Funding Overview Technical Memo

Mobility 4 All Plan

Regional Transit Authority of Southeast Michigan

April 2025

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Acronyms and Abbreviations

AAACF	Ann Arbor Area Community Foundation
AAATA	Ann Arbor Area Transportation Authority
ADA	Americans with Disability Act
ARPA	American Rescue Plan Act
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CATS	Charlotte Area Transit System
CHSTP	Coordinated Human Services Transportation Plan
Chicago RTA	Regional Transportation Authority of Chicago
CIG	Capital Investment Grant
CMAQ	Congestion Mitigation and Air Quality funding program
CPP	SMART's Community Partnership Program
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act
CTF	Comprehensive Transportation Fund
DAX	Detroit Air Xpress
DDOT	Detroit Department of Transportation
DPM	Detroit People Mover
DVRPC	Delaware Valley Regional Planning Commission
FHWA	Federal Highway Administration, a division of the US Department of Transportation
FTA	Federal Transit Administration, a division of the US Department of Transportation
FY	Fiscal Year
IIJA	Infrastructure Investment and Jobs Act
LBO	Local Bus Operating funds, distributed by the state to fund transit across Michigan
MassDOT	Massachusetts Department of Transportation
M4A	Mobility for All Plan, the Coordinated Human Services Transportation Plan for the Region
MCL	Michigan Compiled Laws
MDOT	Michigan Department of Transportation
MDHHS	Michigan Department of Health and Human Services
MORC	Macomb-Oakland Regional Center
MSHL	Milan Seniors for Healthy Living
NEMT	Non-Emergency Medical Transportation
NOACA	Northeast Ohio Areawide Coordinating Agency

NOTA	North Oakland Transportation Authority
NTD	National Transit Database, administered by the Federal Transit Administration
OPC	OPC Social and Activity Center
PEX	People's Express
PMP	Program Management Plan, defining Section 5310 Program Admin. and Management
RLEMS	Richmond Lenox Emergency Medical Services
RTA	Regional Transit Authority of Southeast Michigan
RTMP	Regional Transit Master Plan
SMART	Suburban Mobility Authority for Regional Transportation
STBG	Surface Transportation Block Grant
STP	Surface Transportation Program
WAVE	Western-Washtenaw Area Value Express
WOTA	Western Oakland Transportation Authority
USDOT	United States Department of Transportation
UZA	Urbanized Area

1. Introduction

The Regional Transit Authority of Southeast Michigan (RTA) is updating its Coordinated Human Services Transportation Plan (CHSTP), known as the Mobility 4 All (M4A) Plan. This technical memorandum, the second in a series, provides an overview of the RTA Region's current and potential future funding sources. As acknowledged in the RTA's 2024 Regional Transit Master Plan (RTMP) Update, identifying sustainable regional funding sources and developing a plan with specific projects to be funded over a long-term period is a critical next step in advancing regional transit. This technical memorandum provides an overview of where the region currently stands in terms of its sources of funding, including federal, state, regional and local, and other sources such as fares and grants. This memorandum also examines the financial health of peer regions in the United States, providing a look into funding strategies that could be explored for the RTA Region. This vantage point will help inform the overall goals and strategic recommendations included in the M4A Plan, as well as possible next steps for achieving RTA's vision of a Southeast Michigan where advances in transit create greater prosperity for all.[i]

The findings of this technical memorandum are, in part, informed by a survey of the providers in the RTA Region. The M4A Transportation Provider Survey was sent to over 90 providers, allowing agencies to directly input information about their organization, including sources of funding and fare structures utilized. Gathering this data directly from providers ensured the most accurate and up-to-date funding data was available for the M4A Plan. Out of the providers contacted, 50 (56%) responded, offering key insights into funding structures, fare policies, and resource allocation. Survey data was supplemented by budget information obtained directly from providers and from the Michigan Department of Transportation (MDOT). Data was also sourced from the National Transit Database (NTD), a national repository of data on financial, operating, and asset condition information as reported by transit systems across the country. It is important to note that not all transportation providers in the RTA Region, particularly smaller, human service transportation providers, are required to report to the NTD. As such, the NTD data included in this memorandum provides a high-level overview of the region's overall funding picture.

2. Current Sources of Funding

Transportation providers rely on diverse array of funding sources to sustain and expand their operations, ensuring they provide efficient and accessible transportation services to the public. Primary funding sources typically include government appropriations from federal, state, and local budgets, which often support capital projects, day-to-day operations, and ongoing maintenance activities. Funding is appropriated annually and is subject to many factors, such as economic conditions, policy priorities, and public input. Transportation providers also generate revenue through a variety of direct sources, including passenger fares, advertisement on vehicles, private donations, and partnerships with private entities. Additionally, dedicated taxes, such as property or fuel taxes, are commonly earmarked for transit funding in many regions. Balancing these funding streams is essential to meet operational demands and address future transportation challenges and opportunities.

In the RTA Region, federal subsidy is critical to supporting transportation services, with nearly 85% of Provider Survey respondents indicating they have received a federal grant, either directly or as a pass-through, to support their organization (Figure 1). State and local sources are also a key part of the funding picture, with 60% and 65% of respondents indicating they receive funding from these respective sources. The region's providers are resourceful, as many Provider Survey respondents indicated they have reached beyond government subsidy to fund their service. These other sources of funds are predominantly generated from fees placed upon transit services, also known as passenger fares.

However, numerous providers indicated that their annual budgets are additionally supported by private donations and/or fundraising, by grants from local foundations and/or non-profit organizations, and by corporate sponsorships and/or partnerships with private entities.

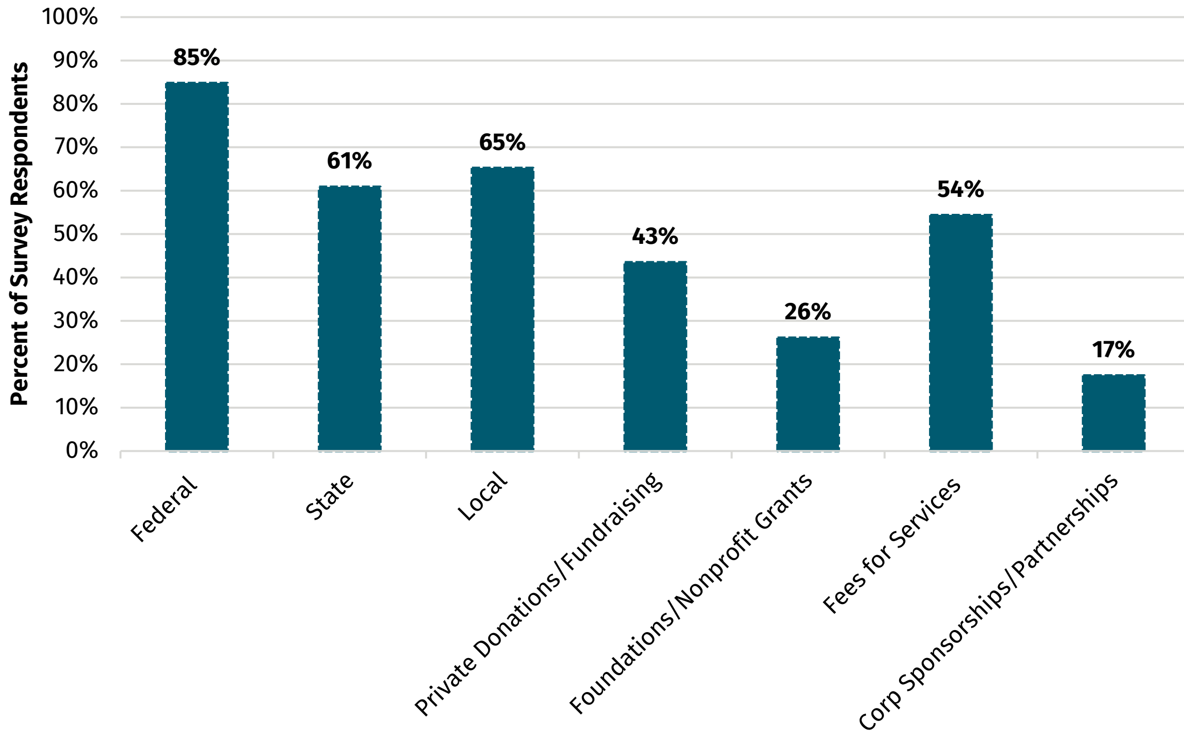

Figure 1. How RTA Region Transportation Providers Receive Funding

Source: M4A Transportation Provider Survey, 2024

As described in the Existing Conditions technical memorandum, there are three major categories of transportation providers in the RTA Region. The first category comprises of larger providers that offer fixed-route public transit service and complementary paratransit, as required by the Americans with Disabilities Act (ADA). Examples of these providers include, but are not limited to, Ann Arbor Area Transportation Authority (AAATA) TheRide, Detroit Department of Transportation (DDOT), and Suburban Mobility Authority for Regional Transportation (SMART). The second category includes demand-response transportation providers, or those that provide door-to-door service catering to individual riders or populations, such as older adults or persons with disabilities. Examples include, but are not limited to, AAATA's GoldRide, North Oakland Transportation Authority (NOTA), People's Express (PEX), OPC Social & Activity Center (OPC), Richmond Lenox Emergency Medical Services (RLEMS), Western-Washtenaw Area Value Express (WAVE), and Western Oakland Transportation Authority (WOTA). The third and final category represents the variety of human service transportation providers that do not align with the typical fixed route or demand-response characteristics, instead providing one or more of the following services: community inclusive trips and transportation to/from local agency programs, such as adult daycare centers that offer transportation to enrolled residents; transportation for residential facilities, which exclusively provides trips for organization residents; and volunteer driver programs.

The combination of funding sources used to support transportation in the RTA Region does tend to vary by provider type (Figure 2). For all provider types, government subsidy remains key. Fixed route and complementary paratransit providers show a greater propensity for corporate sponsorships and/or partnerships than other provider types. These agencies typically engage in public-private partnerships when private sector involvement can complement public sector goals. Demand-response providers and other transportation providers are more likely to be supported by private donations or fundraising activities.

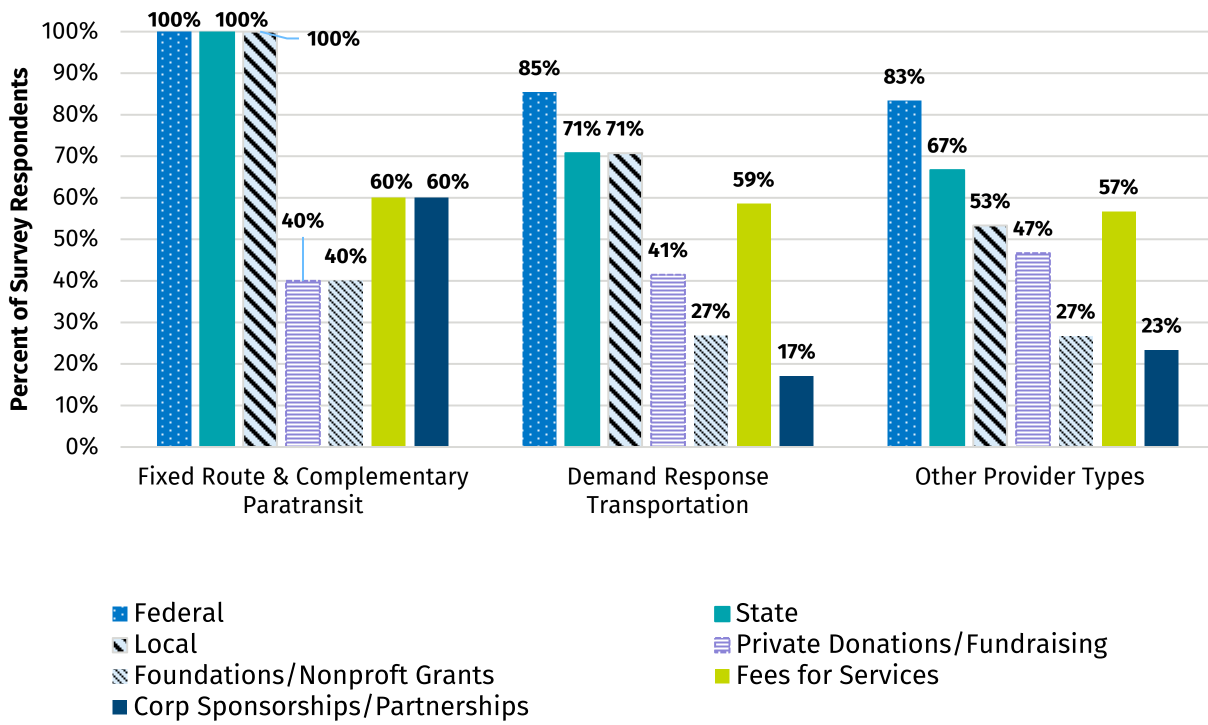

Figure 2. Sources of Funding by Provider Type in the RTA Region

Source: M4A Transportation Provider Survey, 2024

The majority of funding received in the RTA Region is used to support operations, regardless of the funding source (Figure 3). Operational expenditures typically cover the costs required to run the day-to-day service and maintain the system. Examples of these costs include salaries, wages, benefits, fuel, insurance, vehicle maintenance, and administrative costs (e.g., office supplies, marketing, professional services, and training). Operating costs are predominantly supported by directly generated revenue, such as passenger fare revenue, advertising revenue, or donations, followed by state and federal funding sources. Typically, federal and state requirements for operating grants only allow for the reimbursement of the net operating cost, or the cost of operating the service after passenger fares or other directly generated sources have been applied.

While still important to the operation of a transportation service, capital spending in the RTA Region is significantly less than operating spending. Capital investments, such as the purchase of vehicles or necessary technologies (e.g., automated fare collection, real-time passenger information systems, and surveillance), are almost exclusively supported by federal and state grants. Federal capital grants will cover 80% of a project's total cost, depending on the project, and as such require a smaller non-federal up to 20% match than operating grants, which require a 50% non-federal match.

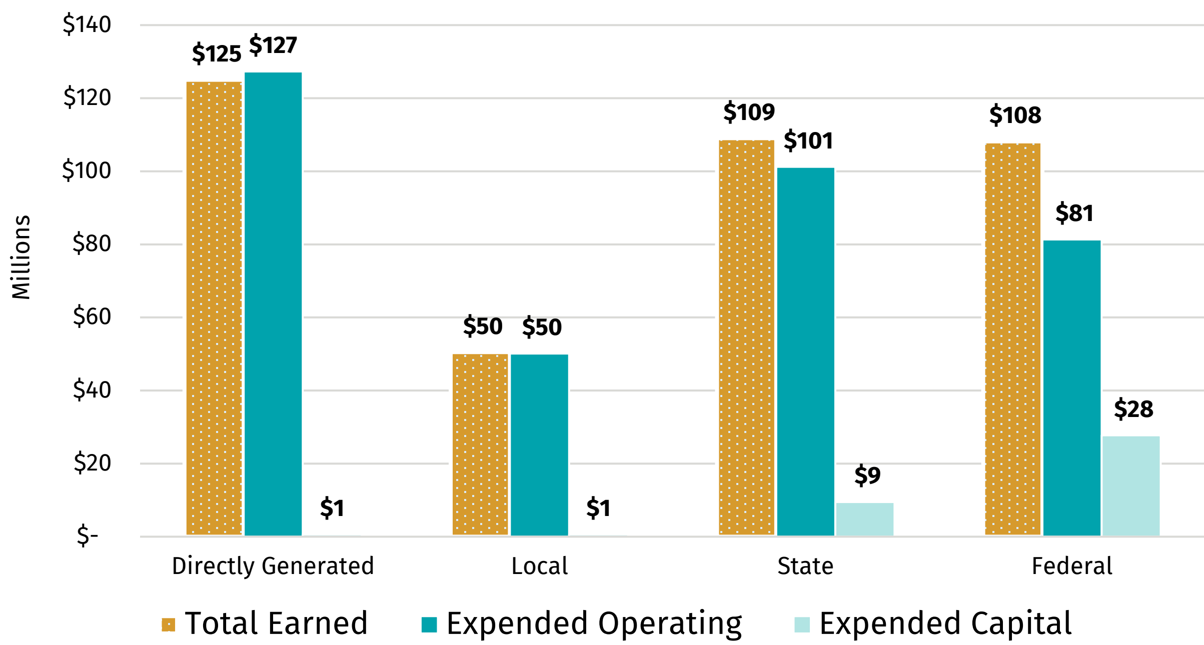

Figure 3. Total Revenue Earned and Expended in the RTA Region (FY 2023)

Source: NTD, 2023

Since 2019, the funding picture in the RTA Region has shifted (Figure 4). Federal funding has increased in the last four years, but state and local earnings have decreased. This is largely due to the global coronavirus (COVID-19) pandemic, which began in early 2020. The COVID-19 pandemic significantly impacted public transit agencies, leading to a sharp decline in ridership while operational costs remained steady, or even increased. Many agencies opted to eliminate fares to support public health and safety in an attempt to reduce transmission of the virus by reducing contact between operators and riders, and as such lost a critical source of revenue. Other revenues, such as those generated by advertising or parking, also suffered.

To address this financial strain and ensure the continuity of essential transit services, the federal government provided unprecedented levels of funding through three relief packages. The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 allocated $25 billion for transit agencies. This was followed by additional $101 billion in federal funding through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA). This emergency influx of federal funding helped agencies cover operational deficits, maintain payroll, enhance cleaning protocols, and implement safety measures for passengers and staff, while also relieving pressure on state and local budgets.

The pandemic highlighted the critical role of public transit in supporting frontline workers and communities, prompting a shift in federal priorities to sustain and strengthen these essential services. It is important to recognize the funding from the three relief bills are one-time appropriations and are not a sustainable source of funding. Strategic use of one-time funding, such as addressing postponed maintenance activities, investing in technology, or bridging short-term operational deficits, can help providers build resilience without compromising their long-term financial health. As ridership returns to pre-pandemic levels, directly generated revenues, such as a passenger fares, will continue to return, further supporting ongoing provider operational budgets.

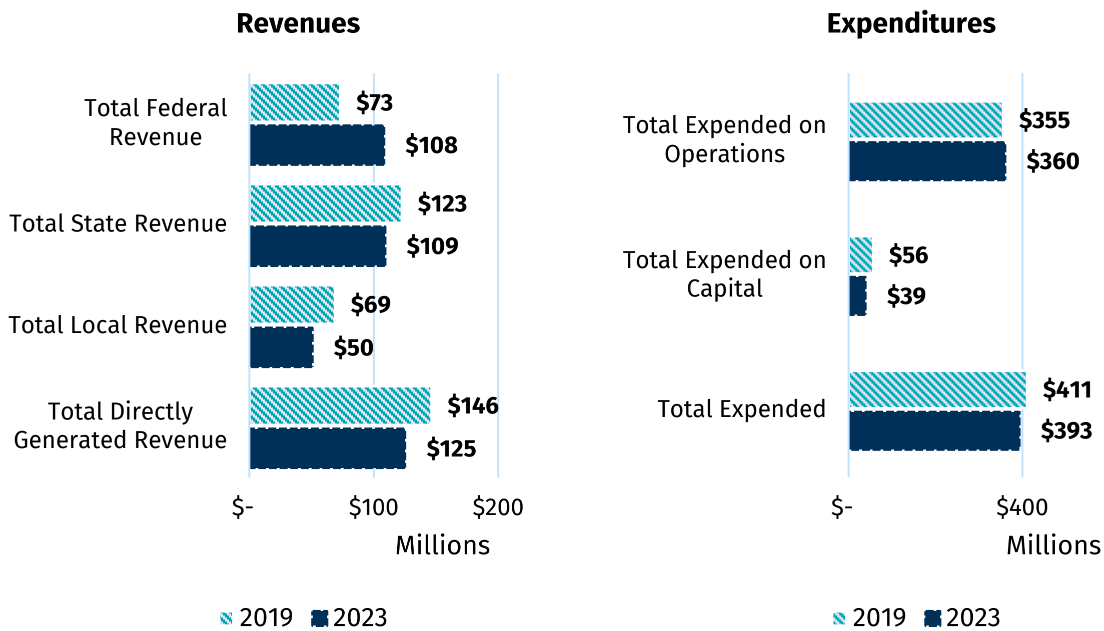

Figure 4. Changes in Revenue and Expenditures in the RTA Region (FY 2019 – FY 2023)

Source: NTD, 2023

In the next several sections, this memorandum will discuss each of the individual sources of funding in more detail, elaborating on how each source is utilized in the RTA Region. As outlined in Michigan Compiled Laws (MCL) Act 387 of 2012, Section 124.548, the RTA is the designated recipient of both federal and state funding for the four counties of Macomb, Oakland, Washtenaw, and Wayne, including the City of Detroit.[ii]

2.1 Federal Funding

Federal funding in the United States in administered through various federal departments, with targeted programs managed by federal agencies. Funds are authorized by Congress, released through annual appropriations, then distributed through formula grants, discretionary grants, or direct allocations to states, municipalities, or transit agencies for designated projects. Following the award of federal funding, recipients (and their subrecipients) are required to comply with federal regulations, including post-award reporting requirements and oversight mechanisms that ensure funds are spent well and align with program objectives.

2.1.1 Department of Transportation (U.S. DOT)

The United States Department of Transportation (U.S. DOT) administers funding for all transportation modes; the Federal Transit Administration (FTA) within the U.S. DOT oversees the distribution and allocation of funding to support public transportation. Funding for public transportation is also available through other U.S. DOT programs, such as the Surface Transportation Program (STP) and Congestion Mitigation Air Quality (CMAQ) programs managed by the Federal Highway Administration (FHWA). One of the defining characteristics of federal transportation funding is that programs almost always require regional and local governments to contribute funding as a non-federal match to grants that support transit services and projects.

In 2021, the Biden Administration enacted the Infrastructure Investment and Jobs Act (IIJA), which significantly increased funding for public transportation systems over five years (Federal Fiscal Year 2022 to 2026). This historic investment included increased authorizations for formula grants for urban and rural areas and for state of good repair investments. IIJA also supported numerous federal discretionary grant programs, such as the Capital Investment Grants (CIG) for major transit projects and the combined Bus and Bus Facilities/Low or No Emission Grant Programs for sustainable transit solutions.

Based on available FTA award letters, in Fiscal Year (FY) 2024, the RTA Region received nearly $83 million in federal formula funds to support public transportation.[iii] Of these funds, $71 million was allocated directly to transit agencies and $42.4 million was distributed through MDOT to rural providers and to human services agencies. The largest federal transit funding source is FTA's Section 5307 funds, a formula grant program that funds urban transit agencies such as AAATA, DDOT, Detroit People Mover (DPM), and SMART. Another large FTA program, Section 5339 Grants for Buses and Bus Facilities, funded the region's largest fixed-route bus providers at approximately $5.5 million.

The State of Michigan administers Section 5311 Formula Grants for Rural Areas, of which approximately $1 million was distributed to the RTA Region to support rural service providers including PEX, NOTA, and WAVE. These formula grants are limited to rural areas with fewer than 50,000 residents, which in Southeast Michigan are located on the four-county periphery and between the Detroit and the Ann Arbor urbanized areas.

Section 5310 Funding

FTA Section 5310 Funding provides federal formula funding to states and designated recipients to enhance mobility options to meet the transportation needs of older adults and persons with a disability by removing barriers to transportation service and expanding transportation mobility options. 5310 funding is allocated to recipients by a formula based on the number of older adults and persons with a disability in each state according to the latest available U.S. Census data.[iv]

In the RTA Region, Section 5310 funds are apportioned by FTA to the Detroit and Ann Arbor urbanized areas (UZAs). The RTA is responsible for administering and managing the Section 5310 programs for both UZAs, as outlined by its Program Management Plan (PMP). Funds are distributed via a single, regional competitive process, or call for projects (CFP). The awarded funds are then passed through to the UZAs' direct recipients, SMART, DDOT[1], and AAATA, who are then responsible for administering selected projects to subrecipients, who are primarily community-based service providers or nonprofits. RTA's only subrecipient is AgeWays, the nonprofit who hosts and administers the myride2 regional mobility management program.

In FY 2023 and FY 2024 combined, the RTA Region was allocated approximately $11.5 million in Section 5310 large urban funds.[v] In the previous CFP, RTA received applications from around 70 agencies in the region and awarded 35 organizations, totaling in $12.2 million in requested federal funding. Of the awardees, 31 agencies were selected to receive funding to support vehicle replacements, continuing operations, and hardware and software upgrades. The State of Michigan administers Section 5310 funding that is apportioned to small urbanized areas between 50,000 to 199,999 population and to nonurbanized areas under 50,000 in population. Of the available $6.5 million through MDOT for FY 2024, two providers in the RTA Region, PEX and WAVE, received $222,108 and $237,415 respectively.[vi]

2.1.2 Department of Health and Human Services

Federal funding is available to support transportation through the U.S. Department of Health and Human Services and the Michigan Department of Health and Human Services (MDHHS). This includes Older Americans Act funding, which funds programs to support transportation for older adults, and Medicaid

[1] DDOT currently does not have local subrecipients in the City of Detroit.

funding, which includes transportation programs for Medicaid-eligible clients to travel to medical appointments.

Non-Emergency Medical Transportation (NEMT)

Non-Emergency Medical Transportation (NEMT) is a Medicaid service that provides transportation for individuals who lack access to reliable transportation and need to travel to and from medical appointments. NEMT ensures that eligible individuals can receive necessary healthcare services, such as routine doctor visits, dialysis treatments, therapy sessions, or specialist appointments, which are critical to their overall well-being. States are required to provide NEMT as part of their Medicaid programs, making it a guaranteed benefit for eligible recipients.

In Michigan, the MDHHS administers NEMT under the Fee for Service model, where Medicaid pays transportation providers directly for each NEMT trip. The state administers this program in all counties except Macomb, Oakland, and Wayne, where NEMT is administered through a brokerage program.[vii] MDHHS contracts with ModivCare (formerly LogistiCare), who coordinates and manages transportation services for eligible beneficiaries in these RTA Region counties.

MI Choice Waiver Program

MDHHS also administers the MI Choice Waiver Program, which allows for older adults and individuals living with a disability who live independently to receive Medicaid-covered services that are typically offered through nursing homes or other assisted living facilities. Through the program, Medicaid will cover numerous services for eligible individuals, including community transportation services. These services are delivered by waiver agencies who contract with MDHHS. In the RTA Region, there are four waiver agencies: Detroit Area Agency on Aging, AgeWays, Easterseals/Macomb-Oakland Regional Center (MORC), and The Senior Alliance.

2.2 State Funding

The Michigan Department of Transportation (MDOT) provides statewide funding to transportation providers through the Comprehensive Transportation Fund (CTF), as outlined in MCL Act 51 of 1951.[viii] State funding is subject to the annual appropriations process, which allocates funding to specific line items in the state budget.[ix] Revenue for the CTF is generated through the state's gasoline and diesel fuel tax, vehicle registration fees, sales tax on automotive related items, and other miscellaneous revenue and interest.[x] In FY 2024, MDOT distributed over $334 million in funding for public transit programs. Another approximate $330 million is available for FY 2025.

The major programs funded through the CTF include operating and capital funding for local transit operators, operating assistance for specialized services (i.e., the provision of transportation to older adults or persons with disabilities), and municipal credits to Wayne, Oakland, and Macomb counties. Other programs include funding for intercity passenger transportation, service initiatives (i.e., demonstration projects, research initiatives, or training), and vanpools (Table 1).

Program	Appropriation	State Funding		Federal Pass-Through Funding			Private Funding
		CTF	Local Funds	Section 5310	Section 5311	Other Federal	
Local Bus Operating	$226,750,000	$226,750,000	-	-	-	-	-
Nonurban Operating/ Capital	$40,626,500	-	$2,000,000	-	$38,626,500	-	-
Intercity Passenger	$9,635,400	$2,495,400	$160,000	-	$6,180,000	-	$800,000
Transit Capital	$254,601,300	$77,534,100	$31,000,000	-	-	$144,067,200	$2,000,000

Program	Appropriation	State Funding		Federal Pass-Through Funding			Private Funding
		CTF	Local Funds	Section 5310	Section 5311	Other Federal	
Specialized Services	$30,574,900	$13,000,000	$4,185,000	$13,389,900	-	-	-
Municipal Credits	$2,000,000	$2,000,000	-	-	-	-	-
Vanpool	$400,000	$400,000	-	-	-	-	-
Service Initiatives	$20,802,000	$7,288,300	$2,000,000	-	-	$9,513,700	$2,000,000
American Rescue Plan (ARP) – One-time Local Bus Operating	$20,000,000	-	-	-	-	$20,000,000	-

Table 1. Michigan Statewide Appropriations to Transit (FY 2024)

Source: State of Michigan. *2024. Transportation Line Item and Boilerplate Summary – FY 2024-25.* https://www.house.mi.gov/hfa/PDF/LineItemSummaries/MDOT_lineFY25.pdf

2.2.1 Local Bus Operating Funds

Pursuant to Act 51, the State provides operating assistance for local transit systems through the Local Bus Operating (LBO) assistance program. MDOT distributes these funds to approximately 80 transit agencies in the State of Michigan.[xi] Act 51 allows for the state funds to grant up to 50% of eligible operating and administrative expenses to transit systems in urbanized areas, or areas with a population greater than 100,000.[xii] For nonurbanized areas or areas with populations less than 100,000, transit systems can receive funding for up to 60% of eligible expenditures. Typically, however, due to funding limitations, state assistance covers a smaller portion of eligible expenses, as exhibited by the FY 2022-2023 LBO distributions, which reimbursed 29.2% of eligible expenses for urban systems and 35.0% for nonurban systems.[xiii]

The state apportioned over $226 million in LBO funds to support local transit services in FY 2024. Of that apportionment, the RTA Region received a $126 million distribution, or 55% of the available funding (Table 2). AAATA, DDOT, DPM, and SMART all receive LBO funding. The AAATA also receives nonurban LBO funding for that is passed through to PEX and WAVE for services outside of the urban area.[xiv] SMART receives additional LBO funding for Bedford and Lake Erie Transit, which are outside of the RTA Region and are not included in Table 2. A portion of the SMART Local Bus Operating Funds are restricted for the purpose of passing through funds to local communities through the Municipal Credit Program.[xv] Beginning in FY 2025, the RTA receives LBO funds directly to support operations including the QLINE streetcar. The RTA requested $5,535,020 in its FY2025 application to MDOT.[xvi] OPC and PEX also requested LBO funding in FY 2025, through SMART.

Table 3 provides the LBO amounts that are passed through to community transit providers by AAATA and SMART, with RTA approval.

Designated Recipient	Provider	LBO Distribution
RTA	AAATA (urban)	$18,376,504
RTA	AAATA (nonurban)	$1,630,417
RTA	DDOT	$49,369,490
RTA	DPM	$5,101,739
RTA	SMART	$54,074,999
RTA	***Total***	***$128,553,149***
RTA	*Total Urban*	*$126,922,732*

Table 2. FY 2024 LBO Distribution to the RTA Region

Source: AAATA and MDOT. 2024. Final FY24 LBO Budget.

Designated Recipient	Direct Recipient	Sub-recipient	LBO Revenue
RTA	AAATA	PEX	$885,942
RTA	AAATA	WAVE	$656,867
RTA	AAATA	N/A (Admin. Overhead)	$87,608
RTA	*AAATA*	*Subtotal*	*$1,630,417*
RTA	SMART	NOTA	$ 1,600,377
RTA	SMART	Royal Oak Township	$18,598
RTA	SMART	WOTA	$1,772,000
RTA	*SMART*	*SubTotal*	*$3,390,975*
RTA	***AAATA and SMART***	***Total***	***$5,021,392***

Table 3. LBO Subrecipients in Southeast Michigan, FY 2024

Source: AAATA and SMART.

In FY 2024, the Michigan State Legislature apportioned an additional $20 million for local bus operators. These funds are viewed as a one-time appropriation to supplement ongoing program funding and were sourced from the ARPA relief package, passed in 2021 in response to the global COVID-19 pandemic. Funding is available as pass-through grants from MDOT and is provided at a 100% federal match, helping to alleviate the strain on state and local funding sources.

2.2.2 Non-Urban Transit Operating/Capital Funds

Non-urban providers are additionally eligible for federal transit grants for operating and capital assistance through the Section 5311 Program. Funds are distributed as a pass through from MDOT and support public transportation services in rural areas, or areas with populations less than 50,000. Eligible agencies include legal public bodies that provide transportation in rural areas and private non-profit agencies providing Job Access and Reverse Commute transportation.[xvii] MDOT also allows for 5311 subrecipients to receive FHWA flex-funding, through the Surface Transportation Block Grant (STBG), Carbon Reduction, and/or CMAQ programs.

2.2.3 Urban Transit Capital/Operating Funds

Transit capital funds are available for the capital equipment needs (i.e., rolling stock) of local transit systems, specialized service providers, and commuter rail systems. The state funds are used as the non-federal match to available federal funds, including funding received through the FTA's Section 5307 Program for formula capital and operations funding, Section 5337 Program for rail, Section 5339 Program for bus and bus facilities, and FHWA flex funding programs for CMAQ and other programs.[xviii] Typically, the state share of these projects is 20% of the total project cost. In some instances, projects can be funded with up to 100% of state capital funds.

2.2.4 Specialized Services

The Specialized Services Program provides operating assistance that supports transit service targeted for older adults (65 years and older) and people with disabilities.[xix] For FY 2024, there was $13 million in available state funds for this program. Providers in the RTA Region received over $2 million of these funds, or about 16% of the statewide total (Table 4). Designated through the RTA, the AAATA, DDOT, and SMART directly distribute Specialized Services program funding to 30 subrecipients that are community-based organizations, community transit providers, or municipalities. Funding is allocated through a local coordinating committee process. The AAATA uses a portion of its funds for demand-response services.

Designated Recipient	Provider	Specialized Services Distribution
RTA	AAATA	$397,100
RTA	DDOT	$15,030
RTA	SMART	$1,672,801

Table 4. FY 2024 Specialized Services Distribution to the RTA Region

Source: MDOT. 2024. FY24 Funding Amounts.

Designated Recipient	Direct Recipient	Provider	County
RTA	AAATA	Jewish Federation Services	Washtenaw
RTA	AAATA	City of Milan	Washtenaw
RTA	AAATA	Northfield Human Services	Washtenaw
RTA	AAATA	WAVE	Washtenaw
RTA	DDOT	St. Patrick Senior Center	Wayne
RTA	SMART	Catholic Charities of SE Michigan - Macomb	Macomb
RTA	SMART	Charter Township of Harrison	Macomb
RTA	SMART	Interfaith Volunteer Caregivers (IVC)	Macomb
RTA	SMART	Macomb Community Action (MCA)	Macomb
RTA	SMART	City of Mt. Clemens	Macomb
RTA	SMART	Richmond Lenox EMS Ambulance Authority	Macomb
RTA	SMART	City of St. Clair Shores Dept. of Parks and Recreation	Macomb
RTA	SMART	STAR Transportation (Romeo-Washington-Bruce P & R)	Macomb
RTA	SMART	City of Warren, Department of Parks and Recreation	Macomb
RTA	SMART	City of Berkley	Oakland
RTA	SMART	Birmingham Area Seniors Coordinating Council (BASCC) d.b.a NEXT	Oakland
RTA	SMART	Catholic Charities of SE Michigan - Oakland	Oakland
RTA	SMART	Charter Township of Brandon	Oakland
RTA	SMART	City of Farmington Hills	Oakland
RTA	SMART	City of Ferndale	Oakland
RTA	SMART	Gesher Human Services (formerly JVS Human Services)	Oakland
RTA	SMART	NOTA	Oakland
RTA	SMART	OPC	Oakland
RTA	SMART	Southfield Senior Adult Center	Oakland
RTA	SMART	City of Troy – Troy R.Y.D.E.	Oakland
RTA	SMART	WOTA	Oakland
RTA	SMART	Brownstown Township	Wayne
RTA	SMART	Charter Township of Canton	Wayne
RTA	SMART	Downriver Community Conference	Wayne
RTA	SMART	City of Livonia	Wayne
RTA	SMART	Northville Township	Wayne
RTA	SMART	Pointe Area Assisted Transportation (PAATS)	Wayne
RTA	SMART	Redford Township	Wayne
RTA	SMART	Sumpter Township	Wayne

Table 5. Specialized Service Funding Subrecipients

Source: AAATA, DDOT, and SMART.

2.2.5 Municipal Credit Program

As authorized by Section 10 of MCL Act 51, the Municipal Credit Program provides operating assistance to eligible transit authorities as a "credit" to the cities, villages, and townships that make up the authority. In the RTA Region, SMART and DDOT are the only local transit authorities that receive these funds.[xx]

DDOT, who received $323,660 through the FY 2024 appropriation, uses the funds to support the city of Detroit.[xxi] SMART makes these funds available to municipalities in Oakland, Wayne, and Macomb counties that are interested in developing local transit services. Municipalities in Washtenaw County are not eligible to receive funding through this program. The credit is based on population of each city, village, or township within the SMART three-county service area (Table 6). Each municipality applies with SMART to utilize the available allocation of funds. In return, SMART operates the service, returning the money in terms of a "credit" on a contractual basis with each municipality.[xxii] In FY 2024, SMART communities receive approximately $25,600 in credits on average.

	Macomb County	Oakland County	Wayne County	Total
Total	$868,120	$1,252,210	$1,140,750	$3,261,080
Median	$13,225	$11,570	$17,070	-
Average	$33,389	$21,224	$27,161	-

Table 6. SMART Allocation of Municipal Credits (FY 2024)

Source: SMART Operating and Capital Budget Fiscal Year 2024

2.3 Local Funding

Michigan law authorizes certain local entities to levy property taxes for the purpose of funding or support for public transportation services.[xxiii] Municipalities or counties are eligible to use the proceeds collected from all taxable properties within its jurisdiction to contract with authorities authorized under the Public Transportation Authority Act.[xxiv] The property taxes are levied as a millage, where a mill equals one dollar of tax on every $1,000 of taxable property. In the RTA Region, there are several examples of regional or local millage rates utilized to support public transportation.

2.3.1 SMART Community Credits

Since 1996, SMART has managed the Community Partnership Program (CPP), which offers a partnership with municipalities within its service area to directly support local transit service by leveraging federal funding and returning those funds back to local communities to build their own transit program. Communities can either operate service directly or purchase from a nearby service provider. In most cases, communities participating in the CPP use these community credit funds to serve older adults and persons with disabilities.

SMART's service area includes all of Macomb and Oakland counties, and parts of Wayne County. In 2022, Macomb County residents voted to renew the SMART millage, passing a 0.95 mill rate over the next five years. Wayne County communities outside of Detroit approved a 0.994 mill levy. Historically, communities of Wayne and Oakland counties had the option of "opting-out" of participating in SMART services. However, as of the 2022 Oakland County millage proposal (discussed in detail in the next subsection), Oakland County communities no longer have this option. Table 7 shows the allocation of the CPP by County for the 76 communities that participate. On average, CPP participates receive $56,851 in community credits.

	Macomb County	Oakland County	Wayne County	Total
Total	$1,660,490	$1,343,980	$1,316,180	$4,320,650

	Macomb County	Oakland County	Wayne County	Total
Median	$63,865	$55,999	$50,622	-
Average	$24,075	$33,510	$36,410	-

Table 7. SMART Allocation of Community Credits (FY 2024)

Source: SMART Operating and Capital Budget Fiscal Year 2024

2.3.2 Oakland Transit Millage

In 2022, Oakland County proposed and successfully passed the Oakland County Public Transportation millage, a ten-year 0.95 mill community transit initiative.[xxv] The goals of the new millage were to extend transit options across the county, with proceeds going to existing transit services (i.e., SMART, NOTA, OPC, PEX, and WOTA) but also improve and expand transit access with new paratransit coverage, new microtransit services, new fixed routes to high-demand areas, and service improvements to existing fixed routes, while also providing additional non-federal match for capital projects funded by IIJA. Last, and as previously described, the accepted proposal ended the ability for local communities to opt-out of the transit service network.[xxvi]

From this increased millage, Oakland Transit, a division within the Oakland County Economic Development Department, initiated a one year-long program, known as the Local Transit Reimbursement Program, that provided reimbursement funds to municipalities that were not served by SMART, NOTA, WOTA, or OPC prior to the millage vote, and instead provided local individual programs.[xxvii] This allowed these communities to submit requests for reimbursement for public transit services that were budgeted for in 2023, as they transitioned to services under a new provider.[xxviii]

Other accomplishments in 2023 from the Oakland Transit millage include, but are not limited to:

- New SMART fixed route bus stops and route expansions;
- New vehicles that will allow NOTA, OPC, and WOTA to increase service capacity;
- An expansion of the NOTA service area to include five new communities;
- An expansion of the OPC service area to include new medical facility destinations;
- An expansion of the WOTA service area to include eight new communities, four of which never had transit prior to the new millage;
- A new contract with PEX that allows for the expansion of destinations accessible by residents within the PEX service area; and
- Expanded hours of service NOTA, OPC, and PEX.

2.3.3 AAATA Millage

AAATA has received property tax revenues from the cities of Ann Arbor and Ypsilanti and Ypsilanti Township for many years. AAATA's budget is supported by two types of property taxes, the first of which is property taxes levied by city charters.[xxix] In 2022, residents in these communities voted to approve a new second millage, levied by AAATA, to support expanded and improved transit for TheRide. The 5-year 2.38 mil property tax rate went into effect in August 2024 and will help to "… increase equity within the community and provide more access to jobs, education, shopping and healthcare."[xxx] Improvements to the system that will or have been funded by the millage include:

- Maintaining current services;
- Adding customer service agents at the Ypsilanti Transit Center (began August 2023);
- Creating the Ann Arbor-Ypsilanti Express Route (launched in May 2024);
- Increasing the frequency of service to 30-minute headways on all routes before 6:00pm (began August 2024);
- Increasing the span of service for nights and weekends (began August 2024);
- Adding overnight and holiday service and expanding the FlexRide Late Night service (began August 2024); and

- Supporting ongoing capital improvements, such as bus rapid transit, zero-emission vehicles, and terminal/garage projects.[xxxi]

2.3.4 Other Local Funds

Several other providers in the RTA Region benefit from local millages. For example, in Wayne County the City of Livonia[xxxii] and Redford Township[xxxiii] have local millages to support community and/or senior transportation. In Macomb County, STAR Transportation, a community-based provider of SMART, is, in part, supported by a millage levied on Bruce and Washington Townships.[xxxiv] Additionally, some providers are funded from a city or town's general fund. The primary example of this is DDOT, who is funded directly by the City of Detroit's General Fund.[xxxv]

2.4 Other Funding

Many transportation providers benefit from other sources of directly generated funds beyond the typical federal, state, and local appropriations. Most often, these revenues consist of fees placed upon the user, typically referred to as passenger fares or farebox revenue. Other resources that can be utilized include donations, grants from local foundations, or partnerships with local businesses or private companies.

2.4.1 Passenger Fare Revenue

Fare structures vary across the region and by type of provider. Information on fare structures and fare costs were requested as part of the provider survey and are supplemented by additional provider information. Generally, three different fare policies were identified: fixed fee, distance-based fare, and fare free (Figure 5). Several additional fare structures were noted by respondents, including variations on the above fare structures. The survey indicated that a majority of providers operate on some form of fixed fee (noting that many of the fixed fee services have age or disability reduced fares available to users), following fixed fee, fare free was the next most common fee structure indicated by the provider survey. Several of the fare free respondents indicated that they accept or encourage donations for their trips or that their service is 'free' to residents their organization (discussed in more detail in 2.4.2). For distance-based structures, providers indicated that fares charged on a per-mile basis (i.e. $1.50 for every mile) outside of a given service area or on a sliding scale based on distance with a minimum and maximum (i.e., $2.00 to $8.00).

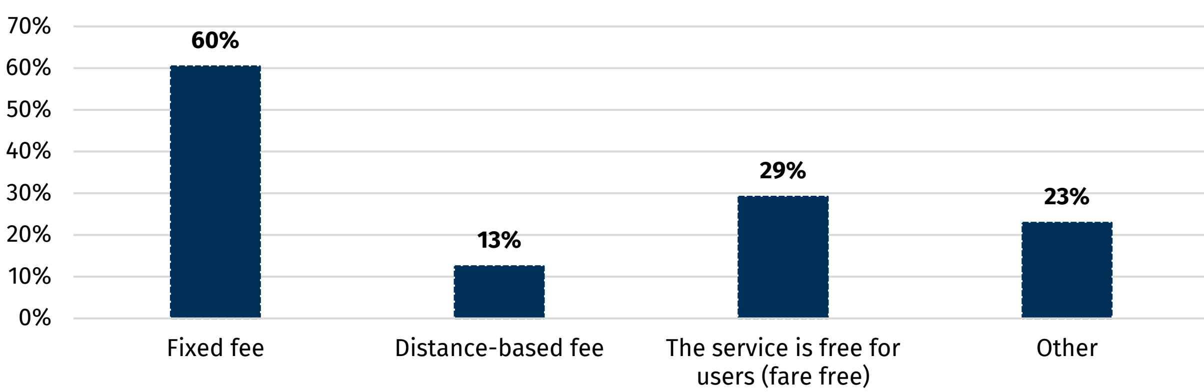

Figure 5. Provider Survey Fare Structure (N = 28)

Source: M4A Transportation Provider Survey, 2024

Table 8 summarizes the fare structures for some of the larger providers within the RTA Region.

Service	Fare Summary	Fare Range (single ride)
AAATA	TheRide used a fixed fare structure with different rates for adults, youths and persons with disabilities. Multi-trip and monthly passes are available.	$0.00 to $1.50
DDOT	DDOT services operate on a time-based fare which range from 4-hrs to 31-days. Reduced fare passes are available seniors, people with disabilities, Medicare cardholders, and students with proper school ID.	$0.50 to $3.14
DTC	Detroit People Mover service is fare free to all users due to an annual local subsidy from Priority Waste. It historically had a fare of $0.75.	$0.00
RTA DAX	The RTA Detroit Air Xpress (DAX) has fixed fares but offers reduced tickets for advanced online purchases or multi-trip passes, and discounted passes for seniors, people with disabilities, youths, and college students.	$2.00 to $8.00
RTA D2A2	The RTA Detroit to Ann Arbor (D2A2) has fixed fares but offers reduced tickets for advanced online purchases or multi-trip passes, and discounted passes for seniors, people with disabilities, youths, and college students.	$2.00 to $8.00
RTA QLINE	The QLINE is fare free to all users due to an annual state subsidy approved by the Michigan State Legislature.[xxxvi] It historically had a fare of $1.50.	$0.00
SMART	SMART uses a fixed fare structure for its various services. Reduced fares are available for some of their services based on age and disability status of the user.	$0.50 to $4.00

Table 8. Summary of Fare Structures in the RTA Region

Source: Provider websites, 2024

2.4.2 Donations

Many human service transportation providers are nonprofits, meaning they can leverage a tax-exempt status that encourages donations and charitable contributions. Of the 50 providers who responded to the Transportation Provider Survey, 11 providers (or 22%) indicated they receive some funding from private donations or via fundraising. For example, OPC accepts a variety of donations, including cash gifts, tributes in honor of an individual, matched gifts from corporations or businesses, publicly traded securities, in-kind gifts, and even bequests via wills or trusts.[xxxvii] In FY 2023, the OPC Transportation program was supported by $22,793 in donations.[xxxviii] While only 1% of the final revenues received for that fiscal year, OPC typically only budgets for $15,000 in donations per year, freeing up local or state funds received for other purposes.

Some community-sponsored services are offered free of charge to eligible riders, such as older adults. However, these providers do accept donations from riders in lieu of a fee. For instance, the Civic Park Senior Center in the City of Livonia offers a shuttle to doctors' offices for local seniors, for which "[t]here is not charge for this service although donations are gratefully accepted."[xxxix] While not a consistent or sustainable source of funding, user donations are valuable and appreciated by the organizations that accept them.

2.4.3 Foundation Grants

As previously stated, many of the human service transportation providers in the RTA Region are nonprofits, and as such are often prioritized to receive funding through grants offered by foundations due to their charitable missions. Of the 50 providers who responded to the Transportation Provider Survey, 13 providers (or 26%) indicated they receive some funding from foundations or non-profit grants to support their transportation programs. There are numerous community foundations who operate in the RTA Region and sponsor a wide variety of grant programs to support community-specific needs or programs and projects that enhance the quality of life of residents. By way of an example, the Ann Arbor Area Community Foundation (AAACF) is a philanthropic organization that strives to enrich Washtenaw County through a variety of grant opportunities. In 2023, both the Jewish Family Services of Washtenaw County and the Milan Seniors for Healthy Living organizations received grants from the AAACF's Senior

Citizens Housing of Ann Arbor Fund for Seniors to support door-to-door transportation services for older adults.[xl]

2.4.4 Corporate Sponsorships or Partnerships

Providers can leverage corporate sponsorships or partnerships to generate additional revenues. Of the 50 providers who responded to the Transportation Provider Survey, 9 providers (or 18%) indicated they receive some funding from partnerships with private entities or corporations. Larger providers often receive additional revenue through third-party advertisement on buses or in transit centers. Other agencies, such as the Milan Seniors for Healthy Living (MSHL), allow a variety of corporate sponsorship opportunities.[xli] Sponsors can advertise their business on an MSHL vehicle, the MSHL website, MSHL social media pages, and/or receive recognition in the MHSL newsletter. Other options include sponsoring an event, such as holiday events for members or bingo basket or door prizes, or "Adopt-a-Service," where sponsors can fund specific MSHL programs, such as Meals on Wheels.

2.5 Community Transit Provider Funding

There are a number of community transit providers that operate transportation services in the RTA Region. Community providers are typically smaller entities that provide demand-response transportation service within a specific geography and/or to certain demographics, such as seniors, people with disabilities, people with low incomes, and veterans. Community transit providers include transit agencies, municipalities, and non-profit organizations, other than the region's primary public transit agencies, AAATA, DDOT, DPM, RTA, or SMART. Over 80 of these entities receive public funding for transit in Southeast Michigan. Data on community transit providers' budgets are diffuse and are not consistently available. Some entities pass funding through to service operators and some operate services themselves. Funding sources vary by entity and include but are not limited to:

- Local transportation millages
- County transportation millages
- Municipal and Community Credits
- MDOT LBO
- MDOT Specialized Services Program Funding
- FTA Sections 5310 and 5311 Program Funding
- Local Community Stabilization Authority Funding
- Donations

3. Comparison with Peer Regions

To better understand how the RTA Region is funded, it is helpful to compare the funding levels of peer regions around the county. Although funding models differ across regions due to variations in local and state laws, adopting best practices from other areas can help inform future funding decisions. This section of the technical memorandum builds from the peer analysis that was conducted in the Existing Conditions memorandum, where five organizations were asked a series of questions on the development of their CHSTP and other best practices. The five peer regions interviewed were:

- Boston Region Metropolitan Planning Agency and the Massachusetts Department of Transportation (MassDOT)
- Charlotte Region Transportation Planning Organization (Charlotte Area Transit System [CATS]))
- Delaware Valley Regional Planning Commission (DVRPC)
- Northeast Ohio Areawide Coordinating Agency (NOACA)
- Regional Transportation Authority of Chicago (Chicago RTA)

The peer regions selected for examination are all large urban UZAs, with a population greater than 200,000, and are characterized by a dense metropolitan area surrounded by decreasing density of development and transit services. The RTA Region sits squarely in the middle of its peers in terms of population and square mileage, with the highest population and land area being the Chicago UZA and the lowest being the Charlotte UZA. Per capita operating expenses provides a comparison of how much transit service each agency provides its region. Capital expenses are not included because they fluctuate year over year. The RTA Region stands out from the group, with operating expenses per capita significantly lower than its peer regions, barely a quarter of their average. This comparison suggests that lower operating expenses result in lower ridership (Table 9).

Peer Region	UZA Population	UZA Land Area (Sq. Mi.)	Overall Operating Expenses Per Capita	Trips Per Capita
Detroit / Ann Arbor (RTA Region)	**4,094,579**	**1,428**	**$75**	**7**
Boston	4,382,009	1,656	$457	55
Chicago	8,671,746	2,338	$356	38
Charlotte	1,379,873	658	$156	11
Cleveland	1,712,178	714	$181	14
Philadelphia	5,696,125	1,898	$319	37

Table 9. Comparison of Per Capita Operating Expenses Across Peer Regions (FY 2023)

Source: National Transit Database, 2023

In terms of funding (revenue rather than expenses), the RTA Region varies from its peers, with transit funding per capita trending lower overall, and in all funding sources except state funding (Table 10). Overall, transit funding from all sources in the RTA Region has increased by about 18% since the development of the 2020 OnHand plan, where 2018 data indicated about $82 per capita was spent on transit. Data from 2023 demonstrates growth to $97 per capita across all sources of funding. Most of this increase is seen in the federal funding category, with state and local sources remaining steady since 2018, however adjusted for inflation transit spending is down approximately $2 per capita based on BLS data[xlii]. Still, the region's transit system is funded five times less than its peers, who reported an average of $468 per capita across all funding sources.

Peer Region	UZA Population	UZA Land Area (Sq. Mi.)	Overall Transit Funding per Capita	Federal Funding per Capita	Non-Federal Funding per Capita	State Funding per Capita	Local Funding per Capita
Detroit / Ann Arbor (RTA Region)	**4,094,579**	**1,428**	**$97**	**$27**	**$70**	**$27**	**$36**
Boston	4,382,009	1,656	$920	$110	$810	$641	$46
Chicago	8,671,746	2,338	$568	$138	$431	$88	$267
Charlotte	1,379,873	658	$201	$41	$160	$11	$129
Cleveland	1,712,178	714	$232	$33	$199	$1	$166
Philadelphia	5,696,125	1,898	$418	$124	$294	$183	$48

Table 10. Comparison of Per Capita Funding Across Peer Regions (FY 2023)

Source: National Transit Database, 2023

Federal transit funding is most often delivered via a formula that includes population and population density as a variable. The formula used to apportion funds to large urban UZAs (as opposed to small urban UZAs of populations between 50,000 and 199,999) additionally considers revenue vehicle miles operated within the UZA. Funding levels for federal grants are largely pre-determined and variations are dependent on the maximum amount each funding program is authorized by Congress. The RTA Region trends more towards Charlotte and Cleveland, which are like Detroit in terms of smaller levels of fixed guideway service in addition to bus and demand-response service. Boston, Chicago, and Philadelphia have a higher federal funding per capita rate and are all characterized by larger regional rail systems, which generate higher ridership and additional revenue miles. The state of Massachusetts also utilizes the technique of voluntary NTD reporting by intercity transit providers and ferry operators to generate additional revenue miles within the state's UZAs to maximize the available federal funding apportionments.

In terms of state funding levels, the RTA Region is supported by more state dollars on a per capita basis than Charlotte and Cleveland. The motor fuel tax in these regions is used to primarily fund roadway infrastructure projects, with smaller portions of the statewide tax allocated to support transit projects. Other regions, such as Boston and Philadelphia, are more generously supported by state budgets. However, the bulk of these funds are utilized by a single large agency like the Massachusetts Bay Transportation Authority, reporting use of 99% of the total state funds in the Boston UZA, and the Southeastern Pennsylvania Transportation Authority, reporting use of 89% of the total state funds in the Philadelphia UZA. If you were to remove these agencies from consideration, state spending per capita is much more in line with the RTA region.

When comparing local funding, the RTA Region is slightly lower, but still in line with Boston and Philadelphia. Charlote and Cleveland, with relatively low state funding resources, have a much higher rate of local funding spent per capita. Despite having the largest population, the Chicago UZA reports the highest per capita spend of local dollars. The Chicago RTA is the recipient of by a regional sales tax that is levied on the City of Chicago and the six-county region it serves, producing approximately 41% of the annual revenue budget.[xliii] Currently, Michigan law does not allow for sales tax revenues to be used for transit projects.[xliv] The main source of locally generated tax revenue comes from property tax millages.

FTA Section 5310 Funding is apportioned to each UZA based on the number of seniors (ages 65 and above) and individuals with disabilities in the region.[xlv] Table 11 provides the Section 5310 apportionment funding per capita (total residents) in the RTA Region and in peer regions. Compared with its peers, in FY2023, the RTA Region received relatively higher funding per capita through Section 5310, although the requests received for FY 2025-2026 were double the amount of funding available.

Peer Region	UZA Population	5310 Apportionments	5310 Apportionments per capita
Detroit / Ann Arbor (RTA Region)	**4,094,579**	**$5,788,634**	**$1.41**
Boston	4,382,009	$5,533,971	$1.26
Chicago	8,671,746	$10,078,759	$1.16
Charlotte	1,379,873	$1,470,966	$1.07
Cleveland	1,712,178	$2,684,632	$1.57
Philadelphia	5,696,125	$7,608,041	$1.34

Table 11. Comparison of Per Capita 5310 Apportionments Across Peer Regions (FY 2023)

Source: National Transit Database, FY 2023 Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities (Full Year)

4. Key Findings and Needs

4.1 Variation in Funding Sources

There are four main sources of funding for transit services in the RTA Region: federal grants, state programs, local funds, and other directly generated sources, such as fares, donations, or foundation grants. The balance of these funds varies by geography, by provider type (i.e., fixed route providers, demand-response providers, and other providers, such as community-based and non-profit transit providers) and by expense type (i.e., operating or capital). Federal funding is a significant revenue source for all provider types and for both operating and capital budgets.

Many community-based and non-profit providers rely on a wide variety of funding sources to support transit options. Each funding source has distinct application processes, eligibility criteria, and reporting requirements, which can be challenging to balance and navigate. Managing multiple funding streams requires significant administrative capacity, which can strain smaller community providers or nonprofits with limited resources. Additionally, some sources, like donations and fundraising or corporate sponsorships, are not always stable. Other sources, such as repeated applications for foundation grants, require further administrative effort and are not always guaranteed. Streamlining funding mechanisms can offer smaller agencies options to operate more efficiently and effectively, while also providing greater flexibility to meet emerging needs.

4.2 Influx of Federal Funding

Between 2019 and 2023, the RTA Region received an influx of federal funds through COVID-19 relief packages and the recent IIJA. COVID-19 relief measures, including the CARES Act, CRRSAA, and ARPA, provided critical operating funds to offset revenue losses due to reduced ridership during the pandemic. These funds enabled systems like DDOT, SMART, and AAATA to maintain services, cover operating deficits, and enhance safety measures. It is important to recognize the relief funds as one-time appropriations and not as a sustainable source of funding. Strategic use of one-time funding, such as addressing postponed maintenance activities, investing in technology, or bridging short-term operational deficits, can help providers build resilience without compromising their long-term financial health. The IIJA further bolstered transit funding with long-term investments targeting infrastructure modernization, fleet electrification, and improved accessibility. Projects such as upgrading bus fleets, developing regional transit hubs, and expanding service options have gained momentum thanks to these historic funding levels, positioning the region to improve connectivity and sustainability in the years ahead.

4.3 Increases in Local Funding Maximizes State and Federal Funding

The RTA Region has an increased ability to leverage state and federal funds through the support of recent increased local funding, such as the dedicated millages passed by local voters in 2022. Local funding from millages, like those supporting SMART and AAATA and now Oakland County transit services as a whole, provides a stable revenue stream that demonstrates community commitment to transit investment. This local financial backing not only sustains day-to-day operations but also strengthens the region's competitiveness for federal grants, which often require non-federal matching funds. Increased local funding releases critical state matching funds, allowing agencies to maximize the use of state and federal sources. This synergy between local, state, and federal funding is crucial to advancing regional mobility and fostering economic growth. However, raising additional local funding can be a challenge.

4.4 Variation in Provider Fare Policies and Prices

Fare policies vary across the RTA Region. Generally, three different fare policies were identified: fixed fee, distance-based fare, and fare free. Variations in policies can create a regional challenge of ensuring fare access, as inconsistent pricing can disproportionately impact low-income and vulnerable populations, potentially limiting their access to affordable transit. Additionally, varied fare structures can create confusion among riders, especially those navigating multiple transit modes or jurisdictions, reducing system usability. To help address variations in fare policy, in 2023, Oakland County Transit standardized fares across the Oakland County Community Transit Providers, NOTA, OPC, PEX, and WOTA.

Differing fare policies and structures in the RTA Region pose challenges but are not necessarily unique: in their CHSTPs, the Boston Region Metropolitan Planning Agency and the Charlotte Region Transportation Planning Organization both identified challenges and opportunities regarding fares. The Boston Region Metropolitan Planning Agency recommends integrating fare structures across the region.[xlvi] In Charlotte, the plan recommends developing interoperability agreements between providers and a shared mobile ticketing platform.[xlvii]

These challenges present opportunities to innovate and optimize fare systems. Integrating fare policies across transit agencies can improve the overall user experience in the region. Additionally, agencies can consider implementing new technologies, such as smart cards, rider accounts, or mobile apps, to streamline payments and interoperability between services and agencies. Addressing these complexities can allow the RTA Region to enhance efficiency and effectiveness in their transit networks.

4.5 Funding Data Availability

Given the large number of providers in the RTA Region, there is not one consistent and reliable source that provides information on regional transportation funding, budgets, and capital needs. Data is diffuse and can be challenging to compile and compare. There is opportunity for the RTA to work with providers to develop a database that includes budgets and other statistics from all the region's transit services in order to better monitor and leverage how funding is being used across Southeast Michigan. One goal of the initiative could be to gain a greater understanding of fund sources and passthrough and contracting arrangements to increasingly ensure that the region's funding for public transportation is not unaccounted for or being double counted. This database can also be used to collect and analyze operations data, such as ridership, and information on capital assets. It would be helpful to further identify regional transit funding needs.

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