

February 28, 2024

Michigan Legislative Transit Caucus Attn: Rep. Jason Morgan/Rep. Mike McFall, Chairs

Dear Transit Caucus members:

As organizations providing and supporting robust public transit across the state, we applaud the creation of the Transit Caucus and the commitment of each participating legislator to supporting public transit. We urge you to prioritize full funding of the Local Bus Operating (LBO) line item in the Comprehensive Transportation Fund (CTF) of the Michigan Department of Transportation budget. The LBO is the section of funding that is directed to Michigan's public transportation agencies to fund the essential daily services that connect tens of thousands of Michiganders to work, school, appointments, families, and more.

By statute, the LBO may be funded at up to 60% of state eligible expenses for non-urban transit agencies and up to 50% of state eligible expenses for urban transit agencies. Yet Michigan has never fully funded this line item and has generally fallen woefully short of state-determined need. In recent years, nonurban agencies received 34-42% of eligible expenses and urban agencies received just 29-34%.

In our estimation, the first and most important action the Transit Caucus should pursue is full funding of the state commitment to LBO. We urge the Caucus to make this its top priority for the FY2025 budget. The current proposed FY 2025 budget would provide \$40 million less than current year in LBO which would mean that transit agencies would continue to struggle to meet existing demands and fall even further behind, even as the Growing Michigan Together Council recommends expanding transit. We believe an additional \$200 million infusion in FY 2025 will be necessary to reach 50/60 state funding support. This can be achieved through amendatory language to the existing available funding streams, most notably the auto-related sales tax earmarked to the CTF. We look forward to supporting the Transit Caucus in achieving these goals.

Sincerely,

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Executive Director

Michigan Public Transit Association

Clark Gorden

Ken Jimkoski

Ken Jimkoski President

Michigan Association of Transportation Systems (MASSTrans)

Attachment: Additional Supporting Organizations



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