COUNTY OF MILWAUKEE
Inter-office Communication

DATE: August 14, 2025

TO: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: John Rodgers, Interim Director, Department of Transportation
Sandra Kellner, Interim President & CEO, Milwaukee County Transit System

SUBJECT: From the Interim Director, Department of Transportation and the Interim President & CEO, Milwaukee County Transit System providing an informational report in response to Resolution File No. 25-479 Requesting the Milwaukee County Transit System (MCTS) to Develop a Data-Informed Bus Fare Compliance Strategy to Strengthen Revenue and Ensure Long-term Sustainability.

FILE TYPE: Informational Report

POLICY

The Milwaukee County Transit System is providing an information report in response to Resolution File No. 25-479 Requesting the Milwaukee County Transit System (MCTS) to Develop a Data-Informed 8 Bus Fare Compliance Strategy to Strengthen Revenue and Ensure Long-term 9 Sustainability

I. INTRODUCTION

The Milwaukee County Transit System (MCTS) extends its appreciation to the Milwaukee County Board of Supervisors for its continued support in advancing the operational and fiscal health of public transit. In response to Resolution #25-479, MCTS has developed a data-informed, safety-conscious fare compliance strategy to address bus fare evasion, with particular focus on the CONNECT 1 Bus Rapid Transit (BRT) line. This strategy prioritizes equitable access, rider and operator safety, and long-term sustainability.

This report provides background information on fare evasion at MCTS, summary of industry experience and practices, strategic recommendations and summary of data-driven activities to address fare evasion on Connect 1 BRT and routes systemwide. Additionally, this report includes a high-level timeline for implementing strategies aimed to strengthen fare compliance.

II. BACKGROUND

Analysis of operator assaults data shows that fare disputes are the single largest factor leading up to an assault on an operator. In December of 2022, MCTS changed the fare request policy from “ask for fare once” to no longer ask for fare. Instead, the policy requires bus operators to log non-payment of fare on their console. In 2023, MCTS experienced a 42% decrease in physical assaults on bus operators compared to 2022. This decrease is attributed, in part, to the implementation of the new fare policy.

In 2024, MCTS experienced a system-wide fare evasion rate of approximately 30%, resulting in an estimated $9 million in uncollected revenue. As of May 2025, that figure is approximately

33%. However, achieving 0% fare evasion is unrealistic. Based on updated methodology, we estimate that reducing fare evasion to a more acceptable level could result in up to $4 million extra revenue for MCTS, depending upon which strategies we would implement. The CONNECT 1 route reports the 2024 fare evasion above the system average estimated at 62%, largely due to changing rider-behavior since the CONNECT 1 was free June 2023 – Mid April 2024. Beginning March 2024 efforts were made to educate the public and introduce pre-board payment. The marketing team launched rider educational materials, printed, social and website and included directional signage on the BRT platforms and shelters. Mid-April 2024, MCTS deployed fare ambassadors for the first two weeks requiring pre-board payment to help educate the public on how to use the validators and ticket vending machines. Immediately thereafter, Transit Security Officers (TSO's) were assigned to validate fare with a combination of on-bus and on-platform checks, which was met with abrasiveness by the public. As of May 2025, the CONNECT 1 approximate reported fare evasion average is 43%. The TSO's were then reassigned from CONNECT 1 fare validation to other safety needs of the public May 2025.

III. FARE EVASION TRENDS ACROSS U.S. TRANSIT AGENCIES

Fare evasion is a constant and growing national challenge within the United States. There are many transit agencies that understand it is problematic, however there is varying data out there including those that are reporting information and those that are not. The U.S. transit agencies reporting evasion rates we found are between 15%-50%. In response, varying systems approaches have centered around education, customer engagement, and targeted deterrence or enforcement. MCTS is in support of a multi-faceted approach and recognizes that successful fare enforcement should maintain dignity for riders while reinforcing systemwide fairness and fiscal responsibility.

Agency/System	Bus Fare Evasion Rate (2024)	2025 Enforcement Strategy
New York MTA	50%	Using MTA Police; Pilot AI cameras
Los Angeles Metro	46%	Fare checkers; Pilot fare ambassador program
Seattle (Sound Transit & King County Metro)	33%	Fare Ambassadors (non-police), education-first
Milwaukee (MCTS)	30%	Passive PSO presence; no citations
Washington, D.C. (WMATA)	30%	Decriminalized fare evasion; limited Metro Police role
San Francisco Muni (SFMTA)	20%	Civil citations by fare inspectors + SFPD partnership
Philadelphia (SEPTA)	18%	Police may cite. Focus on deterrence, enforcement & education
Boston MBTA	15% - 22%	Piloting fare ambassadors, moving to all-door boarding

IV. MCTS STRATEGIC RECOMMENDATIONS TO REDUCE FARE EVASION:

MCTS recommends a comprehensive Bus Fare compliance strategy that is based upon industry best practices and data driven results. This strategy includes education, customer and employee engagement and increased deterrent presences.

- **Strategy 1: Public Education Campaign System Wide**
  - **Communication & Messaging**
    - Rider Education and equity-focused outreach
      - Sample: “Every Fare Counts, We’re Counting on You”
        - Install signage referencing State Statute 943.225 to reinforce expectations
        - Bus audio messaging rotation
        - Destination signage rotation
        - In bus and printed timetable messaging
        - Social media posts
        - Dedicated webpage with informational video
        - Highlight the benefits of WisGo fare capping and contactless payment
        - Partner with community organizations to amplify the message
  - **Duration**
    - These types of educational campaigns will run month-to-month with the option to keep the same fare evasion message or make changes as needed.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost: Neutral**
    - This approach is intended to create heightened awareness within the community at no incremental cost to the budget and can be implemented swiftly.

- **Strategy 2: Open Loop Payment**
  - **Additional payment methods accepted**
    - The current fare collection system accepts payment methods including cash on board, WisGo smart card, WisGo paper token, and the UMO App. Open loop payment offers additional payment methods including apple and google pay, debit and credit card. This technology is in progress and set to launch in Quarter 1 2026.
  - **Duration**
    - This additional payment method technology is expected to become available during first quarter of 2026 and would remain an option for the foreseeable future.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost: Neutral**
    - This cost is neutral as it is already included in the 2026 budget.

- **Strategy 3: Targeted Fare Enforcement System Wide**
  - **Uniformed presence at high-evasion bus stops and on-bus circulation**
    - This physical presence will serve as a deterrent creating an atmosphere of safety and security. The uniformed staff will be able to address safety and security issues immediately and rotate throughout the day. The system wide hours of service for 2024 totaled 1,340,958, running seven days a week, and nearly 24 hours daily. It is projected to dedicate approximately 26,000 security hours annually (~2% of total system's bus service hours).
  - **Duration**
    - This strategy will run monthly with approximately 500 staff hours rotating throughout the system.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost $1.1M annually**
    - This approach is an investment into the overall safety and security of the transit system as a whole, while addressing fare evasion. We can start with a base line dedicating 2% (26,000) uniformed security hours system-wide and determine the impact monthly. It will cost approximately $1.1M annually which includes the full hourly rate and overhead of uniformed security staff to operate this strategy.

- **Strategy 4: Fare Ambassadors**
  - **Non-Police/Security Staff**
    - This physical presence of non-police/security type staff will educate riders on how to purchase and pay for the bus fare, verify fares are being collected and report any defects with equipment, and promote rider engagement in a positive manner.
  - **Duration**
    - This strategy will run monthly with approximately 500 staff hours throughout the system.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost $1.2M annually**
    - This approach is a people investment in education of the public and promoting rider engagement. We can start with a base line of dedicating 2% (26,000) hours system-wide and determine the impact monthly. It will cost approximately $1.2M annually which includes the salary and benefits for 13 Fare Ambassadors to operate this strategy.

- **Strategy 5: Connect 1 - Add Onboard Fare Collection Equipment**
  - **Validators and Farebox**
    - Per FTA BRT grant funding, transit agencies may add fare collection methods to assist in the reduction of fare evasion but may not remove any existing features of the BRT, which include pre-board payment methods. This strategy, if implemented, is highly recommended to be coupled with Uniformed enforcement or Fare Ambassadors.
    - This strategy would require further discussion with bus manufacturer to ensure bus warranty is not impacted by the introduction of new equipment.
  - **Duration**
    - The onboard fare collection equipment would be installed on the existing 12 Battery Electric Buses, both front door and rear door for the validators and the farebox only at the front.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost $303K**
    - Onboard validation equipment for front & rear door boarding, 12 BRT buses: $72,000
    - Onboard mechanical farebox (collecting cash), 12 BRT buses: $30,000
    - Installation and wiring of validation equipment, 12 BRT buses: $200,000
    - In total, an estimated $302,000 would be needed to fully equip the battery-electric buses with on-board fare payment systems including installation.

- **Strategy 6: Equity-Focused Fare Programs**
  - **Reduced Fare Program Review**
    - The current reduced fare program eligibility only includes children ages 6-11, adults aged 65+ or anyone with a qualifying disability. It is recommended to review this policy through an income-based perspective and potentially open eligibility to riders who may be evading fare.
  - **Duration**
    - It will take approximately 4 months to perform a thorough review of current state, analysis of income-based programs and provide recommendation.
  - **Measurement**
    - The primary method to gauge success with this strategy is to review the ridership count using Automatic Passenger Count (APC) compared to fare collection, resulting in a percentage of fare uncollected.
  - **Cost – Variable (To be determined)**
    - The overall cost of a new equity-focused program will be variable based on participation and to be included in the overall analysis.

VI. FARE EVASION STRATEGY OVERVIEW

Strategy	Description	Estimated Incremental Cost	Potential ROI	Key Benefits	Considerations
1. Public Education Campaigns	Messaging via buses, stations, ads ("Every Fare Counts")	None	Moderate (5% increase in compliance)	Increases public awareness; promotes shared responsibility	Most effective when combined with enforcement
2. Add Open Loop Payment Method	Allows riders to use any payment method including apple pay, google pay, credit/debit cards.	None	Moderate	Allows the public more choices when attempting to pay fare.	Fare evaders are most likely unbanked.
3. Targeted Fare Enforcement	Uniformed presence at high evasion stops; passive deterrent	$86K annually per officer; Estimating 13 staff, $1.1M annually	Medium	Effective on BRT/high-ridership lines; prevents repeat behavior	Scalable solution: some additional training required
4. Fare Ambassadors	Non-police staff educate riders, verify fares, and promote rider engagement	$94K per staff; Estimating 13 staff, $1.2M annually	Medium	Improves compliance with minimal conflict; boosts rider perception	Scalable solution
5. Connect 1: Add Onboard Fare Collection Equipment	Contactless fare payment added to BRT buses	$302,000 Equipment front/rear door + Front Door Cash Box	Medium in BRT systems	Reduces boarding delays; supports universal fare media	Must be paired with consistent enforcement
6. Equity-Focused Fare Programs	Free/discounted fare for low-income riders + education	Variable (subsidized fares)	Low (reduced evasion + equity goals)	Improves access; aligns with social goals	Needs policy change and budget alignment

VI. GOALS AND MEASURING SUCCESS

MCTS's goal is to reduce fare evasion from 33% down to 30% by September 2026. Based on current fare and service levels, this reduction in the rate of fare evasion is estimated to bring in $900K additional revenue annually. The estimated reduction in fare evasion is based on the implementation of the cost-neutral strategies outlined in this document, including increased targeted fare enforcement with the existing security personnel. MCTS will collect data on these efforts and evaluate their effectiveness. With this measured approach, MCTS will be better positioned in 2026 to estimate what additional investments could do to further reduce fare evasion rates.

MCTS will measure success by tracking the level of fare evasion by month and by route. The level of fare evasion can be understood by cross-referencing the fare box data (cash amounts, Umo transactions, etc.) with the Automatic Passenger Count (APC) data. Approximately 45% of the MCTS bus fleet is equipped with the APC's, which provide an average count of boardings and alighting's. The APC system and sampling methodology is validated annually and certified by NTD (National Transit Database) as a statistically reliable source of ridership data.

VII. STAFF AND PUBLIC ENGAGEMENT

MCTS recognizes that employee and community input is extremely valuable. As such our efforts will tap into their insights to ensure the efforts for reducing fare evasion rates are comprehensive. Below is an outline of the engagement opportunities:

- **Leadership Engagement**
  - MCTS leadership will conduct station visits to engage directly with station managers and operators, soliciting their insights and ideas on how to proactively improve fare collection efforts.
  - The Safety Assurance Committee will meet monthly to ensure both union and management work collaboratively to address fare evasion issues on an on-going basis.
- **Operator Feedback**
  - Station supervisors will have regular conversations with operators during sign-in to gather feedback on fare evasion incidents from previous shifts. This helps identify recurring issues, trends, and fare evasion patterns.
- **Ridership Feedback**
  - What barriers are there to paying the fare?
  - What do riders want to see in effort to help reduce fare evasion?

VIII. CONCLUSION

Reducing fare evasion across the MCTS system requires a balanced, multi-faceted approach grounded in reliable data, operator feedback, and community engagement. MCTS has started implementing many of the cost-neutral strategies identified in this report. The strategies involving additional costs are designed to enhance compliance even further. All strategies consider the importance of protecting safety and equity.

ALIGNMENT TO STRATEGIC PLAN
2C: Apply a racial equity lens to all decisions.
3A: Invest “upstream” to address root causes of health disparities.
3B: Enhance the County’s fiscal health and sustainability.
3C: Dismantle barriers to diverse and inclusive communities.

FISCAL EFFECT
This report is for informational purposes only unless otherwise directed.

VIRTUAL MEETING INVITES
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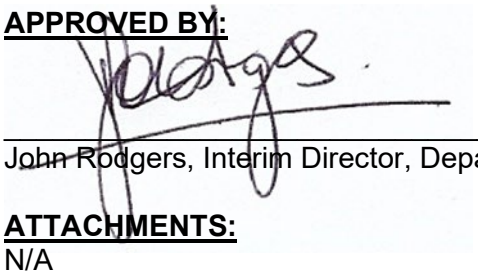
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ATTACHMENTS:
N/A

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