

County of Milwaukee
Interoffice Communication

DATE: 4/2/2019
TO: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
FROM: Donna Brown-Martin, Director, Department of Transportation
SUBJECT: 2019-2021 Proposed Biennial Budget Impacts on Milwaukee County's Department of Transportation – INFORMATIONAL ONLY

BACKGROUND

Governor Ever's introduced his proposed 2019-2021 Biennial Budget to the State Legislature for review. Below is an analysis of the potential impacts to Milwaukee County's Department of Transportation based on the proposed budget.

ANALYSIS

TRANSIT

- It is estimated that the Governor's recommended increase of \$3 million per year in funding for Seniors and Individuals with Disabilities under the 85.21 Specialized Transportation Aids program will provide only a \$105,000 increase in these transit aids for each year of the biennium. This amount is not even enough to cover inflationary cost increases scheduled into paratransit service provider contracts. The predicted \$105,000 increase for MCTS in 2020 would have even less buying power in 2021 with respect to its ability to cover normal inflationary cost increases scheduled into paratransit service provider contracts.
- Of the \$2,768,000 proposed increase in 2020 local transit aids for transit agencies statewide (under the 85.20 program) we expect to realize about half of that amount, or about \$1.3 million. Obviously, this will not cover a potential \$1.6 million tax levy decrease for 2020.
- Of the \$11,073,800 proposed increase in 2021 local transit aids for transit agencies statewide (under the 85.20 program) we expect to realize about half of that amount, or about \$5,536,900 million.

The long-term plan to receive additional state funding should begin with a challenge of the current system used by WisDOT and the legislature to determine need for funding. According to the State, Transit Aids are justified based on how well transit systems are performing relative to compliance with department cost-efficiency standards. This performance measure has been a failure. It seems to have been used to justify that everything is fine with transit systems in the state if the transit systems continue to operate efficiently (in comparison to peers). Although MCTS has continued to operate within an acceptable range of peer systems, its operational performance has been on a downward trend for decades due to a lack of investment, especially by the State of Wisconsin. A new performance measure is well past due. A performance measure that embraces the need for transit and places value on

transit is needed to ensure that transit remains relevant in the State. Furthermore, MCTS's transit asset infrastructure is suffering from a lack of investment and maintenance as well.

- A State Capital program is also desperately needed.
- The proposed budget includes language for creating an exclusion to county and municipal levy limits for cross- municipality transit routes where the counties and municipalities meet several criteria and that each participating county or municipality must pass a referendum approving the agreement. The exclusion shall be limited to operating and capital costs directly associated with the transit route or routes crossing municipal or county boundaries and cannot be claimed for any amounts currently levied by counties and municipalities for existing cross-boundary routes or for any other route. This could provide for opportunities to partner with neighboring counties if necessary referenda would pass with enough expenditure authority. Example of potential partnerships include:
 - ❖ Extending the GoldLine to Goerkes Corners in Waukesha County at a cost of about \$1 million per year is one potential partnership. Half or more could potentially be paid by Waukesha County.
 - ❖ Another potential partnership would be to extend Route 68 on Port Washington Road into Ozaukee County up to Concordia University. The cost of this extension would be about \$700,000 – half or more could potentially be paid by Ozaukee County.
 - ❖ There is also potential to partner with Racine County as development just south of our border continues. I do not presently have a plan or proposal for such partnership to our south.

HIGHWAY MAINTENANCE

- General Transportation Aids would increase by 10%. Assuming all else remains equal, DOT-Highway would go from \$2,710,985 to \$2,982,083 (an increase of \$271,098).
 - ❖ These funds are used toward maintaining County Trunk highways, for activities such as mowing medians, concrete base patching, asphalt repair, tree trimming, litter/trash pickup, pavement marking, catch basin repair, crack sealing, and bridge repair.
 - ❖ While 2019 County budget amendment 1A019 included an increase of \$631,000 in GTA revenue for DOT-Highway, the additional expenditure authority was allocated to Transit for route funding, resulting in fewer funds to perform the activities listed above.
- Routine Maintenance Agreement funding would increase.
 - ❖ The 2019 RMA included increases of \$366,400 which was partially offset by a \$120,000 reduction in state sign replacements in Milwaukee County, resulting in a net increase of \$246,400 from the budgeted 2018 RMA.
 - ❖ While not specifically indicated in the governor's budget, funding for specific activities within the RMA COULD be reallocated while keeping the overall amount flat.

- ❖ 2019 contains \$0 for replacement of state signs due to age-related deterioration. Only those signs that are damaged/destroyed by storms or vehicle accidents will be replaced.
- The proposed gas tax increase of \$0.08 per gallon would result in an additional \$18,063 in fuel (unleaded and diesel combined) costs for DOT-Highway based on 225,790 gallons used in 2018.

TRANSPORTATION SERVICES

- Local Bridge Improvement Assistance Program maintains level funding for the Local Bridge Improvement Program over the biennium. MCDOT will continue to apply for funding based on identified needs. Which/how many projects ultimately receive funding is yet to be determined.
- Funding for the Local Road Improvement Program (LRIP), including County Highway Improvement Program (CHIP) could increase. Which/how many projects ultimately receive funding is yet to be determined.

AIRPORT

No impacts are anticipated.

FLEET


No impacts are anticipated.

VW SETTLEMENT FUNDS

The Governor's budget allocates 60% of the remaining \$25 million in Volkswagen emissions settlement funds dedicated to the replacement of public transit vehicles and 40% towards electric vehicle charging stations. In addition, the current law would be modified by reducing the percentage of the of the total grant award returned to the state through shared revenue reduction by Milwaukee County's transit system from 75-20 percent. There may not be many MCTS buses that will qualify for the program due to not meeting the age (depreciation) requirements.

Prepared by:
Julie Esch, Deputy Director
Department of Transportation

Approved by:



Donna Brown-Martin
Director, Department of Transportation

cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Joe Lamers, Budget Director, DAS - PSB
Steve Cady, Research Director, Office of the Comptroller
Joshua Scott, Budget & Management Analyst, DAS-PSB
Dan Boehm, President & Managing Director, Milwaukee County Transit System