



Attachment 1

# *Public Transit: The Funding Crisis and A Need for Action*



*November 25, 2008*



# *Southeastern Wisconsin Needs a Good Public Transit System*

- To meet the travel needs—work, education, healthcare, shopping—of the significant portion of the population (11% of households) without an automobile.*
- To provide a necessary and desirable alternative in heavily traveled corridors and areas.*
- To support higher density and infill development and redevelopment, which results in efficiencies for public infrastructure and services, including transportation.*

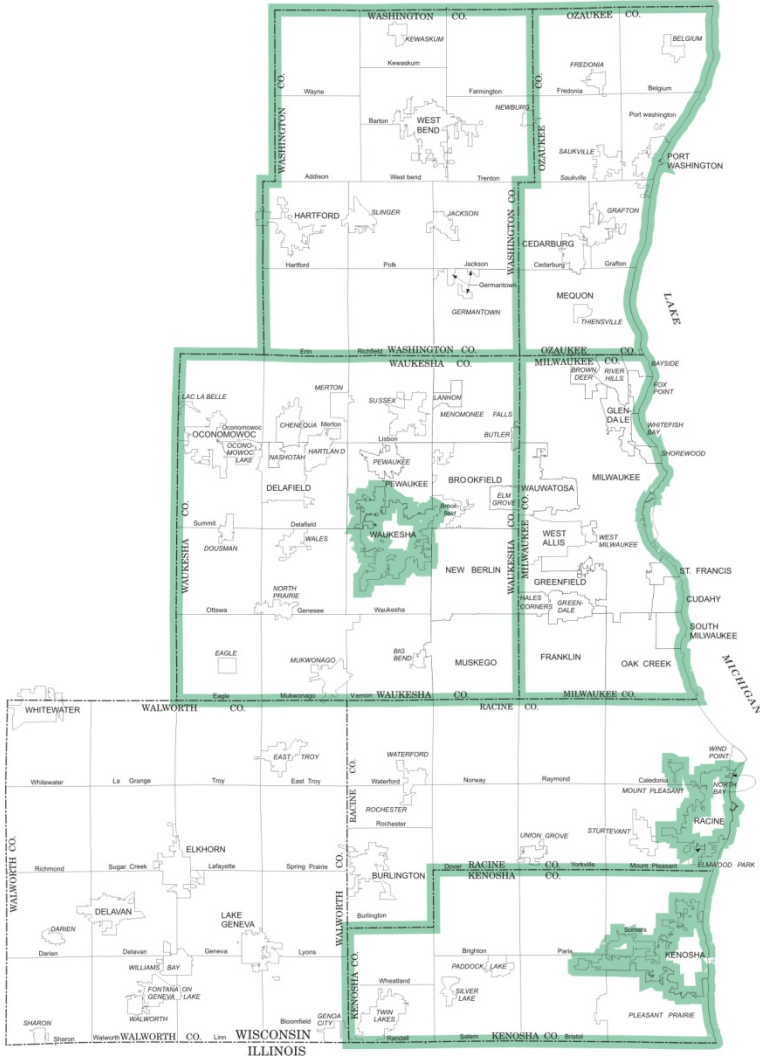


# *Southeastern Wisconsin Needs a Good Public Transit System (continued)*

- *To contribute to efficiency in the transportation system, including reduced highway traffic and congestion, air pollution and energy consumption.*
- *To enhance economic development/quality of life*
  - *To connect workers with jobs*
  - *To access opportunities for higher education*
  - *To provide choice*
  - *To reduce household expenditures on transportation, permitting greater savings, other expenditures, and higher standard of living*



# Existing Public Transit System



- 8 existing public transit systems
- Compared to their peers, very efficient and effective
  - Milwaukee County Transit System
    - Total operating cost per rider
      - 31% below average of their 22 peers
      - 5<sup>th</sup> lowest
    - Net operating cost per rider
      - 32% below average
      - 4<sup>th</sup> lowest



# *Improvements Needed in Southeastern Wisconsin Public Transit*

- *SEWRPC regional plan and local plans outline the needs*
  - *New routes and route extensions*
  - *Longer service hours*
  - *Both direction service*
  - *Convenient service frequency*
  - *Faster service—express and rapid service*
  - *Service improvements—signal priority and reserved lanes*
  - *Major improvements and initiatives*



# Major Transit Improvements and Initiatives

- *Milwaukee City – County Bus Rapid Transit Proposal*
- *City of Milwaukee Streetcar Circulator Proposal*
- *Kenosha – Racine – Milwaukee Commuter Rail Connection*







# Public Transit Funding Crisis

- *Last 7 years*

	<u>Service Reductions</u>	<u>Fare Increases</u>
<i>Milwaukee County</i>	16%	30%
<i>Waukesha County</i>	40%	10-75%
<i>Waukesha City</i>	17%	75%
<i>Racine City</i>	25%	50%
<i>Kenosha City</i>	10%	- -

- *Projections for next five years*

- *35% reduction – Milwaukee County*
- *20-25% reductions for other systems*

- *Funding crisis is major reason why major transit initiatives have not been implemented*



# *Public Transit Funding Crisis – Why?*

- *Federal and State funding provide 70 to 80% of transit annual operating funding*
  - *Have not increased with inflation*
- *No ability to replace Federal and State funds with local property taxes*





## *Public Transit Funding Crisis – Why? (continued)*

- *Nearly 100% of Federal funds intended for capital projects are being spent on operating funding*
  - *Milwaukee County has spent down a \$40 million bank of Federal capital funds*
- *Milwaukee County needs to replace 30% of its bus fleet around 2010—\$60 million capital cost*



# Nearly Every Other Metro Area Has Dedicated Local Transit Funding

<i>Name</i>	<i>2000 Population (in millions)</i>	<i>Source of Local Dedicated Funding</i>
<i>St. Louis, MO</i>	<i>2.08</i>	<i>0.25% Sales tax</i>
<i>Denver, CO</i>	<i>1.98</i>	<i>0.6% Sales tax</i>
<i>Cleveland, OH</i>	<i>1.79</i>	<i>1.0% Sales tax</i>
<i>Pittsburgh, PA</i>	<i>1.75</i>	<i>Sales tax</i>
<i>Portland, OR</i>	<i>1.58</i>	<i>0.6218% payroll tax</i>
<i>Cincinnati, OH</i>	<i>1.50</i>	<i>0.3% payroll tax</i>
<i>Norfolk, VA</i>	<i>1.39</i>	<i>- -</i>
<i>Sacramento, CA</i>	<i>1.39</i>	<i>0.5% Sales tax</i>
<i>Kansas City, MO</i>	<i>1.36</i>	<i>0.375% Sales tax</i>
<i>San Antonio, TX</i>	<i>1.33</i>	<i>0.5% Sales tax</i>
<i>Las Vegas, NV</i>	<i>1.31</i>	<i>0.25% Sales tax</i>
<i>Milwaukee, WI</i>	<i>1.31</i>	<i>- -</i>
<i>Indianapolis, IN</i>	<i>1.22</i>	<i>- -</i>
<i>Providence, RI</i>	<i>1.18</i>	<i>6.25 cents per gallon gas tax</i>
<i>Columbus, OH</i>	<i>1.13</i>	<i>0.25% Sales tax</i>
<i>New Orleans, LA</i>	<i>1.01</i>	<i>1.0% Sales tax</i>
<i>Buffalo, NY</i>	<i>0.98</i>	<i>0.125% Sales tax</i>
<i>Memphis, TN</i>	<i>0.97</i>	<i>- -</i>
<i>Austin, TX</i>	<i>0.90</i>	<i>1.0% Sales tax</i>
<i>Salt Lake City, UT</i>	<i>0.89</i>	<i>Sales tax</i>
<i>Jacksonville, FL</i>	<i>0.88</i>	<i>1.0% Sales tax</i>
<i>Louisville, KY</i>	<i>0.86</i>	<i>0.2% payroll tax</i>
<i>Charlotte, NC</i>	<i>0.76</i>	<i>0.5% Sales tax</i>



# *Comparison of Milwaukee and Portland*

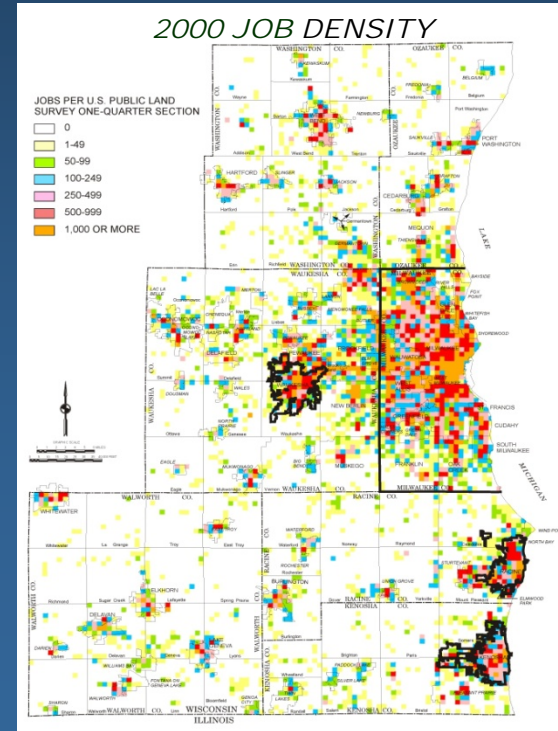
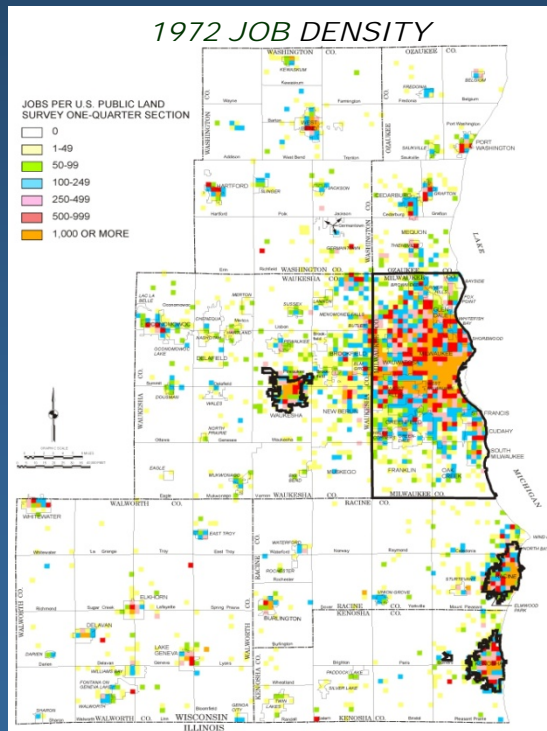
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- *Similar Metro areas*
  - *Population size and characteristics*
- *Different Public Transit Systems*
  - *65% more service and 100% more ridership*
- *Why?*
  - *Dedicated funding*
  - *Portland transit operating budget – 79% from local dedicated funding*
  - *Milwaukee transit operating budget – 18% from local funding*



# Need for Regional Transit Service

- *Transit service needs are regional.*
  - *The corporate limits of existing transit operators do not meet these needs*





# *Need for Dedicated Transit Funding*

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- *Without dedicated transit funding*
  - *Transit service may not be maintained or expanded*
  - *Major transit initiatives may not be possible*
- *Addressing this issue will require*
  - *Acknowledging the funding crisis*
  - *Achieving the necessary State legislation*
    - *State Budget*
      - *2009 – 2011 State Budget*



# *Critical Decision Points to Achieving Dedicated Transit Funding*

- *Milwaukee County November 4 advisory referendum on a 1 percent sales tax for public transit, parks, and emergency medical services*
- *Southeastern Wisconsin Regional Transit Authority (RTA)*
  - *Report to Governor and State Legislature—November 15, 2008*
    - *Need for a permanent RTA*
    - *Need for public transit dedicated funding*
- *Wisconsin State Legislature Legislative Council Special Committee on Regional Transportation Authority*
  - *Draft Legislation for consideration and action in January 2009*



## Summary

- *Compelling reasons for a good transit system*
- *The existing system needs improvement and expansion*
- *Have a serious funding crisis which may only be expected to get worse*
- *Our Metro Area peers are ahead of us with local dedicated transit funding (sales tax)*





## *Summary (continued)*

- *Without dedicated transit funding*
  - *Transit service may not be maintained or expanded as needed*
  - *Major transit initiatives may not be possible*
- *Addressing this issue will require*
  - *Acknowledging the funding crisis*
  - *Achieving the necessary State legislation*
    - *Dedicated funding*
    - *2009-2011 State Budget*