

## B U D G E T S U M M A R Y

Category	2019 Actual	2020 Actual	2021 Budget	2022 Budget	2022/2021 Variance
<b>Expenditures</b>					
<b>Personnel Costs</b>	\$0	\$0	\$0	\$0	\$ 0
<b>Operation Costs</b>	\$148,609,582	\$142,823,683	\$155,544,540	\$156,674,122	\$1,129,582
<b>Debt &amp; Depreciation</b>	\$4,064,581	\$4,550,784	\$3,492,953	\$3,492,953	\$ 0
<b>Capital Outlay</b>	\$416,601	\$1,276,324	\$290,000	\$386,000	\$96,000
<b>Interdepartmental Charges</b>	\$2,152,315	\$2,006,629	\$3,174,734	\$3,323,688	\$148,954
<b>Total Expenditures</b>	<b>\$155,243,079</b>	<b>\$150,657,420</b>	<b>\$162,502,227</b>	<b>\$163,876,763</b>	<b>\$1,374,536</b>
<b>Revenues</b>					
<b>Direct Revenue</b>	\$39,002,282	\$20,078,388	\$35,602,954	\$29,597,583	(\$6,005,371)
<b>Intergovernmental Revenue</b>	\$89,635,250	\$104,210,765	\$103,599,634	\$110,698,950	\$7,099,316
<b>Indirect Revenue</b>	\$0	\$0	\$0	\$0	\$ 0
<b>Local VRF Revenues</b>	\$16,186,470	\$15,831,158	\$16,014,577	\$16,151,142	\$136,565
<b>Total Revenues</b>	<b>\$144,824,002</b>	<b>\$140,120,311</b>	<b>\$155,217,165</b>	<b>\$156,447,675</b>	<b>\$1,230,510</b>
<b>Tax Levy</b>	<b>\$10,419,077</b>	<b>\$10,537,109</b>	<b>\$7,285,062</b>	<b>\$7,429,088</b>	<b>\$144,026</b>

**Department Mission:**

The Milwaukee County Transit System (MCTS) connects the community to jobs, education, and life with essential transit services. We strive to be the preferred transportation choice through service excellence and innovation.

**Department Description:**

The Director's Office of the Milwaukee County Department of Transportation (MCDOT) provides oversight of MCTS, conducts transit related studies, and prepares and administers Federal and State transit grants. MCDOT personnel also facilitate the acquisition of capital equipment and provide the Architecture & Engineering Division (A&E) of the Department of Administration Services (DAS) with capital improvement recommendations for MCTS facilities. Milwaukee Transport Services, Inc. (MTS), is a quasi-governmental instrumentality of Milwaukee County that is recognized as an element of Milwaukee County by the Federal Transit Administration (FTA). Transit employees work for MTS, which manages day to day transit operations using facilities and equipment provided by Milwaukee County.

**Major Changes in FY 2022**

There are no major changes to transit/paratransit services primarily due to the availability of Federal funds designated for the response to and recovery from the pandemic caused by the Coronavirus Disease-2019 (COVID-19). After the pandemic was declared, Congress, passed the Coronavirus Aid, Relief, and Economic Security Act (CARES) of 2020, resulting in \$54.9 million being distributed to MCTS. In early 2021, the Coronavirus Response and Relief Supplemental Appropriations Act passed providing an additional \$52.9 million, followed by the American Rescue Plan Act (ARPA) of 2021, which provided another \$83.6 million for a total of over \$191 million for MCTS. In response to the availability of these one-time Federal funds, the State Legislature voted to cut State support for MCTS by \$32.7 million. As such, 85% of these Federal funds will be committed and as much as 75% fully spent down by the end of 2022.

**Strategic Program Area 1: Paratransit**

**Service Provision: Mandated**

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022/2021 Variance</b>
Expenditures	\$16,768,842	\$11,731,702	\$17,150,983	\$17,227,012	\$76,029
Revenues	\$14,499,156	\$11,255,844	\$14,935,609	\$11,815,360	(\$3,120,249)
Tax Levy	\$2,269,686	\$475,858	\$2,215,374	\$5,411,652	\$3,196,278

<b>What We Do With It: Activity Data</b>				
<b>Activity</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Target</b>	<b>2022 Target</b>
Van Trips per Hour	2.04	1.92	1.93	1.90
Van Ridership	437,466	235,783	431,567	437,466
Agency Ridership	13,643	2,858	14,092	0
Taxi Ridership	62,500	36,378	62,500	62,500
Total Ridership	513,609	275,019	508,159	499,966
Individualized Travel Training	87	25	50	50

<b>How Well We Do It: Performance Measures</b>				
<b>Performance Measure</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Target</b>	<b>2022 Target</b>
Van Service On-Time Performance	93.7%	97.1%	94%	94%
Van Cost per Ride ( <i>provider</i> )	\$29.29	\$38.31	\$30.20	\$30.56
Agency Cost per Ride ( <i>provider</i> )	\$10.66	\$11.83	\$14.01	\$0
Taxi Cost per Ride ( <i>provider</i> )	\$12.28	\$12.59	\$12.80	\$12.87
Total Cost per Ride ( <i>incl. admin.</i> )	\$32.15	\$41.76	\$33.20	\$33.93

**Strategic Overview:**

Transit Plus is Milwaukee County’s paratransit program. There are over 8,400 registered Transit Plus participants who are Americans with Disabilities Act (ADA) paratransit eligible. MCTS contracts with paratransit service companies to provide rides to persons with disabilities border-to-border in the County following strict requirements of the ADA.

**Strategic Implementation:**

2022 ridership is projected to be similar to ridership in 2019 with overall costs increasing by less than 1% primarily due to inflationary adjustments in paratransit vendor contracts that are tied to changes in the U.S. consumer price index. In 2022, MCTS will continue to provide mobility management activities inclusive of fixed route travel training, community outreach and education, mobility device training, and bus operator ADA sensitivity and passenger assistance training with assistance from a two-year FTA grant under Section 5310.

**Strategic Program Area 2: Fixed Route**

**Service Provision: Mandated**

**Strategic Outcome: Quality of Life**

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2022/2021 Variance</b>
<b>Expenditures</b>	\$138,474,238	\$138,925,719	\$145,351,245	\$146,649,750	\$1,298,505
<b>Revenues</b>	\$130,324,847	\$128,864,467	\$140,281,556	\$144,632,315	\$4,350,759
<b>Tax Levy</b>	\$8,149,391	\$10,061,252	\$5,069,689	\$2,017,435	(\$3,052,254)

<b>What We Do With It: Activity Data</b>				
<b>Activity</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Target</b>	<b>2022 Target</b>
Buses in Fleet	394	390	355	350
Buses in Peak Hour	320	293	296	290
Bus Miles	17,965,918	16,474,876	17,650,259	17,604,340
Miles / Bus	45,599	42,243	49,719	50,298
Bus Hours	1,371,441	1,288,278	1,348,128	1,361,171
Passengers	26,447,214	15,595,089	24,949,669	20,021,743
Passenger Revenue	\$31,475,475	\$15,588,247	\$27,694,132	\$22,224,135
Revenue per Passenger	\$1.19	\$1.00	\$1.11	\$1.11

<b>How Well We Do It: Performance Measures</b>				
<b>Performance Measure</b>	<b>2019 Actual</b>	<b>2020 Actual</b>	<b>2021 Target</b>	<b>2022 Target</b>
Farebox Recovery Ratio*	23.9%	11.9%	20.1%	16.0%
Passengers per Bus Hour	19.3	12.1	18.5	14.7
Cost per Bus Hour	\$100.97	\$107.84	\$107.82	\$107.61
Cost per Passenger	\$5.24	\$8.91	\$5.83	\$7.32
Passenger Trips per Capita**	28	16.4	26.2	21.2

*Definitions: \* Farebox Recovery Ratio is calculated as the ratio of total expenses covered by total passenger fares*

*\*\* Passenger trips per capita is calculated by dividing annual passenger trips by the population of Milwaukee County (service area)*

**Strategic Overview**

There are no service reductions or fare increases for 2022 due largely to the availability of one-time Federal funding. Transit operating budget expenses increase by about 1% as bus hours increase by 1% due to nominal revisions to services levels. Under MCTS NEXT, community engagement shaped the final changes to the MCTS NEXT map that preserved service in communities of color that were previously considered for elimination in the name of cost neutrality. Budget to budget inflationary cost increases and wage hikes that normally increase expense lines are being countered by lower costs for fuel and fringe benefits. Favorable fuel futures pricing during the pandemic cut fuel expenses by \$750,000 and a \$1.6 million decrease in pension, OPEB and medical costs help to control total expenses.

On the revenue side, the one-time Federal funding available to MCTS helped to neutralize a few significant decreases reflected in the 2022 budget versus 2021.

- Passenger fares were reduced by approximately \$5.5 million because passengers did not return in 2021 at the rate previously anticipated, and the one-year outlook still projects a total count of passengers for 2022 that is lower than experienced pre-pandemic.
- As stated earlier, the State Legislature reduced its support for MCTS by \$32.7 million in 2022. A decrease in this funding was reflected in transit/paratransit budgets. In both instances, Federal funds covered the gap.

In addition to the one-time Federal funds, the MCTS budget includes anticipated revenue contracts that exceed \$300,000 from state and federal sources, and in accordance with Wisconsin Statute 59.52(31), approval from the County Board is required. Passage of the MCTS budget allows MCDOT to execute these revenue grant contracts in 2022:

- State Urban Mass Transit Operating Assistance Contract (Section 85.20)
- State Urban Mass Transit Paratransit Assistance Contract (Section 85.205)
- State Specialized Transportation Assistance Program for Counties (Section 85.21)
- Federal Urbanized Area Formula (Section 5307)

Federal Bus and Bus Facilities Formula (Section 5339). The expected transit revenue streams from passenger revenue, and Federal, State and local sources is not indexed to inflation. A gradual increase in ridership towards pre-COVID levels is anticipated in 2022, but MCTS still anticipates using Federal funds allocated by Congress during the COVID pandemic to fill a passenger revenue gap. As stated earlier, it is estimated that at least 75% (or roughly \$143.25 million) of the \$191 million allocated to MCTS will be utilized by the end of 2022. Federal funds should be sufficient through 2023 but preparing a 2024 budget that maintains current service levels is dependent upon ridership returning. Otherwise, a budget gap of \$15 million to \$25 million can be anticipated.

While it is expected that future budgets will be challenging, transit's role in Milwaukee is critical now and in the future. An inclusive and accessible transit network benefits all users and transforms communities by connecting people to opportunities. Through MCTS, the County is providing a strong transit network that supports economic growth and competitiveness for the region. Ongoing investments in transit will help Milwaukee County realize a future where an individual's race no longer predicts one's success while also improving outcomes for everyone.

**Strategic Implementation:**

2022 will require focus and commitment on many fronts. It will be the first full year of MCTS NEXT. The year will begin with negotiations with the Amalgamated Transit Union Local #998 over a new multi-year collective bargaining agreement (CBA). The County's first Battery Electric Buses (BEBs) dedicated for use on the East-West Bus Rapid Transit (BRT) Line will be delivered. eProject development will begin for the expansion efforts to enhance transit in the North-South 27th Street Corridor. Each of these initiatives are described in more detail below:

MCTS NEXT: In 2020, the MCTS NEXT System Redesign Project and System Map was adopted by the County Board. In turn, MCTS implemented the MCTS NEXT system redesign in three phases beginning in March 2021 and continuing in June and August. 2022 will mark the first year of implementation for the new route design, which focused on expanding high frequency service, extending routes to unserved or under-served job centers, removing lightly used bus

stops to speed up travel, and simplifying the route network to make it easier for riders to understand. In part, these actions were intended to advance racial equity by increasing access for people of color to employment, education, healthcare, grocery stores, and other essential destinations.

CBA: The existing CBA with ATU expires on March 31, 2022. MCTS and ATU leaders will negotiate towards a new multi-year CBA. In 2021, workforce issues had a major impact on many employers, including MCTS. Bus operator turnover has been high, while attendance has been low. Efforts to counter these issues included various recruitment strategies, such as using virtual job fairs, increasing the training pay rate, adding sign-on bonuses, and referral bonuses. Training of a new bus operator can take up to 6 weeks. To bring more recruits through training, back-to-back classes have been added to provide more training opportunities than were offered in previous years.

BEBs and E-W BRT: In 2022, station construction will be completed and delivery of 11 Battery Electric Buses (BEBs) is anticipated before October. The 2022 budget reflects changes associated with the start-up of the BRT route in the fall of 2022. The elimination of MCTS GoldLine will be replaced by the BRT from Downtown Milwaukee to the Milwaukee Regional Medical Center (MRMC). Service to/from Brookfield Square will include an extension of Waukesha Route 1.

Project Development for North-South Transit Enhancement: Milwaukee County and MCTS were scheduled to complete a feasibility study for transit enhancements in the 27th Street transit corridor in 2021. The next step towards advancing the project from study to development is to make application with the Federal Transit Administration (FTA) for consideration of a future Capital Investment Grant (CIG), and to initiate an environmental review process. Approval of the use of \$20 million in one-time Federal funds for project development is a critical next step. Under project development, public engagement that reaches riders, stakeholders, businesses, and elected officials will continue. The outcome of this engagement will result in engineering and design to meet the needs of the community and the standards for environmental review established by the FTA.

**FARE TABLE**

Fare Name	Current Fare	Proposed Fare	Comment
<b>Cash Fares</b>			
Adult	\$2.25	\$2.25	No change
Premium	\$3.50	\$3.50	No change
Concession (Half-Fare)	\$1.10	\$1.10	No change
Concession Premium Fare	\$1.60	\$1.60	No change
<b>M-Card/Stored Value Fares</b>			
Adult Single Ride	\$2.00	\$2.00	No change
Premium Single Ride	\$2.50	\$2.50	No change
Concession (Half-Fare)	\$1.10	\$1.10	No change
Concession Premium Fare	\$1.60	\$1.60	No change
<b>Pass Fares</b>			
1-Day Adult Pass	\$4.00	\$4.00	No change; purchased at ready fare outlet
1-Day Adult Pass	\$5.00	\$5.00	No change; loaded on smartcard at farebox
1-Day Premium Pass	\$6.00	\$6.00	No change
1-Day Concession Pass	\$2.00	\$2.00	No change
1-Day Prem. Concession Pass	\$2.00	\$2.00	No change
3-Day Adult Pass	\$12.00	\$12.00	No change
3-Day Premium Pass	\$18.00	\$18.00	No change
3-Day Concession Pass	\$6.00	\$6.00	No change
3-Day Concession Premium Pass	\$9.00	\$9.00	No change
7-Day Adult Pass	\$19.50	\$19.50	No change
7-Day Premium Pass	\$27.00	\$27.00	No change
7-Day Concession Pass	\$11.00	\$11.00	No change
7-Day Premium Concession Pass	\$15.00	\$15.00	No change
31-Day Adult Pass	\$72.00	\$72.00	No change
31-Day Premium Pass	\$96.00	\$96.00	No change
31-Day Concession Pass	\$32.00	\$32.00	No change
31-Day Premium Concession Pass	\$45.00	\$45.00	No change
<b>Other Special Fares</b>			
Student 5-Day Pass	\$17.50	\$17.50	No change
U-PASS Semester Pass	\$50.00	\$50.00	No change
Commuter Value Pass (quarterly)	\$220.00	\$220.00	No change
New Freedom Pass	\$2.00/day	\$2.00/day	No change
Transfer -encoded on rider's MCard	Free	Free	No change
M-Card Lite: One Ride/Two Ride	\$2.25/\$4.25	\$2.25/\$4.25	No change; Fare form for eligible social service agencies/non-profits
Mobile App Day Pass	\$5.00	\$5.00	No change
Mobile App Single Ride (90 minute)	\$2.00	\$2.00	No change
Paratransit Fare	\$4.00	\$4.00	No change (per one-way trip)
GO Pass	\$2.00/day	\$2.00/day	No change