CONNECT 2

27th Street Bus Rapid Transit

CN2 PROJECT PAUSED DUE TO FISCAL CLIFF

City of Milwaukee

Public Works Committee

September 11, 2024

FUTURE FISCAL CLIFF COMPELS MCTS TO PAUSE CONNECT 2 BRT

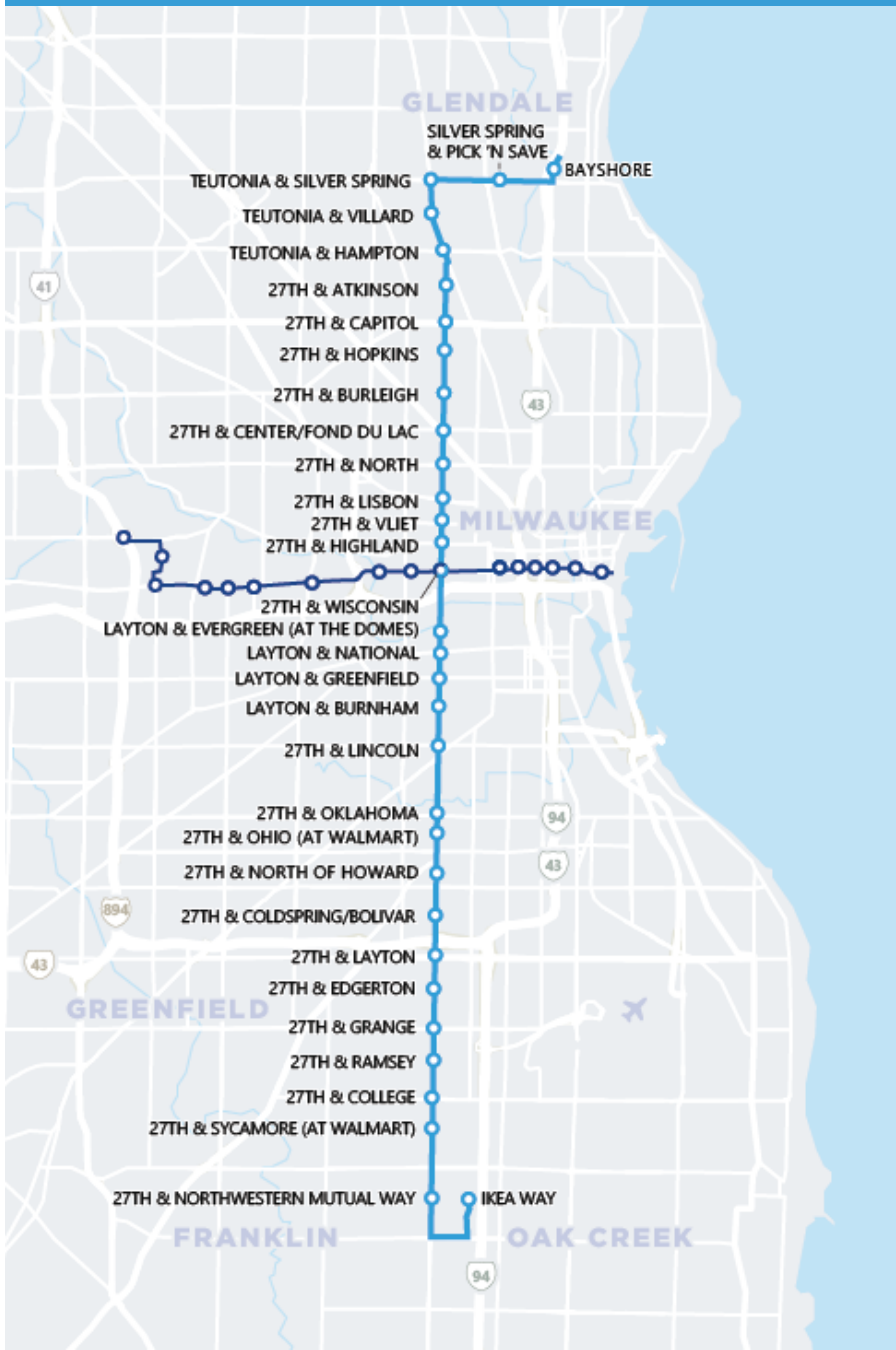
The 2025 – 2029 County Comptroller forecast shows financial gaps in transit service as soon as 2025, growing into an annual shortfall exceeding $15M by 2028, the year CONNECT 2 is set to launch

Pausing CN2 at the current 30% phase will free up potentially $15M in *one-time temporary funds* that will prevent cuts to transit service through most of 2027

The 0.04% sales tax increase implemented in 2024 prevented major cuts. It did not provide for service to be expanded

Milwaukee County and State leadership, with the support of MCTS and community advocates, must secure a long-term solution that addresses ongoing funding shortfalls as well as cost of additional bus rapid transit service

ROUTE MAP



CONNECT 2 BRT TIMELINE

May 2020
MCDOT approves SEWRPC Transit Enhancement Study

Jan 2023
SEWRPC Recommends BRT. MCDOT Hires Design Consultant

March 2023
County Comptroller's 5-Year Forecast 2024-2028 Identifies Transit Fiscal Cliff

July 2023
CEX & County Board Approve Sales Tax Increase to prevent Transit Fiscal Cliff

March 2024
County Comptroller's 5-Year Forecast 2025-2029 Identifies New Transit Fiscal Cliff

2020 | **2021 | 2022** | **2023** | **2024**

Feb 2023
CN2 Enters Project Development with Federal Transit Administration

June 2023
MCTS Launches CN1

BUDGET OUTLOOK

Milwaukee County Comptroller's Five-Year Financial Forecast

Transit Expenditures and Revenues 2025 - 2029					
	2025	2026	2027	2028	2029
Estimated Inflation	1.8%	1.8%	1.8%	1.8%	1.8%
Total Gross Expenditures	$ 174,894,673	$ 178,112,735	$ 181,390,010	$ 184,727,586	$ 188,126,574
Tax Levy	$ 26,448,761	$ 26,448,761	$ 26,448,761	$ 26,448,761	$ 26,448,761
5307 Funds	$ 24,492,260	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000
Federal Stimulus Funds	$ 5,915,804	$ 6,606,903	$ -	$ -	$ -
Passenger Fares	$ 29,052,111	$ 29,567,940	$ 30,093,813	$ 30,629,928	$ 31,176,488
Other Revenues	$ 88,961,504	$ 87,300,649	$ 87,254,774	$ 87,598,605	$ 87,949,313
Total Revenues	$ 174,870,440	$ 174,924,253	$ 168,797,348	$ 169,677,294	$ 170,574,562
Estimated Gap	$ (24,234)	$ (3,188,482)	$ (12,592,662)	$ (15,050,292)	$ (17,552,012)

https://county.milwaukee.gov/files/county/comptroller/Five-Year-Financial-Forecast/2024-Five-Year-Financial-Forecast-for-the-Years-2025-to-2029.pdf (P. 13)

BUDGET OUTLOOK

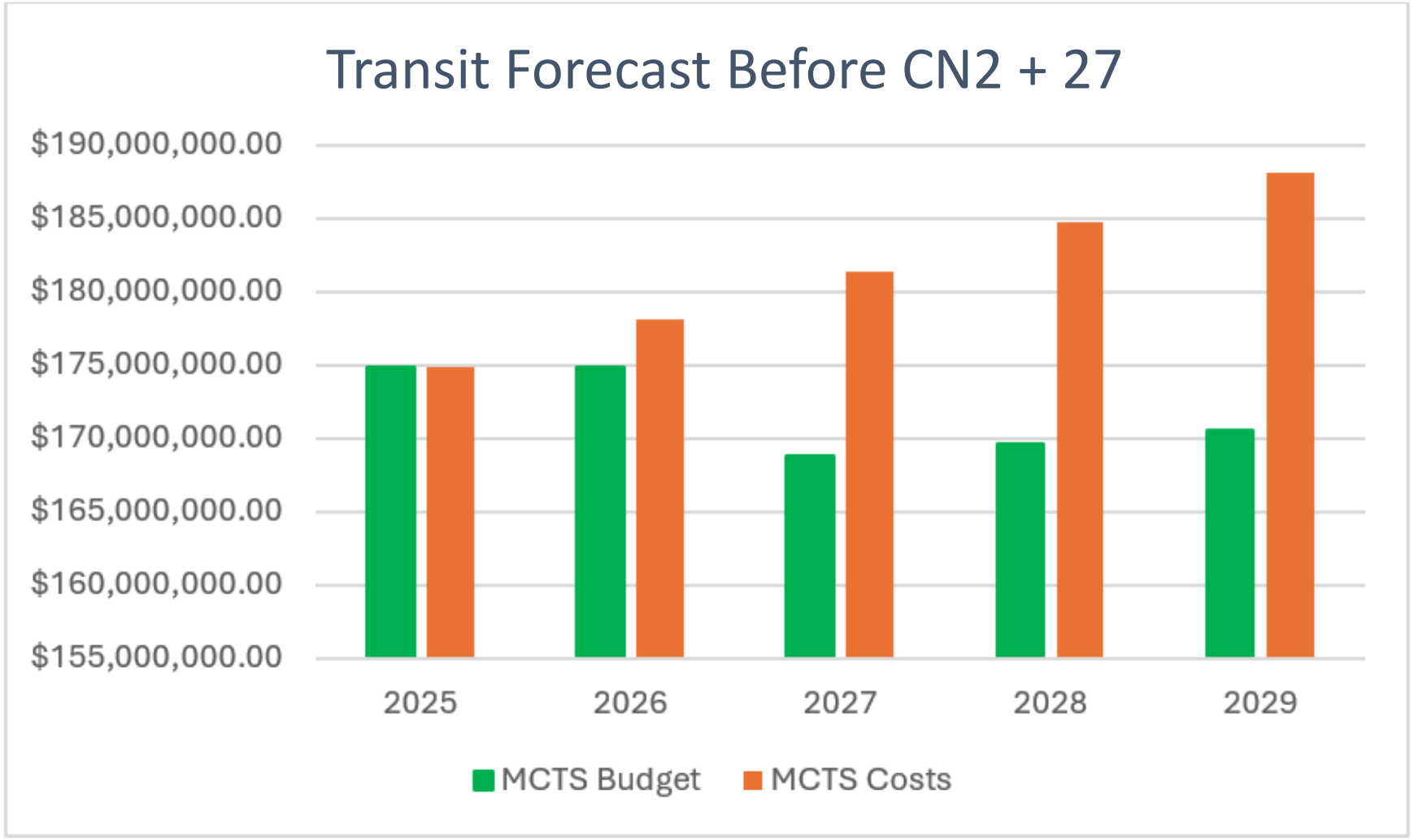


Figure 2 – Comptroller Forecast Before CN2 + 27 Applied

BUDGET OUTLOOK

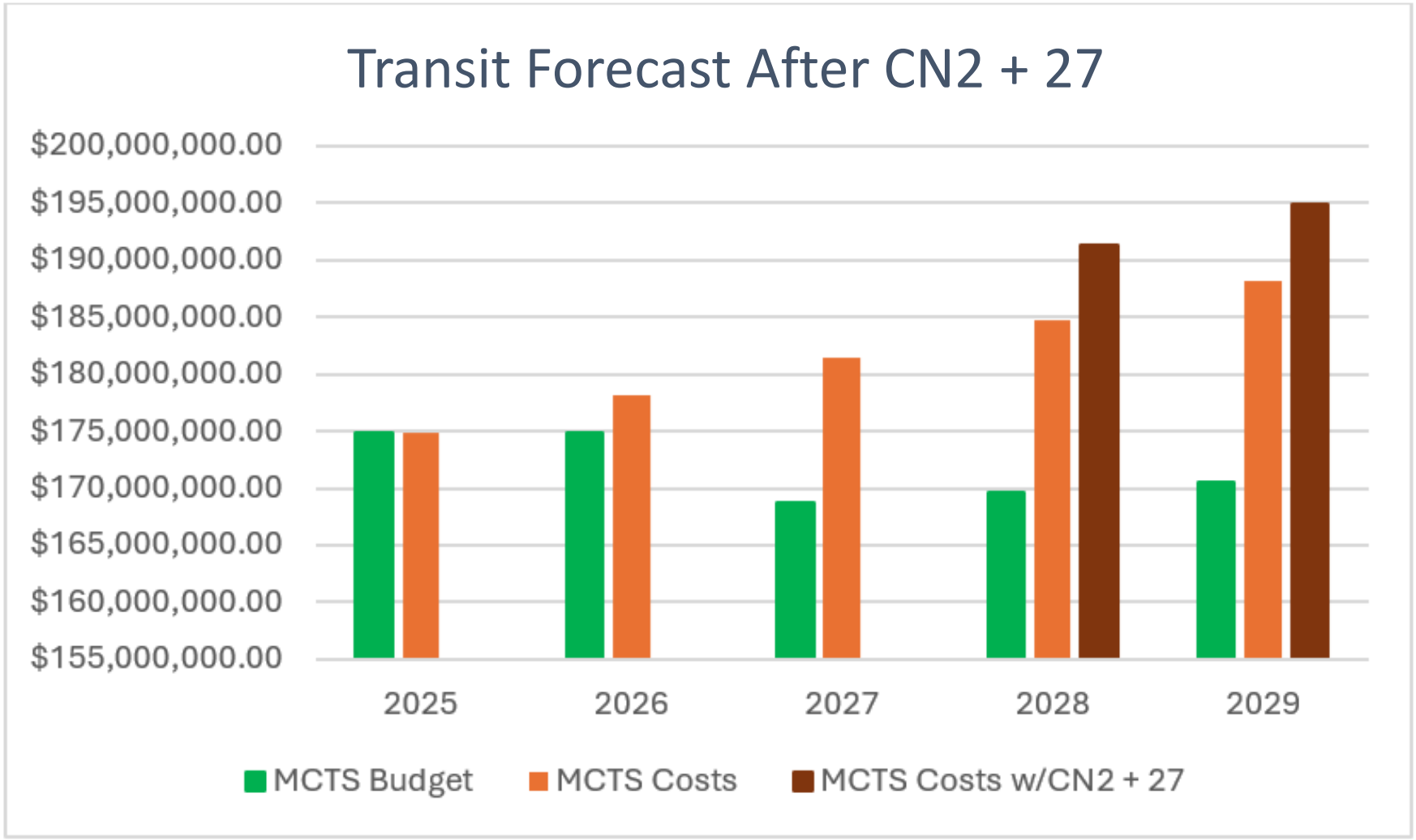


Figure 3 – Comptroller Forecast with MCTS's CN2 + 27 Applied

POTENTIAL BUDGET STOPGAP

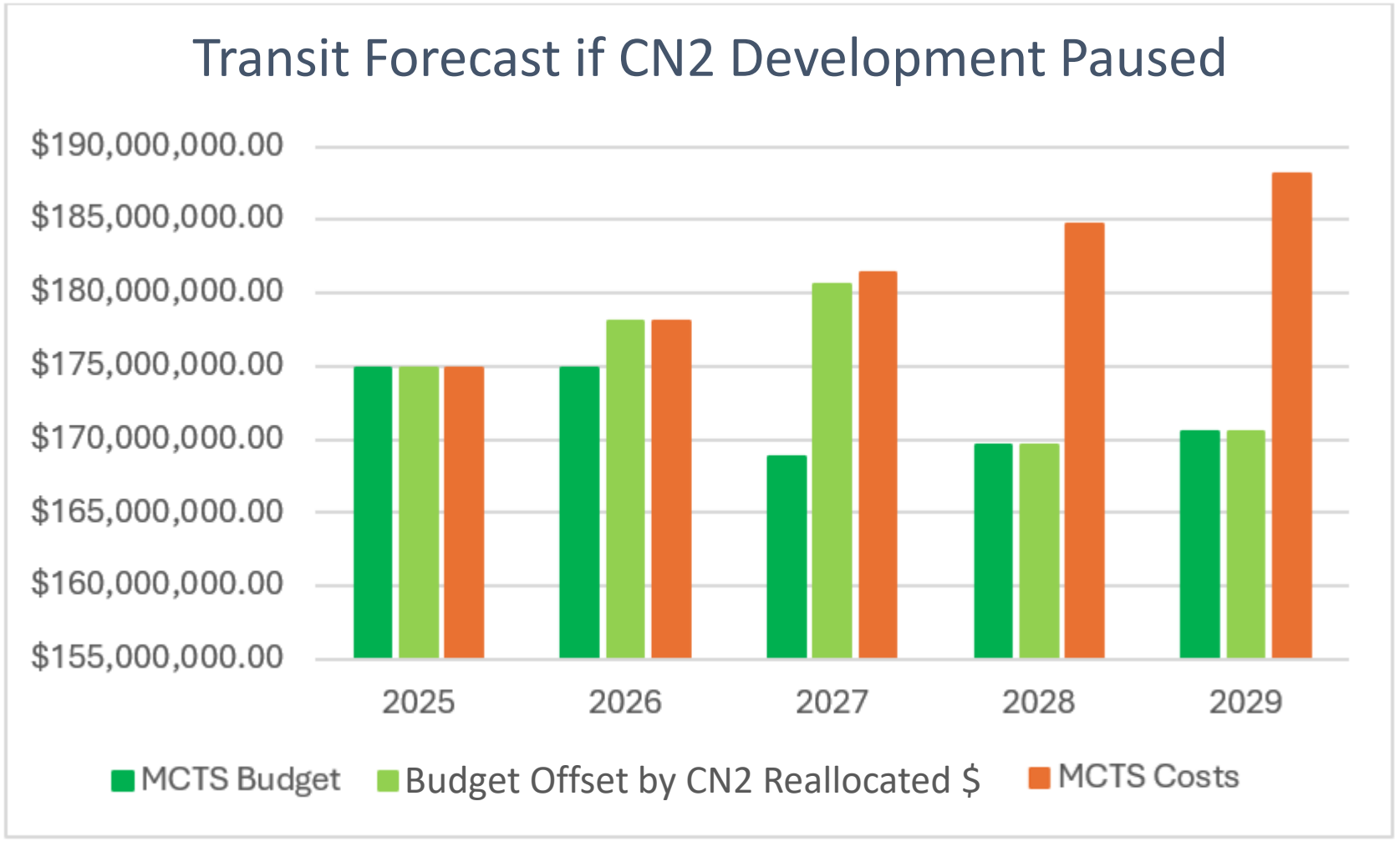


Figure 4 – Potential MCTS Budget if CN2 Paused at 30% Design

Pausing CONNECT 2 potentially frees up **$15M** from design funds, **making MCTS solvent into 2027**

NEXT STEPS – PAUSE CONNECT 2 AND RESOLVE FISCAL CLIFF

Transit faces growing annual shortfalls 2025-2029, exceeding $15M by 2028, the year CONNECT 2 is scheduled to launch

Pausing CONNECT 2 now preserves core MCTS service into 2027

Permanent Funding Solutions are Needed to:

- Maintain current service / prevent cuts
- Restart CONNECT 2 BRT from 30% Phase
- Explore / Study additional corridors for BRT