



*An Analysis of the Impact of Proposed 2012
Milwaukee County Transit Service Reductions on
Access to Employment*

Prepared by:

**Center for Economic Development
University of Wisconsin-Milwaukee**

September 2011

For further information contact:

Joel Rast, Ph.D.
UWM Center for Economic Development
Telephone: 414-229-6155
E-Mail: jrast@uwm.edu

ABOUT THIS REPORT

During the past several years, the University of Wisconsin-Milwaukee Center for Economic Development (CED) has produced a number of studies focusing on transit service and access to jobs in the Milwaukee region. In 2008, the Center authored a study that examined the impact of transit service reductions since 2001 on access to employment in the Milwaukee metro area. Our analysis determined that 1,700 employers and at least 40,000 jobs became inaccessible by transit from 2001-2007 as a result of service cuts by Milwaukee County Transit Service (MCTS) and other transit providers in the 4-county region. We followed that report with a study in 2010 examining how service reductions proposed in the MCTS budget for 2011 would affect transit service for regional employers. This report updates that study by examining the MCTS proposed budget for 2012, which also contains proposals for major service cuts.

This report was written by Joel Rast, associate professor of political science and urban studies and director of CED. All maps, tables, and GIS and data analysis were done by Catherine Madison. We are grateful for the assistance of the Milwaukee County Transit System in the preparation of this study.

CED is a unit of the College of Letters and Science at the University of Wisconsin-Milwaukee. The College established CED in 1990 to provide university research and technical assistance to community organizations and units of government working to improve the Greater Milwaukee economy. The analysis and conclusions presented in this report are solely those of CED and do not necessarily reflect the views and opinions of UW-Milwaukee, or any of the organizations providing financial support to the Center.

CED strongly believes that informed public debate is vital to the development of good public policy. The Center publishes briefing papers, detailed analyses of economic trends and policies, and “technical assistance” reports on issues of applied economic development. In these ways, as well as in conferences and public lectures sponsored by the Center, we hope to contribute to public discussion on economic development policy in Southeastern Wisconsin.

Further information about the Center and its reports and activities is available at our web site: www.ced.uwm.edu

Introduction

This summer, as it does every year, the Milwaukee County Transit System (MCTS) presented its annual budget request to the County Executive. Included in the proposed budget for 2012 are a series of route eliminations and other service reductions that, if implemented, would reduce both fixed route services and hours of operation by roughly 12 percent. It has become a familiar story for MCTS, which has been forced to reduce service, raise fares, or both every year since 2001 to close chronic budget gaps. These cuts have made it increasingly difficult for transit-dependent workers and job seekers to access employment opportunities in the Milwaukee metro area, contributing to Milwaukee's poverty rate of 27 percent, fourth highest in the nation among cities with 250,000 or more residents.¹ As we documented in a 2008 report, at least 40,000 jobs became inaccessible by transit from 2001-2007 due to service cuts by MCTS and other local transit providers in the 4-county region.²

Analysts have identified several factors responsible for MCTS's chronic fiscal woes. However, most single out the lack of a dedicated local funding source for transit as the key culprit.³ Unlike most major transit systems elsewhere MCTS is funded through local property taxes, which places transit in competition with various other county-run services for its share of tax revenues. Without a permanent local revenue source dedicated specifically for transit, it has been all but impossible for MCTS to generate sufficient revenues to keep pace with growing operating costs.

Now MCTS faces an additional challenge. On June 26, 2011, Governor Walker signed into law the state's 2011-13 biennial budget. Included in the budget, as proposed by the governor, is an across-the-board cut of 10 percent in state operating assistance for public transit systems. For MCTS, this amounts to a reduction of \$6.9 million in state funding during each of the next two calendar years. State funding is MCTS's largest revenue source, currently providing 41 percent of system revenues. Due to a provision in the budget that limits increases in the property tax levy for counties and municipalities, there is little the County can do to offset the

¹U.S. Census Bureau, 2009 American Community Survey 1-Year Estimates.

² See Joel Rast, *Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee*. UWM Center for Economic Development (2008).

³ See Public Policy Forum, *Milwaukee County's Transit Crisis: How Did We Get Here and What Do We Do Now?* (2008); Southeastern Wisconsin Regional Planning Commission, "SEWRPC Community Assistance Planning Report No. 279: Milwaukee County Transit System Development Plan: 2009-2013, Preliminary Draft" (2007); and Thomas A. Rubin, *Milwaukee Transit Study: Preliminary Phase I Findings* (2008).

loss of state funding with additional local revenue sources.⁴ With ridership numbers already at record lows, additional fare increases are an unattractive option.

It is in this context that MCTS prepared its 2012 budget request, which reduces expenditures by \$16.6 million over expenditures for 2011. While the service cuts proposed by MCTS are significant, it is important to emphasize that this is only a starting point in the County budget process. The final 2012 County transit budget will be determined jointly by the County Executive and the County Board. This study examines only those service cuts proposed by MCTS in its 2012 budget request, not the 2012 County transit budget which will be finalized by the County Board later this year.

The purpose of this study is to examine how the service cuts proposed by MCTS, if put into effect, would impact access to job locations in the MCTS service area. We begin by examining the current MCTS route structure. Using Geographic Information Systems (GIS), we map all job locations that are presently served by the MCTS system. Next we examine the proposed 2012 route structure, mapping all bus route eliminations, segment reductions, and route restructurings. We then determine which job locations would lose transit service if the proposed service reductions were implemented, and provide an estimate of the number of workers that would be affected. We conclude with an examination of individual bus routes. For each bus route which would be eliminated or shortened under the proposed 2012 route structure, we map the job locations that would lose transit service. This allows us to rank each route or route segment affected in terms of the impact it would have on access to employment.

The principal finding of this report is that implementation of the entire menu of service cuts proposed by MCTS would result in the loss of bus service to 997 of the 18,292 employers currently served by MCTS, a decline of 5.4 percent. The vast majority of these employers (all but 10 percent) are located in the suburbs. *At a minimum, 13,553 jobs in locations currently served by MCTS would become inaccessible by transit.*

⁴ Some possible new local revenue sources are identified in Public Policy Forum, *Budget Preview: 2012 Milwaukee County Budget* (August 2011), pp. 25-27.

Current MCTS Transit Service

MCTS currently operates a total of 52 bus lines that are concentrated in Milwaukee County but also include several freeway flyer routes that serve locations in Ozaukee and Waukesha Counties. The size of the system, calculated by totaling the length of each individual bus route and adding them all together, is presently 685 route miles, down from 957 miles in 2001. Map 1 shows the current MCTS route structure.

Under the present bus route structure, a total of 18,292 employers are served by MCTS.⁵ This includes 16,980 employers in Milwaukee County and 1,312 employers in areas outside Milwaukee County that are served by MCTS freeway flyer and commuter routes. We arrived at these numbers by identifying and mapping all employers located within ¼ mile of a bus stop. The general guideline for transit planning is that most people will walk ¼ mile to get to a bus stop.⁶ While some people are willing to walk further than this, transit use declines significantly as distances exceed ¼ mile.

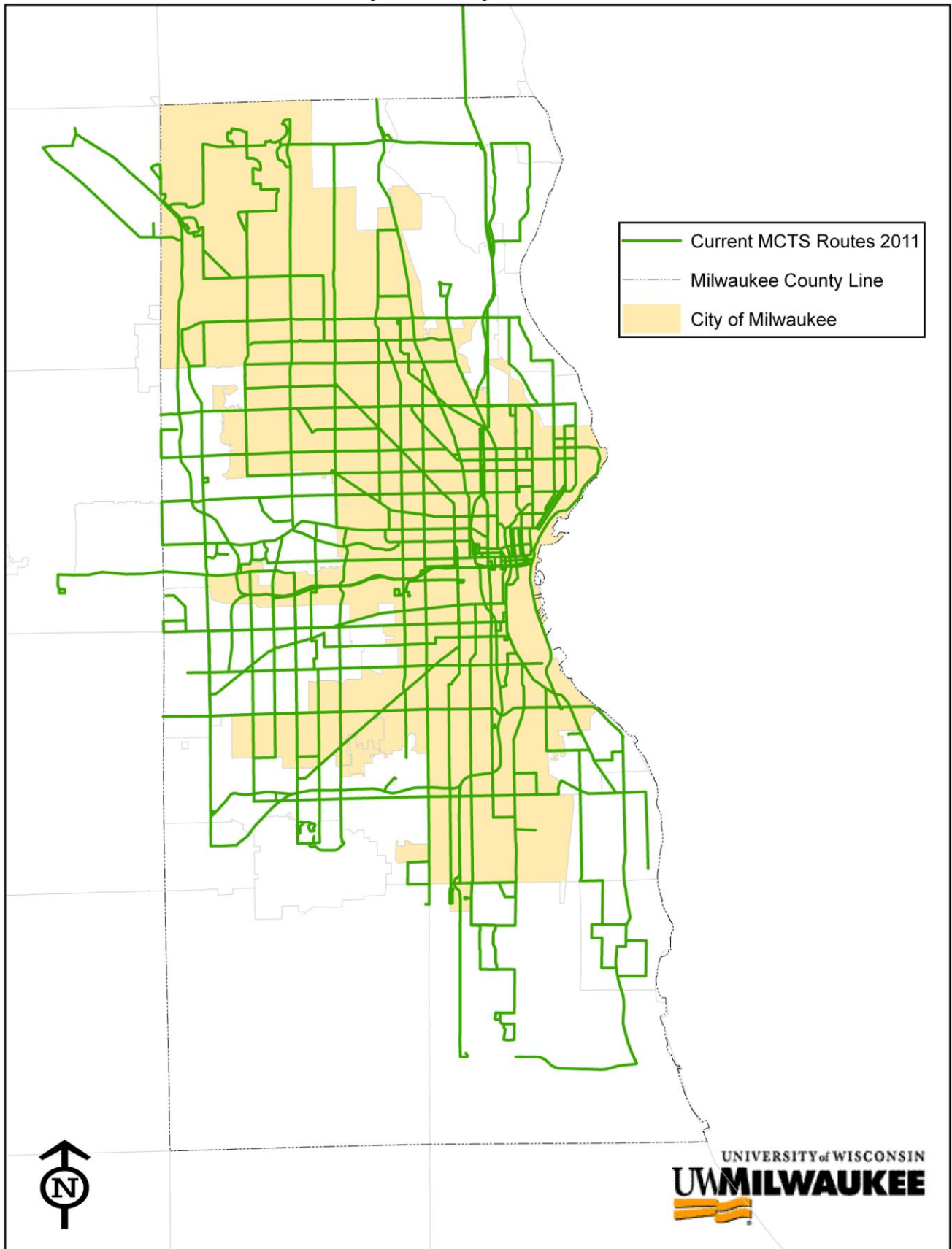
How many jobs are represented by the 18,292 employers that are currently served by MCTS? We cannot determine that number precisely because our data source for employers does not include precise information on the number of employees at individual workplaces.⁷ Rather, it provides a range (1-4 workers, 5-9 workers, etc.) for each employer. Table 1 provides employment ranges for all establishments located within ¼ mile of a MCTS bus stop. Thus, for example, there are 8,563 employers with between 1 and 4 workers in locations served by MCTS. Likewise, there are 3,442 employers with between 5 and 9 workers, and so on. We provide an extremely conservative estimate of the total number of employees at workplaces served by MCTS by using the minimum number of workers listed for all establishments. By totaling the far-right column of Table 1, we find that the current MCTS route structure serves workplaces that employ a *minimum* of 288,253 workers. The actual number is, in all likelihood, substantially higher.

⁵ Since the focus of this report is on access to jobs, we do not include businesses with no employees in this count.

⁶ See Sean O'Sullivan and John Morrall, "Walking Distances to and from Light-Rail Transit Stations." Transportation Research Record 1538. Transportation Research Board, Washington, DC (1995): 19-26; and Fang Zhao, Lee-Fang Chow, Min-Tang Li, Albert Gan, and Ike Ubaka, "Forecasting Transit Walk Accessibility: A Regression Model Alternative to the Buffer Method." Paper presented at the annual meeting of the Transportation Research Board, Washington, DC (2003).

⁷ For employer locations, we use 4th-quarter 2010 SNAP data provided by the Wisconsin Department of Workforce Development.

Map 1: Milwaukee County Transit System 2011 (Current) Bus Routes



Source: Milwaukee County Transit System and UWM Center for Economic Development

TABLE 1. Employers Served by MCTS, 2011

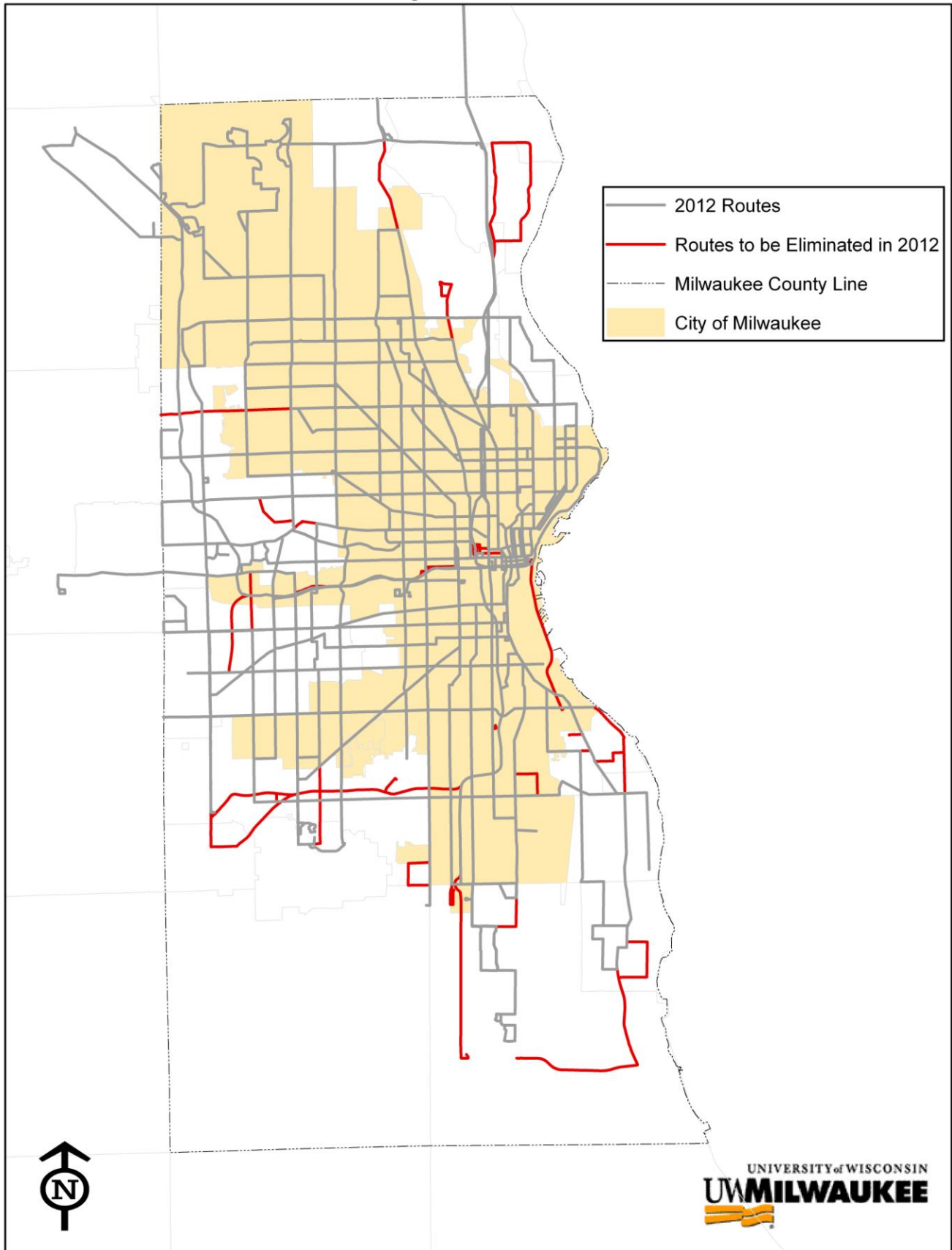
Number of Employers	Number of Workers	Minimum Total Workers
8,563	1-4	8,563
3,442	5-9	17,210
2,675	10-19	26,750
1,999	20-49	39,980
872	50-99	43,600
529	100-249	53,900
117	250-499	29,250
52	500-999	26,000
43	1,000+	43,000

MCTS Transit Service Proposed for 2012

During the spring of 2011, MCTS officials prepared a schedule of bus route eliminations and route reductions and restructurings that would lower operating costs sufficiently to accommodate anticipated cuts in state funding and other revenue sources for the year 2012. This menu of service cuts, contained in the agency's 2012 budget request, calls for the elimination of twelve bus routes, including freeway flyer routes 40, 43, 44, 46, 48, and 49, local route 68, and school routes 50, 85, 87, 88, and 89. Service on portions of local routes 12, 23, 27, 60, and 62 would also be eliminated. Realignments, including segment reductions, would affect eleven additional routes, including local routes 15, 18, 19, 30, 31, 33, 51, 57, 67, 76, and 80. Map 2 shows existing bus routes and route segments that would be discontinued under the proposed 2012 route structure. We do not include in this analysis school routes or other special routes that operate intermittently during the day or on weekends only and are not heavily used by people traveling to and from work. Altogether, the proposed cuts would reduce the size of the MCTS system from 685 route miles to 585 route miles, a reduction of 14.6 percent.

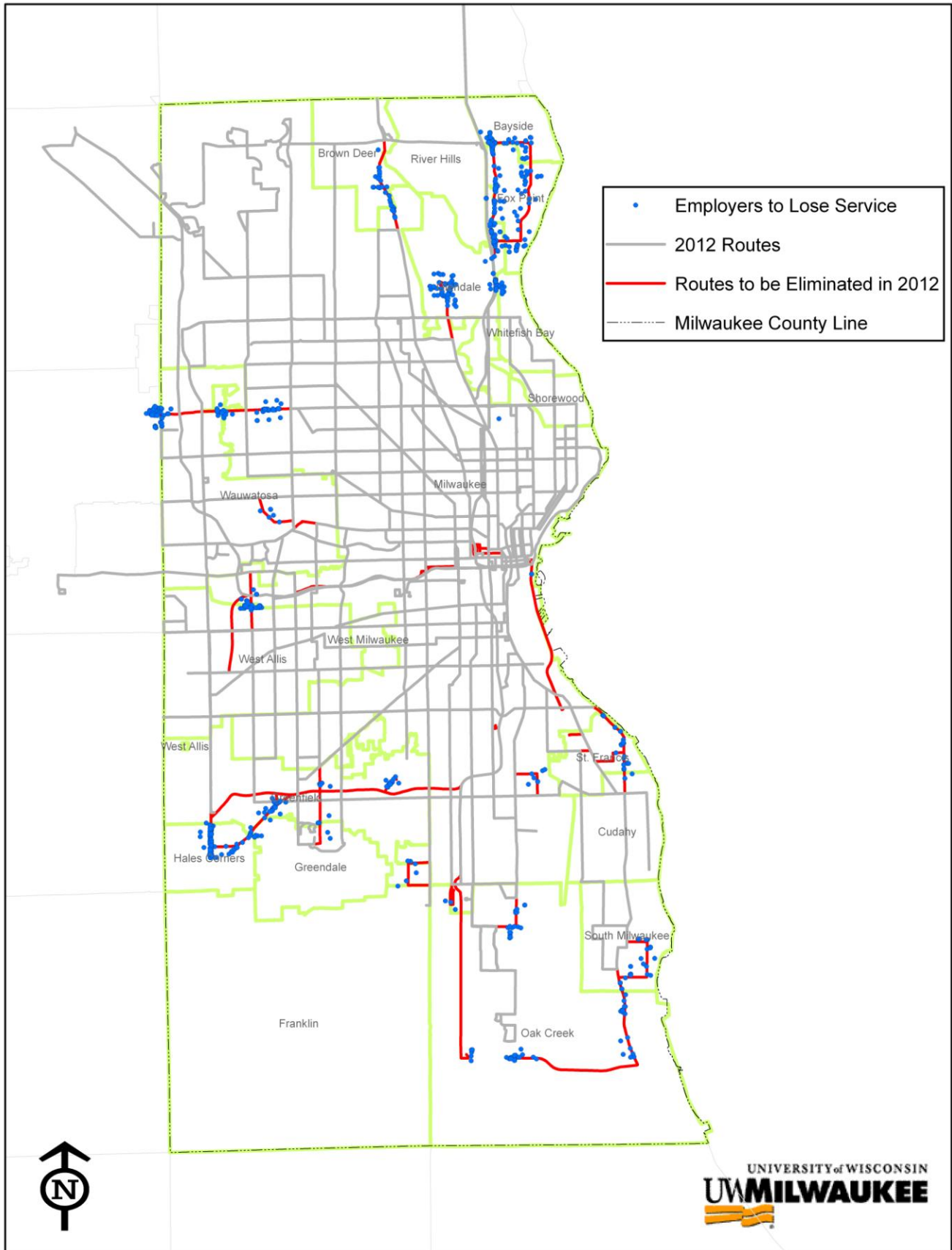
Using GIS, we calculate that implementation of the entire menu of proposed route eliminations and route reductions would result in the loss of bus service to 997 of the 18,292 employers currently served by MCTS, a decline of 5.4 percent. Map 3 shows the locations of all employers which are presently served by MCTS but which would lose service under the proposed 2012 route eliminations. As Map 3 indicates, the vast majority of employers facing possible service losses are located outside the city of Milwaukee in suburban areas of Milwaukee County. Only 10 percent of the total number of employers affected are located in the city of Milwaukee. Table 2 identifies the municipalities in which employers facing possible service

Map 2: Milwaukee County Transit System 2012 Proposed Bus Routes



Source: Milwaukee County Transit System and UWM Center for Economic Development

Map 3: Employers to Lose Transit Service Under Proposed 2012 MCTS Route Structure



Source: Milwaukee County Transit System and UWM Center for Economic Development

losses are located. As this information suggests, one likely consequence of implementing the proposed service reductions for 2012 would be to make it difficult or impossible for transit-dependent workers and job-seekers in Milwaukee to reach many job locations in suburban Milwaukee County. Given Milwaukee's already high poverty and jobless rates, especially for African Americans, this scenario is particularly troublesome.

TABLE 2. Locations of Employers to Lose Transit Service Under Proposed 2012 Route Structure

Municipality	Number of Employers Affected	Percentage of Total
Bayside	84	8.4
Brookfield	79	7.9
Brown Deer	35	3.5
Cudahy	2	0.2
Franklin	1	0.1
Fox Point	128	12.8
Glendale	200	20.1
Greendale	10	1.0
Greenfield	70	7.0
Hales Corners	100	10.0
Milwaukee	103	10.3
Oak Creek	72	7.2
St. Francis	23	2.3
South Milwaukee	27	2.7
Wauwatosa	36	3.6
West Allis	17	1.7
Whitefish Bay	10	1.0
Total	997	100.0

Table 3 provides employment ranges for workplaces that would lose transit service if the proposed 2012 route eliminations and route reductions are implemented in full. Table 3 shows that *at least* 13,553 jobs in locations currently accessible by transit will become inaccessible if the proposed service cuts are implemented. (Again, this number is calculated by totaling the far-right column of Table 3.) Once again, because our data source provides a range rather than a precise figure for numbers of workers at individual establishments, the actual figure is quite likely to be far higher than this.

TABLE 3. Employers to Lose Transit Service Under Proposed 2012 Route Structure

Number of Employers	Number of Workers	Minimum Total Workers
443	1-4	443
222	5-9	1,110
147	10-19	1,470
104	20-49	2,080
38	50-99	1,900
33	100-249	3,300
7	250-499	1,750
3	500-999	1,500
0	1000+	0

Route-Specific Analysis

As indicated above, service cuts proposed by MCTS for 2012 would eliminate seven bus routes (not including school routes) and shorten or realign sixteen additional routes. To determine more precisely how route reductions and eliminations would affect service to local employers, we examined each route individually. Table 4 shows the number of employers that would lose service and the minimum number of workers who would be affected for each route scheduled for elimination or reduction.

As Table 4 indicates, the impacts of proposed route reductions or eliminations are unevenly distributed. The elimination of freeway flyer routes 44 and 49 would have no impact on service to employers because all employers located along those corridors would continue to be served by different bus routes that are not targeted for elimination. The same goes for segment eliminations affecting local routes 23 and 60. By contrast, the elimination of route 68 alone would result in the loss of service to 339 employers, about one-third of the total number of employers who would lose service if the entire schedule of service cuts proposed by MCTS is implemented. Route 68 serves numerous commercial establishments located along Port Washington Road and provides the only transit service to Cardinal Stritch University and the North Shore suburbs of Fox Point and Bayside. At least 3,803 jobs will become inaccessible by transit if this route is discontinued. Also significant is the elimination of route 27 service north of Hampton Road to the 245-acre Glendale Industrial Park. As Table 4 indicates, this segment currently serves 90 businesses employing at least 2,170 workers. Major employers include Johnson Controls, the W.H. Brady Company, and Actuant.

TABLE 4. Service Impacts of Bus Routes Proposed for Elimination

Bus Route	Number of Employers To Lose Transit Service	Minimum Total Workers Affected
68 (entire route eliminated)	339	3,803
40 (flyer)	11	391
43 (flyer)	145	1,092
44 (flyer)	0	0
46 (flyer)	18	265
48 (flyer)	70	976
49 (flyer)	0	0
11 (segment elimination)	7	7
12 (segment elimination)	46	200
15 (segment elimination)	21	565
19 (segment elimination)	3	26
23 (segment elimination)	0	0
27 (segment elimination)	90	2,170
31 (segment elimination)	6	6
51 (segment elimination)	5	141
60 (segment elimination)	0	0
62 (segment elimination)	167	2,631
67 (segment elimination)	36	385
76 (segment elimination)	14	162
80 (segment elimination)	19	733
TOTAL	997	13,553

Conclusion

As we have argued elsewhere, there is a growing consensus that strong, healthy public transit systems are essential to the economic well-being of metropolitan regions.⁸ In making decisions about where to locate corporate headquarters or new production facilities, businesses routinely include a region's public transit system among the factors to be evaluated. Transit helps connect workers to jobs, a function particularly important in cities like Milwaukee with large low-income populations lacking access to automobiles. Transit also improves access to traditional employment centers, particularly downtown business districts, helping to maintain these areas as vibrant business locations despite the decentralizing effects of urban sprawl.

⁸ See Joel Rast, *Out of Service: The Impact of Transit Cuts on Access to Jobs in Metropolitan Milwaukee*. UWM Center for Economic Development (2008).

The importance of transit for business and economic development explains why business leaders in Milwaukee, who on the whole have been largely supportive of Governor Walker's initiatives, have broken ranks with the governor and Republican state legislators on the issue of transit. Both the Metropolitan Milwaukee Association of Commerce and the Greater Milwaukee Committee unsuccessfully lobbied Republican state legislators to maintain state transit funding at current levels in the 2011-13 biennial budget, arguing that good public transit is necessary for healthy economic growth.⁹ Business leaders have also endorsed proposals for a dedicated funding source for MCTS, something Walker opposed during his tenure as Milwaukee County Executive.

The transit service reductions identified by MCTS in its 2012 budget request, along with the loss of transit service to 997 Milwaukee-area employers, are avoidable. In a May 2011 report, the Legislative Fiscal Bureau recalculated the estimated balance in the state transportation fund for the end of the 2011-13 biennium.¹⁰ The biennium-ending balance, estimated at \$3.5 million when the governor's proposed budget was first introduced, was raised to \$30.5 million due primarily to anticipated increases in collections for motor fuel taxes and vehicle registration fees. The additional \$27 million in anticipated revenues means that the 10 percent cut for local transit contained in the 2011-13 budget can be avoided without a negative impact on the budget.

Milwaukee business and civic leaders have called on state legislators to take advantage of these revised budget estimates and maintain local transit funding at current levels.¹¹ While such a move would not represent a permanent fix for MCTS's longstanding fiscal problems, it would take some pressure off local transit at a time when the Milwaukee metro area can scarcely afford further cutbacks in regional transit service. Governor Walker and Republican state legislators have identified jobs and economic development as the keystone of their legislative agenda. To that end, they would do well to heed the advice of business and civic leaders and, at a minimum, provide the funding needed for local transit systems, including MCTS, to maintain existing levels of service.

⁹ See "MMAC Opposes Mass Transit Proposals," *Business Journal*, April 29, 2011; and "Walker Wrong on Transit Proposals," *Business Journal*, May 6, 2011.

¹⁰ Legislative Fiscal Bureau, Transportation Fund Condition Statement, Paper #640—Revised, May 3, 2011.

¹¹ See May 23, 2011 letter from Chris Abele, Tom Barrett, Tim Sheehy, Greg Thornton, and Michael Lovell to Reps. Vos and Darling re: state funding for local transit. Available from http://www.ridemcts.com/uploadedFiles/_Downloads/05_2011%20Letter.pdf