

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).

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