

# Boost Local Bus Operating Funds to Build Michigan!

## Michigan has long starved public transit of necessary funding

Part of **MDOT funding supports transit**, including buses, trains, ferries, bike trails, senior shuttles, and more through the Comprehensive Transportation Fund (CTF). Most funds highways, bridges, and roads through the Michigan Transportation Fund (MTF).

**Local Bus Operating** funds once provided 50% of urban transit agency operating costs and 60% of rural agency costs. After decades of stagnation, road funding recently increased, but transit was largely left out. **Transit's portion of state funding has declined** as costs and needs grew and now the state funds just 29% of urban transit costs and 35% of rural costs.

Starved of state funds, some agencies increased local taxes; others can't. Most

**local transit agencies struggle to hire enough drivers and provide enough services** to meet critical demand, let alone expand and improve to attract new riders with great service Michiganders deserve.

Until Michigan makes the necessary investments to provide competitive wages and reliable service at transit agencies all across the state, other states and metro regions will continue to outcompete us for jobs and talent.

## Michigan leaders must restore and boost investment in transit

The entire Comprehensive Transportation Fund (CTF) needs a substantial and long-term increase in funding.

### The most urgent funding need is Local Bus Operating:

FY2023	Gov Proposal	Our Request	Ultimate Target
\$201 million	\$216 million	\$300 million	\$340 million

The Governor's proposal for a 7% increase barely exceeds inflation and would only maintain today's minimally adequate lifeline transit services. For real progress, **Local Bus Operating needs \$340 million a year** to fully cover the state's half of local operating costs. An increase this year to \$300 million would be a great start.

Critically, these additional funds need to come **from the general fund or elsewhere outside of the CTF**, most of which is also starved for funding.

That investment will **stabilize and strengthen existing transit agencies** so they can provide reliable, convenient, affordable mobility.

Then we can work together towards the major expansion into rapid transit Michiganders want and need.

