

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: February 26, 2015

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution reinforcing Milwaukee County's commitment to a safe and accessible transit system

FISCAL EFFECT:

- | | |
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| <input type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input checked="" type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	(\$54,043)	(\$72,057)
	Net Cost	\$54,043	\$72,057
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
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- A. Approval of this resolution/ordinance would create the Transit Security Task Force to develop strategies to bolster awareness and compliance with state statutes, Milwaukee County Code of Ordinances, and municipal laws that ban misconduct at bus stops, on buses, or in connection with fare media produced by the Milwaukee County Transit System (MCTS). In addition, the resolution/ordinance exempts sworn law enforcement officers from Milwaukee County and the County's municipal police agencies from paying MCTS fares if the officer presents a department-issued photo identification and badge to the bus operator.
 - B. Approval of this resolution/ordinance will require existing staff time in the Department of Transportation to coordinate and report on the Task Force. The resolution/ordinance may decrease operating revenues for MCTS by \$54,043 in 2015 and \$72,057 in future years. See part D for an explanation for how the operating revenue loss was calculated.
 - C. The resolution/ordinance may decrease the 2015 Adopted Budget's anticipated operating revenues for the Department of Transportation - MCTS Division by \$54,043 and \$72,057 in future years.
 - D. This fiscal note used several assumptions to estimate the number of sworn law enforcement officers who may take advantage of a fare exemption. The fiscal note does not attempt to put a value on the benefits of an increased presence of sworn officers regularly riding County transit. No data exists on the number of law enforcement officers

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

who regularly use MCTS, so the fiscal note estimates the number of potential regular riders. The County currently participates in a discounted fare program for employees, data from this program may indicate the number of sworn officers who regularly ride the bus and may take advantage of the fare exemption. Payroll records indicate that 8 County sworn officers currently participate in the Commuter Value Pass (CVP) program for discounted bus fares. Comparing the CVP users to the total number of County sworn officers (281 officers according to a 2014 Office of Justice report) results in 2.85% of the officer population being regular bus riders. In its most recent report from October 2014, the Wisconsin Office of Justice Assistance states that the number of sworn officers in the County is 2,903. Applying the percentage of County officers that use the bus regularly, 2.85%, to the entire population of sworn officers, it is assumed that 83 officers will ride the bus regularly.

To accurately estimate the potential revenue loss, the fiscal note separates the County officers from the municipal officers in its calculation. The County and employees share the cost of the \$67/month pass. The potential revenue loss to provide fare exemptions to County sworn officers is \$6,432 ($\$67 \times 12 \text{ months} \times 8 \text{ officers}$).

MCTS estimates that the weekly fare cost for an individual is \$17.50. Assuming, the 75 municipal police officers work fifty weeks a year, with two weeks of vacation, the potential revenue loss for MCTS is \$65,625 annually ($75 \text{ officers} \times 50 \text{ weeks} \times \17.50).

The assumed total revenue loss of exempting sworn officers from purchasing MCTS bus fare is \$72,057 annually. The revenue loss for 2015 is limited to \$54,043 assuming that the program will be implemented at the beginning of April.

It is possible that this fiscal note overstates the potential ridership of sworn municipal officers, but there is limited data available on the number of officers who use MCTS regularly. In addition, the possible revenue loss may fluctuate because it is difficult to predict how individuals will respond when services are offered without charge.

Department/Prepared By Jill Suurmeyer, Research and Policy Analyst, Office of the Comptroller

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No

Did CDBP Review??

Yes

No

Not Required