

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 15, 2025

Original Fiscal Note

Substitute Fiscal Note

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

FISCAL EFFECT:

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

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	\$19,882,876 *	\$0
	Revenue	\$19,882,876 *	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

*\$19,882,876 of federally reimbursable transit expenditures were incurred and recorded in 2024,

but the reimbursement was not received or recorded until fiscal year 2025 due to timelines and accounting rules

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. In June of 2024, a request for federal funding reimbursement was submitted to the Federal Transit Administration (FTA) in the amount of \$19,882,876. The reimbursement was not received until May 2025, approximately eleven months later. Due to the delay, the revenue was not reflected as an actual revenue received at 2024 year-end. This caused a substantial deficit in transit in 2024 year-end reporting. This also resulted in a lower amount deposited into the Debt Service Reserve, by an equal amount. MCDOT staff indicated the delayed reimbursement was caused by federal directives, turnover of the federal administration, and staffing at the FTA.
 - B. The \$19,882,876 of revenue received is proposed to be deposited into the Debt Service Reserve. This effectively mirrors what would have occurred if the revenue receipt was not delayed until May 2025. At 2024 year-end, due to the delayed reimbursement, the county overall covered the deficit in transit which lowered the amount deposited into the reserve.
 - C. The delayed revenue received is proposed to be placed into the Debt Service Reserve.
 - D. No assumptions or interpretations were made.

Department/Prepared By: Office of Strategy, Budget and Performance

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.

JOSEPH LAMERS

Authorized Signature

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review? Yes No Not Required