



Memorandum

To: Livingston County Board of Commissioners
From: Greg Kellogg, Transportation Director
Date: 03/24/2025
Re: Resolution of Intent to Apply for State Financial Assistance for Fiscal Year 2026 under Act 51 of the Public Acts of 1951, as Amended - LETS

Attached for your consideration and approval is a resolution stating the intention of LETS to apply for financial assistance from the State of Michigan for FY 2026 under Act 51 of the Public Act of 1951, as amended. This resolution must accompany the application to be considered for state funding.

The application includes federal funds of \$3,712,400; state funds of \$2,227,849; and local/other funding of \$2,371,804. The "local/other" category comprises all non-federal/state funding, which includes passenger fares, service contract revenue, contributions from local partnerships, and a continuation of the County's \$65,000 General Fund contribution.

State Local Bus Operating Assistance

The State of Michigan Local Bus Operating (LBO) program provides operating assistance to support public transit programs across Michigan as required by Act 51 of 1951. The LBO program provides reimbursement for eligible operating expenses at a rate that varies annually based on available funds from State budget appropriations and the total funding requested by all transit agencies statewide. MDOT issues a preliminary LBO rate for budgeting purposes, which is currently 26.0423% for FY 2026. The LETS programs eligible for this assistance include regular countywide service, the passthrough funding agreement with People's Express, and the Michigan Flyer airport shuttle service.

Federal Section 5307 Urban Operating Assistance

Provides 50% reimbursement of eligible operating expenses for regular countywide service. The 50% reimbursement must be calculated net of passenger fare revenue.

Federal Section 5311 Rural Operating Assistance

Provides 18.0% reimbursement for operating expenses for the pass-through funding agreement with People's Express of Whitmore Lake to provide supplemental dial-a-ride service in southeast Livingston County.

Specialized Services Operating Assistance

State pass-through funding in the amount of \$102,784 for four (4) sub-recipients that provide transportation services to seniors and individuals with disabilities. The sub-recipients are Brighton Senior Center, Catholic Charities, Community Mental Health, and Hartland Senior Center. This funding reimburses the providers at \$1.76 per passenger mile and is allocated based on each provider's share of the total passenger mileage each quarter.

Transportation to Work

Provides 100% reimbursement for up to \$77,670 in eligible operating expenses for the Transportation to Work program. As the name implies this program supports transportation to employment for low-income workers.

Section 5307 Capital

Provides 80% federal funding with 20% state match for capital projects, including preventive maintenance for vehicles and facilities. FY26 funding will include \$700,000 for preventive maintenance costs, \$196,000 for bus replacement, and \$150,000 for computer software and hardware costs associated with the Ecolane trip management system.

Section 5339 Capital Formula and Discretionary

Provides 80% federal funding with 20% state match for vehicle and facility projects. Estimated FY26 funding of \$230,000 will be used for bus replacement and/or facility rehab projects.

Surface Transportation Block Grant Capital

Provides 80% federal funding with 20% state match for transit capital projects. This funding is appropriated to the Federal Highway Administration and "flexed" to FTA for eligible transit projects. The program is coordinated by SEMCOG and the Huron Valley Federal Aid Committee, which allocates funding for local road and transit projects. Estimated FY26 funding of \$100,000 will be used to purchase one (1) replacement van.

New Freedom Capital

Provides 80% federal funding and 20% state match for projects that improve mobility options for seniors and individuals with disabilities. The total grant of \$100,000 will be used to continue our Mobility Management program established in 2021. Mobility Management is a value-added service that enhances our connection to the community through outreach and education, particularly for seniors and special needs customers who require personalized assistance. Another key function is coordination of transportation services between local providers, including our public and non-profit partner agencies as well as private providers. Primary grant expenditures will include the wages, fringes, and I.T. costs for the Mobility Manager position, as well as public engagement and education materials.

Performance indicators from the 2024 fiscal year and budgeted expenses for the 2026 application are attached. As always, thank you for your consideration and support. If you have any questions, please do not hesitate to contact me at 517-540-7843.