

Restoring Illinois' Infrastructure

Aspiration: Modern infrastructure for economic strength and equity

Infrastructure is essential to building a thriving Illinois. From investing in our airports, roads, waterways, and public transit to building the broadband infrastructure a 21st century economy demands, this a critical moment for the future of infrastructure in our state. We believe the new administration can meet the state's infrastructure needs, begin reversing decades of neglect, and improve accessibility for every Illinoisan.

Our aspiration is to address the backlog of projects, surpass the national average for state infrastructure, and create rigorous and efficient capital strategies and delivery processes. Addressing longstanding infrastructure needs should spur urban and rural development, stimulate business and job growth (especially for minority-owned businesses), and ensure residents' access to jobs and services.

Illinois today: Infrastructure at the crossroads

Illinois has a unique competitive economic advantage sitting at the center of America's rail, air, roadway, and waterway systems. In fact, Illinois is the only state in which all major freight railroads operate.¹ Illinois houses the 2nd largest public transportation system in the U.S.² and its waterways connect the agricultural Midwest to major U.S. and international markets. Many industries rely on Illinois' intermodal infrastructure – rail, air, waterways, roads, transit – to move people and goods. Similarly, digital infrastructure, such as broadband, has emerged as a critical need for families, entrepreneurs, and industries because of its ability to facilitate economic growth and development in today's economy. In addition, Illinois hosts one of the country's largest urban centers in Chicago and statewide is home to several top public universities all with unique infrastructure needs. These assets combine to make Illinois an economic and cultural engine. But even with these advantages, the state's approach to infrastructure requires renewed direction and investment across major areas.

The state lacks a sustainable approach to infrastructure investments and a comprehensive strategy for prioritizing and addressing even its most basic infrastructure needs. Nearly a decade has passed since the last capital bill was enacted in 2009, and intermittent and insufficient funding has resulted in neglected infrastructure. The result has been a haphazard approach to long-term priority-setting for infrastructure investments. A new capital funding bill would be the first step toward addressing many of the state's most pressing infrastructure needs.

¹ Scott Arends et al., *Report Card for Illinois Infrastructure 2018*, American Society of Civil Engineers, 2018, <https://www.infrastructurereportcard.org/state-item/illinois/>

² CTA, <https://www.transitchicago.com/facts/>

In the absence of leadership, neglected infrastructure continues to be a problem. In Illinois, 2,303 bridges (8.6 percent of the statewide total) are classified as structurally deficient.³ Illinois roadways, ranked 47th in the nation⁴, are also prone to congestion causing travel delays. The state's waterways also carry significant risk, with many locks exceeding their design life where potential failure could lead to the loss of billions of dollars in economic activity. With respect to public transit, Chicago ranks just fifth in capital spending per area resident among peer cities⁵, indicating that the state is not keeping up with other peer regions as transit usage increases. Similarly, freight rail anticipates 30% future growth in shipments over the next 30 years which will necessitate continued investment.⁶

In terms of state-owned facilities, deferred maintenance totals just under \$7.4 billion for FY 2019, a figure that has been growing on average by \$550 million each year since FY 2012.⁷ At public universities and community colleges, the backlog of deferred maintenance projects is over \$4 billion. The Illinois Board of Higher Education has stressed the importance of addressing the most urgent facility needs on Illinois campuses, which could bring down campus facility fees⁸. Investing in campus infrastructure could also help the state attract and retain students. Beyond physical infrastructure, almost ten percent of Illinois residents do not have reliable access to digital broadband.⁹

Internal processes designed to improve supplier diversity throughout procurement are also in need of modernization and reform. Redundant and difficult procurement processes delay project delivery. Current practices fall woefully short on achieving equity in contracting. Only 16 percent of Illinois infrastructure projects satisfied diversity sourcing criteria in 2017, below the state's own goal of 20 percent.¹⁰

Recent efforts to support the state's infrastructure should be sustained. One example is the Chicago Region Environmental and Transportation Efficiency Program (CREATE) that aims to reduce congestion on the rail infrastructure in northeastern Illinois. Encompassing approximately 70 projects, CREATE addresses both passenger and freight rail needs. However, individual projects such as these are not enough.

Path forward: Principles for capital infrastructure investment

The new administration has an opportunity to reshape Illinois' infrastructure. This committee has identified three priorities for this work.

- *Support statewide infrastructure* by enabling a stable and consistent funding stream for both vertical and horizontal infrastructure projects, with greater transparency in the planning process. Passing a capital bill would be the first step toward this goal and will

³ 2017 structurally deficient bridges, ranked by total number of deficient bridges, American Road & Transportation Builders Association, January 2018, [LINK](#).

⁴ Scott Arends et al., *Report Card for Illinois Infrastructure 2018*, American Society of Civil Engineers, 2018, <https://www.infrastructurereportcard.org/state-item/illinois/>.

⁵ Regional Transport Authority, Performance Measures, March 2017, <https://www.rtachicago.org/sites/default/files/documents/plansandprograms/Performance%20Highlights%202017pgs.pdf>

⁶ Scott Arends et al., *Report Card for Illinois Infrastructure 2018*, American Society of Civil Engineers, 2018, <https://www.infrastructurereportcard.org/state-item/illinois/>.

⁷ Illinois Capital Budget, FY 2019, [LINK](#).

⁸ State of Illinois Board of Higher Education, FY 2019 Higher Education Budget Recommendations, [LINK](#)

⁹ <https://broadbandnow.com/Illinois>

¹⁰ Illinois Exec. Order No. 07,2018, C.F.R. (2018), <https://www2.illinois.gov>.

ensure investments are being guided by key priorities. In addition to financing a capital bill, an objective approach to project selection and prioritization is critical.

- *Develop foundational digital infrastructure* by allocating necessary funding to match demand and supply of digital services and anticipating the effects of emerging technologies on infrastructure.
- *Expand procurement and supplier diversity* by making it easier for minority stakeholders to participate in infrastructure projects. Attention to this area will promote incentives that foster supplier diversity and reduce barriers to entry for minority stakeholders.

1) Support statewide infrastructure

Illinois' infrastructure challenges are broad and systemic. Across all asset classes there is an opportunity to overhaul the infrastructure funding process and improve the approach to project delivery. To do so, we believe there are some key strategies to consider.

Consider guiding principles for a capital bill

A capital bill will be most effective if it invests funding based on areas of the highest need. "Need" should be evaluated by both project-based needs (e.g., road repairs) and residents' needs (e.g., ability to promote inclusive growth or accessibility to accommodate people of different abilities).

Important guiding principles for an effective capital bill should include the following:

- Structure the project and investment portfolio to appropriately prioritize both fixing deficient infrastructure and capitalizing on opportunities to drive economic growth. This means the state should develop a sound methodology to pick the right projects—recommendations to which have been detailed further in this report
- Prioritize addressing health and safety risks to promote equity through infrastructure (e.g., water contamination, residents without basic housing, deficient bridges)
- Secure sustained funding for sound projects that are already well underway or are "shovel-ready"
- Ensure adequate funding for local needs and regional priorities, including the needs of rural areas
- Account for building and maintaining the "last mile" transportation (e.g., local roads to a transit hub or airport) in total project funding
- Consider end-to-end resident experience (e.g., bike-friendliness, congestion-reduction focused intermodal efforts, and accessibility for people with disabilities)

Most importantly, it is vital to ensure that all infrastructure classes—including road, rail, mass transit, water, vertical, and digital infrastructure—receive specific consideration for funding. This integrated approach can also help decision makers think about current and future infrastructure needs.

Implement more transparent and objective project selection

Illinois needs a more transparent and objective project prioritization process for capital funding. In addition to project cost and other existing measures, prioritizations should more clearly focus on factors such as resident impact (e.g., safety, congestion reduction, or usage), economic impact (e.g., measures of inclusive growth such as increased mobility for disconnected communities, improving higher education institutions, or stimulating industrial growth), and climate impact and resiliency. A transparent process, executed in close coordination with local

governments, could provide the legislators with the proper tools for long-term decision making to drive robust growth and fix deficient infrastructure.

Stabilize capital funding and make it more sustainable

The lack of a steady funding source has impeded long-term planning and allowed existing infrastructure to fall into disrepair. The state can smooth capital funding by accessing private and public funding sources and funding projects in more innovative ways. These methods may include maximizing federal financing opportunities and grants, critical funding Illinois has often missed out on, especially compared to states with more aggressive and organized approaches.

Public-private partnerships can also uncover funding opportunities and use public money more efficiently. In addition, Illinois should supplement bond-funded projects with pay-as-you-go project payment plans and realize additional funds from considering new user fees or increasing existing sources where appropriate. Lastly, the state could undertake a review of the “legacy” accounting structure for infrastructure, which often constricts sources and uses of funds in a very rigid way. Creating more flexibility here could help the state with redirection of funds during times of need. Making the funding sustainable will be critical to avoid large build-ups in deferred maintenance.

Appoint a senior official focused on improving data-sharing, coordination, and planning across asset classes and regional/local needs

Illinois currently lacks an infrastructure advocate who can drive better planning, coordination, and collaboration across the many infrastructure agencies, both state and local. A senior-level official who serves as the face of Illinois infrastructure and coordinates federal, state, and local agency efforts can help Illinois improve infrastructure outcomes. This person can also direct efforts to collect and share data among infrastructure agencies to enable business and operational analytics. To improve project performance and outcomes, the infrastructure leader can also help create technical taskforces of public- and private-sector experts who can provide input throughout project lifecycles.

Simplify processes and implement more flexible approaches

Illinois should update policies and processes to streamline the delivery of infrastructure projects and open processes to outside ideas. For instance, we can promote alternative project-delivery methods to supplement the traditional design-bid-build model. Examples include alternative technical concepts that can potentially be more efficient and cost-effective than the state’s existing approaches. Furthermore, increased public-private partnerships could increase the efficiency of project delivery.

To expedite projects, Illinois can reduce redundant steps and streamline the review and permitting processes by conducting certain reviews in parallel versus sequentially. Where necessary, the state can also reevaluate procurement processes to reduce obstacles to prompt and appropriate purchasing, such as ensuring the appropriate level of required vendor follow-ups with additional procurement officials and conducting the appropriate amount of public hearings. Such changes will also make it easier for smaller vendors to participate in competitive selection.

Engage stakeholders throughout the infrastructure lifecycle

Illinois should do a better job of engaging residents, the engineering and design community, businesses, and other stakeholders across the infrastructure lifecycle. This could include setting and communicating clear goals for how infrastructure investments can foster inclusive economic

growth and accessibility; coordinated communications with the public on infrastructure value, needs, and challenges; and ongoing communication during project execution. When residents are made aware of the benefits from infrastructure investments, public support grows and even user fees can increase. Similarly, Illinois could consider creating better channels for listening to residents and their needs.

In addition to the above, the state can involve the engineering community earlier in the process and tap its expertise to improve planning and execution. Not only will earlier and deeper involvement with engineers result in quicker “shovel-readiness,” project outcomes could be expected to improve as the result of broad input from engineers.

2) Develop foundational digital infrastructure

Widely available high-speed broadband is critical to attract economic development and foster digital literacy. Furthering that goal requires action in several areas.

Enable foundational digital infrastructure

Illinois can do more to support digital infrastructure by investing in high-speed internet access in all state buildings, including public hospitals and universities. To spread the reach of broadband, Illinois should identify priority areas for broadband delivery and channel service through a designated office such as the Department of Commerce and Economic Opportunity. In the process, the state can help telecommunications providers overcome public right-of-way regulations that make it more difficult for digital conduits to be included during road construction.

Furthermore, improved digital accessibility in state infrastructure—such as audible websites and accessible screen readers in state buildings—can make public spaces more inclusive. Beyond the economic and structural advantages that come from expanded digital infrastructure, these investments also increase accessibility for residents of all abilities.

Drive adoption of digital services

Supporting digital infrastructure across Illinois should include supporting suppliers and purchasers in areas of the state that may be hard to do business. For example, the state could create a cooperative purchasing program for rural broadband providers to decrease the cost of digitization in certain regions. In addition, the state could look into provide matching infrastructure funding (in addition to the FCC grants) to cover underserved and rural areas.

Prepare infrastructure for emerging technologies

The whole world is seeing significant shifts across the digital ecosystem and Illinois must fight to keep up. The state should consider updating policies to reduce hurdles to test and build emerging technologies such as 5G internet and autonomous vehicles. Digital labs supported by public-private partnerships can test new technologies and help the state plan for future infrastructure needs.

3) Expand procurement and supplier diversity

While an equitable procurement and supplier diversity process should be the norm for our state, it is clear Illinois continues to fall short. It is essential that this administration commits to an inclusive process and will make key changes that are long overdue. These initiatives include a few key approaches.

Eliminate barriers to entry for minorities

Minority-owned vendors can be stymied by policy and processes when looking for opportunities to work with the state. Illinois can support minority vendors by updating policies to standardize and simplify the Business Enterprise Program (BEP) certification process. The current process is cumbersome for too many and should be inclusive to Illinoisans of all races, ethnicities, genders, and abilities. To increase the success of BEP, the state should provide education and training on the bidding and delivery processes to vendors.

Illinois can also make contracts more accessible to minority vendors by updating the traditional bidding process to include vendor diversity as a criterion. Because minority vendors are often small, the state should unbundle infrastructure contracts where appropriate to create more opportunities for smaller companies to contribute.

Prioritize diversity with leadership support and a commitment to goals

With strong leadership support, the state and procurement leaders can motivate vendors to participate in its efforts to diversify its vendor pool. Tactics could include encouraging vendors to adopt inclusive programs (e.g., apprenticeships and on-the-job training) and consistently enforcing programmatic orders around vendor diversity, which includes diversity and inclusion along dimensions of race, ethnicity, gender, and ability. Incorporating diversity and inclusion goals in request-for-proposal (RFP) evaluations can also signal a commitment to vendor diversity and incorporate equity of opportunity into the evaluation process.

Guiding Illinois infrastructure toward modernization and equity

We have identified top priorities to finance and maintain Illinois' existing infrastructure, strengthen the foundations of the state's digital infrastructure, and encourage economic equity through infrastructure accessibility and supplier diversity. In particular, the new administration could consider launching a few initiatives in the near-term that could serve as important first steps:

- Develop and pass a principled capital bill to provide funding for infrastructure needs
- Review procurement processes to identify areas for simplification
- Improve enforcement of diversity goals in the state procurement processes
- Create goals and metrics to track infrastructure investments and their impact on inclusive growth

If Illinois can design its infrastructure investments and processes to be competitive on a national and global level, it will pave the way to a higher quality of life for our residents, increase economic prosperity, and establish Illinois as an economic leader across the nation.