MDOT OFFICE OF PASSENGER TRANSPORTATION UPDATE

2014 Annual Transit Meeting
Capital Match
Federal Update
Procurement
Federal Reviews
State Budget
LBO Distribution
MDOT Bus Purchasing
CDL Medical Cards
Regional Prosperity Initiative
Governor’s Special Message on Aging
FY2015 Boilerplate
Regional Transit Authority Update
CAPITAL MATCH
Capital Match 2014

- Match needs $25.2 million
- CTF Annual Appropriations, a.k.a. cash - $25.9 million
  - Most flexible
  - Must be in an executed project authorization in year appropriated
- Remaining $700,000 will be switched for bond funds in existing contracts
<table>
<thead>
<tr>
<th>Federal Funds For...</th>
<th>Matched Needed...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buses - $40 M</td>
<td>$10 M</td>
</tr>
<tr>
<td>Facilities - $5.2 M</td>
<td>$1.3 M</td>
</tr>
<tr>
<td>Equipment and preventive maintenance - $55.6M</td>
<td>$13.9M</td>
</tr>
</tbody>
</table>
FEDERAL GRANTS
Grants Submitted June 2014

- 2014 Section 5310
- 2014 Section 5310 Flex
- 2014 Section 5311 Flex
- 2014 Section 5339
- 2014 JARC (5316, 5311 and 5307)
- 2014 NF
Section 5310

- Received $1.9 million rural and $1.7 million small urban
- Were able to fund all requests from subrecipients in small urban and rural areas
- Used prior year 5310 funds for replacement buses in large urban areas
- Used prior year NF funds for all nonurban NF projects and a portion of small urban NF projects
- Continuation NF project $500,000 rural and $850,000 small urban
Priorities for new program

- Replacement vehicles – originally funded with FTA funds
- Continuation of NF projects
- Replacement vehicles – originally funded with local funds
- Expansion vehicles
- Other capital
- Expansion NF projects
Section 5311

- 5311 Capital flex – included $2 million of federal funds and $500,000 of state for 31 agencies
- 5311 Operating – 2014 – provided 16% of operating costs
- 5311 Operating – 2015 – will provided 18.5% of operating costs
  - Will apply for remaining 2014 funds in September (will provide a little more than 50% of the funding)
  - Once 2015 federal funds are appropriated, will apply for the remaining funds
Section 5339

- Small urban funds
  - Allocated to each agency based on percentage share of 5307 funds
  - Agencies were to select three ALIs for inclusion in the grant
- Rural funds
  - Were distributed based on % of fleet eligible for replacement
  - Replaced the 8 hybrid buses previously purchased off state contract
  - 7 agencies and 18 buses
Job Access/Reverse Commute

FY 2014
- Rural – funded continuation projects using the remainder of JARC funds and $155,000 of 5311 funds
- Small urban – funded about 50% of each continuation project using JARC funds and some 5307 funds

FY 2015
- Rural – will fund with 5311 funding - $1.1 federal/$900,000 state
- Small urban – will fund operating and mobility management with 100% state Transportation to Work funds - $2.8 million
To secure the funding, all project authorizations for FY 2014 programs must be signed and returned to MDOT by September 9, 2014.

Should include resolution from board if a blanket resolution is not on file at MDOT.
PROCUREMENT
Procurement

- Dean Peterson - Request for Proposals or Invitations to Bid
- Project Managers – micro purchases or small purchases
- Bring NTI to Michigan for a “Procurements for Small Urban and Rural Transit Agencies” in late fall
Procurement

- MiDeal (except for vehicles that MDOT specs)
  - Transit agencies will no longer be able to purchase off MiDeal
  - DTMB uses a geographic preference in all procurements which is not allowed under FTA guidelines
  - Federal clauses are not included in the procurements

- Agencies will need to purchases items like radios and computer equipment locally

- MDOT and two associations will look at ways we can help with purchases
FEDERAL REVIEWS
Week of August 11, 2014
Two days at MDOT – program management, project management, grant administration, procurement, civil rights, and drug and alcohol
One day at 5311 subrecipient and 5310 subrecipient
Exit conference – 15 findings in 7 areas
  - Only 8 of the findings involve 5311 agencies
Draft report in 21 days – 10 days to respond – Final report 45 days
Response on findings due December 15 – can request longer
SMR Findings – Procurement

- Post delivery audits of compliance for Buy America not performed
  - Agency will need to obtain from dealer and audit
- Three procurement findings on administration of the 5303 program with MPOs
  - Lobbying certifications not signed
  - No FTA clauses
  - No verification that excluded parties are not participating
SMR Findings – Asset Management

- Violation of incidental use requirements
  - Submit to FTA for approval listing of all incidental uses of FTA funded facilities and facility related equipment
- Inadequate control of real estate
  - Submit to FTA procedures for ensuring that incidental use does not interfere with public transportation
- Facility plan lacking or inadequate
  - Submit to FTA procedures for ensuring facility maintenance plans address FTA funded equipment
Insufficient oversight of route deviation service
- Ensure that agencies that provide this service provide clear information to the public

Insufficient oversight of ADA paratransit service
- Ensure that agencies that provide this service do not have capacity constraints and have compliant no-show polices

Insufficient oversight of ADA complaint procedures
- Ensure that subrecipients report ADA-related complaints
SMR Findings – Title VI

Title VI public notice deficiencies

- Ensure that subrecipients provide information to the public on how to request additional information on Title VI obligations
SMR Findings – Program Management

- Coordinated plans not updated at required cycle
  - Submit schedule for updating the coordinated plans in urbanized areas as part of same cycle as the update to TIPs
- Inadequate oversight of subrecipients/third party contractors
  - Submit schedule for overseeing Section 5311 subrecipients of urban grantees
SMR Findings – Grant and Financial Management (MDOT Only)

- Incorrect FFR reporting (2 findings)
  - Submit procedure for reporting cash receipts and disbursements and indirect expense information

- Insufficient effective control
  - Submit procedure for ensuring that draws are on the correct financial purpose code
  - Submit a reconciliation for all open grants that use multiple financial purpose codes
Drug and Alcohol Review

- FTA scheduled for September 2014
- Now is rescheduled for FY 2015
- Will include review of 9 subrecipients (which have been selected)
- Items that MDOT will be focusing on in the next few months:
  - Drug and Alcohol Policies
  - Random selection
  - Collection sites
STATE BUDGET
FY2015 Public Transportation Budget – PA 252
State Funds Only

- Local Bus Operating, 167,400,000
- RTA Staffing, $1,100,000
- Intercity Bus/Multimodal, $1,150,000
- Office of Rail, $48,558,800
- Marine, $400,000
- Public Transportation Development, $39,491,500
- Transit Capital and Rail Infrastructure, $10,000,000

Total Program: $268,100,300
FY 2015 - Local Transit Program CTF Appropriations

Local Transit Total $219,541,500

- **Local Bus** $167,400,000 (76%)
- **Bus Transit Capital** $25,895,300 (12%)
- **Transportation to Work** $4,700,000 (2%)
- **Transit Capital and Rail Infrastructure** $10,000,000 (4.5%)
- **Other: RTA, Municipal Credit, Service Initiatives, Vanpool** $7,692,300 (3.5%)
- **Specialized Services** $3,853,900 (2%)
## OPT CTF Program: FY 2014 vs. FY 2015 Executive Recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2014 Appropriations</th>
<th>FY2015 Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Initiatives</td>
<td>$332,900</td>
<td>$2,847,300</td>
</tr>
<tr>
<td>Intercity Terminals</td>
<td>$461,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Vanpool</td>
<td>$807,000</td>
<td>$195,000</td>
</tr>
<tr>
<td>Marine Passenger</td>
<td>$400,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Intercity Services</td>
<td>$1,250,000</td>
<td>$1,000,000</td>
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<tr>
<td>Municipal Credit</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
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<tr>
<td>Specialized Services</td>
<td>$3,943,800</td>
<td>$3,853,900</td>
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<tr>
<td>Transportation to Work</td>
<td>$4,700,000</td>
<td>$4,700,000</td>
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<tr>
<td>Bus Transit Capital</td>
<td>$25,895,300</td>
<td>$25,895,300</td>
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<tr>
<td>Operating Assistance</td>
<td>$166,624,000</td>
<td>$167,400,000</td>
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<tr>
<td>Discretionary State Operating</td>
<td>$5,400,000</td>
<td>0</td>
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<tr>
<td>General Fund – Transit Capital and Rail</td>
<td>0</td>
<td>10,000,000</td>
</tr>
<tr>
<td>General Fund – RTA (staffing only)</td>
<td>0</td>
<td>1,100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$211,814,000</strong></td>
<td><strong>$219,541,500</strong></td>
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</table>
Local Bus Operating Distribution

- Overview of the formula distribution process
- Trend in distribution percentages
- Budget Distribution Timeline
Section 10(e) of Act 51 of 1951, as amended, sets forth some specific requirements regarding the distribution of Local Bus Operating (LBO) assistance:

- Agencies that provide service in an urbanized area with population over 100,000 are to receive up to 50% of eligible expenses (50% group)
- Agencies that provide service in a nonurbanized area or an urbanized area with population under 100,000 are to receive up to 60% of eligible expenses (60% group)
- Every eligible agency is to receive an amount that is “not less than the distribution received for the fiscal year ending September 30, 1997” (their “floor”) as long as their local share to state share ratio does not fall below the ratio from 1989 (the floor is to be reduced by the same percentage that the ratio is reduced)
The CTF appropriation for LBO is first split between the 50% and 60% groups based on the percent of maximum allowable reimbursement represented by each group.

Each group’s share of the appropriation is then distributed based on each member’s share of eligible expenses.

If an agency would receive less than their floor based on that distribution then their floor amount is taken off the top of the group’s share and the distribution is recalculated for the remaining members of the group.
FY2015 – Preliminary Budget Distribution Results

- $167.4M - CTF Appropriation
- $519M - Statewide budgeted eligible expenses as of August 14, 2014
- Over 100,000 urban (50% group in Act 51): Estimated FY 2015 distribution rate – 29.89% based on eligible expenses of $391.6 million
- Under 100,000 urban/nonurban (60% group in Act 51): Estimated FY 2015 distribution rate – 36.38% based on eligible expenses of $127.7 million
- Transit agencies may adjust their FY 2015 estimated budgets August 29, 2014. If you need to revise your budget, contact your project manager.
November/December: The annual application instructions include the prior year’s budgeted distribution percentages to use when development your budget for the next fiscal year.

March: Budgets are submitted to MDOT for review.

June: The reviews are completed and we (hopefully) have an approved state budget, so a preliminary budget distribution is calculated based on that information.

- We allow budget revisions until late August to allow agencies to react to the many factors that may have impacted operating needs since the budget was first developed. This allows for more accuracy in the final budgeted distribution calculation thus decreasing the chance for large percentage swings during reimbursement.

September: Final budgeted distribution percentages are calculated and submitted budgets are “locked in”. 
MDOT BUS PURCHASING
State Vehicle Contracts

- Light-Duty Small Bus
- Small Bus
- Medium Bus
- Modified Minivan with Ramp
- Conversion Van with Lift
Light-Duty Small Bus

- Hoekstra Transportation (ElDorado)
- Mobility Transportation (Champion)
- Shepard Brothers (Coach & Equipment)
Light-Duty Small Bus

- Mobility Transportation is the low bid vendor and MDOT will pay 100% for this bus. Other vendors may require a local contribution.
- Ford gas or diesel and GM diesel
- Available with or without a co-pilot (passenger) seat and door.
Small Bus

- Hoekstra Transportation (ElDorado)
- Mobility Transportation (Champion)
- Shepard Brothers (Coach & Equipment)
Mobility Transportation is the low bid vendor and MDOT will pay 100% for this bus. Other vendors may require a local contribution.

Ford gas, GM Diesel, Propane, CNG
Medium Class of Buses

- Hoekstra Transportation dealer for ElDorado bus
- Contract: December 2012-December 2014 + 1yr option to extend.
- Two chassis available
  - Ford
  - International
Modified Minivan with Ramp

- Contract expired May 2014
- Next steps...
  - Accessible Passenger Vehicle Contract
    - Current: finalizing specifications
    - Estimated contract date January 2015.
Conversion Van with Lift

- Contract expired May 2014
- Next steps...
  - Vehicle Equipment Advisory Team Meeting to discuss new specifications. Date: Fall 2014
Some people are still having problems with local Secretary of State offices requiring medical cards of transit drivers.

Please take the letter that we emailed on May 6 with you to the SOS office.

SOS is attempting to get word out to the local offices and has offered to revise their CDL application/renewal form.
REGIONAL PROSPERITY INITIATIVE
Regional Prosperity Initiative

- RPI establishes a common set of geographic boundaries that all state agencies will recognize/ utilize
- A catalyst for the development of a local "economic vision" in the 10 RPI areas
- Transportation provides the lifeblood for economic opportunities – so MDOT a significant part of this initiative.
### Fy2014 RPI Grants

<table>
<thead>
<tr>
<th>Region</th>
<th>Successful Regional Prosperity Grant Applicant</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 A</td>
<td>Western Upper Peninsula Planning and Development Regional Commission</td>
<td>$250,000</td>
</tr>
<tr>
<td>1 B</td>
<td>Central Upper Peninsula Planning and Development Regional Commission</td>
<td>$159,000</td>
</tr>
<tr>
<td>1 C</td>
<td>Eastern Upper Peninsula Regional Planning and Development Commission</td>
<td>$155,330</td>
</tr>
<tr>
<td>2</td>
<td>Northwest Michigan Council of Governments</td>
<td>$375,000</td>
</tr>
<tr>
<td>3</td>
<td>Northeast Michigan Council of Governments</td>
<td>$250,000</td>
</tr>
<tr>
<td>4</td>
<td>Grand Valley Metropolitan Council</td>
<td>$250,000</td>
</tr>
<tr>
<td>5</td>
<td>East Michigan Council of Governments</td>
<td>$155,330</td>
</tr>
<tr>
<td>6</td>
<td>Genesee-Lapeer-Shiawassee Region V Planning and Development Commission</td>
<td>$250,000</td>
</tr>
<tr>
<td>7</td>
<td>Tri-County Regional Planning Commission</td>
<td>$155,330</td>
</tr>
<tr>
<td>8</td>
<td>Southwest Michigan Planning Commission</td>
<td>$250,000</td>
</tr>
<tr>
<td>9</td>
<td>Region 2 Planning Commission</td>
<td>$250,000</td>
</tr>
</tbody>
</table>
MDOT Implementation

- The 7 MDOT regions will align with the 10 Prosperity Regions
- Three MDOT RPI Teams being formed. Charged with assembling items for consideration and resolution
  - Region RPI Team - Region and TSC members.
  - Statewide RPI Team - Central office functions, including planning, highway development, and others
  - Modal - Offices of Aeronautics, Rail, Passenger Transportation
- Work of teams to be completed and revised organizational structure to be up and running by Oct. 1, 2015
MDOT Region map with re-alignment
MDOT Region map and Prosperity Regions
GOVERNOR’S SPECIAL MESSAGE ON AGING
June 2, 2014 - “Making Michigan a Great Place to Live Well and Age Well”

- “Michiganders, including many older adults, need regional mobility and transit providers need to become more regionally focused. This is both an urban and rural issue.”

- Directed MDOT to partner with MPOs and RPAs to
  - Identify the most significant gaps in regional mobility, especially for the aging population, and eliminate those gaps.
  - Achieve better coordination between transit agencies for more efficient and effective transfers from one transit service to a service in the neighboring county.
Three Step Implementation Plan

1. GAP ANALYSIS

MDOT will request a brief report from each Michigan’s 14 RPAs on the status of regional transit mobility in their area

- MDOT will provide guidance for the report content
- We will request initial reports by January 2015
- Will need to work with transit agencies to complete this gap analysis
Three Step Implementation Plan

2. MAUW Regional Planning

Under Michigan Associated of United Ways (MAUW) FTA Veterans grant, MAUW improving transportation component of its 2-1-1 program/establishing a statewide call center

MAUW will update existing local transit-human resources coordinated plans to:

- Account for the transportation needs of veterans
- Grow local plans into more robust regional plans
Three Step Implementation Plan

After MAUW planning effort, MDOT will ask each RPA to:

a) Generate a definitive list of regional gaps in priority order and prioritizes regional needs in contrast to local needs

b) Generate an action plan to address their highest priority regional needs and work with transit agencies to close gaps when possible within existing service levels
3. IDENTIFY STATEWIDE NEEDS

MDOT will work with the RPAs to identify the most significant regional mobility needs within the state.

- MDOT will procure consulting services to assist specific RPAs that have high priority needs (from a statewide perspective)
- For statewide priorities more targeted action plans to identify solutions that could be enhanced with additional local, state or federal resources and/or additional state authorization (i.e., changes to state law or programs).
Section 312 – State Funding Coordination

- Multi-agency workgroup to determine how the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current transportation services for these populations under 1 department.
  - Transportation
  - Community health
  - Human services
  - Corrections
  - Strategic fund in the department of treasury
  - 1 member from both the senate and the house of representatives

- Report on findings of workgroup by March 1
MDOT shall promote best practices for public transportation services in this state, including, but not limited to, the following:

a) Transit vehicle rehabilitation to reduce life-cycle cost of public transportation through midlife rehabilitation of transit buses

b) Cooperation between entities using transit, including school districts, cities, townships, and counties with a view to promoting cost savings through joint purchasing of fuel and other procurements.
Section 393 – Transit Best Practices

a) Coordination of transportation dollars among state departments which provide transit-related services, including the department of human services and the department of community health. Priority should be given to use of public transportation services where available

b) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

MDOT shall report on efforts taken to implement this section as well as section 393 of article XVII of 2011 PA 63 on or before March 1, 2015
REGIONAL TRANSIT AUTHORITY
Regional Transit Authority

- RTA is administratively functional and has $2.6M (about three years) of administrative funds
- Has met specific Act 387 deadlines and related obligations related
  - Board adopted By-Laws and procedures/policies for:
    - Open Meetings Act; Board reimbursement; Procurement/Contracting;
      Fulfilling its role in directing the federal and state transit funds that come to the region
  - Has a web presence
  - Has become the designated recipient for the region’s state and federal funds
- Act 387 mandated committees formed
  - Providers Advisory Council
  - Citizens Advisory Committee
- Adopted an Administrative budget
- Filed its first annual legislative report
Regional Transit Authority

What will Substantively Functional look like?

- A CEO and appropriate staff
- An Updated Regional Plan
- Coordinated local planning
- Coordinated regional and local investment
- RTA Issued Coordination Directives regarding:
  - Services
  - Operations/Administration
  - Infrastructure
What will Substantively Functional look like?

- Completion of Alternatives Analyses for four major transit corridors
  - Woodward Avenue AA under SEMCOG’s leadership
  - The RTA issued an RFP for planning services for AAs in the other corridors on August 1st
  - FTA has awarded the RTA a $6.5 million grant to conduct these additional AAs
  - AA results, along with the updated regional plan, will set stage for what new services will be proposed and for a regional revenue vote (in 2016) to support those services

- Long term revenue sources in place
  - Regional
  - Federal