



**COUNTY OF MILWAUKEE**  
**INTEROFFICE COMMUNICATION**

Office of the Comptroller  
**Scott B. Manske, Comptroller**

**DATE :** March 25, 2015  
**TO :** Members, County Board of Supervisors  
**FROM :** Scott Manske, Milwaukee County Comptroller  
**SUBJECT :** MCTS GO Pass

The Office of the Comptroller attempted to research and perform a fiscal analysis of the GO Pass legislation (County Board File No. 15-204) that will be before the County Board on March 26, 2015. The fiscal analysis was intended to arrive at a best estimate of the fiscal impact to Milwaukee County in 2015 and 2016 for this program, as proposed.

To arrive at a fiscal estimate, the Comptroller office asked for details regarding the current FTA program for seniors and persons with disabilities. However, the current fare box system in place at MCTS does not provide adequate data to project the loss of revenue that would occur by eliminating the Concession Fare (half fare) and implementing the free GO Pass. This is consistent with the finding in the February 2009 Audit conducted by the Milwaukee County Department of Audit which found that, "MTS management does not, however, believe actual passenger and fare data can be reliably obtained from its aging fare boxes (circa 1980s). Rather it uses a complex series of ratios and formulae to estimate the total number and types of passengers served system-wide based on ticket counts and estimates, cash fare and bus pass revenue collected." At the time of the audit, MCTS used 39 automatic Passenger Counters that uses infrared technology to count bodies boarding and exiting the buses but cannot collect ridership based on the types of rides such as cash rides, concession rides, tickets rides or pass rides. According to information obtained during the audit, the ridership profile upon which the ratios and formulae used today are based, originated in 1988.

MCTS is in the process of updating its fare system with the implementation of the MCTS M-CARD and a new fare box system. This will results in actual and relevant data being available in 2015 after full replacement of paper passes with MCTS M-CARD passes. This new system should result in better data in the future and allow policymakers the ability to analyze MCTS revenue regarding the financial and customer impact of their decisions.

MCTS did provide year ending statistics for 2013 that showed 5% of all passenger fare revenue was derived from Concession Fare(half fare) passengers and of that amount, 95% was attributable to the Elderly and 5% attributable to the persons with a disability which

results in approximately 10% of all riders being eligible for the Concession Fare Program. However, the allocation of the data is based upon the statistical formula discussed above rather than actual receipts from the fare box.

MCTS conducted a ridership survey in October 2012 of 800 riders and again in October 2013 with 400 riders. The surveys resulted in estimates of riders over the age of 65 as 13.1% in 2012 and 11.5 % in 2013. SEWRPC conducted a survey in November of 2012 surveying 11,100 riders. The survey forms were passed out on 25% of all bus runs made on the date of the survey. SEWRPC's survey resulted in an estimated percentage of riders over the age of 65 at 3.1%.

### Expanded Definition of Persons with a Disabilities

The piece of the legislation that could have a further impact of any fiscal analysis is the expanded definition of who qualifies for a free pass under the disability definition. There is no current concrete estimate of the number of people within Milwaukee County who have a disability, and those with a disability who also ride the bus at full fare.

#### **MCTS estimates**

MCTS estimated in 2013 that 0.27% of its revenue was received from people with disabilities, however, this number is based upon a historical statistical formula rather than actual receipts from the fare box and only includes persons with disabilities defined by a more restrictive definition than the resolution's revised definition.

#### **Census Bureau estimates**

The Census Bureau reports that nearly 20%, or approximately 190,000 residents, of Milwaukee County have a disability. The Census Bureau definition for persons with disabilities is similar to the revised resolution's definition.

#### **SEWRPC estimates**

Data from the American Community Survey (ACS) cited by SEWRPC in its Title VI Fare Equity Analysis Report presented to TPWT Committee on January 21, 2015, estimated the number at 12.9% or approximately 123,000 residents with a disability. The ACS asks questions regarding six disability types: Hearing, Vision, Cognitive, Ambulatory, Self-Care, and Independent Living. The ACS persons with disabilities definition is more restrictive than the revised resolution's definition.

### Conclusion

The Office of the Comptroller cannot verify or dismiss any fiscal estimates provided by MCTS due to the lack of revenue and ridership information. Given the diversity of numbers estimating the potential number of riders eligible for the GO Pass for either riders over the age of 65 or with a disability, it is difficult to determine the number of residents who would be eligible. Calculating the loss of revenue would require the ability to know or accurately project the number of those residents now eligible for the GO Pass who are currently paying full fares to ride the bus.

In addition, the Title VI Fare Equity Analysis report provided by SEWRPC in December of 2014 which concluded there was not a disparate impact also was prior to the expanded definition of a disability. Should additional revenue loss occur, fare increases may be needed, in lieu of increased property taxes, which may result in SEWRPC revisiting the issue of Fare Equity as it noted in its issued report.

MCTS 2015 Projected Year-End Fiscal Status

Finally, it is worth noting that the current 2015 projected year end position of MCTS as reported to the Office of the Comptroller on March 19, 2015 is a breakeven status.



Scott Manske, Milwaukee County Comptroller

cc: Chris Abele, County Executive  
Brian Dranzik, Director, MCDOT  
Dan Boehm, Director, MCTS