

Milwaukee County Transit System

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DATE: March 5, 2013
TO: Theodore Lipscomb, Sr., Chairperson, Intergovernmental Relations Committee
FROM: Lloyd Grant, Jr., MCTS Managing Director
SUBJECT: IMPACT OF THE GOVERNOR'S PROPOSED 2013-2015 BUDGET
ON THE MILWAUKEE COUNTY TRANSIT SYSTEM

Pursuant to the request of Intergovernmental Relations staff, we have reviewed the Governor's proposed 2013-2015 biennial budget. Our comments relative to the impact of the budget on MCTS follow:

Impacts:

1. Maintains current operating aid for fixed route and paratransit at prior biennium levels.
2. Changes the funding source for transit operating aids from the transportation fund to the general fund beginning July 1, 2014.

Analysis:

1. Transportation funding is increased \$824 million in the Governor's budget. However, state operating aid for public transit remains flat for the 2013-2015 biennium providing for no increase in state aid for four consecutive years. As a result, despite state limitations on transit's ability to generate revenue and annual inflationary cost pressures, transit's funding options to meet demand for service are limited to reducing operating costs, cutting service and/or increasing user fares.
2. The budget is silent on the recently released recommendations of the Wisconsin Transportation Finance and Policy Commission which addressed what is needed to maintain what we have now. The Commission's recommendations for transit included:
 - Restoration of the annual \$9.3 million cut to public transit implemented as part of the 2011-3 biennial budget and restoration of an additional \$9.5 million annual to bring transit tier funding back to historic levels.
 - Create a state capital assistance program for public transit of \$15 million annually or \$150 million over 10 years.
 - Continue funding transit assistance from the transportation fund.

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3. Inaction on the last budget's 10% cut in operating assistance maintains the \$6.8 million cut annually for MCTS. This reduction in state aid will likely lead to significant changes for MCTS. We expect CMAQ funds to extend into 2014 but it is too early to project the impact.
4. Moving public transit from the dedicated transportation fund will create a heightened level of funding unpredictability and instability for transit where transit programs would be at risk of losing funds in competition with other statewide programs. This proposed change would create greater uncertainty in the future of the Milwaukee County Transit System which is in need of a long-term dedicated funding source.

Respectfully submitted,



Lloyd Grant, Jr., MCTS Managing Director

cc: Brian Dranzik, Interim Director, Department of Transportation