

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 15, 2025

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

From: Joe Lamers, Director, Office of Strategy, Budget and Performance *JOSEPH LAMERS*

Subject: Recognition of Delayed Federal Transit Administration (FTA) Revenue Reimbursement

File Type: Action Report

REQUEST

The Director of the Office of Strategy, Budget and Performance requests to recognize \$19,882,876 of Federal Transit Administration revenues received in 2025, for services provided in 2024, and to deposit an equal amount of funds into the Debt Service Reserve.

BACKGROUND

The 2024 Operating Budget in the Department of Transportation – Milwaukee County Transit System (Agency 560) included approximately \$33.3 million in Federal funding for transit operations. In June of 2024, a request for reimbursement was submitted to the Federal Transit Administration (FTA) in the amount of \$19,882,876 for transit services provided in 2024. While it is not uncommon for the FTA reimbursement process to take several months, the reimbursement for this expenditure was delayed and not received until May of 2025 or approximately eleven months after funds were requested. MCDOT staff indicated that the delayed reimbursement was caused by federal directives, turnover of the federal administration, and staffing at the FTA.

GASB (Governmental Accounting Standards Board) Statement No. 33 requires that all revenue be recognized when it is both measurable and available. Measurable is typically when the amount of revenue can be reasonably determined, and available when the revenue is collected within the current period or soon enough thereafter to pay for current period expenditures. The County requires that the revenue be received before March 31st of the subsequent year, and defers any revenue received after March 31st. Since the \$19.8 million was not received until May of the subsequent year, the revenue was deferred and not recorded in FY2024, causing a substantial deficit in Transit in FY2024. Conversely, the revenue will be recorded in FY2025.

Since the \$19.8 million reimbursement amount is not budgeted in 2025, and since the delayed reimbursement negatively impacted the County's 2024 year-end results, the Office of Strategy, Budget and Performance is requesting these funds to be placed into the Debt Service Reserve. If these funds had been received and reflected in 2024, the final 2024 year-end deposit to the Debt Service Reserve would have been increased by this amount. This request effectively mirrors what would have happened at year-end if there was not a delayed reimbursement.

FISCAL EFFECT

The resolution for this file acknowledges the receipt of a delayed reimbursement from the Federal Transit Administration, and authorizes the amount of \$19,882,876 to be deposited into the Debt Service Reserve.

RECOMMENDATION

Allocate \$19,882,876 of Federal Transit Administration revenue received in 2025 (for services provided in 2024) to the Debt Service Reserve.

ATTACHMENTS

Resolution

Fiscal Note

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Mary Jo Meyers, Chief of Staff, Milwaukee County Executive
Liz Sumner, Milwaukee County Comptroller
Jim Moon, Deputy Comptroller
CJ Pahl, Financial Services Director, Office of the Comptroller
John Rodgers, Interim Director, Milwaukee County Department of Transportation