

CHAPTER 920
STATE TRANSIT ASSISTANCE
[Prior to 6/3/87, Transportation Department [820]—(09,B)Ch 1]

Chapter rescission date pursuant to Iowa Code section 17A.7: 1/1/28

761—920.1(324A) Statement of policy. State financial assistance to any public transit system shall be restricted to joint projects with the department that hold substantial promise of accomplishing the following goals:

920.1(1) Development, maintenance and improvement of transit services for the general public and for transportation disadvantaged persons.

920.1(2) Protection of the rights of private enterprise public transit providers, especially those providing intercity scheduled services on fixed routes.

920.1(3) Improvement of transit system effectiveness and efficiency.
[ARC 3194C, IAB 7/5/17, effective 8/9/17]

761—920.2(324A) General information. The department shall post annually the required forms and instructions for applying for state transit assistance to the department's website at www.iowadot.gov and notify each public transit system in Iowa of the availability. Requests for assistance and questions about application preparation should be directed to: Public Transit Bureau, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)233-7870.

[Editorial change: IAC Supplement 2/23/11; ARC 3194C, IAB 7/5/17, effective 8/9/17; ARC 5497C, IAB 3/10/21, effective 4/14/21]

761—920.3(324A) Definitions. The definitions in Iowa Code section 324A.1, except for the definition of "urban transit system," apply to this chapter. In addition:

"*Formula assistance*" means state transit assistance appropriations minus funds reserved for special projects.

"*Joint participation agreement*" means a contract between the department and a public transit system for either operations or capital assistance needed for implementation of a transit service project or projects. Each agreement shall include, but not be limited to, a project budget, method of payment, and period of performance.

"*Project*" means a concerted set of actions that will develop, maintain, or improve one or more elements of the public transit system's service.

"*Urban transit system*" means a system designated by the department which meets the requirements of Iowa Code section 324A.1(8). To be designated as an urban transit system for the purposes of this chapter, the system must serve a city or urbanized area with a population of 20,000 or more. The system also must be managed by a board of local officials who have either been elected by the public or appointed by elected officials, and who are responsible for policy and oversight of transit services for one or more incorporated areas within Iowa.

[ARC 3194C, IAB 7/5/17, effective 8/9/17; ARC 5497C, IAB 3/10/21, effective 4/14/21]

761—920.4(324A) Types of projects.

920.4(1) Formula projects. A formula project may involve operations assistance, capital assistance, planning, or any combination of the three. These projects are developed, analyzed and ranked through the transit planning process which involves the following steps:

a. Each public transit system shall arrange with the appropriate planning agencies for a review of all projects submitted, shall ensure public participation and discussion, and shall list the projects by priority.

b. Each public transit system shall submit its ranked list of proposed projects to the department.

920.4(2) Special projects.

a. Special projects are extraordinary, emergency or innovative in nature, and may include, but are not limited to, the following purposes:

(1) Expanding the scope of planning, managerial, or technical expertise.

(2) Increasing the public's awareness and understanding of transit.

- (3) Enhancing the capacity for administration consolidation and service coordination.
- (4) Reducing impediments to intramodal or intermodal transfers.
- (5) Increasing the cooperation and coordination between private and public sectors.
- (6) Developing, demonstrating, or refining a technical, procedural, or mechanical innovation that may be utilized by other public transit systems in Iowa.
- (7) Responding to an emergency situation that places an extraordinary and unforeseen strain on the resources of a public transit system.
 - b. Applications for training fellowships may be submitted to the department at any time.
 - c. Applications for special projects are due to the department by October 1 each year. The department may announce to the public transit systems the acceptance of special project applications at other times of the year if unobligated funds are available.

[ARC 3194C, IAB 7/5/17, effective 8/9/17; ARC 5497C, IAB 3/10/21, effective 4/14/21]

761—920.5(324A) Standards for projects.

920.5(1) Requirements for transit system. A public transit system is eligible for project assistance if the system is in compliance with all of the following criteria:

- a. The transit system abides by all applicable state and federal laws and regulations.
- b. The transit system maintains primary documentation for all revenues and expenses for a period of at least three years.
- c. The transit system maintains the system's policies, routes, schedules, fare structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.
- d. The transit system received departmental approval of the system's plan or schedule for repayment of any loan administered by the department.
- e. The transit system accurately reports all services to be supported with project formula assistance and ensures that all services are open to the general public.

920.5(2) Project conditions. The department shall obligate state transit assistance for joint projects that meet the following criteria:

- a. Each project must be included in the current year of the locally adopted transportation improvement program.
- b. Each project shall contain payment criteria, through the joint participation agreement, which are mutually agreed upon by the department and the contracting officer of the transit system.
- c. Each special project shall have a preestablished basis for determining success using a specified means of performance management and shall have a detailed budget of the resources available and the assistance necessary for implementation.
- d. State assistance for a special project involving capital expense shall not exceed 85 percent of the project's total capital expense. State assistance for a special project involving operating support shall not exceed 80 percent of the project's total operating expense in the first year and 50 percent of the project's total operating expense in the second year.

920.5(3) Items not eligible for assistance.

- a. Administrative, operations, or capital expenses which are determined by the department to be inconsistent with department policies, public law, officially approved planning and programming documents, or inconsistent with the purpose of improving the effectiveness and quality of transit services.
- b. Development of managerial, administrative, or operational systems which duplicate programs made available at no charge to the transit system by the department.

920.5(4) Determination of system eligibility for formula assistance.

- a. Prior to the beginning of each fiscal year, each state-designated public transit system's formula percentage shall be determined through the process shown in the appendix located at the end of this chapter.

(1) Transit system data used in determining formula percentage is based only on services which are open to the general public and is derived from the last fiscal year for which complete information is available.

(2) The process shown in the appendix establishes the percentage of available state transit assistance funds not reserved for special projects for which each transit system is eligible during the fiscal year.

b. The amount of each system's eligibility for formula assistance from this appropriation shall be determined by multiplying the system's formula percentage by the amount of the appropriation not reserved for special projects.

c. If the dollar amount of state transit assistance is not known until the funds are actually deposited in the state transit assistance account, the amount of each system's eligibility for formula assistance from these funds shall be determined as follows: At the beginning of each month, the system's formula percentage shall be multiplied by the amount of new funds not reserved for special projects that were deposited in the state transit assistance account during the previous month.

d. A transit system's eligibility for programmed project assistance may be reduced if it is subject to the sanctions outlined in Iowa Code section 324A.5 or 761—Chapter 910.

920.5(5) *Determination of amount reserved for special projects.* Each fiscal year, at least \$300,000 will be reserved from state transit assistance appropriations for special projects. Any special project funds not obligated in the previous fiscal year and any funds made available through closeout of previously approved projects may also be reserved for special projects. Special project funds are distributed by the department on a discretionary basis in accordance with subrule 920.4(2).

[ARC 3194C, IAB 7/5/17, effective 8/9/17]

761—920.6(324A) Processing.

920.6(1) *Review.* The department shall review the proposed projects.

920.6(2) *Program.* Based on available funds and the project priorities established by the transit systems, the department shall prepare a set of funding recommendations.

920.6(3) *Approval and agreement.* Upon approval of the projects by the transportation commission, the department shall prepare a joint participation agreement and send it to each public transit system for execution.

920.6(4) *Advance payment allowed.* Each transit system with a signed joint participation agreement may be paid formula assistance monthly, in advance of project expenditures, if all of the following conditions are met:

a. The transit system included in its application a request for advance allocations as set forth in Iowa Code section 324A.6.

b. The transit system is current on all reporting required by the department.

c. The transit system is current on all scheduled repayments under loan contracts from the department.

[ARC 3194C, IAB 7/5/17, effective 8/9/17]

These rules are intended to implement Iowa Code chapter 324A.

APPENDIX TO
761—920.5(324A)

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| FP | Formula percentage. The percentage of any state transit assistance appropriation that a public transit system is eligible to receive from the nondiscretionary portion of the appropriation. Determination of a public transit system's formula percentage shall be made using the method diagrammed in this appendix. |
| FY | Fiscal year. The 12-month period beginning July 1 of one year and ending June 30 of the following year. |
| LDI | Locally determined income. All transit system revenue dedicated for operations expense during a fiscal year, minus federal operating assistance from the U.S. Department of Transportation and minus all special project operating support and formula assistance funds received from the Iowa Department of Transportation. |
| OpExp | Operations expense. All eligible transit system expenses related to operating, maintaining, and administering transit operations. |
| Pass | Passenger. A person boarding a transit vehicle for the purpose of making a trip. A passenger is counted each time that person boards a vehicle for travel to a destination. |
| RevMi | Revenue miles. Total vehicle miles traveled by revenue vehicles of public transit systems while in revenue service. Excludes miles traveled to and from storage facilities and other deadhead travel. |

APPENDIX TO
761—920.5(324A)
FORMULA FOR DETERMINATION OF FORMULA PERCENTAGE

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 \frac{\text{System's LDI}}{\text{Sum of LDI for all regions}}
 +
 \frac{\text{Regional RevMi}}{\text{Total State RevMi}}
 \times
 \frac{\text{System's Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all regions}}
 +
 \frac{\text{Regional RevMi}}{\text{Total State RevMi}}
 \times
 \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all regions}}
 +
 \frac{\text{Urban RevMi}}{\text{Total State RevMi}}
 \times
 \frac{\text{System's LDI}}{\text{Sum of LDI for all urbans}}
 +
 \frac{\text{Urban RevMi}}{\text{Total State RevMi}}
 \times
 \frac{\text{System Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all urbans}}
 +
 \frac{\text{Urban RevMi}}{\text{Total State RevMi}}
 \times
 \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all urbans}}$$

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