

# 2022 Budget Request

Department of Transportation:  
Milwaukee County Transit System (MCTS)  
August 10, 2021



# 2022 Department Budget

- No service reductions or fare increases proposed for 2022 due to Federal funds awarded to MCTS to assist with a multi-year response to and recovery from the pandemic caused by COVID-19. Funds awarded include:
  - \$54.9 million from Coronavirus Aid, Relief, and Economic Security (CARES) Act
  - \$52.9 million from Coronavirus Response and Relief Supplemental Appropriations Act
  - \$83.6 million from American Rescue Plan (ARP) Act



# Major Initiatives or Changes

Expenses: Transit operating expenses increase by about 1% as bus hours increase by 1% due to nominal revisions to service.

- Inflationary costs and wage increases are countered by:
  - \$750,000 reduction from successful fuel futures strategies.
  - \$1.6 million decrease in benefit costs (e.g. pension, OPEB and medical)

Revenues: \$5.5 million loss in fares from ridership outlook;  
Legislature cut of \$32.7 million in support (one-time for 2022)



# 2022 Priorities

- The first full year of MCTS NEXT routes will be reviewed.
- A new collective bargaining agreement (CBA) will be negotiated with the Amalgamated Transit Union Local #998
- The County's first Battery Electric Buses (BEBs) will be delivered, and service started on East-West BRT Line.
- Project development for 27<sup>th</sup> Street Transit Enhancement (potentially a new BRT route) will begin with:
  - A detailed environmental review process
  - Work with FTA on initial design and engineering



# Discussion

- Transit revenue streams, such as passenger fares, and Federal, State and local sources are not indexed to inflation.
- MCTS anticipates using Federal COVID pandemic funds to fill revenue gaps in 2022 and 2023.
- Preparing a 2024 budget will be challenging:
  - If ridership returns to pre-pandemic levels, a budget gap of about \$15 million may have to be overcome.
  - If ridership lags, a \$25 million gap is expected.
- Other challenges include workforce issues being addressed through multi-departmental initiatives.



# Investing in our Vision

*By achieving racial equity, Milwaukee will be the healthiest County in Wisconsin.*

- The County supports economic growth and competitiveness of the region by providing a strong transit network.
- Investments in transit will also help Milwaukee County realize a future where an individual's race no longer predicts one's success.
- An inclusive and accessible transit network benefits all users.
- The sustainability of transit in the long run is dependent upon a dedicated funding source indexed to inflation, as well as a robust Capital funding program.



# <https://www.ridemcts.com/>

- MCTS Travel Training:  
<https://www.ridemcts.com/how-to-ride/travel-training>
- MCTS Paratransit Program (Transit Plus):  
<https://www.ridemcts.com/accessibility/transit-plus>
- MCTS NEXT: <https://www.ridemcts.com/programs/mcts-next>
- E-W BRT: <https://eastwestbrtmke.com/>
- N-S Transit Enhancement Study:  
<https://www.mkenorthsouth.com/>

*For More Information about MCTS, Transit Plus and future plans, check out these links.*





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COUNTY**