Michigan Department of Transportation

Office of Passenger Transportation

Jean Ruestman, Administrator

Office of Passenger Transportation Primary Functions

- **For public transportation/shared mobility (local transit, specialized service, marine passenger, intercity bus, rideshare, vanpool):**
  - ✓ **Receive and distribute state and federal funds.**
  - ✓ **Oversee subrecipient expenditure of funds and ensure compliance with state and federal requirements.**
  - ✓ **Be responsive to federal mandates and guidance on the delivery and performance of federal transit programs.**
  - ✓ **Partner with providers and stakeholders to advance meaningful mobility options for Michigan's citizens.**
  - ✓ **Advance innovation and new technology for improved service and efficiency.**
- **For private bus carriers:**
  - ✓ **Administer Public Act 432, Motor Bus Transportation Act.**
  - ✓ **Conduct vehicle safety inspections, monitor insurance coverage.**
  - ✓ **Provide assistance to carriers to promote a culture of safety.**

State Programs

Local Bus Operating

Transit Capital

Marine Passenger

Intercity Bus

Specialized Service/Transportation to Work

Rideshare/Vanpool

Service Initiatives

Federal Programs

Section 5303 - Metropolitan Planning Program

Section 5304 - State Planning and Research Program

Section 5307 - Urbanized Area Formula Program

Section 5309 - Fixed Guideway Capital Investment Program

Section 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities Program

Section 5311 - Rural Area Formula Program

Section 5311(f) - Intercity Bus Program

Section 5337 - State of Good Repair Program

Section 5339 - Bus and Bus Facilities Program (formula and discretionary)

Ferry Boat Formula Program (FHWA)

Various Discretionary Grant Programs and Flexible Funding (all federal departments)

Current Special Projects

- Mobility Challenges (multiple programs)
- RUC Research (impact on transit and feasibility of data collection)
- SMART Grant (accessible data feeds)
- Automated Bus Consortium
- MaaS Platform
- Economic Benefit Analysis Tool
- New Transit Management System
- Partner on Inductive Charging Corridor, CAV Corridor, Connected Intersection

Public Transit Funding for Operations

- Act 51 Local Bus Operating Assistance Requirement
  - Up to 50 percent of eligible operating expenses for services provided in urban areas with a Michigan population more than 100,000.
  - Up to 60 percent of eligible operating expenses for services provided in urban areas with a Michigan population of 100,000 or fewer and rural areas.
  - Ferry system must receive at least 50 percent of eligible expenses but not more than 60 percent.
- Actual Reimbursement Rates in FY 2025
  - “50 Percent Group” receiving 29.15 percent.
  - “60 Percent Group” receiving 34.5 percent.
  - Includes one-time ARRA funding of $20 million.
- Federal Operating Assistance
  - Rural agencies receive 18 percent of eligible expenses (not distributed to ferry systems).
  - Small urbans (less than 200,000 population) are allowed to use Section 5307 funds for operating or capital.
  - Large Uurbans are not allowed to use Section 5307 for operating.

Local Support of Transit Services

- Budgets are balanced using local funds
  - Approximately 48 percent (plus “ineligibles”) for rural agencies.
  - Approximately 71 percent for large urban agencies.
  - 50 percent for ferry systems.
  - Small urban agencies vary based on their use of Section 5307 funds.
- Sources of local funds
  - Transit millage (57 transit agencies).
  - General funds.
  - Farebox/service contracts.
  - Advertising/sale of maintenance services/other local contracts.
  - Donations/private partnerships.

Funding Needs/Pain Points

- Local Bus Operating assistance reimbursement rates plummeting.
- Increased operating costs (healthcare, insurance, fuel, SaaS fees, etc.).
- Transit vehicle prices and availability.
- Procurement complexity.
- Increased number of federal programs/complexity of application process.
- Increased federal and state reporting.
- Complexity of data management/cybersecurity.
- Administrative burden/staffing levels.

Questions?

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