



Michigan Department of Transportation

Office of Passenger Transportation

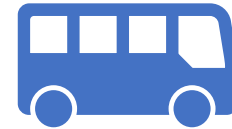
Jean Ruestman, Administrator



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 Urbans 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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