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### **Transit System Contracts with University of Wisconsin Campuses**

The two largest University of Wisconsin (UW) campuses—UW-Madison and UW-Milwaukee—have negotiated contracts with local mass transit systems to allow their students unlimited access to local bus routes. Milwaukee County Transit System provides approximately 1.7 million rides to UW-Milwaukee students annually, and Madison Metro Transit System provides approximately 1.8 million rides to UW-Madison students. UW-Milwaukee paid \$1,237,000 for service during the 1998-99 academic year, while UW-Madison paid \$1,200,000. In addition to contract and other revenues, the transit systems in both Milwaukee and Madison received state aid equal to approximately 45 percent of their operating costs in 1998.

The bus pass programs are generally expected to cover their costs of operation, including lost farebox revenue resulting from students' use of the pass rather than paying standard adult fares, as well as the capital and operating costs of service hours or routes added to accommodate increased student ridership.

#### **Milwaukee's Bus Program Generally Covers Its Costs**

The bus pass program for UW-Milwaukee students, which began in the 1994-95 academic year, was established to help address parking shortages on campus. Students are assessed \$31 per semester, regardless of whether they pick up or use bus passes. In the 1999 spring semester, 49 percent of eligible UW-Milwaukee students picked up their passes.

The bus pass program's revenues have exceeded estimated costs in all years of operation except the 1995-96 academic year. We estimate that costs for the Milwaukee program in the 1998-99 academic year were \$1,537,000, which is slightly less than program revenues from all sources, which totaled \$1,550,000.

#### **Madison's Bus Program Is Experiencing Shortfalls**

The UW-Madison bus pass program was established in the 1996-97 academic year after student referenda indicated interest in prepaid, discounted transit services. Students are assessed \$18 per semester. In the 1999 spring semester, 55 percent of eligible UW-Madison students picked up their passes.

Since the program in Madison began, costs have exceeded revenues, resulting in a shortfall in each of the past three academic years. For the 1998-99 academic year, we estimate that costs were \$1,385,000, and revenues were \$1,274,000. Local revenues made up the shortfall of \$111,000.

#### **UW-Madison Receives State and Federal Aid for an Intra-campus Bus Route**

Madison Metro also operates a route exclusively within the UW-Madison campus that primarily benefits students, faculty, staff, and visitors to the university. This route provides 1.2 million rides annually. Passengers pay 50 cents per ride, or \$16 for a monthly pass. Evening service is free to passengers, in response to campus safety concerns.

Intra-campus route costs were \$2,275,000 in 1998. The route was subsidized by \$1.38 million in state and federal aid. Passenger revenue totaled \$203,000 in 1998, and UW-Madison paid the remaining \$692,000 with parking revenues and a contribution from the student government association. However, we found that ridership is declining, and passenger revenue has fallen from \$318,000 in 1995 to \$203,000 in 1998, or by 36.2 percent.

#### **Mass Transit Programs Provide Benefits, But Costs Need to Be Weighed**

Transit system and UW representatives believe the student bus pass programs have many benefits, including increasing bus ridership, alleviating parking concerns, and reducing traffic congestion. However, the bus pass program in Madison has not met the expectation that program costs would be fully covered by contract revenue and by state and federal aid. We suggest Madison officials may wish to re-evaluate the continuing use of local revenues to support this program, taking into account both its costs and the local benefits it provides.

The Legislature may also wish to note its contributions to these programs. In the 1998-99 academic year, \$387,000 in state and federal aid was used to support the cost of the additional bus service provided through the bus pass programs, and an additional \$1.38 million in state and federal aid was used to support the UW-Madison intra-campus bus route.

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