

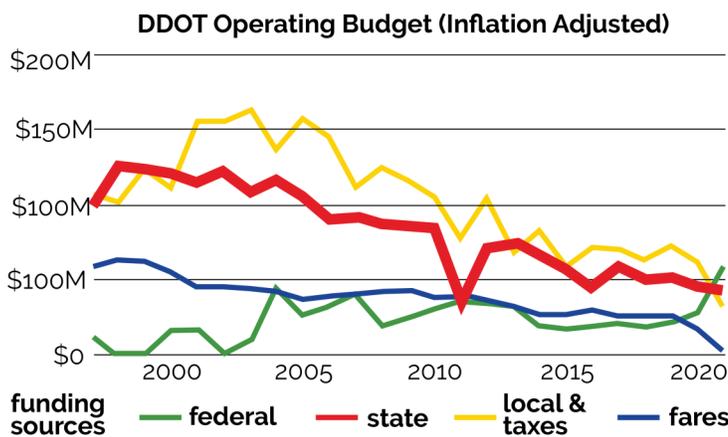
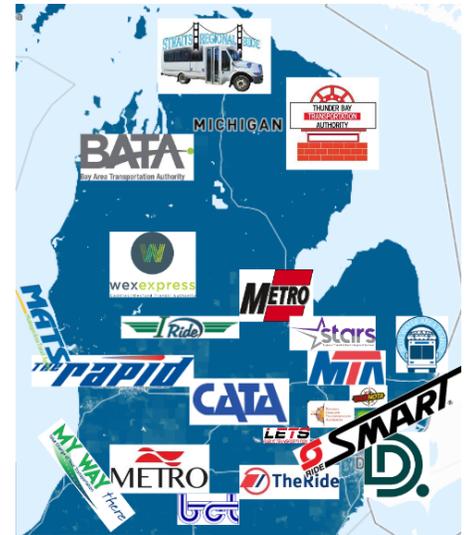
# State Investment in Local Bus Operating is Essential!



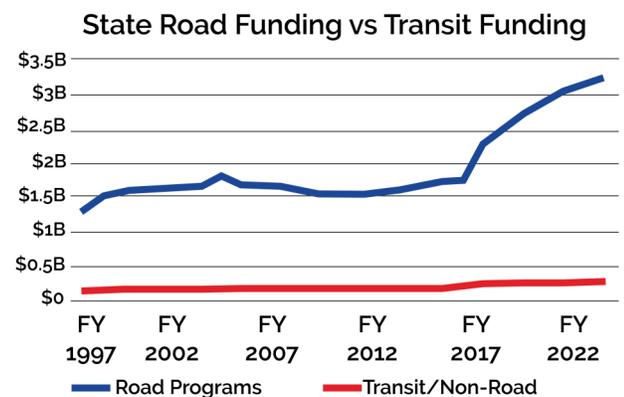
Tens of thousands of Michiganders depend on public transit every day to get to work, school, doctors, shopping, and more.

Many more Michiganders wish they could ride, if only more and better options were available.

Michigan's 77 local transit agencies depend on Local Bus Operating (LBO) funds from the state to match local funds—including fares, taxes, and ads—to pay drivers, mechanics, insurance, fuel, and more. (Federal funds only fund vehicles, rural areas, and emergencies.)



Yet until last year, LBO failed to keep up with inflation, let alone invest for improvement, thus failing Michiganders.



**Michigan leaders need to improve transit by increasing state investment in Local Bus Operating.**

**In FY25, LBO needs at least \$276M to not move backwards; ultimately LBO needs \$400M+ to be fully funded.**



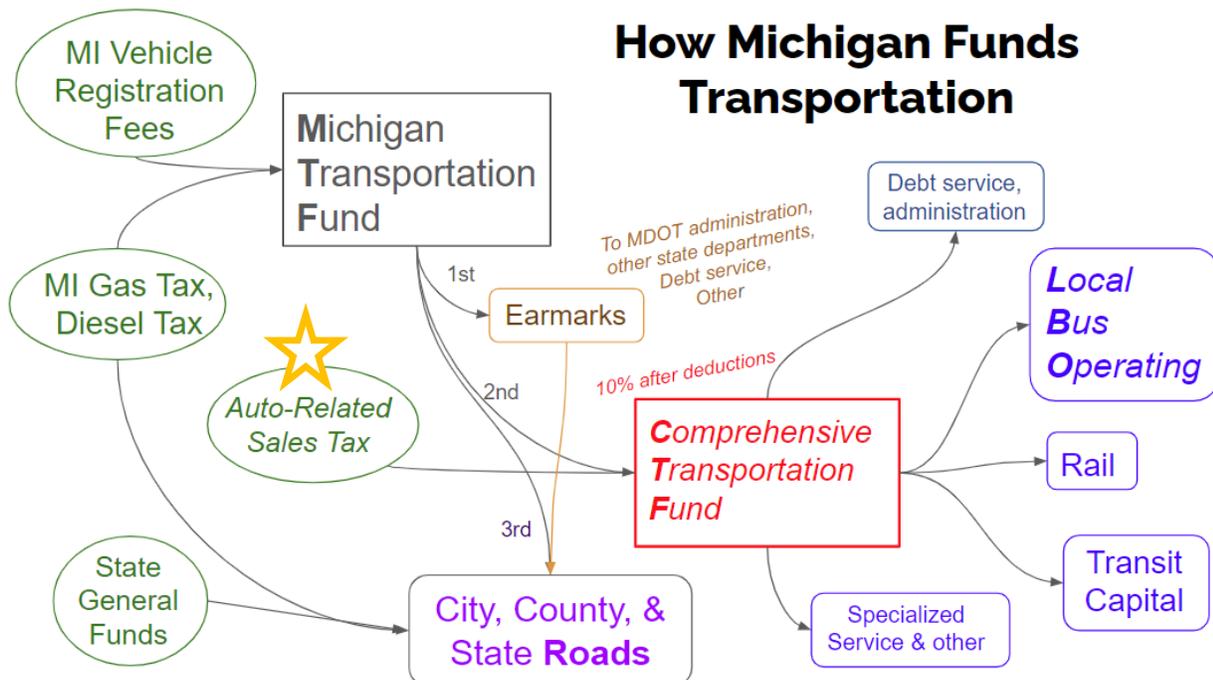
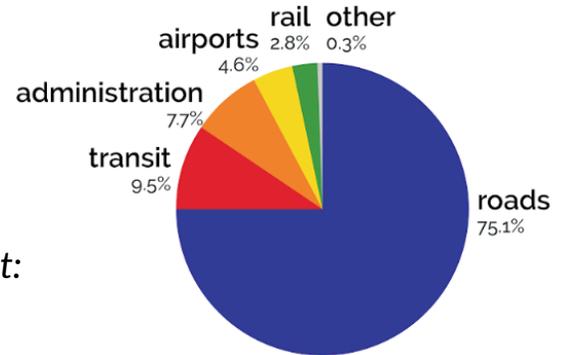
# Michigan Can Spur Great Transit with Dedicated State Funding.

Most Michigan transportation funding goes to roads.

Public transit receives 7-9% of state gas taxes and vehicle registration fees, but those have long fallen short of Michiganders' needs.

Michigan has one state funding source dedicated to transit: the Auto-Related Sales Tax.

MDOT FY24 Funding Allocation  
Sources: General Omnibus and House Fiscal Agency



“Not more than 25 percent of the general sales taxes, imposed on motor vehicle fuels sold, on the sale of motor vehicles, and on the sale of the parts and accessories of motor vehicles... shall be used exclusively for the transportation purposes of comprehensive transportation purposes as defined by law.”

- Michigan Constitution, Article IX, Section 9

Yet Michigan has invested under 7% of that funding for transit for decades!

**To properly invest in transit, Michigan must allocate the fully permitted amount of Michigan’s auto-related sales tax to the CTF.**

- It would NOT take dedicated funds away from roads, schools, or cities.
- It could fully fund Local Bus Operating needs statewide AND jumpstart rail and rapid transit projects!