

FY 2027

**Application Instructions for
Public Transit Programs**

**Administered by the
Office of Passenger Transportation**



Effective Oct. 1, 2026 - Sept. 30, 2027

If you require assistance accessing this information or require it in an alternative format, contact the Michigan Department of Transportation's (MDOT) Americans with Disabilities Act (ADA) coordinator at Michigan.gov/MDOT-ADA.

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I. General Information

A. Purpose

The Michigan Department of Transportation (MDOT) Office of Passenger Transportation (OPT) distributes federal and state funds for the provision of local public transit services. This application is the gateway to those funds. In this packet is a description of the transit funding programs administered by OPT, a description of who is eligible to apply and instructions for completing and submitting the application. OPT staff will review all applications, make funding recommendations and assist applicants with any further requirements. When selecting projects for funding, MDOT will consider equitable distribution of funds in accordance with Title VI. A completed application does not guarantee a contract award. If the project is selected to receive funding, the applicant will enter a contract with MDOT and must comply with all requirements of that contract to receive the funds.

This Annual Application Instructions packet is for Fiscal Year (FY) 2027. All documents required for a complete application can be found on the Public Transportation Information Management System (PTIMS) and on [OPT's website](#). If needed, the instructions may be made available in alternative formats such as braille, large print, audio tape, or compact disc. The PTIMS Help Guide is also available on both PTIMS and on [OPT's website](#) under Annual Applications.

B. [Acronyms, Definitions, Laws and Regulations](#)

C. Application Submittal

Applications for programs should be supported by one coordinating entity. The entity should be the public transit authority or governmental agency providing public transit in that area. To ensure coordination, applicants should notify the coordinating entity when their application is ready for submittal to MDOT; this should be done well in advance of the application due date to allow the coordinating entity adequate time to review the application. This process does not make the coordinating entity solely responsible for preparing all the documents required under the various programs.

D. Submittal Due Dates

Completed application(s) for all programs are due to OPT by Feb. 1, 2026.

Applications submitted after the due date may not be considered for funding.

OPT will provide comments and recommendations to the applicant within 90 days after a complete application is received.

E. Mailing Address

Section 5310 and Section 5304 applicants without access to PTIMS must mail their annual applications directly to their OPT regional project managers via the following mailing addresses.

Chanda Ahern	MDOT Office of Passenger Transportation
Ryan Egres	Mail code: B425
Fred Featherly	425 W. Ottawa
Andrea Lubejko	P.O. Box 30050
Sherry Vandevender	Lansing, MI 48909

Deanna Donahoo	MDOT Detroit Transportation Service Center (TSC) 1060 W Fort St. Detroit, MI 48226
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Tina Hawley	MDOT Grand Region Office
Jacob Porath	1420 Front Ave. NW Grand Rapids, MI 49504

Dave Moliterno	MDOT Gaylord North Region Office 1088 M-32 East Gaylord, MI 49735
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Alex Simonetti	MDOT Cadillac TSC 7915 South US-131 Highway Cadillac, MI 49601
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Robbie Smith, Intercity Bus Program	Michigan Department of Transportation Office of Passenger Transportation P.O. Box 30050 Lansing, MI 48909 (or email MDOT-OPT-ICB@Michigan.gov)
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F. Regional Project Manager Contact Information

A map is available on MDOT's website showing OPT regional project managers by county, including their contact information.

OPT Transportation Service Section Contact Information

Valerie Shultz, Section Manager	517-242-8615
Brian Kass, West Unit Supervisor	906-280-6574
Tina Makarewicz, East Unit Supervisor	517-275-1424

Regional Project Managers

Chanda Ahern	517-730-8077
Deanna Donahoo	517-275-1088
Ryan Egres	517-388-5718
Fred Featherly	517-281-7582
Tina Hawley	517-281-7876
Andrea Lubejko	906-236-0343
Dave Moliterno	231-340-3225
Jacob Porath	517-614-7287
Alex Simonetti	517-643-0061
Sherry Vandevender	517-930-3859

OPT Program Administration Section Contact Information

Rob Pearson, Bus Regulatory, Intercity Bus, Procurement Unit Supervisor	517-930-3680
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Intercity Project Manager

Robbie Smith	517-241-0679
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G. Program Description and Eligible Applicants

[Federal Programs](#)

[State Programs](#)

II. Requirements for a Complete Application

All transit agencies (TAs) with access to PTIMS must submit their annual applications through PTIMS. TAs without access to PTIMS must contact their OPT regional project manager for access to PTIMS. For Section 5310 and Section 5304 applicants without access to PTIMS, the required application forms are available on [OPT's website](#).

Furthermore, applicants must complete other program-specific requirements as described under Part III, Application Submittal by Program of the Instructions. Applications will be considered complete only if the instructions below are followed.

Applicants are responsible for ensuring that all correct information for completing the application is entered into PTIMS, including the information relevant to their sub-applicants.

The following actions related to application submittals in PTIMS do not apply to Section 5310 and Section 5304 applicants without access to PTIMS.

A description of the purpose of each of the required application elements, including TA forms, can be found in Part IV, Instructions for TA Forms and Related Requirements of the Instructions. The directions on how to fill out each TA form are also available on the form.

Completing the application in PTIMS consists of the following:

A. Organizations - Update General, Financial and Service Information Screens

Verify and update any missing information from the screens. The service modes section on the Service Information screen can only be updated by OPT. If a service mode needs to be added, please contact the OPT regional project manager.

B. Updating Vehicle, Facility and Equipment Inventories

Verify that all current revenue vehicles are listed and that OPT has been notified that vehicles no longer required for service have been requested for disposal by populating the fields in the Vehicle Inventory tab. The request will be reviewed by the regional project manager after it is submitted. A copy of the title must be uploaded in the Documents area of the vehicle. The peak number will be entered on the Service Information tab in the Annual VOMS (Vehicles Operated in Maximum Service) field. This replaces the current Peak Number field in PTIMS. Justification for increasing or decreasing the number of peak vehicles in the VOMS field must be submitted to the OPT project manager. The vehicle spare ratio rate will be calculated to determine the vehicle replacement eligibility.

- 1) The mileage for all assigned vehicles must be updated. Agencies will update the actual mileage of the agency's vehicles after Oct. 1 of the current year by using the Global Updates report in PTIMS by Oct. 15 of the current fiscal year. The annual mileage for vehicles is used to determine if vehicles are underutilized. OPT will provide guidance in the future to update mileage in PTIMS.

- 2) Fill in all required fields in all sections of the Vehicle Inventory screen, including vehicles purchased with local funds. It is important that the In-Service Date field is populated as it is used to calculate the eligibility of the replacement vehicle.
- 3) Vehicles that are available for replacement and that can be requested will be shown in the drop-down list when a replacement vehicle project is built in PTIMS. The vehicle inventory spreadsheet provided by the OPT project manager should be referenced to ensure that only eligible vehicles are requested for replacement. In the future, vehicles in the fleet that have been previously funded for replacement will be shown in PTIMS on the Vehicles Inventory. If assistance is needed correcting the vehicle inventory, please see the PTIMS Vehicle Inventory Help Guide within PTIMS or contact the OPT project manager
- 4) Input new equipment/facility items and/or make any updates. To add items that were funded and/or purchased for more than \$5,000 to the facility and equipment inventories, required fields must be completed in the Equipment and Facility modules. To dispose of items, each item must meet the replacement criteria as identified in [Appendix C](#) with the disposal(s)/transfer(s) having prior approval from the OPT project manager in PTIMS.

Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.

For further instructions, see [Local Disposal of Vehicles or Equipment procedures](#).

Notes for Urban Agencies:

- Updating vehicle mileage in PTIMS is optional. However, all vehicles funded with federal funding administered by OPT must be updated.

C. Creating and Completing the Annual Application

The application consists of creating projects and budgets (capital requests), annual budgeted operating assistance reports (OARs), and uploading completed TA forms and attachments. To create and complete the application, an applicant must:

- 1) Create Projects and Funding Requests for Capital and Operating Needs.** This is required to apply for capital or operating assistance. Complete projects and funding requests in all the applicable funding applications. Please refer to the Projects/Funding Requests Help Guide found in the PTIMS Help Menu.
- 2) Submit Annual Budgeted OAR(s).** This is required to apply for operating assistance.

- 3) Complete, Download and Attach TA Forms.** Applicants need to fill out all required TA forms for all applicable funding applications.
- 4) Attach Any Required Documents in the Additional Documents Section.** As applicable, attach in PTIMS a copy of the published public notice or an affidavit provided by the newspaper, a signed copy of the Resolution of Intent form, signed FTA Certification and Assurances form, signed FTA Master Agreement Provisions form, signed local advisory council (LAC) minutes, local support letters, proof of facility insurance (including flood insurance if the facility(ies) is in a designated flood plain) if the facility has federal state funding or contains vehicles or equipment with federal state funding, and verified equipment inventory in PTIMS. There is no limit to the number of documents that can be uploaded in PTIMS (each file can be up to 525 MB). Each attachment must be in a separate PDF file. The file name should be in the “AgencyName ApplicationYear FileContent” format (e.g., ABC Transit 2027 LAC minutes).
- 5) Submit Application.** Applicants must submit the application using the “Submit for Review/Scoring” button on the Application Screen.

PTIMS Help Guides

The Inventories Help Guide and Annual Application Help Guide can be accessed in PTIMS by clicking on Help Menu on the right top of the screen.

III. Application Submittal by Program

A. Regular Services Program

A-I. Regular Services Program (Not Including JARC Activities)

Operating Assistance Program

a. State Operating Assistance Program - Annual Budgeted OAR - Regular Service

FY 2027 State Operating Assistance funds will be distributed to eligible authorities and eligible governmental agencies as defined in Act 51. An annual budgeted OAR must be submitted with the annual application in PTIMS using the [FY 2027 R&E Manual](#).

Each eligible agency will receive state operating assistance per one of the following:

Legal Cap (maximum):

- Up to 60 percent of eligible expenses for rural areas and UAs with populations less than 100,000.
- Up to 50 percent of eligible expenses for UAs with a population of more than 100,000.
- Not less than 50 percent of eligible expenses for services provided by water vehicles.

Guaranteed Floor (minimum): This is equivalent to the state funds received in FY 1997. This is contingent upon a local fund requirement. If local funds are reduced, state funds will be reduced proportionally.

FY 2027 Formula Percentage: When preparing the FY 2027 application, use 33.1804 percent of total eligible expenses for rural areas and UAs with a population less than 100,000, and 28.0948 percent of total eligible expenses for UAs with a population more than 100,000.

The percentages have been adjusted to reflect current FY 2027 estimates for expenses and estimated Local Bus Operating (LBO) funding level. The FY 2027 percentages will change once all the budgets have been submitted.

Note:

- Ensure that the state and federal revenue codes equal the total eligible expenses multiplied by the previously listed reimbursement rates in both the state and federal revenue codes and in the Funding Breakdown section of the Project Budget Funding screen. The Project Budget Funding module is the OAR for the operating project created. See the Annual Application Help Guide for detailed instructions.

- If the budget is 15 percent or higher than the most recent reconciled report, please submit an explanation in the Comment box of the Project Details screen.
- If the budget is 15 percent more than the resolution of intent or public notice, the resolution of intent will need to be re-approved by the board, and re-attached, and the public notice will need to be re-published and re-attached in PTIMS.

b. Federal Rural Area Formula Program (Section 5311)

Use 18 percent of the FY 2027 total annual budgeted OAR eligible expenses as the federal operating revenue amount.

Capital Assistance Programs

Agencies applying for capital assistance programs must include all identified projects in the Projects section of PTIMS and identify the proposed funding sources for eligible items in the current fiscal year. Agencies within an urbanized area must provide their PTIMS capital requests to their [MPO](#) for inclusion in the TIP using [MDOT Form 1481](#). All projects in the TIP must match the projects created in PTIMS. The appropriate funding source must be identified, such as Section 5307, 5339, 5310, 5311, 5311(f) Intercity, or flex funds (STBG-Rural Task Force/Small Urban, CMAQ, etc.).

If there are multiple requests that are identical (e.g., more than one replacement vehicle of the same type with the same features and the same unit cost), they should be combined into a single entry, entering the appropriate quantity on the Budget/ALI screen of the Project Funding module.

Note 1: Previously requested capital items are not automatically carried forward.

In the future, PTIMS will have the ability to allow agencies to choose to reapply for any projects that were not funded in the previous year, and they will be automatically populated in the current application.

Note 2: Urban agencies do not have to show the vehicle numbers that are being requested on the annual application. They will fill out the capital request showing the number and type of vehicles.

a. Federal Capital Assistance Programs

TAs are potentially eligible for funding under the following programs:

- CMAQ
- Section 5304 - Planning
- Section 5307 - Urban Operating
- Section 5309 - Fixed Guideway Capital Investment

- Section 5310 - Capital/Flex Capital (RTF/Small Urban)
- Section 5310 - New Freedom (NF) Operating/Mobility Management
- Section 5311 - Operating and Flex Capital (RTF/Small Urban)
- Section 5311- (f)-Intercity
- Section 5311 - Job Access and Reverse Commute Program (JARC) Operating/Mobility Management
- Section 5337 - State of Good Repair
- Section 5339(a) - Bus and Bus Facilities
- Transportation Alternatives Program (TAP)

If applicants choose to request funding for projects using Section 5311(f) Intercity funds, the applicant must contact the MDOT Intercity Bus project manager as listed in Part I, F. Project Manager Contact Information of this document. Refer to the FY 2027 Application Instructions for Intercity Bus Program document for additional guidance. This application instructions document can be found on [OPT's website](#).

b. State Capital Assistance Programs

State Capital Assistance Programs are used to provide match for Federal Capital Assistance Programs.

Eligible authorities and eligible governmental agencies as defined in Act 51 may receive capital grants according to Section 10e (5) of Act 51 to match federal capital programs. State participation is contingent upon funding availability.

Under Act 51, MDOT is required to provide a portion of the required match for agencies eligible to receive Comprehensive Transportation Fund (CTF) funding. Specifically, Act 51 states that if money is raised by a CTF-eligible authority or agency for a public transportation capital outlay project funded under certain federal transit programs, the state shall pay not less than two-thirds of the 20 percent local match, which equates to 13.33 percent. Please submit all the capital requests under this application using 80 percent federal funds and 20 percent state match. MDOT will make every effort to provide 20 percent match. However, it is not known if MDOT's FY 2027 budget will support 20 percent match for all projects.

If there is a need for transit agencies to provide a portion of the match, agencies will be notified as soon as possible. Urban TAs are required to submit a capital match plan once notified by OPT after the Federal Register showing apportionments and allocations have been published, which should occur between January and April each year at USDOT's discretion. OPT then develops a statewide capital match plan indicating the state match that will be provided for each project.

Federal, state or local funding is not committed during this annual application process. Therefore, applicants should include all the capital needs of the agency for the fiscal year of application.

Urban agencies: If FTA approves the capital projects submitted in a Transit Award Management System (TrAMS) grant, OPT will provide match. Urban agencies must follow FTA's guidelines when requesting federal funds for these projects.

Vehicle prices should be budgeted at anticipated market prices as indicated in [Appendix D](#).

1. Regular Service Application Requirements

a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility, and Equipment Inventories
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Complete Labor Unions Tab in Organizations Module
 - Attach Required Documents Per Section II-C (5) As Applicable
 - Submit Application

b. Required TA Forms

- Americans With Disabilities Act (ADA) Complaint Information
- FTA Master Agreement Provisions (upload a signed copy in PTIMS)
- Coordination Plan for Local Bus Operating Assistance
- FTA Certifications and Assurances (upload a signed copy in PTIMS)
- Resolution of Intent (attach a signed copy in PTIMS)
Sample: [FY 20 Resolution of Intent](#)
- State Certifications and Assurances
- Title VI Information
- Vehicle Accessibility Plan Update (if requesting replacement DR vehicles)

c. Other Requirements

- c. Ensure adequate time to schedule the board meeting so a signed copy of Resolution of Intent is attached by the application due date.
- d. Signed LAC minutes (upload in PTIMS as an attachment). Comments via emails are acceptable.
- e. Published Public Notice (attach in PTIMS the affidavit provided by the
- f. newspaper or a PDF of the actual published notice from the newspaper).

- g. A [sample public notice](#) is provided in both PTIMS and on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements:
- Include in PTIMS any flex capital projects. The projects must be consistent with the [RTF](#), [Small Urban](#) and [CMAQ](#) lists. Coordinate with the local [RPA](#) or [MPO](#) representative to ensure the RTF, Small Urban or CMAQ funding request is listed on the S/TIP in JobNet. Ensure forms [1481](#) or [1797](#) are completed and attached in JobNet by an urban area MPO or rural RPA respectively.
 - A signed or stamped copy of the agency's PTIMS equipment inventory in PTIMS.
 - Proof of facility insurance (including flood insurance if the facility is in a designated flood plain) (attach in PTIMS). Required if the facility has federal or state funding or contains vehicles or equipment with federal or state funding

2. Review Criteria

Capital requests will be reviewed using the following criteria:

- a. All requests for replacement items must meet the replacement criteria identified on the Replacement Schedule for Capital Items ([Appendix C](#)) by Oct. 1, 2027. The vehicle(s) that have met useful life in terms of miles may have higher priority to receive funding than the vehicle(s) that have only met useful life in terms of age.
- b. The requested item is needed to maintain or improve the efficiency, effectiveness and/or safety of the transit service provided to the public.
- c. If requesting vehicles, the number of spare vehicles in the fleet should not exceed 20 percent of the number of vehicles operated in peak service.

* Spare ratio is defined as the number of spare vehicles divided by the vehicles required for annual peak service. This is the revenue vehicle count during the peak season of the year, and on the week and day that maximum service is provided. It excludes atypical days and one-time special events. Spare ratio is usually expressed as a percentage (100 required vehicles and 20 spare vehicles results in a 20 percent spare ratio).

One-to-one replacement, regardless of size of the vehicle, is acceptable. Replacing one vehicle with multiple smaller ones is allowed if revenue vehicle count during peak hours must increase by one vehicle and justification is provided based on capacity. This is determined at the time of the verification form submittal. If requesting vehicles, MDOT will review revenue vehicles to ensure proper utilization. Rural agencies' vehicles are expected to be driven at least 10,000 miles per year to be considered properly utilized. Nonprofit agency vehicles are expected to have an average of 520 trips per year. Vehicles not meeting these thresholds per year may not be eligible for replacement. Reasonable justification will be accepted by the

OPT project manager for underutilized vehicles. Underutilized vehicles still count against the number of vehicles eligible for replacement.

- d. Facility requests must be commensurate with the current level of service plus a reasonable factor for future expansion. Funding for large facility projects must be applied for with Section 5339(b)(c) funding when Notice of Funding Opportunities are published.
- e. Any capital projects less than \$300 are not eligible.
- f. Revenue vehicle funding can include communication equipment, decals up to \$3,000, camera or bike rack necessary to operate the vehicle.

A-II. Operating and Capital for JARC Activities (Including Mobility Management)

Rural

JARC Operating - Continuation funding will be funded.

Applications are open for continuation and expansion mobility management projects meeting JARC requirements. Please refer to [Section 5310 and Section 5311 Mobility Management Application Guidelines](#).

JARC activities are intended to address innovative and flexible transportation to employment needs of individuals with limited incomes, as well as provide transportation to employment opportunities from urban and rural areas to suburban areas for individuals of all income levels. JARC activities are eligible under Section 5311.

JARC activities include capital, planning, operating, mobility management and stand-alone marketing expenses that support the development and maintenance of transportation services that transport individuals to and from jobs and activities related to their employment.

Applicants are encouraged to submit projects that meet the transportation needs to and from employment and advance the principles of human services-transit coordination.

Examples include:

- Late-night and weekend service.
- Transit-related aspects of cycling (i.e., adding bicycle racks to vehicles to support individuals who may use this mode for a portion of their commute).
- Intelligent Transportation System (ITS) and other forms of technology to help plan and operate coordinated systems (i.e., Geographic Information Systems

(GIS) mapping, Global Position System (GPS) technology, coordinated vehicle scheduling, dispatching and systems to help track costs and billing).

- Supporting mobility management and coordination programs among public transportation providers and other human service agencies. Mobility management activities may include:
 - 1) The promotion, enhancement and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults and low-income individuals.
 - 2) Support for short-term management activities to plan and implement coordinated services.
 - 3) The support of state and local coordination policy bodies and councils.
 - 4) The operation of transportation brokerages to coordinate providers, funding agencies and customers.
 - 5) The provision of coordinated services, including the customer-oriented travel navigator systems and neighborhood travel coordination activities of the employer-oriented transportation management organizations and human service organizations.
 - 6) The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among support programs.

Ineligible - Ineligible activities include but are not limited to gasoline vouchers.

Note: The vehicles used exclusively for JARC service should be listed on the JARC OAR. If the agency does not use all vehicles exclusively for JARC service, allocate the number of vehicles based on the percentage of JARC service. The total of all vehicles on all OARS should not exceed the number of the total fleet.

Any funds awarded for Mobility Management must be expended within one fiscal year and cannot be rolled over into another fiscal year like other capital funds.

Urban

Agencies in small or large urban areas that are interested in applying for Section 5307 for JARC activities will need to contact their designated funding recipients and submit their projects through the local process. If the projects are selected, the designated recipient will submit the application directly to FTA.

Designated agencies in large urban agencies must include their JARC projects in PTIMS.

1. Application Requirements

a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility, and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Attach Required Documents Per Section II-C (5) (as applicable)
 - Submit Application

b. Required TA Forms

- ADA Complaint Information
- FTA Master Agreement Provisions (upload a signed copy in PTIMS)
- FTA Certifications and Assurances (upload a signed copy in PTIMS)
- State Certifications and Assurances
- Title VI Information
- Vehicle Accessibility Plan Update (if requesting replacement DR vehicles)

c. Other Requirement

- Published Public Notice (attach in PTIMS the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper). A [sample public notice](#) is provided in both PTIMS and on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements:.
- Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.
- Proof of facility insurance (including flood insurance if the facility is in a designated flood plain) (attach in PTIMS). Required if the facility has federal or state funding, or contains vehicles or equipment with federal or state funding

2. Matching Requirements

For JARC projects funded with federal Section 5307 funds, MDOT will continue to provide 50 percent match for operating and 20 percent for mobility management projects, subject to availability of funds.

Farebox revenue cannot be used as local match and must be backed out as ineligible under expense code 55000 Ineligible JARC and NF Fares in the quarterly OAR. Farebox revenue refers to passenger fares collected from transportation service.

Since MDOT provides the match, local service contracts reported in codes 40930 Local Service Contract/Federal Source, 40940 Local Service Contract/State Source, 40950 Local Service Contract/Local Source, or 40980 Local Service Contract/Competitive Bid must be backed out as ineligible under expense code 55000 in the quarterly OAR.

Applicants may submit all the capital requests under this application using 80 percent federal funds and 20 percent state match. However, it is not known if MDOT's FY 2027 budget will support 20 percent match for all projects. If there is a need for applicants to provide a portion of the match, OPT will notify applicants as soon as possible.

Federal, state or local funding is not committed during this annual application process. Therefore, applicants should include all the capital needs for the fiscal year of application.

B. Specialized Services Operating Assistance Program

This program is state funding from the CTF. One coordinating entity per county or multicounty region that represents the transit interests of seniors and individuals with disabilities is eligible to receive funding. The agency shall be the applicant for all specialized services funding requests in that county or region, regardless of who provides the specialized transit services. In order of priority, the coordinating entity must be one of the following:

- A public TA
- A governmental agency
- An existing Section 5310 recipient agency
- A nonprofit corporation representing specialized services interest

If more than one public TA exists in the county or multicounty region (as approved by MDOT), selection of the applicant will be decided by the parties involved.

Transportation providers are currently reimbursed \$1.76 per mile or \$5.08 per one-way passenger trip up to the contract amount.

The Specialized Services Program also provides reimbursement to volunteer drivers using their personal vehicles to transport passengers for nonemergency medical trips provided it does not duplicate other available services. This service is reimbursed at \$0.43 per mile up to the contract amount.

For further information regarding the Specialized Services Program, refer to the [Specialized Services Manual](#).

The funding between the current and new sub-applicants can be adjusted by the local coordination committee. Agencies should request funding for all anticipated service for the fiscal year regardless of the funding source; however, the application should designate the services that would be prioritized with the current level of MDOT specialized services funding allocated to the agency.

The awarded funding amount can be increased or decreased by OPT based on the funding that was used by the recipient in the prior fiscal year. If funds become available for expansion of services or implementation of new specialized services, applications will be requested at that time.

1. Application Requirements

a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs

- Submit Annual Budgeted OAR(s)
- Complete, Download and Attach TA Forms
- Attach Required Documents Per Section II-C (5) (as applicable)
- Submit Application

b. Required TA Forms

- Coordination Plan Update
- Service Description

c. Local Coordination Committee

Act 51 requires proposals for coordinated Specialized Services assistance funding to be developed jointly between existing eligible authorities or eligible governmental agencies that provide public transportation services and the area agencies on aging or any other organization representing specialized services interests. Local participants may include:

- Community Aging Organizations (Area Agency on Aging (AAA), Council on Aging, Commission on Aging, etc.)
- Community Disability Organizations (Community Mental Health, Association for Retarded Citizens (ARC), Department of Career Development - Rehabilitation Services, Michigan Commission for the Blind, Michigan Department of Health and Human Services, etc.)
- Community Action Agencies
- Intermediate School Districts
- Labor Community
- LAC
- Local Governments
- Michigan Works! Agency
- Regional Interagency Coordination Committees
- Private Transportation Companies
- Public Transit Providers
- RPA
- Transit Users

At a minimum, seniors and individuals with disabilities, public transit and the LAC must be represented. When transportation to work issues are discussed, the Michigan Department of Health and Human Services and the Michigan Works! Agency must be represented, where applicable. Everyone can represent only one agency.

d. Other Requirement

- Published Public Notice (attach in PTIMS the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper). A [sample public notice](#) is provided in both PTIMS and on OPT's website. Please

reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements.

- Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.
- Proof of facility insurance (attached in PTIMS). Required if the facility has federal or state funding or contains vehicles or equipment with federal or state funding.

2. Eligible/Ineligible Applications

Eligible - Transit services primarily for seniors and individuals with disabilities within the applicant's service area. Local coordination committee and local TA must support the proposed service. Service must be available to all seniors and individuals with disabilities in the service area.

Volunteer drivers are also eligible if the following requirements are met:

- a. Rides are provided for nonemergency medical trips and are available to any seniors or individuals with disabilities.
- b. The applicant must ensure that the private car is in safe, operating condition and is owned by the volunteer driver.
- c. The driver has had a valid driver's license for the past five consecutive years with no moving violations within two years.
- d. The driver has notified their insurance company that their vehicle will be used for this service.

Ineligible - The following will cause an application or segment of an application to be ineligible:

- a. Required complementary paratransit service.
- b. Service or method of providing service is not identified.
- c. Using personal cars (except for volunteer drivers).
- d. Service is primarily for "Meals-on-Wheels."
- e. Requesting funds to purchase capital equipment.
- f. Replacing existing services funded by other sources.

C. Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310)

C-I. Section 5310 Capital Program (Not Including NF Activities)

Although NF activities are funded with Section 5310 funds, MDOT is requiring separate Section 5310 and NF applications.

MDOT is the designated recipient for rural and small urban Section 5310 funds. Agencies that provide service in rural and small urban areas or in the Grand Rapids urbanized area need to apply for Section 5310 capital funds through MDOT using PTIMS in accordance with the following application requirements. If applicants are not sure whether the service is within a rural or small urban area, please contact the OPT project manager for the area.

Funds are apportioned to designated recipients for urbanized areas with a population of 200,000 or more. Therefore, if applicants provide service in one of these urbanized areas (except for the Grand Rapids urbanized area), they will need to contact the designated recipient and submit the projects through the local process. The designated recipient will then include these submitted projects in their MDOT application via PTIMS to apply for the state match.

The designated recipient will need to identify the Section 5310 agency(ies) in the Project and Funding Request Justification field in PTIMS, along with any other required information. If the projects are selected, the designated recipient will submit the application directly to FTA.

1. Application Requirements

a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Attach required documents per Section II-C (5) (as applicable)
 - Submit Application

b. Required TA Forms

- ADA Complaint Information
- Section 5310 Budget Data
- FTA Master Agreement Provisions (upload a signed copy in PTIMS)
- FTA Certifications and Assurances (upload a signed copy in PTIMS)
- Section 5310/New Freedom General Information
- State Certifications and Assurances
- Title VI Information
- Vehicle Accessibility Plan Update

c. Other Requirements

- Coordinated Public Transit-Human Services Transportation Plan and Updates as required.
- Signed LAC minutes (attach in PTIMS). Comments via email are acceptable.
- Published Public Notice (attach the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper in PTIMS). Please reference [Michigan Legislature - Section 691.1051](#). for the published public notice requirements.

Obtain individual sign-offs from each public and private transit and paratransit operator in the service area stating that the services they are providing or are prepared to provide are not designed to meet the special needs of seniors and individuals with disabilities within the service area, or proof of a good faith effort made in obtaining letters of support if an operator will not respond.

or

Issue a public notice describing the capital equipment being applied for and the services intended to be offered in meeting the special needs of seniors and individuals with disabilities within the area. This notice must be shown in major newspapers within the service area and must invite any interested public or private transit or paratransit operators within the service area to comment on the proposed service by sending a written response to the agency. A minimum of 30 days response time must be provided. See [sample public notice](#).

- Include in PTIMS projects and funding requests for all flex capital projects and the projects must be consistent with the [RTF](#), [Small Urban](#) and [CMAQ](#) list.
- When Section 5310 projects and budgets are created in PTIMS, the

Justification box must include the page number and section of the Coordinated Public Transit-Human Services Transportation Plan that addresses the project, how the project addresses a service gap or includes coordination, if there are multiple providers for the project, how the project will be coordinated with other agencies, the project implementation timeline after receiving the funds, and performance measures that will be used for tracking the effectiveness of the project.

- Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.
- Proof of facility insurance (including flood insurance if the facility is in a designated flood plain) (attach in PTIMS). Required if the facility has federal or state funding or contains vehicles or equipment with federal or state funding

2. Eligible/Ineligible Use of Vehicles

Eligible - Vehicles acquired under the Section 5310 program must be used primarily for seniors and individuals with disabilities and be accessible. Services are to be provided only within the legal jurisdiction of the applicant. Revenue vehicles are only to be used to provide services to transit passengers and such services must be open to the public.

When vehicles or other equipment are operated by any agency other than the private, nonprofit organization/public agency in the grant application, control and responsibility for the operation of the vehicles or other equipment must remain with the private, nonprofit organization/public agency that was the original recipient unless transfer of the control and responsibility is to another eligible private, nonprofit organization/public agency and is authorized by the state.

Ineligible - Section 5310 funds may not be used to purchase special vehicles to be used solely for meal delivery or to purchase specialized equipment such as racks, heating or refrigeration units related to meal delivery.

Section 5310 vehicles cannot be used to provide services that are required to meet the paratransit requirements of the ADA of 1990. Specifically, ADA requires that public entities that operate non-commuter fixed-route transportation services also provide complementary paratransit service for individuals unable to use the fixed-route system.

3. Review Criteria

MDOT will review and evaluate all applications utilizing the following criteria:

- a. Vehicles and equipment must meet the replacement schedule in [Appendix C](#) by Oct. 1, 2027.
- b. The agency has financial commitments to assure operating funds are available.
- c. The degree to which the organization is meeting the transportation needs of seniors and individuals with disabilities.
- d. Appropriateness of the quantity and type of vehicles for meeting the special transportation needs of the client population.
- e. Projected 5310 ridership for the application year.
- f. Number of trips provided with 5310 vehicles.

An agency is expected to provide a minimum of 520 trips per vehicle per year. If an agency provides less than 520 trips per vehicle per year, the vehicle may not be eligible for replacement.

- g. Endorsements provided by local units of government, transit operators and social service agencies.
- h. The degree to which the applicant documents their coordination of present and long-range plans for public transportation and other social services in the service area. This should be presented in the applicant's locally developed Coordinated Public Transit-Human Service Transportation Plan.
- i. Documentation of local initiative, organization, fiscal resources and management capability, equipment inventory and overall technical capacity.
- j. Any capital projects less than \$300 are not eligible.
- k. All other state and federal funding sources must be exhausted before a Section 5310 request is considered. Priority shall be placed on the funding of replacement vehicles prior to expansion vehicles. If funding is not available for all statewide requests, vehicles¹ shall be funded in the FTA Section 5310 program in the following order of priority:
 - l. MDOT will use at least 55 percent of Section 5310 funds for traditional Section 5310 projects. After 55 percent of funds have been used for traditional Section 5310 projects and all the Priority 1 projects have been funded (see below), MDOT will fund continuation of NF activities. If funds remain, MDOT will fund additional Section 5310 projects, such as replacement of vehicles purchased with funds other

¹ Includes communication equipment, decals up to \$3,000, camera or bike rack necessary to operate the vehicle.

than FTA or state funds, expansion vehicles, other capital and expansion NF activities. See the Section 5310 Funding Priority List for the criteria for 5310 funding listed in order of priority.

4. Matching Requirements

Submit all capital requests under this application using 80 percent federal funds and 20 percent state match. However, it is not known if MDOT's FY 2027 budget will support 20 percent match for all projects. If there is a need for applicants to provide a portion of the match, they will be notified as soon as possible.

Federal, state or local funding is not committed during this annual application process. Therefore, applicants should include all capital needs for the fiscal year of the application.

Funds provided under other federal programs (other than those of the USDOT, except for the Federal Lands Transportation Program and Tribal Transportation Program established by Sections 202 and 203 of Title 23 U.S.C.), may be used for local match for funds provided under Section 5310, and revenue from service contracts may be used as local match.

C-II. Mobility Management - Funded with Section 5310 NF Activities or Section 5311 JARC Activities

Please refer to [Section 5310 and Section 5311 Mobility Management Application Guidelines](#) in the application in PTIMS to apply for funding for projects. Mobility management activities from Section 5310 are intended to reduce barriers to transportation services and expand the transportation mobility options available to individuals with disabilities beyond the requirements of the ADA of 1990, as amended.

MDOT is the designated recipient for rural, small urban and the Grand Rapids urbanized area Section 5310 funds (which fund NF activities) allocated to Michigan. Agencies that wish to apply for rural and small urban NF funds must apply through MDOT using PTIMS in accordance with the following application requirements. To ensure equitable distribution, an agency cannot receive more than 50 percent of the federal funds in the rural or small urban allocation.

Agencies in large urban areas that are interested in applying for large urban Section 5310 funds for NF activities must contact their designated funding recipients and submit their projects through the local process. If the projects are selected, the designated recipient will submit the application directly to the FTA.

Designated recipients in large urban agencies (except for agencies in the Grand Rapids urbanized area) must include their NF capital projects in PTIMS in accordance with the following application requirements, in addition to applying directly to FTA.

Note: New applicants who do not have access to PTIMS should contact the OPT project manager for instructions regarding the submittal of this application. Transit agencies in an urbanized area with a population of 200,000 or more that apply for Section 5310/NF

operating assistance should enter the federal funding into their regular service OAR and back it out as ineligible.

1. Application Requirements

h. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Attach Required Documents Per Section II-C (5) (as applicable)
 - Submit Application

i. Required TA Forms

- ADA Complaint Information
- Certification of Local Match (operating assistance only)
- FTA Master Agreement Provisions (attach a signed copy in PTIMS)
- FTA Certifications and Assurances (attach a completed copy in PTIMS)
- General Information
- State Certifications and Assurances
- Title VI Information
- Vehicle Accessibility Plan Update

j. Other Requirements

- Coordinated Public Transit-Human Services Transportation Plan and Updates
- Published Public Notice (attach in PTIMS the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper). A [sample public notice](#) is provided in PTIMS on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements.
- Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.
- Proof of facility insurance (including flood insurance if the facility is in a designated flood plain) (attach in PTIMS). Required if the facility has federal or state funding or contains vehicles or equipment with federal or state funding

2. Eligible Use of Program Funds

See [Appendix E](#) for examples of eligible projects.

3. Application Review

OPT will review applications for rural and small urban NF funds individually to ensure the applicant has met all application criteria, including the completion of all required forms.

4. Project Selection

Projects applied for through rural and small urban NF will be selected through a statewide competitive review process. If there are insufficient funds for all eligible projects, contracts will be awarded based on the review and ranking by OPT staff.

Projects will be funded starting with the highest-ranking project. Although each applicant may apply for funding in more than one category, it is possible an award could be made for one proposed activity and not another. Projects also may not be fully funded up to the dollar amount requested in the application.

Projects will be ranked based on:

- Priority of the project category per the [FY 2027 Section 5310 and Section 5311 Mobility Management Application Guidelines](#) in the application forms.
- Thoroughness of the application and how well each given topic in the application is addressed.
- The project meeting the needs identified in the coordinated plan.

5. Matching Requirements

Submit all capital requests for this application using 80 percent federal funds and 20 percent state match. However, it is not known if MDOT's FY 2027 budget will support 20 percent match for all projects. If there is a need for applicants to provide a portion of the match, they will be notified as soon as possible.

Federal, state or local funding is not committed during this annual application process. Therefore, applicants should include all capital needs for the fiscal year of the application.

MDOT does not plan to provide match for operating requests. The 50 percent match for all operating requests must be provided locally, and a Certification of Local Match form must be included with annual application in PTIMS.

Acceptable sources of local matching funds are local appropriations, other non-USDOT federal funds, dedicated tax revenues, private donations, revenue from human service contracts, and net income generated from advertising and concessions. Noncash local share, such as donations, volunteer services or in-kind contributions, is eligible to be counted toward the local match if the value of each is documented, supported, represents

a cost that would otherwise be eligible under the program, is included in the net project costs in the project budget, and is approved by OPT.

Farebox revenue cannot be used as local match and must be backed out as ineligible under expense code 55000 Ineligible JARC and NF Fares in the quarterly OAR. Farebox revenue refers to passenger fares collected from providing transportation service.

If local service contract(s) as reported in codes 40930 Local Service Contract/Federal Source, 40940 Local Service Contract/State Source or 40950 Local Service Contract/Local Source, and 40980 Local Service Contract/Competitive Bid fares are not used to provide the local match, these contract fares also must be backed out as ineligible under expense code 55000 in the quarterly OAR.

For details regarding contributed services, refer to the FY 2027 R&E Manual, under Other Revenue, 43000 Contributed Services, and under Ineligible Expenses, 55008 Other Ineligible Expenses.

D. Metropolitan and Statewide Planning and Nonmetropolitan Transportation Planning Program (Section 5304)

1. Application Requirements

a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility, and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Attach Required Documents Per Section II-C (5) (as applicable)
 - Submit Application

New applicants who do not have access to PTIMS should contact the OPT project manager for instructions regarding the submittal of this application. Forms can be found on [OPT's website](#).

b. Required TA Forms

- ADA Complaint Information
- FTA Master Agreement Provisions (attach a signed copy in PTIMS)
- FTA Certifications and Assurances (attach a completed copy in PTIMS)
- Section 5304 Application
- Title VI Information

k. c. Other Requirements

- Published Public Notice (attach in PTIMS the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper). A [sample public notice](#) is provided in both PTIMS and on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements.
- Unified Planning Work Program (UPWP) (only for urban and rural agencies in the UA). All federally funded planning projects under this application must be included in both the local UPWP and PTIMS, as appropriate.

A copy of the UPWP page(s) in which the requested projects are listed must be attached in PTIMS. The applicant must ensure that the dollar amount and project description are consistent between PTIMS and UPWP. Contact the local [MPO \(Appendix B\)](#) for UPWP requirements.

- Written Verifications of Support (attached in PTIMS). Letters of commitment

from each project partner should be included, demonstrating their understanding of their project roles and responsibilities. Documentation, such as letters, meeting minutes, financial statements, etc., to demonstrate sustainability of a successful project must be provided. Letters of support from other stakeholders may also be included. Provide a list of all stakeholders and potential partners you reached out to and provide a copy of the outreach materials.

- Coordination with local transit. If the local transit agency is not one of the project partners, provide documentation (e.g., a letter or email) of coordination with the agency (if one exists in the project area) affirming that they support the project and it does not duplicate existing services.
- Final report. All funded projects require a final report summarizing the project and recommending future activities (if appropriate). The final report must be submitted to OPT prior to the final payment being made. The report should include the project title, project objectives, methodology and results, including potential statewide application. The final report must comply with [Section 508 of the Rehabilitation Act](#) and meet Web Content Accessibility Guidelines (WCAG 2.1 AA, [Web Content Accessibility Guidelines \(WCAG\) 2.1](#)) when submitted. MDOT guidance can be found at [Research Accessibility Guidelines](#). If an agency hires a consultant to do this report, the applicant should include this requirement in the scope of work in the RFP that must be approved by OPT before solicitation

2. Eligible Projects

Examples of eligible Section 5304 Program planning activities/projects:

- Studies relating to management, planning, operations, capital requirements and economic feasibility.
- Development of transportation plans and programs.
- Planning, design and evaluation of public transportation projects.
- Technical studies related to public transportation.
- Safety, security and emergency transportation and evacuation planning.
- Coordinated public transit human services transportation planning.
- Development of transportation plans, short-range transportation improvement programs (TIPs), and UPWP/Unified Work Program (UWP).
- Systems planning and corridor-level alternative analysis.
- Feasibility studies (example: facility construction, site determination).

Eligible projects include activities/items that support the following goals:

- Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity and efficiency.

- Increase the safety of the transportation system for motorized and nonmotorized users.
- Increase the security of the transportation system for motorized and nonmotorized users.
- Increase the accessibility and mobility of people and for freight.
- Protect and enhance the environment, promote energy conservation, improve the quality of life and promote consistency between transportation improvements and state and locally planned growth and economic development patterns.
- Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight.
- Promote efficient system management and operation, including training.
- Emphasize the preservation of the existing transportation system.
- Provide evidence of local support, which may include local funding.

3. Selection Criteria

Funding will be awarded based on the criteria above and on available funding.

4. Matching Requirements

Submit all capital requests for this application using 80 percent federal funds and 20 percent state match. However, it is not known if MDOT's FY 2027 budget will support 20 percent match for all projects. If there is a need for applicants to provide a portion of the match, they will be notified as soon as possible. A letter of financial commitment must be provided if local/private funding sources are used.

E. Ferry Boat Formula Program

Service eligible under the Ferryboat Formula Program must be the primary means of transportation for passengers and vehicles for employment, medical, school, shopping, food and fuel supplies. While the eligible agencies receive state operating assistance to reimburse 50 percent of their eligible expenses, their capital assistance is provided by the Ferry Boat Formula Program.

1. Application Requirements

l. a. Required Actions in PTIMS

- Review/Update General, Financial and Service Information Screens
- Review/Update Vehicle, Facility and Equipment Inventories (if applicable)
- Create and Complete the FY 2027 Application
 - Create Projects and Funding Requests for Capital and Operating Needs
 - Submit Annual Budgeted OAR(s)
 - Complete, Download and Attach TA Forms
 - Attach Required Documents Per Section II-C (5) (as applicable)
 - Submit Application

b. Required TA Forms

- Resolution of Intent (attach a signed copy in PTIMS)
- ADA Complaint Information
- FTA Master Agreement Provisions (attach a signed copy in PTIMS)
- FTA Certifications and Assurances (attach a completed copy in PTIMS)
- Title VI Information

For more information regarding the application instructions for the Ferry Boat Formula Program go to [Federal-aid Programs and Special Funding](#).

c. Other Requirements

- Published Public Notice (attach in PTIMS the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper). A [sample public notice](#) is provided in PTIMS on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements.
- Rural Agencies: To meet the federal requirement of 2 CFR 200.313 of conducting an annual physical inventory, agencies must access the Inventory-Equipment module in PTIMS and click on the item and the Save button to verify that the equipment is still in use and needed by the agency. This will populate the date of the action and agency staff name in the History log portion of the equipment.
- Proof of facility insurance (including flood insurance if the facility is in a

designated flood plain) (attach in PTIMS). Required if the facility has federal or state funding or contains vehicles or equipment with federal or state funding

2. Review Criteria

Capital requests will be reviewed using the following criteria:

- a. As appropriate, all requests for replacement items must meet the replacement criteria identified on the Replacement Schedule for Capital Items ([Appendix C](#)) by Oct.1, 2027.
- b. The item is needed to maintain or improve the efficiency, effectiveness and/or safety of the transit service provided to the public.
- c. Facility or vessel requests must be commensurate with the current level of service plus a reasonable factor for future expansion. Funding for large facility or vessel projects must be applied for with Ferryboat Competitive funding when Notice of Funding Opportunities are published.
- d. Any capital projects less than \$300 are not eligible.

3. Matching Requirements

For Federal Ferry Boat Program funds, capital projects are funded with 80 percent federal funds and 20 percent state match using Marine Capital funds from the CTF.

F. Service Initiatives Program

This is state funding from the CTF that provides funds to advance and improve mobility such as demonstration and implementation of new technology, innovative service models, regional services, research, training, planning and coordination.

Applications may be submitted at any time during the year for this funding. MDOT may also issue calls for proposals or challenge grants seeking applications for projects to address specific state goals and objectives; those solicitations may have different requirements than what is outlined in these instructions.

1. Application Requirements

- a. All applicants with access to PTIMS are required to complete the Service Initiatives Application form in PTIMS and submit the application via PTIMS. Applicants without access to PTIMS should use the [Service Initiatives Application form](#) complete the application.
- b. Required TA Form
 - Service Initiatives Application
- c. Other Requirements
 - Published Public Notice (attach the affidavit provided by the newspaper or a PDF of the actual published notice from the newspaper in PTIMS). A [sample public notice](#) is provided in both PTIMS and on OPT's website. Please reference [Michigan Legislature - Section 691.1051](#) for the published public notice requirements.

Note: Only entities eligible for funding under Act 51 are required to publish public notices. If the applicant is applying funds under multiple programs, they may be combined in one public notice.

- Written Verifications of Commitment (attach in PTIMS). Letters of commitment from each project partner should be included, demonstrating their understanding of their project roles and responsibilities. Documentation, such as letters, meeting minutes, financial statements, etc., to demonstrate sustainability of a successful project must be provided. Letters of support from other stakeholders may also be included. Provide a list of all stakeholders and potential partners you reached out to and provide a copy of the outreach materials.
- Coordination with local transit. If the local transit agency is not one of the project partners, provide documentation (e.g., a letter or email) of coordination with the agency (if one exists in the project area) affirming that they support the project and it does not duplicate existing services.

- Final report. All funded projects require a final report summarizing the project and recommending future activities (if appropriate). The final report must be submitted to OPT prior to the final payment being made. The report should include the project title, project objectives, methodology and results, including potential statewide application. The final report must comply with [Section 508 of the Rehabilitation Act](#) and meet Web Content Accessibility Guidelines (WCAG 2.1 AA, [Web Content Accessibility Guidelines \(WCAG\) 2.1](#)) when submitted. MDOT guidance can be found at [Research Accessibility Guidelines](#).
- Independent evaluation. MDOT may require an independent evaluation of some projects to capture lessons learned and best practices. If your project is selected for independent evaluation, you will be provided with instructions/funding at the time of selection.

2. Eligible Projects

Examples of eligible Service Initiatives projects include but are not limited to:

- Technology-enabled services and features to improve operating efficiency and transit access and equity. For example: computer-aided dispatch systems; automatic vehicle location software; on-demand micro transit service; online trip planning software; contactless or mobile fare payment systems; and vehicle diagnostic tools.
- Technology-related solutions to improve safety. For example: collision-avoidance technology; Advanced Driver Assistance Systems (ADAS) systems; facility security features; and cybersecurity assessments.
- Research.
- Regional service planning and demonstration.

3. Selection Criteria

Applications will be reviewed on a quarterly basis by OPT. Awards will be based on the clarity of the proposal, stakeholder support, impact on transit access, impact on operational efficiencies, how well it addresses state goals as indicated in the [state long-range plan](#) and on available funding. If MDOT issues a call for projects, selection criteria will be outlined in the call for projects. Funding will be provided after quarterly application reviews.

4. Matching Requirements

- No match will be required for capital projects.
- Demonstration projects for new operations, such as on-demand micro transit, may request funding for a three-year pilot. No match would be required for the first year of operating expenses; local match of 15 percent of operating expenses would be required for the second year; local match of 30 percent of operating expenses

would be required for the third year. After three years, if deemed successful, the new service would become part of an agency's regular transit operations and receive no additional state funding beyond regular operating assistance (e.g., local bus operating, 5311 operating, as applicable).

IV. [Instructions for TA Forms and Related Requirements](#)

V. Appendices

- A. [Michigan's Regional Planning Agencies \(RPAs\)/Rural Task Forces \(RTFs\) Contacts](#)
- B. [Metropolitan Planning Organizations \(MPO\) and Contacts](#)
- C. [Replacement Schedule for Capital Items \(Effective Oct. 1, 2025\)](#)
- D. [Estimated Vehicle Prices \(Effective Oct. 1, 2026\)](#)
- E. [Eligible Projects Under Section 5310/New Freedom Program](#)