulder service and expanding that permission to all the regions' expressways and tollways.

BRT—Bus Rapid Transit

Bus service that operates primarily in a separated right-of-way that emulates rail fixed guideway services including defined stations, level boarding platforms, Transit Signal Priority (TSP), and queue jump lanes.

budget

A financial plan showing estimated or planned revenue and expenses.

BUILD—Better Utilizing Investments to Leverage Development

A federal discretionary grant program for planning and capital investments that supports roads, bridges, transit, rail, ports, or intermodal transportation.

Bus & Bus Facilities Infrastructure Investment Program (49 U.S.C. 5339)

Federal funding provided through formula allocations and competitive grants. Eligible activities include capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

capital budget

The appropriation of funds for the purchase of vehicles, land, equipment, computer software/hardware, and improvements/construction of facilities and infrastructure.

capital cost of contracting

The capital consumed during a transit service contract period, such as depreciation of vehicles, facilities, or equipment used by the contractor. Capital consumed may also include a proportionate share of the interest the contractor might pay out as the contractor purchases and makes available to the recipient of these capital assets.

CMAQ—Chicago Metropolitan Agency for Planning

The regional planning organization for northeastern Illinois.

CMAQ—Congestion Mitigation/Air Quality

A federal grant program designed to support transportation projects which reduce traffic congestion and improve air quality.

cost per mile

Operating expense divided by vehicle miles for a program or in total.

cost per passenger

Operating expense divided by ridership for a program or in total.

CRP— Carbon Reduction Program

A federal grant program designed to reduce carbon dioxide emissions from on-road highway sources, including constructing Bus Rapid Transit corridors.

CTA—Chicago Transit Authority

One of three service boards overseen by the RTA. CTA operates bus and Rapid Transit (rail) service in the City of Chicago and surrounding suburbs.

deficit

The amount by which total operating expense exceeds total revenue.

demand response service

Non-fixed route service dispatching vans or small buses based on origin and destination demand activation from passengers. Includes On Demand services.

discretionary operating funds

Funds which the RTA allocates, at its discretion, to the service boards. These funds include 15% of the RTA Part I sales tax and PTF.

Enhanced Mobility of Seniors and Individuals with Disabilities (§5310)

This program provides funding to support capital projects that are planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. It is also used for public transportation projects that exceed the requirements of ADA that improve access to fixed route service and decrease reliance by individuals with disabilities on complementary paratransit, and for alternatives to public transportation.

express bus

A suburban or intercity bus that operates a significant portion of the route without stops or with a limited number of stops.

fare

The amount charged to passengers for use of various transit services.

farebox revenue

Revenue from passenger fares and local, employer and other fare subsidies, exclusive of the State Reduced Fare Subsidy Program, interest income, and advertising revenue.

feeder route

A route with the primary purpose of transporting riders from residential areas to a Metra station.

FEMA—Federal Emergency Management Agency

FEMA is an agency of the United States Department of Homeland Security. This agency provides grant money to transit systems under the Transit Security Grant Program and other such programs.

fixed route service

Transit service provided on a regularly scheduled basis along a specific route with vehicles stopping to pick up and discharge passengers along the route.

flex lane

A seventeen-and-a-half foot inside lane on the Jane Addams Tollway (I-90) launched in 2017 and designated for Pace bus use only to route around traffic congestion.

fringe(s)—fringe benefit expense

Expense of employees including sick pay, vacation pay, pension contributions, life and health insurance, unemployment and workers' compensation, social security costs, and other allowances.

FTA—Federal Transit Administration

An agency within the U.S. Department of Transportation (DOT) that provides financial and technical assistance to local public transit systems.

FTE—full-time equivalent position

A unit of measurement equal to the annual working hours of one full-time employee.

fund

Cash, securities, or other assets set aside or provided for a stated purpose.

funding formula

A calculation used to determine a subsidy level or non-discretionary grant amount.

grant

Funding received from local, federal, and state governments to provide capital or operating assistance.

headway

The scheduled gap between buses which varies for different route types, time of day, and day of the week.

IBS—Intelligent Bus System

A satellite-based communication technology used to improve the tracking of buses, collection of data, and communication between buses, drivers, and passengers.

ICE—Innovation, Coordination and Enhancement Fund

Established by the RTA Act in 2008 at \$10 million, adjusting annually with changes in sales tax collected. Funds are used to enhance transit services through effective management, innovation, and technology.

IDOT—Illinois Department of Transportation

Agency responsible for state-maintained public roadways in Illinois that provides capital and student reduced fare funding for public transit.

IIJA—Infrastructure Investment and Jobs Act

Also known as Bipartisan Infrastructure Law (BIL), this was signed into law on November 15, 2021 and authorizes \$1.2 trillion for transportation and infrastructure spending. The legislation includes \$39 billion of new investment to modernize transit and improve accessibility, in addition to continuing the existing transit programs for five years as part of surface transportation reauthorization. In total, the new investments and reauthorization provide \$89.9 billion in guaranteed funding for public transit over five years.

Invest in Cook

Program administered by the Cook County Department of Transportation and Highways which awards grants to cover planning, engineering, right-of-way acquisition and construction costs associated with transportation improvements sponsored by local governments, agencies and private partners.

labor expense

The cost of wages and salaries (including overtime) paid to employees for performance of their work.

low income individual

A person whose family income is at or below 150% of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

MaaS—Mobility as a Service

Digital solution that integrates various forms of transport and transport-related services into a single, comprehensive, and on-demand mobility service which allows users to plan, book, and pay for multiple types of mobility services.

maintenance expense

Expense of labor, materials, services, and equipment used to repair and service transit vehicles.

marks

Level of funding provided by the RTA to the service boards.

Metra (Commuter Rail Division)

One of three service boards overseen by the RTA. Metra operates commuter rail service in northeastern IL.

minority route

A bus route where at least one third of the route travels through a minority census tract. For Pace's service area, a minority census tract is one in which more than 40% of the population identifies as a minority.

non-vehicle maintenance expense

Expense of labor, materials, services, and equipment used to repair and service structures, vehicle movement control systems, fare collection equipment, communication systems, buildings, grounds, and equipment, other than transit vehicles.

NTD—National Transit Database

FTA's primary national database for statistics on the transit industry.

On Demand

Reservation-based, curb-to-curb, shared ride service for anyone within the designated service area. Formerly Call-n-Ride.

operating assistance

Financial assistance for transit operations (non-capital expenditures). Such aid may originate with federal, local, or state governments.

operating budget

The planning of revenue and expenses for a given period of time to maintain daily operations.

operations expense

Expense for labor, materials, fees, fuel, and rents required for operating transit vehicles and passenger stations, except electric propulsion power.

Pace (Suburban Bus Division)

One of the three service boards overseen by the RTA. Pace operates non-rail suburban public transit service as well as ADA Paratransit service in the City of Chicago and surrounding suburbs.

Pace Bond Program

Public Act 97-0770 gave Pace authority to issue bonds for eligible capital projects, effective January 1, 2013 and totaled \$100 million for four specific capital construction projects. P.A. 99-0665, effective July 29, 2016, amended P.A. 97-0770 to allow Pace to issue bonds for the purchase of transit buses in addition to the previously authorized projects. Pace's total bonding authority remains at \$100 million.

paratransit service

A generic term used to describe non-fixed route service utilizing vans or small buses to provide prearranged trips within the system service area to individuals deemed eligible based on local requirements.

PAYGO

Part of the *Rebuild Illinois* legislation that increased the motor fuel tax and created the Transportation Renewal Fund to provide ongoing funding for capital projects.

PBV—positive budget variance

The amount by which a service board comes in favorable to available funding from the RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or operating expenses.

performance measure

A quantifiable indicator of performance or condition to assess progress toward meeting established targets.

performance target

A quantifiable level of performance or condition that is projected to be achieved within a given time period.

Posted-Stops-Only

On select Pace routes, riders are required to get on or off the bus only at a designated bus stop, as opposed to a flag-stop in which passengers are allowed to board or alight a bus anywhere it is safe to do so.

private contract services

Transit service provided by companies or organizations under contract with Pace, also known as 'purchased transportation'.

program (noun)

Refers to groupings of expense accounts of similar activities or objects of expenditures (e.g., operations, maintenance, administration, vanpool, demand response, or capital).

proprietary fund

In governmental accounting, a business-like fund of a state or local government. Also known as enterprise fund and internal revenue fund, it provides goods or services for a fee.

PTF—Public Transportation Fund

An operating subsidy from the State of Illinois equivalent to 30% of the RTA sales tax and Chicago real estate transfer tax (RETT) collected. The 25% PTF match on the Chicago RETT is directed to the CTA.

public transportation

Regular, continuing shared-ride surface transportation services that are open to the general public or a segment of the general public defined by age, disability, or income.

Pulse

A branding name for Pace's Arterial Rapid Transit network.

RAP—Rideshare Access Program

Program operated in the City of Chicago and suburban counties which provides subsidized rideshare services to eligible riders.

Rebuild Illinois

Multi-year state capital bill which invests in roads, bridges, railroads, universities, early childhood centers, state facilities, and public transportation. The legislation also established a PAYGO fund as an ongoing funding source for future capital needs.

recovery ratio

Operating revenue divided by operating expenses to calculate a percentage that measures efficiency.

Regional ADA Paratransit Service

The combination of Suburban and City of Chicago ADA paratransit services.

RETT—Real Estate Transfer Tax

A real estate transfer tax in the City of Chicago implemented by Public Act 95-0708 in January 2008. The tax (\$1.50 for every \$500 of sales price) went into effect April 2008. Proceeds are directed to the CTA.

ReVision

Pace's Network Revitalization & Systemwide Restructuring Initiative intended to understand current and future travel needs, create a framework to guide service investments, and recommend systemwide service improvements.

ridership (unlinked passenger trips)

The number of transit vehicle boardings in which each passenger is counted each time that person boards a vehicle.

rolling stock

Public transportation revenue vehicles, which for Pace includes buses and vans.

RTA—Regional Transportation Authority

Agency charged with financial oversight, funding, and regional transit planning of the six-county Chicago metropolitan region's service boards (CTA, Metra, and Pace).

RTA Bond Funding

Through the Illinois First Program, the RTA was authorized to secure bonds for capital needs. The RTA authorized \$1.6 billion (\$1.3 billion for Strategic Capital Improvement Program (SCIP) and \$300 million for General Obligation Bonds (GOB). The State of Illinois reimburses the RTA for principal and interest expenses incurred on SCIP bonds. The funding for this program has been exhausted; however, from time to time, the RTA uses the defeasance of bonds to reissue new bonds for capital purchases.

RTA Sales Tax Part I

A sales tax of 1% in Cook County and 1/4% in the collar counties of DuPage, Kane, Lake, McHenry, and Will. Eighty-five percent of the sales tax is fully distributed to the service boards by the RTA according to formulas established by the RTA Act (also known as formula funds or 85% funds).

Fifteen percent of the sales tax is retained by the RTA. A portion of these funds may be distributed to the service boards at its discretion; also, known as discretionary funds.

RTA Sales Tax Part II

A 1/4% regionwide sales tax implemented in April 2008 as a result of passage of Public Act 95-0708 by the state legislature. Funds from this source are added to matching public transportation funds (PTF) and allocated per a defined formula which is explained under the source of funds section.

SCMF—Suburban Community Mobility Fund

The RTA Act provides a special funding earmarked for Pace to pay for existing and new non-traditional transit services such as demand response, Vanpool, reverse commute, and others.

senior

A term used for an individual who is 65 years of age or older.

service board

A reference to the region's transit operators—CTA, Metra, and Pace.

SGR—state of good repair

The condition in which a capital asset is able to operate at a full level of performance.

SSJA—South Suburban Job Access

The RTA Act provides a designated amount (\$7.5 million) of RTA funding to Pace for the provision of employment-related services in south Cook County.

subsidized service

Service initiated by a rider with an eligible taxi or transportation network company for which the rider is only responsible for a Pace-specified fare and any expense above a pre-negotiated cost.

suburban service

All Pace services and programs with the exception of ADA Paratransit services.

TAM—Transit Asset Management

A strategic and systematic process of operating, maintaining, and replacing public transportation capital assets effectively throughout the life cycle of such assets. 49 U.S.C. 5326 establishes minimum Federal requirements for TAM that apply to all recipients and subrecipients of Chapter 53 funds that own, operate, or manage public transportation capital assets.

TAP—Taxi Access Program

Program operated in the City of Chicago which provides subsidized taxi service to ADA-eligible riders.

TMA—Transportation Management Association

A formal organization of businesses and local governments dedicated to solving local transportation concerns.

TNC—Transportation Network Company

A company that provides prearranged transportation services through an internet application or digital platform to connect passengers with drivers of vehicles for hire. Often referred to as ride-hailing companies, vehicles for hire may include traditional licensed taxi cabs, as well as companies like Uber, Lyft, and Via.

total vehicle miles

Sum of all miles operated by passenger vehicles, including mileage when no passengers are carried.

Transfer Capital

Budget year operating funds directed to capital projects.

Transit Asset Management Plan

A TAM plan is a tool that aides a transit provider in: (1) assessing the current condition of its capital assets; (2) determining what the condition and performance of its assets should be; (3) identifying the unacceptable risks in continuing to use an asset that is not in a state of good repair; and (4) deciding how to best prioritize anticipated funds toward improving asset condition and achieving a sufficient level of performance within those means. The TAM Final Rule (49 CFR Parts 625 and 630) required public transportation providers to have an initial TAM plan in place by October 1, 2018.

TSP—Transit Signal Priority

System that utilizes vehicle location and wireless communication technology to advance or extend green times at signalized intersections to reduce bus travel times and improve schedule adherence.

unrestricted net assets (fund balance)

The portion of net assets that is neither restricted nor invested in capital assets net of related debt. These funds are considered by Pace to represent the available fund balance.

urbanized area

An incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

Urbanized Area Formula Funding Program (49 U.S.C. 5307)

Federal funding apportioned based on legislative formulas. Eligible activities include: planning, engineering, design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement, overhaul and rebuilding of buses, crime prevention and security equipment, and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. In addition, associated transit improvements and certain expenses associated with mobility management programs are eligible under the program. All preventive maintenance and some ADA complimentary paratransit service costs are considered capital costs.

UWP—Unified Work Program

Grant program that funds various planning projects that CMAP and other agencies undertake each year to enhance transportation in northeastern Illinois.

vanpool

A group of 5-14 people who commute to and from work together in a Pace-owned van.

vehicle load

A ratio of the maximum average number of passengers on buses compared to the average number of available seats.

Ventra®

An electronic fare payment system used by CTA, Metra, and Pace riders that has replaced the former Chicago Card and Transit Card automated fare collection system.

2026 Suburban Service and ADA Budget & Two-Year Financial Plan – Scenario 2

In addition to the proposed budget described earlier in this document, the RTA has requested that each Service Board develop a second Budget and Two-Year Financial Plan that allows for additional service and assumes recovery ratio relief and additional funding are available in 2026 and later. The Scenario 2 Suburban Service budget includes enhancements to existing fixed route service to improve service frequency and reliability. The Scenario 2 Regional ADA Paratransit budget fully funds subsidized TAP and RAP service.

Suburban Service

The Scenario 2 version of the Suburban Service 2026 Budget & Two-Year Financial Plan includes additional service and staffing. Additional fixed route service would improve frequency on existing routes with implementation beginning in late 2025 and continuing into 2026. This service would be expected to generate 1.6 million rides in 2026. Scenario 2 also includes expanded On Demand services throughout the six-county area to provide first and/or last mile connectivity for Pace's riders. This service would be expected to generate 0.133 million rides in 2026. In total, Scenario 2 service expansions are forecasted to increase farebox revenue by \$1.757 million and direct operating expenses by \$16.491 million. In total, these service improvements would increase budgeted 2026 Suburban Service vehicle hours by 11.3%.

The proposed Suburban Service 2026 Budget & Two-Year Financial Plan holds the 2026 vacancy rate at the same level as 2025. In Scenario 2, the Headquarters budgeted vacancies would decrease from 50.0 to 39.0. This would increase labor and fringe expense by \$1.537 million, including healthcare costs. Additional details are provided in Table 41.

Regional ADA Paratransit Service

The Scenario 2 version of Regional ADA Paratransit service assumes that additional funding will be available to operate the TAP and RAP programs for the entirety of 2026 and later. Fully funding the TAP and RAP programs, while maintaining the RTA-mandated 30-ride per month cap and proposed fare increase to \$3.50 for all ADA service, is expected to increase Regional ADA Paratransit ridership by 2.531 million to 6.854 million total rides. Increased ridership is expected to generate an additional \$8.857 million in 2026 farebox revenue and \$58.265 million in operating expense. The 2027 impact of fully funded subsidized ADA service is forecasted at \$12.496 million of additional farebox revenue and \$79.783 million of additional operating expense. Additional details are provided in Table 42.

Table 41. Suburban Service Budget & Two-Year Financial Plan - Scenario 2 (000s)

	2025 Estimate	2026 Budget	2027 Projected	2028 Projected
Revenue	\$49,274	\$52,918	\$51,575	\$51,574
Expense	333,039	366,044	380,793	401,790
Funding Requirement	\$283,765	\$313,126	\$329,218	\$350,216
Public Funding				
Sales Tax (Part I)	\$146,099	\$150,934	\$154,707	\$157,802
Sales Tax (Part II)	23,883	23,375	22,960	22,315
Suburban Community Mobility Fund (SCMF)	35,850	39,767	40,761	41,576
South Suburban Job Access Fund	7,500	7,500	7,500	7,500
PTF (Part I)	6,958	0	7,522	7,672
PTF (Part II)	28,783	30,036	30,853	31,484
RTA Sales Tax (Part I)	10,657	0	14,397	14,755
RTA Discretionary Fund Programs	0	0	0	0
Federal Discretionary Fund Programs	5,916	5,436	0	0
PBV for Operations	18,119	45,725	0	0
Budget Balancing Action	0	10,353	50,518	67,112
Total Public Funding	\$283,765	\$313,126	\$329,218	\$350,216
Net Funding Available	\$0	\$0	\$0	\$0
Recovery Ratio	14.80%	14.46%	13.54%	12.84%

Table 42. Regional ADA Paratransit Budget & Two-Year Financial Plan - Scenario 2 (000s)

	2025 Estimate	2026 Budget	2027 Projected	2028 Projected
Revenue	\$18,813	\$25,109	\$25,745	\$26,352
Expense	330,098	354,581	372,800	393,114
Funding Requirement	\$311,285	\$329,472	\$347,055	\$366,762
Public Funding				
Sales Tax & PTF (Part II)	\$256,180	\$268,564	\$282,966	\$297,114
State Funds	10,020	11,500	11,500	11,500
ADA Paratransit Reserve Fund	8,260	0	0	0
RTA Sales Tax (Part I)	17,467	0	0	0
RTA Discretionary Fund Programs	16,598	0	0	0
Suburban Community Mobility Fund	2,760	0	0	0
Budget Balancing Action	0	49,408	52,589	58,148
Total Public Funding	\$311,285	\$329,472	\$347,055	\$366,762
Net Funding Available	\$0	\$0	\$0	\$0
Recovery Ratio	5.70%	7.08%	6.91%	6.70%

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Legal Notice

Pace, the Suburban Bus Division of the Regional Transportation Authority (“Pace”)

Notice is hereby given that Pace is holding public hearings on its proposed 2026 Operating Budget, 2027–2028 Two-Year Financial Plan, and 2026–2030 Five-Year Capital Program. The public hearings are scheduled to take place:

Pace Budget Public Hearings Schedule		
Hearing	Date and Time	Location
Will County	Friday, October 17, 2025 2:00 PM - 4:00 PM	Joliet Public Library Burnham Room 150 N. Ottawa Street Joliet, IL 60432
Cook County (North)	Monday, October 20, 2025 2:00 PM - 4:00 PM	Lincolnwood Community Center 4170 Morse Avenue Lincolnwood, IL 60712
Lake County	Tuesday, October 21, 2025 1:30 PM - 3:30 PM	Waukegan Public Library Bradbury Room, Lower Level 128 N. County Street Waukegan, IL 60085
Kane County	Wednesday, October 22, 2025 2:00 PM - 4:00 PM	Kane County Government Center Auditorium 719 S. Batavia Avenue Geneva, IL 60134
DuPage County	Wednesday, October 22, 2025 4:00 PM - 6:00 PM	DuPage County JTK Admin. Building Auditorium 421 N. County Farm Road Wheaton, IL 60187
Cook County (Central)	Thursday, October 23, 2025 2:00 PM - 4:00 PM	Chicago Public Library Austin Branch Austin Branch Meeting Room 5615 W. Race Avenue Chicago, IL 60644
Virtual Hearing	Friday, October 24, 2025 11:00 AM	Preregister for virtual hearings at www.PaceBus.com/public-meetings
Cook County (South)	Monday, October 27, 2025 4:00 PM - 6:00 PM	Woodson Regional Library Auditorium 9525 S. Halsted Street Chicago, IL 60628
McHenry County	Tuesday, October 28, 2025 2:30 PM - 4:30 PM	Crystal Lake City Hall Council Chambers 100 W. Woodstock Street Crystal Lake, IL 60014

Appendix L • Legal Notice-Public Hearings

The 2026 budgets for Suburban Service and the Regional ADA Paratransit program are balanced to the funding levels approved by the Regional Transportation Authority (“RTA”). In 2026, fare increases are proposed for both Suburban Services and ADA Paratransit services, as outlined below.

Fare Type	Current		Proposed	
	Full Fare	Reduced Fare	Full Fare	Reduced Fare
Regular Fares				
Ventra® Fare	\$2.00	\$1.00	\$2.25	\$1.10
Cash Fare	2.25	1.10	2.50	1.20
Premium Fares*				
Ventra Fare	\$4.50	\$2.25	\$5.00	\$2.40
Cash Fare	4.50	2.25	5.00	2.40
Pace Premium 30-Day Pass	140.00	70.00	154.00	77.00
Transfer from Pace Regular Route to Pace Premium Route	2.50	1.25	2.75	1.30
Transfer from CTA to Pace Premium Route	2.50	1.25	2.75	1.35
Transfer to Pace Premium Route with a Pass	2.50	1.25	2.75	1.35
<i>*For Routes 236, 755, 768, 769, 776, 850, 851, 855</i>				
Transit Passes				
Pace 30-Day Pass	\$60.00	\$30.00	\$66.00	\$33.00
CTA/Pace 30-Day Pass	75.00	35.00	85.00	40.00
CTA/Pace 7-Day Pass	20.00	N/A	25.00	N/A
CTA/Pace 3-Day Pass**	15.00	N/A	**	**
CTA/Pace 1-Day Pass	5.00	N/A	6.00	N/A
Regional Day Pass	2.50	N/A	3.00	N/A
Regional Connect Pass	30.00	N/A	45.00	N/A
Pace Campus Connection Purchased in:				
August or January	175.00	N/A	193.00	N/A
September or February	165.00	N/A	182.00	N/A
October or March	140.00	N/A	154.00	N/A
November or April	105.00	N/A	116.00	N/A
December or May	60.00	N/A	66.00	N/A
Summer Campus Connection	140.00	N/A	154.00	N/A
Pace Student Summer Haul Pass	45.00	N/A	50.00	N/A
Pace 1-Day Ticket (for Non-Profit Organizations)	4.00	N/A	4.50	N/A
Pace Single Ride Ticket (for Non-Profit Organizations)	2.00	N/A	2.25	N/A
<i>**Pass Proposed to be Discontinued</i>				
ADA Paratransit Fares				
ADA Paratransit	\$3.25	N/A	\$3.50	N/A
Taxi Access Program	3.25	N/A	3.50	N/A
Rideshare Access Program	3.25	N/A	3.50	N/A
Vanpool Program Fares				
Advantage Vanpool Program (Per Month)	\$250.00	N/A	\$275.00	N/A
Not-for-Profit Shuttle Program (Per Month)	250.00	N/A	275.00	N/A
Employer Shuttle Program (Per Month)	600.00	N/A	660.00	N/A
Feeder Vanpool Program (Per Rider Per Month)	58.00	N/A	64.00	N/A
VanGo (Per Day)	5.00	N/A	5.50	N/A
Traditional Vanpool Program	Traditional Vanpool fares, which are based on round trip van mileage and number of passengers, are proposed to increase by 10%			

Also, as part of a regional pilot fare program that began in June 2025, Pace began accepting the Regional Day Pass. As the pilot period is coming to an end, Pace is proposing to permanently adopt the Regional Day Pass.

For the Regional ADA Paratransit program, the RTA Board approved ADA Paratransit budget fully funds federally required ADA Paratransit Services. However, the remaining RTA Board approved ADA Paratransit funding is expected to only be sufficient to operate the Taxi Access Program (“TAP”) and Rideshare Access Program (“RAP”) for approximately the first quarter of 2026. Pace will operate TAP and RAP service until RTA Board approved ADA Paratransit funding is exhausted.

Additionally, in December 2024 and March 2025, Pace implemented service improvements on the following routes on a pilot basis and as these pilot periods are coming to an end, Pace is proposing to make these service improvements permanent:

Proposed Permanent Adoption of Service Improvements Implemented in 2024		
Route	Route Name	Service Day(s)
301	Roosevelt Road	Sunday
311	Oak Park Avenue	Weekday, Saturday, Sunday
315	Austin Boulevard	Weekday, Saturday, Sunday
322	Cermak Road – 22nd Street	Weekday, Sunday
350	Sibley	Saturday, Sunday
364	159th Street	Saturday, Sunday
381	95th Street	Weekday
383	South Cicero	Saturday, Sunday
563	Great Lakes Naval Station	Saturday, Sunday
564	Jackson / 14th	Weekday

Individuals wanting to offer comments on the topic(s) to be addressed at any of the public hearings may do so:

- at the public hearing;
- by submitting a completed Public Hearing Comments Form on Pace’s website at: <https://www.PaceBus.com/public-hearing-comments>;
- by email to: public.hearings@PaceBus.com;
- by mail to: Pace, 550 W. Algonquin Road, Arlington Heights, IL 60005
Attention: Community Relations Department; or
- by voicemail to (847) 354-7943

Pace must receive comments by 5:00 p.m. on October 28, 2025, for the comments to be part of the official record of the public hearings.

Information on Pace’s proposed 2026 budget will be available after October 15, 2025 on Pace’s website at: <https://www.PaceBus.com/budgets>

Individuals with disabilities who require accommodations other than transportation and individuals who require translation into a language other than English are requested to contact Pace at (847) 364-7223 (Option 3) no less than five business days prior to the date of the public hearing they plan to attend.

Service Characteristics



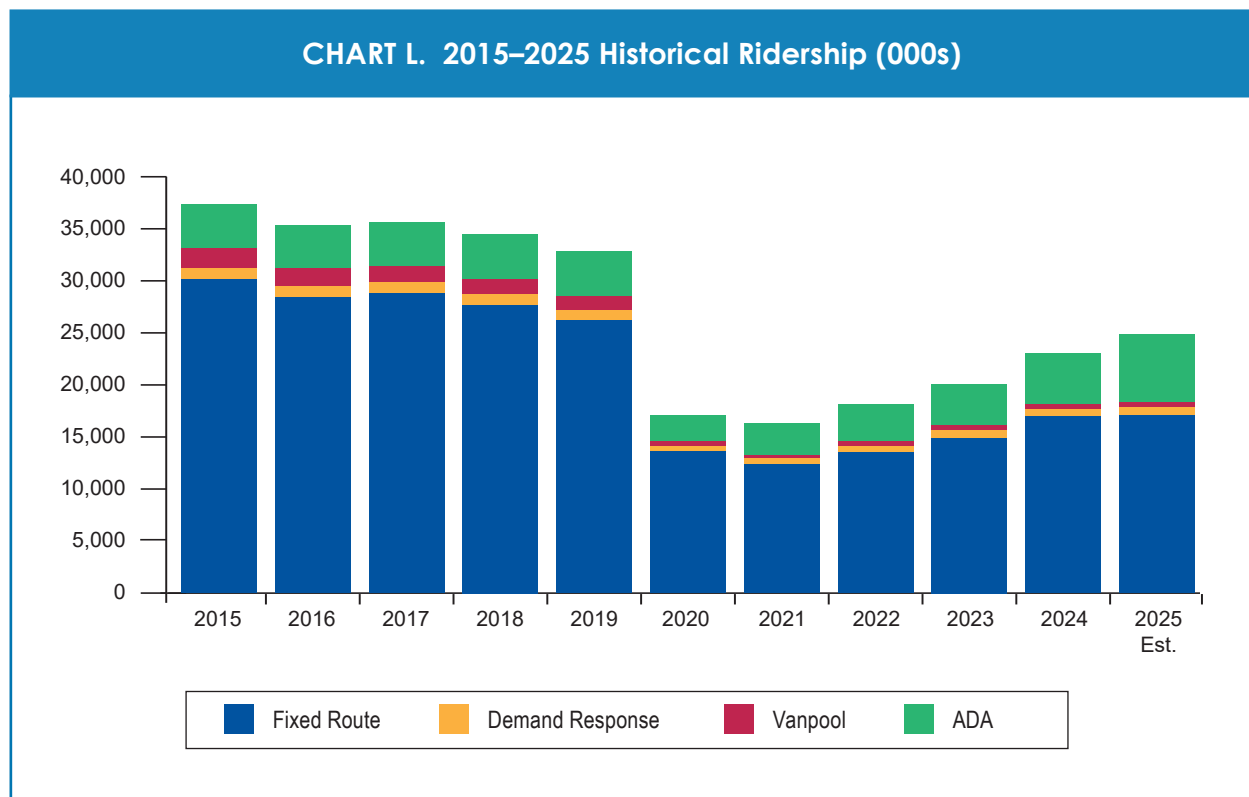
		2024 Actual	2025 Estimate	2026 Budget
Fixed Route Service		Ridership (000s)		
Number of Fixed Routes <i>(August 2025)</i>		Fixed Route	16,970	17,101
• Regular Routes	133	Demand Response*	738	797
<i>(All Routes are Accessible)</i>		Vanpool	538	574
Peak Period Vehicle Requirements	517	Total Suburban Service	18,182	18,377
Pace-owned Fleet Size <i>(All Vehicles are Accessible)</i>	608	Regional ADA*	4,859	4,324
Average Vehicle Age	9.0 yrs	Total System	23,041	24,857
Number of Private Contractors	2			
Number of Pace-owned Garages	11	Vehicle Miles (000s)		
Number of Pace Municipal Contractors	2	Fixed Route	27,212	27,371
		Demand Response	4,015	4,079
		Vanpool	3,472	3,829
Paratransit		Total Suburban Service	34,700	34,917
Number of Communities Served	274	Regional ADA	21,726	21,759
Number of Local Demand Response Projects	40	Total System	56,427	56,133
Pace-owned Fleet Size <i>(Includes Suburban ADA)</i>	413			
Average Pace-owned Vehicle Age	5.6 yrs	Vehicle Hours (000s)		
Community Transit Vehicles in Service <i>(August 2025)</i>	94	Fixed Route	1,843	1,915
Contractor-owned Vehicles in Chicago ADA Service	762	Demand Response	219	227
		Vanpool	N/A	N/A
Vanpool		Total Suburban Service	2,062	2,138
Vans in Service <i>(August 2025)</i> —VIP	103	Regional ADA	1,636	1,636
Vans in Service <i>(August 2025)</i> — Shuttle	26	Total System	3,699	3,733
Vans in Service <i>(August 2025)</i> —Advantage	179			
Pace-owned Fleet Size	424			
Average Vehicle Age	7.4 yrs			
Other				
Full Time Equivalent Personnel <i>(Includes ADA Staff)</i>	1,956.5			

Ridership

The following table details the ridership performance of Pace's various services for the last ten years.

Table 43. 2015–2025 Ridership Historical Summary (000s)						
Year	Fixed Route	Demand Response*	Vanpool	Total Suburban Service	ADA*	Total System
2015	30,120	1,147	1,851	33,118	4,227	37,345
2016	28,398	1,109	1,664	31,171	4,178	35,349
2017	28,804	1,048	1,518	31,370	4,256	35,626
2018	27,673	1,027	1,508	30,208	4,264	34,472
2019	26,192	968	1,361	28,521	4,281	32,802
2020	13,595	520	452	14,567	2,576	17,143
2021	12,377	554	298	13,229	3,130	16,359
2022	13,529	627	402	14,558	3,572	18,130
2023	14,911	702	499	16,112	3,995	20,107
2024	16,970	678	534	18,182	4,859	23,041
2025 Est.	17,101	738	538	18,377	6,480	24,857

*Ridership includes companions and personal care attendants



This document was produced under the direction of Melinda Metzger, *Executive Director*, and would not be possible without the support of the following people:

Budget Planning & Analysis

Melanie Castle	<i>Department Manager, Budget Planning & Analysis</i>
Lindsey Hahn	<i>Senior Budget Analyst</i>
Mary Erwin	<i>Senior Budget Analyst</i>

Grants Administration/Transit Asset Management

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Pace Suburban Bus Service
Illinois**

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrell

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pace Suburban Bus Service, Illinois, for its Annual Budget for the fiscal year beginning January 01, 2025. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

