

**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. It uses a centralized accounting system that maintains primary documentation for all revenues and expenses.
- b. One person is responsible for managing the assets, operations and funding of the system.
- c. It maintains its policies, routes, schedules, fare structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.
- d. It has received departmental approval of its plan or schedule for repayment of any loan administered by the department.

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

- a. Each special project shall have a preestablished basis for determining success using a specified means of performance measurement, and a detailed budget of the resources available and the assistance necessary for implementation.
- b. Each project shall contain payment criteria which are mutually agreed upon by the department and the contracting officer of the transit system.
- c. A project may involve either capital assistance or operations assistance but a separate joint participation agreement is required for each type of assistance funded.
- d. State assistance for a special project involving capital expense shall not exceed 13.3 percent of the project's total capital expense. State assistance for a special project involving operating support shall not exceed 50 percent of the project's total operating expense. In special or emergency situations, these requirements may be waived by the director of the air and transit division to permit a fiscal-year maximum of \$5000 for any one system.

**920.5(3) Items not eligible for assistance.**

- a. Any expense related to heavy rail transit service, including planning, capital, or operations.
- b. Administrative, operations, or capital expense which is 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.
- c. 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 programmed project assistance.**

a. Prior to the beginning of each fiscal year, each transit system's programmed eligibility shall be determined through the process shown in the appendix located at the end of this chapter of rules and included as part of this chapter.

(1) Transit system data used in determining programmed eligibility 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. If a known dollar amount of state transit assistance has been appropriated for the fiscal year, the amount of each system's eligibility for programmed project assistance from this appropriation shall be determined by multiplying the system's programmed eligibility 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 fund, the amount of each system's eligibility for programmed project assistance from these funds shall be determined as follows: At the beginning of each fiscal quarter, the system's programmed eligibility shall be multiplied by the amount of new funds not reserved for special projects that were deposited in the state transit assistance fund during the previous quarter.

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, up to \$300,000 may be reserved from state transit assistance appropriations for special projects if the appropriations for the year are expected to equal or exceed \$500,000. 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) of this chapter.