

## Attachment 6

# SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION

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## STATEMENT TO WISCONSIN STATE LEGISLATURE JOINT FINANCE COMMITTEE

**Kenneth R. Yunker, P.E., Executive Director**  
**Southeastern Wisconsin Regional Planning Commission**  
**April 4, 2013**

The Southeastern Wisconsin Regional Planning Commission is the areawide regional planning agency for the seven county southeastern Wisconsin Region of Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha Counties. The Commission is also the Federal and State designated Metropolitan Transportation Planning Organization, or MPO, for the Milwaukee, Kenosha, Racine, and Round Lake Beach urbanized areas, which together encompass much of Southeastern Wisconsin. A key function of the Commission is to prepare and maintain a regional transportation plan in close cooperation with local, State, and Federal governments and the private sector. This plan carefully considers both existing and future transportation needs, and recommends the transportation system maintenance, improvement, and expansion necessary to support the Region's economy and quality of life, including public transit, arterial streets and highways, bicycle and pedestrian facilities, system management, and demand management.<sup>1</sup> The element of the plan which has been most significant in lagging in implementation is public transit—which has been moving backwards—due to declining State funding and a lack of local dedicated transit funding.

Public transit serves 10 percent or more of the travel in the Region's most heavily travelled corridors and subareas, and provides significant congestion relief. The major freeway reconstruction projects completed and underway, and the billions of dollars invested in these projects, will only work properly in combination with a good transit system. Indeed, for the Milwaukee area, "Only some may use public transit, but all of us need it." Public transit is an essential element of the Region's transportation system for many reasons:

- As noted, it is simply not possible, or desirable, in the Region's most heavily traveled corridors, urban areas, and activity centers to accommodate all travel by automobile. And, for public transit to best serve as an alternative mode of travel, it should be an attractive alternative: fast (limited stop and unencumbered by congestion on its own guideway or reserved lane) and convenient and reliable (high service frequency and available throughout the day and evening).
- Public transit supports and encourages higher development density and infill land use development and redevelopment, which results in efficiencies—lower public and private

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<sup>1</sup> SEWRPC Planning Report No. 49, *A Regional Transportation System Plan for Southeastern Wisconsin: 2035*  
<http://www.sewrpc.org/SEWRPC/Transportation/2035RegionalTransportationPlan.htm>

costs—for the overall transportation system and all other public infrastructure and services—including sewer, water, and solid waste collection.

- Public transit contributes to efficiency in the transportation system, including reduced air pollution and energy consumption. This is particularly important with recent, and expected future, increases in gasoline prices.
- Public transit permits choice in transportation, enhancing the Region’s quality of life and economy. A portion of the Region’s population and businesses would prefer to have public transit alternatives available and to travel by public transit. High quality public transit helps provide a high quality of life and contributes to the maintenance and enhancement of the Region’s economy.
- Public transit is essential in the Region to meet the travel needs of persons unable to use personal automobile transportation. In the year 2010, approximately 10 percent of the Region’s households, 14 percent of Milwaukee County households, and 17 percent of City of Milwaukee households, did not have a personal vehicle available and were dependent upon public transit for travel. More than 35 percent of Milwaukee County Transit System passengers do not have an automobile in their households. Their accessibility to the metropolitan area—jobs, health care, shopping, and education—is almost entirely dependent upon the extent to which public transit is available, and is reasonably fast, convenient, and affordable.

The Commission’s regional transportation plan has long recommended public transit improvement—development of express and rapid transit systems—and public transit expansion—expansion of transit service area, hours, and service frequency—together totaling a proposed doubling of transit service.

Public transit investment, and particularly State funding, has been lagging for over 10 years—funding reductions, no increases, and increases below inflation. The toll of lagging funding is more severe on public transit than on highways. This is because highway funding largely is capital funding for construction projects, while transit funding largely is operating funding for providing transit service. Lagging highway funding may result in project deferral or delay for 1, 3, 5, or even 10 years. Lagging transit funding results in service elimination, or passenger fare increases.

Public transit in Southeastern Wisconsin is funded in a unique way, heavily dependent on Federal and State funding, which today provides 70 to 80 percent of annual transit public operating funding (see Exhibit A). State funding is particularly significant, providing over 60 percent of Milwaukee County Transit System annual public operating funding. State funding in particular has not increased with inflation and there is no ability to replace these funds with local property taxes. To make up for this lagging State funding over the last decade, public transit operators—because their local funding comes from property taxes—have had to defer capital projects and allocate nearly every Federal funding dollar they received to operating funding—Federal funding principally intended for capital projects. Milwaukee County has additionally been required to spend down a “bank” of \$40 million of this Federal capital funding over the last decade. The degree of this lagging State funding has been so severe that despite this diversion of Federal funding from capital projects to operating funding, public transit service over the last decade has been significantly reduced, and fares significantly increased (see Exhibit B). Reductions in service have included elimination of routes, hours of service, and frequency of service. In Milwaukee County alone, an estimated 40,000 jobs which were accessible by public transit ten years ago, can no longer be reached by public transit today. Milwaukee County also has one of the highest transit fares among its peers (see Exhibit C).

Projections for the next few years indicate potentially even greater reductions in transit service are likely, as Federal funding now in operating budgets may need to be used for capital projects, unused “banks” of

Federal funding no longer exist, and local funding through property taxes simply may not be increased. Indeed, without the special Federal Highway Administration Congestion Mitigation and Air Quality Improvement Program (FHWA CMAQ) funding uniquely made available to Milwaukee County Transit System's express bus routes in 2012 and 2013 as a result of the termination of the Kenosha-Racine-Milwaukee commuter rail project, the 10 percent reduction in State transit operating assistance implemented as part of the 2011-2013 State budget would have resulted in an estimated 8 percent reduction in Milwaukee County transit service or a 30 percent increase in passenger fares—resulting in a transit fare of nearly \$3.00 which is much higher than any other transit system. These CMAQ funds may only be used under Federal law for one more year—2014—and they may not be available, due to many other competing projects for limited CMAQ funding.

Therefore, we would urge you to consider the following as you develop the 2013-2015 State budget:

- Restore the State transit operating assistance funding that was cut in the 2011-2013 State budget.
  - This was about a 10 percent funding reduction statewide totaling about \$9 million annually. Failure to restore this funding in 2014 and 2015 will likely result in an 8 percent cut in Milwaukee County Transit System service in 2014. Milwaukee County Transit System innovatively filled this funding gap temporarily in 2012 and 2013 with Federal demonstration funds (Federal Highway Administration Congestion Mitigation and Air Quality Improvement Program funds). These funds may only be used for one more year, and are likely to not be available in 2014.
- Provide an increase of 2 to 3 percent annually in State transit operating funding in the years 2014 and 2015.
  - Certain costs, such as fuel, may be expected to rise. Without inflationary increases in State funding service will be reduced and passenger fares increased.
- Retain transit funding in the State Transportation Fund.
  - It is an essential element of the transportation system, providing needed passenger-carrying capacity in heavily congested corridors and routes, contributing to the efficiency of the transportation system, and meeting the transportation needs of those without an automobile.
- If State transit funding cannot be restored and increased, then permit local governments to put in place local dedicated transit funding.
  - The Wisconsin Transportation Finance and Policy Commission and numerous previous State and Regional study committees have consistently recommended that transit systems be allowed to put in place local dedicated transit funding. Nearly every metropolitan area the size of Milwaukee has such funding, and in an advisory referendum in 2008, the Milwaukee County electorate approved public transit local dedicated funding.

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## EXHIBIT A

**PUBLIC TRANSIT FUNDING IN METROPOLITAN  
AREAS SIMILAR IN SIZE TO THE MILWAUKEE AREA**

Name	2000 Population (in millions)	Percent of Annual Operating Funding Provided by Local Funding <sup>a</sup>	Source of Local Dedicated Funding
St. Louis, MO	2.08	87%	0.75% Sales tax
Denver, CO	1.98	81%	1.0% Sales tax
Cleveland, OH	1.79	88%	1.0% Sales tax
Pittsburgh, PA	1.75	13%	Sales and Use taxes <sup>b</sup>
Portland, OR	1.58	77%	0.6618% payroll tax
Cincinnati, OH	1.50	72%	0.3% payroll tax
Norfolk, VA	1.39	28%	--
Sacramento, CA	1.39	81%	0.5% Sales tax
Kansas City, MO	1.36	78%	0.375% Sales tax
San Antonio, TX	1.33	88%	0.5% Sales tax
Las Vegas, NV	1.31	96%	0.25% Sales tax
Milwaukee, WI	1.31	22%	--
Indianapolis, IN	1.22	38%	--
Providence, RI	1.18	14%	--
Columbus, OH	1.13	80%	0.25% Sales tax
New Orleans, LA	1.01	76%	1.0% Sales tax
Buffalo, NY	0.98	49%	0.125% Sales tax
Memphis, TN	0.97	53%	--
Austin, TX	0.90	90%	1.0% Sales tax
Salt Lake City, UT	0.89	74%	Sales tax <sup>c</sup>
Jacksonville, FL	0.88	87%	1.0% Sales tax
Louisville, KY	0.86	73%	0.2% payroll tax
Charlotte, NC	0.76	79%	0.5% Sales tax

<sup>a</sup> Remaining percent of annual operating funding provided by State and Federal funding (2004)

<sup>b</sup> The Port Authority of Allegheny County is funded by dedicated State sales and use taxes allocated to Pennsylvania transit systems including 1 percent sales tax, \$1 per tire, \$2 per vehicle rental, and 3 percent of vehicle leases; and Allegheny County dedicated taxes of 10 percent on alcoholic drinks and \$2 per vehicle rental.

<sup>c</sup> Sales tax rates vary in the Utah Transit Authority service area, ranging from 0.276 percent to 0.68375 percent.

## EXHIBIT B

**PUBLIC TRANSIT SYSTEM  
SERVICE REDUCTIONS AND FARE INCREASES  
OVER THE LAST SEVERAL YEARS IN SOUTHEASTERN WISCONSIN**

	Service Reductions (Bus-miles of Service 2001 to 2010)	Fare Increases (Adult Base Fare 2001-2012)
Milwaukee County	19%	50%
Waukesha County	44%	60%
Waukesha City	22%	100%
Racine City	20%	100%
Kenosha City	10%	50%
Ozaukee County	20%	63%
Washington County	25%	30%

## EXHIBIT C

**COMPARISON OF LOCAL BUS FARES CHARGED ON PUBLIC TRANSIT SYSTEMS IN METROPOLITAN AREAS SIMILAR IN POPULATION TO THE MILWAUKEE AREA: 2011**

Metropolitan Area	Transit Operator	Base Cash Fare per Trip for Local Bus Service
Chicago, IL	Chicago Transit Authority	\$2.25
St. Louis, MO	Bi-State Development Agency (Metro)	\$2.00
Denver, CO	Regional Transportation District	\$2.25
Cleveland, OH	Greater Cleveland Regional Transit Authority	\$2.25
Pittsburgh, PA	Port Authority of Allegheny County	\$2.25
Portland, OR	Tri-County Metropolitan Transportation District of Oregon (Tri-Met)	\$2.05
Cincinnati, OH	Southwest Ohio Regional Transit Authority	\$1.75
Norfolk, VA	Hampton Roads Transit	\$1.50
Sacramento, CA	Sacramento Regional Transit District	\$2.50
Kansas City, MO	Kansas City Area Transportation Authority	\$1.50
San Antonio, TX	VIA Metropolitan Transit	\$1.10
Las Vegas, NV	Regional Transportation Commission of Southern Nevada	\$2.00
Milwaukee, WI	Milwaukee County Transit System	\$2.25
Indianapolis, IN	Indianapolis Public Transportation Corporation	\$1.75
Providence, RI	Rhode Island Public Transit Authority	\$2.00
Columbus, OH	Central Ohio Transit Authority	\$1.75
New Orleans, LA	New Orleans Regional Transit Authority	\$1.25
Buffalo, NY	Niagara Frontier Transportation Authority	\$1.75
Memphis, TN	Memphis Area Transit Authority	\$1.50
Austin, TX	Capital Metropolitan Transportation Authority	\$1.00
Salt Lake City, UT	Utah Transit Authority	\$2.25
Jacksonville, FL	Jacksonville Transportation Authority	\$1.00
Louisville, KY	Transit Authority of River City	\$1.50
Charlotte, NC	Charlotte Area Transit System	\$1.75

Source SEWRPC