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TO: Co-chairpersons Senator Matt McCoy and Representative Beth Wessel-Kroeschell and Members of the Mass Transit Interim Study Committee

FROM: Timothy C. McDermott, Legal Services Division

RE: Background Information

Overview

This memorandum is intended to provide basic background information for use in Committee deliberations and for review for the meeting on November 14, 2008. Attached to the memorandum are additional materials that may also be accessed on the interim committee's webpage.

Charge of the Committee

Study the ways in which mass transit might be employed to provide public transportation services among Iowa communities. Consider the ways mass transit availability affects various populations in rural and urban communities, particularly those who are unable to drive or cannot afford to own a motor vehicle; determine any impact mass transit within communities can have on population levels, quality of life, and economic development in urban job centers, small and satellite communities, and rural towns; identify the effect of mass transit on greenhouse gases and on overall air quality; determine the level of public need for mass transit, including any specific areas in immediate need; investigate the feasibility of expanding mass transit services and the types and combination of services that might comprise a state mass transit system; identify potential costs and funding mechanisms for developing and maintaining specific mass transit services; and assess the attitudes and habits of Iowans concerning personal transportation and ways to educate the public about the economic, social, and environmental advantages of mass transit. Consult with the interests listed in 2008 Iowa Acts, S.F. 2425, § 146, in conducting the study. The interests listed in 2008 Iowa Acts, S.F. 2425, § 146, include the Department of Transportation, the Office of Energy Independence, the Department of Human Services, local officials, members of the general public who are knowledgeable concerning intercity public transit and passenger

rail service, and other interested parties as necessary to accomplish the work of the committee.

Role of the Iowa Department of Transportation

The Iowa Department of Transportation includes the Office of Public Transit, which is responsible for the administration of state and federal transit programs. The office provides technical assistance and funding to urban and regional transit systems. The major functions of the office include administering state transit assistance funding; administering the Public Transit Infrastructure Grant Program; administering the intercity bus program; applying for and administering federal funds to rural transit systems and small urban systems; applying for and administering various federal funding programs; developing the transit portion of the State Transportation Improvement Program; allocating federal funds for urban transit systems in cities with populations between 50,000 and 200,000; promoting coordination of public transportation by agencies receiving public funds; assuring compliance with state and federal requirements; providing technical assistance and training; developing and maintaining a website; and advocating and promoting the use of public transit in Iowa.[1]

Iowa Transit Agencies

Iowa has 35 designated transit agencies; 16 of the agencies are regional systems and 19 are urban systems. Within each system, local officials must designate a single agency to be responsible for the administration and provision of transit services to the general public.[2] At least one transit system is designated to serve every area of the state. Many, but not all, of the urban systems are city departments. Urban systems provide scheduled route services in larger Iowa communities, while regional systems generally offer demand-responsive service and provide contract service. Transit systems work with human services agencies to provide coordinated service for transportation in their areas. Public transit assistance administered by the Office of Public Transit is not received by a local governmental entity, but rather may only be received by a designated regional or urban transit agency.[3] Agencies other than a designated transit system may receive state or federal transit assistance funding, but only through a pass-through agreement with a designated system.

Funding

Numerous federal and state funding programs exist to provide assistance for operations, capital improvements, transit planning, and project administration. Operating assistance may be used to support the general operation and administration of the transit system. Capital assistance may help to support the cost of improvement involving equipment or buildings with a useful life of more than one year. Transit planning assistance may be used to support transit planning activities as well as more general intermodal transportation planning activities.[4] Detailed information on the individual funding programs is included in the attachment regarding the Transit Programs chapter of the Iowa Department of Transportation's Funding Guide.

Attachments

The following attachments are included as background information.

1. History of Public Transit in Iowa.
2. Iowa Code Chapter 324A, Transportation Programs.
3. Transit Programs chapter of the Iowa Department of Transportation's Funding Guide, Revised in October 2007.

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[1] Chapter 1, Transit Manager's Handbook, Iowa Department of Transportation.
[2] Iowa Code § 324A.1(5) and (8).
[3] Chapter 2, Transit Manager's Handbook, Iowa Department of Transportation.
[4] Chapter 3, Transit Manager's Handbook, Iowa Department of Transportation.

ATTACHMENT (1)

Transit History

History of Public Transit in Iowa

Public transit has been serving Iowa since before statehood was achieved. Keelboats and paddle-wheelers carried passengers up and down the Mississippi River, stopping at river towns along the Iowa territory, while stagecoaches carried passengers overland.

Local transit operations got their start in the late 1860s with street railway systems springing up in many of the larger communities of the time. (Dubuque's Dubuque Street Railway system, founded in early 1868 was the second public transportation system west of the Mississippi, and the first of many springing up in Iowa.) These generally involved horse or mule-drawn trolleys running on metal tracks laid in the dirt streets. They offered operating speeds of up to six miles per hour. They gave city dwellers the chance to get around town much quicker than one could walk, especially at times when the streets were full of mud or dust. Even for those with access to their own horses or wagons, the street railways offered increased convenience by avoiding the chores of saddling or hitching up horses for short errands or visits.

The development of steam engines and electricity quickly ended the reliance on animal power for public transit. In 1888 Des Moines became the second city in the nation to have electric rail service with the opening of the Broad Gauge Railway Company running along Locust Street and Grand Avenue.

During the 1890s and early 1900s, most of the existing street railways were either converted to or replaced by electrified streetcar lines. New lines were also developed through the first couple decades of the 1900s. Often a town would have several different companies providing service, each with its own line serving certain parts of town.

In many communities real estate developers established trolley lines to support new outlying neighborhoods which were beyond easy walking distance of the central business district. Others developed trolleys to carry people to amusement parks developed outside of town. In many cases these lines were not profitable in and of themselves, but contributed to the overall success of the developer's projects.

Over time many of the individual trolley lines failed. In some communities this was the end to public transit. In most communities, however, the various electric rail lines were consolidated under a single operator, which was often the local electric utility company. Since the trolley systems tended to be among the heaviest users of electricity, this made some sense as a form of vertical integration. It also made sense to treat public transit service as a utility. But probably the main reason the services ended up being consolidated under the electric utility had to do with the tendency of the trolleys to go out of business owing very large electric bills.

In the 1930s, with the Great Depression reducing the market for personal automobiles, General Motors Corporation made a push to convert all U.S. transit systems to rubber-tired diesel buses. This effort was supported by Congress, which, in 1935, passed the Public Utility Holding Company Act, requiring most power companies to divest themselves of public transit operations. General Motors purchased transit systems across the nation through its subsidiary, National City Lines. They quickly turned around and bought diesel buses from the parent company and discontinued rail service. The rails were abandoned, often paved over in the city streets, although many ended up being salvaged for their steel once World War II began.

After the war everyone's first goal was a house of their own. More and more far-flung subdivisions and even new suburbs were built, and since auto ownership wasn't keeping pace, transit ridership hit a peak. Trasnit systems in Iowa's ten largest cities carried 105 million riders in 1946. But it wasn't sustainable. As communities expanded, transit had difficulty meeting all the travel needs efficiently. General Motors wasn't reinvesting in the bus fleets it owned, it was gearing up to provide massive numbers of automobiles. Suddenly the population was turning to a second goal, which was owning a personal automobile to get around the sprawling communities. Through the 1950s and early 1960s, auto ownership surged and transit ridership plunged. By 1954 ridership for Iowa's top ten cities was down to 42 million and still falling.

General Motors and other owners of local bus companies cut services and maintenance as ridership and revenues fell. This convinced even more people they couldn't rely on buses and needed a car. But there were those who, because of economic situation or age or infirmity, still needed public transit to get around.

In 1964, the U.S. Congress declared, "The welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs were being jeopardized by the deterioration or inadequate provision of mass transportation facilities and services." They responded by passing the Urban Mass Transportation Act of 1964. That act created the Urban Mass

Transportation Administration (UMTA) within the U.S. Department of Housing and Urban Development and also provided a program of capital assistance grants to help local communities buy out the failing private companies and purchase new equipment.

In 1966 the federal Urban Mass Transportation Administration was moved to the newly formed U.S. Department of Transportation.

Around the country and across Iowa, the private owners of the transit companies turned to government to bail them out, either through operating subsidies or through public buyout.

Many Iowa cities utilized these federal capital grants through UMTA to buy out their private transit operators and to begin public operation of the transit system in order to maintain the benefits of public transit in their communities. Through the 1970s, most Iowa communities acquired the local bus system and began public operation. Several communities initially formed semi-autonomous "transit authorities" which had their own boards, but were still dependent on the city for funding. Over time most of the single city transit authorities were pulled back into the structure of city government to be a city department.

Community	Public Subsidy Began	Public Ownership Began
Ames	1970	1976
Bettendorf	1975 (contracted with Davenport)	1977 (Started own system)
Burlington	1969	1975
Cambus	1972	1972
Cedar Rapids	1967	1966
Clinton		1973
Coralville	1968	1969
Des Moines		1973
Dubuque	1973	1973
Fort Dodge	1976 (Region 5)	1982 (Separated from Region 5)
Iowa City		1971
Marshalltown	1981	1981
Mason City		
Ottumwa	1972	1985
Sioux City	1969	1969
Waterloo		1972

The Arab oil embargo in 1972 gave major impetus to the move to public ownership of transit. It made the American public, and particularly policy-makers, realize that transit had value beyond just getting persons who can't drive around town. America's enormous dependence on private automobiles had resulted in a dependence on foreign oil which gave other nations strategic leverage against the United States. Suddenly the nation's leaders saw that maintaining/rebuilding public transit could possibly reduce that dependence in some small way since, even if it didn't greatly change what most people chose to do day-to-day, it would provide an alternative way of getting folks around if there was to be another cut-off of petroleum supplies.

The Federal Aid Highway Act of 1973 increased the federal share for transit capital grants for urbanized areas and for the first time allowed highway funds to be used for transit capital purchases. Section 147 of that Act created a rural public transportation demonstration program which assisted in the start-up of several rural transit programs in Iowa.

In 1974 the National Mass Transportation Assistance Act created a program of formula grants to urbanized areas (over 50,000 population) that could be used for purchase of transit equipment or facilities or to assist in financing the operation of transit services. It also established a program of capital grants to support specialized transit services for elderly and handicapped persons.

In 1975 the Iowa General Assembly adopted Senate File 573, which authorized three pilot projects to demonstrate the benefits of consolidating and coordinating the provision of human services transportation funded under various federal programs under a single administrative agency.

In 1975 the newly formed Iowa Department of Transportation processed applications granting federal capital funding to 17 private-non-profit corporations to assist in the provision of specialized transportation for elderly or handicapped clients. These were mostly social service agencies seeking transportation for their own clientele.

In 1976 the Iowa DOT issued its "TransPlan 76" which advocated the establishment of regional transit systems which would provide services to all parts of the state.

Also in 1976, the Iowa General Assembly added to Chapter 601J of the Iowa Code, provisions requiring all public funds spent on transit to be expended in conformance with the state transit plan. The Iowa General Assembly also appropriated $2 million for support of public transit in Iowa for the 1977 fiscal year (beginning July 1, 1976.) Annual appropriations continued in subsequent years, though the amount of funding gradually declined as a result of a series of "across-the-board" budget cuts. The first round of state transit assistance grants funded both urban transit systems and multi-county regional transit systems. The grants were provided on a discretionary basis for projects which the Iowa DOT staff believed would improve transit in Iowa.

In 1977 the Iowa DOT issued "TransPlan 77" which further defined the concept of regional transit systems as being multi-county regions based on the governor's sub-state planning regions. The planning agency in each region was funded to prepare a regional transit development program, which inventoried existing transportation services and needs, and could serve as the basis for applications for state and federal transit assistance funding

The Federal Public Transportation Act of 1978 (Section III of the Surface Transportation Act of 1978) established a formula program providing funding to states for support of planning, capital and operating needs of transit programs in small towns and rural areas.

In 1981 the Iowa DOT established a performance-based formula for the distribution of the federal rural transit assistance funds among Iowa's rural transit systems for use as operating assistance. This provided much greater predictability than a discretionary program, which helped in planning for future services. It also rewarded those agencies that were actually services, whereas a population-based distribution formula provides the same amount of money no matter how much service is being provided.

In 1982 the Iowa DOT converted the bulk of the State Transit Assistance Program over to a performance-based formula as well. Funding was determined not only by the amount of rides and miles of service each transit systems was providing, but also by the amount of funding from other than DOT sources each transit system was raising to support its operation.

The Federal Public Transportation Act of 1982 (Section III of the Surface Transportation Act of 1982) for the first time dedicated a penny of the federal motor fuel tax to public transit capital support. These funds were held in a new Mass Transit Account within the federal Highway Trust Fund.

In 1984 the General Assembly also amended Chapter 601J of the Iowa Code to require that any entity spending public funds to provide passenger transportation within the state must consolidate or coordinate such services with the designated urban or regional transit system in the area. Chapter 601J was changed to chapter 324A in 1993.

In 1985 the Iowa General Assembly dedicated 1/40th of the "use tax" sales taxes collected on sale of motor vehicles and accessory equipment to supplement the annual general fund appropriation for support of public transit. The General Assembly also appropriated petroleum overcharge funds to accelerate transit capital projects by creating a revolving loan fund which allows Iowa transit systems to match federal capital grants with loan proceeds, and then pay back the loan over a multi-year period.

In 1986 the Iowa General Assembly discontinued the annual General Fund appropriations to public transit, and instead appropriated funds from the petroleum overcharge court settlements from Exxon to supplement the use tax funding for transit in FY1987.

In 1987 the General Assembly did the same thing, except that the funds for FY1988 were drawn from the "Stripper Well" settle of petroleum overcharge cases.

In 1988 the General Assembly, instead of providing a supplemental appropriation, increased the amount of use tax dedicated to transit support to 1/20th.

Also in 1988, the Iowa DOT pioneered the concept of a statewide consolidated application for the discretionary federal transit capital assistance funding, thereby giving the Iowa's smaller transit systems access to these funds which had largely to this point gone to large transit properties around the nation.

In 1990 Congress passed the Americans with Disabilities Act, requiring all fixed-route transit systems to offer complimentary paratransit services and all transit systems to purchase wheelchair-accessible vehicles and provide equal services to persons with disabilities.

In 1991 Congress passed the Intermodal Surface Transportation Efficiency Act (ISTEA) which increased federal funding for public transit and also created new "flexible funding" programs which could fund highway, transit or trails projects.

Also in 1991, Congress passed the Omnibus Transportation Employee Testing Act which requires drug and alcohol testing of safety-sensitive public transit employees, along with truck and over-the-road bus drivers, pilots, railroad and pipeline workers, etc.

In 1992 Iowa was among the first states to receive an earmark of federal transit discretionary funding to be used to

address statewide capital needs. Included within the statewide project were five maintenance facilities to support five of Iowa's regional rural transit operations. The grant also included vehicles for nearly all of Iowa's transit operators.

In 1993 the Iowa General Assembly raised the use tax on sale of motor vehicles from 4 cents on the dollar to 5 cents on the dollar. They left the portion going to transit at 1/20th of 4 cents. In the same year, the General Assembly abolished the separate dedicated fund which had been established for state transit assistance, and instead provided that the use tax funds for transit would go through the state's General Fund, although they established a standing appropriation from that fund in the amount of use tax funds transferred for transit.

Also in 1993, the Iowa DOT converted from an organizational structure based on modal units to a structure based on functional units. The Office of Public Transportation and the Air and Transit divisions were eliminated, and the staff positions were split among Planning and Programming Division, Project Development Division, and Operations and Finance Division.

In 1995 the Iowa Department of Transportation and the Iowa Public Transit Association began using their Public Transit Equipment and Facilities Management System (PTMS) to provide an objective prioritization of statewide requests for replacement buses, based on their age and accumulated mileage. Since that time the PTMS tool has been expanded to provide a structure for decision making on other types of equipment and facility projects.

In 1998 Congress passed the Transportation Equity Act for the 21st Century, which for the first time guaranteed multi-year funding levels for public transit. It also eliminated operating subsidies for transit systems serving communities over 200,000 population. (The effect was offset by definitional changes allowing preventive maintenance costs to be funded as a capital rather than operating expense.)

In 2000 the Iowa DOT returned to an organizational structure partly based on transportation modes. A new Office of Public Transit was created within a new Modal Division.

In 2001 the Iowa General Assembly diverted approximately $660,000 of use tax funds from public transit to other program needs within the state's General Fund.

On the cutting edge...

As noted earlier, Des Moines was the second city in the nation to have electric street railway service. Other Iowa communities were also in the forefront of transit developments. In 1882, Dubuque's Fenelon Place Elevator was one of the earliest cable car systems (and is one of very few still in operation). Sioux City also broke new ground when, in 1892, it opened the nation's third elevated railway system in its downtown area. (That one didn't last.)

The pursuit of innovations by Iowa transit systems continues today.

1988 - Des Moines and Cedar Rapids systems begin experimentation with ethanol injection on diesel buses to reduce emissions and improve performance.

1990 - Cedar Rapids begins experimenting with CNG-fueled maintenance vehicles.

1993 - Waterloo installs automated paratransit dispatch program to improve efficiencies of shared city/region dispatch operation.

1994 - Des Moines installs automatic vehicle locating system using global positioning satellite technology.

1994 - Cedar Rapids begins experimenting with electric buses/paperless office and global positioning/auto dispatch.

1995 - Ames, Region 7, Waterloo, Cedar Rapids begin experimenting with soy-based diesel fuel.

1999 - Ottumwa/Region 15 installs one of the first automatic vehicle locating systems for rural transit.

ATTACHMENT (2)

CHAPTER 324A
TRANSPORTATION PROGRAMS

This chapter not enacted as a part of this title; transferred
from chapter 601J in Code 1993

324A.1 Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. *"Department"* means the state department of transportation.

2. *"Federal aid"* means any federal grants, loans, or other federal assistance whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

3. *"Private aid"* means any grants, loans, or other assistance available from nonprofit corporations, foundations, and all private or nongovernmental sources, whether or not state or local funds are required to match or contribute toward the costs of the program for which the aid is available.

4. *"Public transit system"* means an urban or regional transit system providing transit services accessible to the general public and receiving federal, state or local tax support.

5. *"Regional transit system"* means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor except as agreed upon by the county and the department. Each county, through the county board of supervisors, within the region shall be responsible for determining the service and funding within its own county. However, the administration and overhead support services for the regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members.

6. *"Transportation"* means the movement of individuals in a four or more wheeled motorized

vehicle designed to carry passengers, including a car, van, or bus, between one geographic point and another geographic point. *"Transportation"* does not include emergency or incidental transportation or transportation conducted by the department of human services at its institutions.

7. *"Transportation disadvantaged persons"* means persons with physical or mental disabilities, persons who are determined by the department to be economically disadvantaged and other persons or groups determined by the department to be disadvantaged in terms of the transportation services that are available to them.

8. *"Urban transit system"* means a system designated by the department in which motor buses are operated primarily upon the streets of cities for the transportation of passengers who present themselves for transportation without discrimination up to the limit of the capacity of each motor bus. *"Urban transit system"* also includes motor buses operated upon the streets of adjoining cities, whether interstate or intrastate for the transportation of passengers without discrimination up to the limit of the capacity of each motor bus. A privately chartered bus service or interurban carrier subject to the jurisdiction of the state department of transportation is not an urban transit system.

[C77, 79, 81, §601J.1]
84 Acts, ch 1200, §1
C93, §324A.1
96 Acts, ch 1129, §80

324A.2 Technical assistance.

The department shall, at the request of a state agency, political subdivision, or public transit system or organization affected by this chapter, provide to them the following technical transportation assistance:

1. An evaluation of existing public transit systems, including but not limited to an evaluation of rolling stock, the costs of operation including the costs of fuel, maintenance and personnel and the development of common management and operating systems and procedures.

2. An analysis of existing urban and rural transit system services provided for transportation disadvantaged persons and the service needs of transportation disadvantaged persons, including an evaluation of specialized equipment required to meet the service needs of transportation disadvantaged persons.

[C77, 79, 81, §601J.2]
83 Acts, ch 60, §1; 84 Acts, ch 1200, §2
C93, §324A.2
2002 Acts, ch 1112, §1

324A.3 Fiscal and service plan.

The department shall at the request of a political subdivision, or public and private providers of transportation services affected by this chapter assist the providers in the development of a fiscal and service plan which may be used by them to coordinate and consolidate all forms of urban and

rural transportation services except public school transportation, including but not limited to, the following:

1. Senior citizen transportation.
2. Head start transportation.
3. Services for persons with disabilities.
4. Cab companies.
5. Common carriers.
6. Transportation services provided by private nonprofit agencies to their clients or the general public.

[C77, 79, 81, §601J.3]
84 Acts, ch 1200, §3
C93, §324A.3
96 Acts, ch 1129, §81

324A.4 Federal, state, local and private aid - report.

1. The department shall compile and maintain current information on the use of federal, state, local, and private aid affecting urban and rural public transit programs. Public, private, and private nonprofit organizations applying for or receiving federal, state, or local aid for providing transit services shall annually report to the department the costs of their transportation programs, depicting funds used for public transit programs and such other information as the department may require prior to receiving any federal or state funds or any aid from a political subdivision of the state. The report shall list all of the funding sources of the organization along with the listing of funds expended by that organization during the preceding fiscal year. The department, in cooperation with the regional planning agencies as the responsible agency for annual updating the regional transit development programs, shall compile this information annually. A state agency or organization administering funds for transit services is required to submit all funding requests through the regional and state clearinghouse and the department. An organization, state agency, political subdivision, or public transit system, except public school transportation, receiving federal, state, or local aid to provide or contract for public transit services or transportation to the general public and specific client groups, must coordinate and consolidate funding and resulting service, to the maximum extent possible, with the urban or regional transit system.

2. Upon request, the department shall provide assistance to political subdivisions, state agencies, and organizations affected by this chapter for federal aid applications for urban and rural transit system program aid. The department, in cooperation with the regional planning agencies, shall maintain current information reflecting the amount of federal, state, and local aid received by the public and private nonprofit organizations providing public transit services and the purpose for which the aid is received. The department shall annually prepare a report to be submitted to the general assembly, the department of management, and to the governor, prior to February 1 of each year, stating the receipts and disbursements made during the preceding fiscal

year and the adequacy of programs financed by federal, state, local, and private aid in the state. The department shall analyze the programs financed and recommend methods of avoiding duplication and increasing the efficacy of programs financed. The department shall receive comments from the department of human services, department of elder affairs, and the officers and agents of the other affected state and local government units relative to the department's analysis. The department shall use the following criteria to adopt rules to determine compliance with and exceptions to subsection 1:

a. Elimination of duplicative and inefficient administrative costs, policies and management.

b. Utilization of resources for transportation services effectively and efficiently.

c. Elimination of duplicative and inefficient transportation services.

d. Development of transportation services which meet the needs of the general public and insure services adequate to the needs of transportation disadvantaged persons.

e. Protection of the rights of private enterprise public transit providers.

f. Coordination of planning for transportation services at the urban and regional level by all agencies or organizations receiving public funds that are purchasing or providing transportation services.

g. Management of equipment and facilities purchased with public funds so that efficient and routine maintenance and replacement is accomplished.

h. Training of transit management, drivers and maintenance personnel to provide safe, efficient, and economical transportation services.

Eligibility to receive or expend federal, state, or local funds for transportation services by all agencies or organizations purchasing or providing these services shall be contingent upon compliance with these criteria as determined by the department.

3. The department shall receive and distribute federal aid to public transit systems unless precluded by federal statute; however, the department shall not retain or redirect any portion of funds received by the department for a particular public transit system except that the department may redirect unused funds after a project is completed in order to prevent the lapse of funds. The department may designate the public transit systems as the direct recipients of federal aid.

[C77, 79, 81, §601J.4]
84 Acts, ch 1200, §4, 5; 91 Acts, ch 27, §5
C93, §324A.4
2002 Acts, ch 1112, §2, 3

324A.5 Coordination of transportation services.

The department of human services, department of elder affairs, and the officers and agents of other state and local governmental units shall assist the department in carrying out section 324A.4, subsections 1 and 2, insofar as the functions of these respective officers and departments are concerned with the health, welfare and safety of any recipient of transportation services.

1. Any agency or organization found to be in noncompliance with section 324A.4 shall be notified in writing by the department of those activities which are not in compliance. The notice

shall also provide for a period of thirty days during which compliance with section 324A.4 can be accomplished without penalty or sanction.

2. If noncompliant activities continue after the period of thirty days, the department shall, in cooperation with the attorney general and the director of the department of administrative services, initiate the following actions:

a. If the activities that are not in compliance with section 324A.4 are funded with state or federal funds which are administered by the state and can be used by agencies or organizations that are in compliance with section 324A.4, then upon notice by the department, the director of the department of administrative services shall not permit the expenditure of ten percent of the funds during the fiscal year immediately following the notice, an additional twenty percent of funds during the following year, an additional thirty percent during the third year, and the remaining funds in the fourth year that the activities remain in noncompliance. Any funds retained by the director of the department of administrative services shall be returned to the originating state agency for redistribution to agencies and organizations eligible to receive the funds for transportation purposes.

b. If the activities that are not in compliance with section 324A.4 are funded with state, federal or local funds which are not administered by the state or cannot be used by agencies and organizations that are in compliance with section 324A.4, then upon notice by the department, the attorney general shall file an action to enjoin agencies or organizations from expending funds for transportation purposes until and unless compliance with section 324A.4 is achieved. If federal funds are involved in such cases, then the attorney general shall notify the responsible federal agency of the actions and request its cooperation.

c. The department of inspections and appeals shall establish an appeal process pursuant to chapters 10A and 17A which allows those agencies or organizations determined to not be in compliance with this chapter an opportunity for a timely hearing before the department of inspections and appeals. A decision by the department of inspections and appeals is subject to review by the state department of transportation. The state department of transportation's decision is the final agency action. Judicial review of the action of the department may be sought in accordance with chapter 17A.

d. The department shall, in accordance with chapter 17A, adopt and enforce rules setting minimum standards for determination of compliance and certification. The rules and standards required by this section shall be formulated in consultation with all affected state agencies, local government units with professional and consumer groups affected, and shall be designed to further the accomplishment of the purposes of this chapter.

84 Acts, ch 1200, §6
C85, §601J.5
89 Acts, ch 273, §40; 90 Acts, ch 1233, §35
C93, §324A.5
2002 Acts, ch 1112, §4, 5; 2003 Acts, ch 145, §286

324A.6 Public transit assistance moneys.

1. Moneys appropriated for purposes of public transit assistance under this chapter shall be expended for providing assistance to public transit for the development, improvement, and maintenance of public transit systems. Moneys received by the department by agreements, grants, gifts, or other means from individuals, companies or other business entities, or cities and counties for the purposes stated in this section shall be credited to the general fund of the state.

Moneys received by the department by agreements, grants, gifts, or other means and deposited into the state general fund as a result of this subsection are appropriated to the department for purposes of this subsection.

2. The department may enter into agreements with public transit systems, the United States government, cities, counties, business entities, or other persons for carrying out the purposes of this section.

3. The department may accept federal funds to carry out this section. Federal funds received under this section are appropriated for the purposes set forth in the federal grants.

4. Notwithstanding chapter 8, funds appropriated for public transit purposes to implement a state assistance plan shall be allocated in whole or in part to a public transit system prior to the time actual expenditures are incurred if the allocation is first approved by the department. A public transit system shall make application for advance allocations to the department specifically stating the reasons why an advance allocation is required and this allocation shall be included in the total to be audited.

84 Acts, ch 1151, §1
C85, §601J.6
86 Acts, ch 1245, §1968; 91 Acts, ch 260, §1249
C93, §324A.6
93 Acts, ch 131, §13; 94 Acts, ch 1107, §52

324A.6A Public transit infrastructure grant fund.

A public transit infrastructure grant fund is established within the department. Moneys in the fund shall be awarded to public transit systems within the state for construction and infrastructure projects that meet the definition of *"vertical infrastructure"* in section 8.57, subsection 6, paragraph *"c"*. The fund shall consist of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. In awarding grant assistance, the office of public transit within the department shall, by rule, specify certain criteria that must be included in a grant application, which shall include but not be limited to information on the feasibility of completion of an individual infrastructure project. Notwithstanding section 8.33, moneys in the public transit infrastructure grant fund shall not revert to the fund from which they are appropriated but shall remain available indefinitely for expenditure under this section.

2006 Acts, ch 1179, §55

324A.7 Urban public transit systems - intent.

An urban public transit system shall, to the extent practicable, utilize private-sector operators in the planning and provision of transit services.

2003 Acts, ch 8, §23

ATTACHMENT (3)

Transit Programs

State Transit Assistance

Intent of Program
Provide state funding assistance to support and improve locally sponsored public transit programs.

Who is eligible for funding?
Urban or regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa. (Transit systems may be organized as public bodies or as private not-for-profit corporations.)

Qualifications for funding

- Projects must be in an approved Transportation Improvement Program.
- Approximately 97 percent of funding is distributed among eligible transit systems using a performance-based distribution formula calculated on prior year statistics for rides, miles, operating cost, and local support. There is no local match requirement for formula funds.
- Approximately 3 percent of funding is reserved for special projects. These can include individual special projects for new services needed to support human services coordination, statewide transit training needs (including transit training fellowships), and emergency projects. Coordination projects will normally have a 50/50 match ratio. Fellowships require a local match of 20 percent. Emergency project match requirements vary with the nature of the project.

Type of submittal required
Submittal requirements are listed in the table following this section which outlines the federal and state requirements.

Application amount – minimum/maximum
Each transit system receives annual formula allocations. Application must be made to receive this entitlement.

Application deadline
May 1 for formula funds; variable for coordination projects, training fellowships and emergency funds

Special project requirements
Capital improvements and training projects other than fellowships require adherence to approved transit procurement procedures and equipment specifications.

Type of approval required
DOT staff recommendations with Iowa Transportation Commission approval

Average length of time for acceptance decision
45 days to staff recommendation, 90 days to Iowa Transportation Commission action

Program's annual funding level
State funding varies, depending on total use tax paid (FY2007 - $10.8 million)

More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

Urbanized Area Formula Program (Section 5307)

Intent of program
This program was established to provide federal funding for support of transit activities in urbanized areas over 50,000 in population.

Who is eligible for funding?
Urban transit systems from urbanized areas

Qualifications for funding

- Recipients must be designated by the Metropolitan Planning Organization and governor(s).
- Projects must be in an approved Statewide Transportation Improvement Program.
- Federal formula allocates funds directly to urbanized areas over 200,000 in population (may be used for preventive maintenance, capital, or planning).
- Single allocation to states for urbanized areas of 50,000 to 199,999 in population (may be used for operating support, preventive maintenance, capital, or planning).
- 100 percent of statewide allocation distributed among urbanized areas by federal formula.

Non-federal matching funds required:

- 50 percent of operating deficit for operating support
- 20 percent of net project cost for preventive maintenance or capital for vehicles *other than* those that are compliant with the requirements of the Americans with Disabilities Act of 1990 (ADA) and the Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA

Type of submittal required
Submittal requirements are listed in the table on page 80.

Application deadline
None

Special project requirements
Federally funded projects must comply with requirements regarding:

- civil rights projections;
- use of disadvantaged business enterprises;
- bus inspections;
- pre- and post-procurement audits;
- labor protection; and
- drug and alcohol testing.

Type of approval required
Funding allocations for areas under 200,000 in population require DOT staff recommendations with Iowa Transportation Commission approval. All grant applications must be approved by the Federal Transit Administration.

Average length of time for acceptance decision

- Allocations within two months of appropriation
- Grants within three months of official submission of application as long as funds are available

Program's annual funding level
Iowa has received approximately $6 - $8 million annually.

(continued on next page)

More information/applications
Grant applications are sent to:
Federal Transit Administration, Region 7
901 Locust St., Suite 404
Kansas City, MO 64106
Phone: 816-329-3920
Fax: 816-329-3921

Capital Grants Program (Section 5309)

Intent of program
This program provides federal funding assistance for transit capital improvements including bus/bus facility replacement or expansions, fixed guideway modernization and New Starts.

Who is eligible for funding?
Local public bodies may apply directly to Federal Transit Administration (FTA). Urban and regional transit agencies designated by local officials under Chapter 324A of the Code of Iowa may be sub-recipients of the Iowa Department of Transportation in a statewide grant.

Qualifications for funding

- Projects must be in an approved Statewide Transportation Improvement Program.
- Recipients of individual earmarks may apply directly or request to be part of the statewide application.
- Funds from the statewide bus/bus facilities earmarks are programmed for capital projects for urban or regional transit systems based on the PTMS ranking process and recommendations of the state transit association.
- Non-federal matching funds required: 20 percent of net project cost for preventive maintenance or capital for vehicles *other than* those that are compliant with the requirements of the Americans with Disabilities Act of 1990 (ADA) and the Clean Air Act Amendment (CAAA); 17 percent of net project cost for vehicles that are compliant with ADA/CAAA.

Non-federal matching funds required:

- 50 percent of operating deficit for operating support
- 20 percent of net project cost for preventive maintenance or capital for vehicles *other than* those that are compliant with the requirements of the Americans with Disabilities Act of 1990 (ADA) and the Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA

Type of submittal required
Submittal requirements are listed in the table following this section which outlines the federal and state requirements.

Application amount – minimum/maximum
Minimum: $5,000

Application deadline
May 1 (An application must be submitted to participate in the statewide earmark.)

Special project requirements
Federally funded projects must comply with requirements regarding:

- civil rights protections;
- use of disadvantaged business enterprises;
- bus inspections;
- pre- and post-procurement audits;
- drug and alcohol testing; and
- labor protection.

Type of approval required
Inclusion of project in application for statewide bus earmark – DOT staff recommendations with Iowa Transportation Commission approval. All grant applications approved by FTA.

(continued on next page)

Average length of time for acceptance decision
Commission action on inclusion in statewide application takes place shortly after the federal appropriation is passed - eight to nine months after local programming. FTA approval may be another five to nine months.

Program's annual funding level
Discretionary - Iowa received $4.8 million in FY 2005, and $4.1 million in FY 2006, but only $2.856 million in FY 2007.

Note: Most funds are earmarked by Congress each year.

More information/applications
Individual grant applications to:
Federal Transit Administration, Region 7; 901 Locust St., Suite 404; Kansas City, MO 64106; Phone: 816-329-3920; Fax: 816-329-3921.

Applications to be included in the statewide grant are sent to:
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

Special Needs Transportation Program (Section 5310)

Intent of program
This program was established to provide federal funding for support of transit activities in rural areas and in urban areas, and to support transit activities providing service to elderly persons and persons with disabilities. Of this funding, 30 percent is administered along with the non-urbanized funding; 70 percent is administered among urbanized transit systems.

Who is eligible for funding?
Urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa. (Transit systems may be organized as public bodies or as not-for-profit corporations.)

Qualifications for funding
Funds are distributed among all eligible transit systems using a performance-based distribution formula based on prior year statistics (may be used for preventive maintenance or capital). Projects must be in an approved Passenger Transportation Development Plan and the State Transportation Improvement Plan.

Non-federal matching funds required:

- 20 percent of net project cost for preventive maintenance or capital for vehicles other than those that are compliant with the requirements of the Americans with Disabilities Act of 1990 (ADA) and the Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA

Type of submittal required
Submittal requirements are listed in the table on page 80.

Application amount – minimum/maximum
Not applicable

Application deadline
May 1

Special project requirements
Federally funded projects must comply with requirements regarding: civil rights protections; use of disadvantaged business enterprises; bus inspections; pre- and post-procurement audits; drug and alcohol testing; and labor protection.

Average length of time for acceptance decision
75 days

Program's annual funding level
Iowa receives approximately $1 million annually.

More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

Non-Urbanized Area Formula Program (Section 5311)

Intent of program
This program provides federal funding for support of transit activities in rural areas and in urban areas of less than 50,000 in population (capital and operating assistance for rural and small urban transit systems).

Who is eligible for funding?
Urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa are eligible to apply for funding. Transit systems may be organized as public bodies or as private, not-for-profit corporations.

Qualifications for funding
RPA planning and intercity bus assistance funding is off-the-top. Remaining funds are distributed among all eligible transit systems using a performance-based distribution formula based on prior year statistics (may be used for operating support, preventive maintenance, capital, or planning). Projects must be in an approved Passenger Transportation Development Plan and the State Transportation Improvement Plan.

Non-federal matching funds required:

- 50 percent of operating deficit for operating support
- 20 percent of net project cost for preventive maintenance or capital for vehicles other than those that are compliant with the requirements of the Americans with Disabilities Act of 1990 (ADA) and the Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA (funding is allocated by formula)

Type of submittal required
Submittal requirements are listed in the table on page 80.

Application amount – minimum/maximum
Not applicable

Application deadline
May 1

Special project requirements
Federally funded projects must comply with requirements regarding:

- civil rights protections;
- use of disadvantaged business enterprises;
- bus inspections;
- pre- and post-procurement audits;
- drug and alcohol testing; and
- labor protection.

Average length of time for acceptance decision
75 days

Program's annual funding level
Iowa receives approximately $8 million - $9 million.

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More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

Intercity Bus Assistance (Section 5311f)

Intent of program
This program provides funds for: existing intercity bus routes that tie Iowa to the rest of the country; new feeder routes which will give smaller communities access to existing intercity routes; marketing for new or existing routes; and providers' efforts to upgrade equipment and facilities to become compliant with the Americans with Disabilities Act of 1990 (ADA).

Who is eligible for funding?
Private intercity bus companies, public transit agencies and local communities are eligible. Joint private/public applications are encouraged.

Qualifications for funding
To preserve the existing intrastate system -

- 10 cents per revenue mile for preventive maintenance and insurance costs
- allocated based on existing miles of Iowa intercity service
- quarterly report of the number of Iowa passengers by origins, destinations, locations of ticket sales, miles of revenue service, and total cost per revenue mile
- must connect to the Iowa intercity bus system that is connected to the nationwide intercity bus network
- new intercity bus service must be ADA accessible

Development of new connector/feeder service -

- up to 50 cents per mile primarily for preventive maintenance and insurance costs
- new routes that duplicate existing routes: 10 cents per mile
- eligible for funding for two years
- quarterly report of the number of Iowa passengers by origin, destination, location of ticket sales, miles of revenue service, and total cost per revenue mile
- must connect to the Iowa intercity bus system which is connected to the nationwide intercity bus network
- new intercity bus service must be ADA accessible

Marketing of new or existing routes:

- 80 percent federal and 20 percent non-federal
- for projects developed jointly by cities and carriers
- limited to external, non-labor costs only

Vehicle and bus terminal improvements:

- require commitments to continue service for a period of years
- improvements must meet ADA standards

Type of submittal required
Proposals must include a detailed description of the applicant's project, including break-out of costs with rationale for inclusion of each cost. For projects other than existing service, the project's justification, based on the needs and benefits to Iowa citizens, must be included.

Application amount – minimum/maximum

- maximum for each marketing of new programs: $12,000 federal funds
- maximum for each marketing of existing service: $7,500 federal funds

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Application deadline
Prior to October 1 of each year

Special project requirements
Providers of intercity bus service must hold proper interstate operating authority. Recipients must also comply with the following requirements for receiving federal funds:

- FTA drug and alcohol testing;
- FTA transit procurement standards (for project-related procurement);
- independent audit requirements;
- equal employment opportunity and disadvantaged business enterprise regulations;
- labor protection certification;
- environmental protection regulations; and
- federal (Davis-Bacon) wage rates (for construction projects).

Type of approval required
Project proposals will be reviewed by DOT staff and submitted to the Iowa Transportation Commission for approval.

Average length of time for acceptance decision
45 days to staff recommendation, 90 days to Iowa Transportation Commission action

Program's annual funding level

- total program - existing services: $486,000
- new feeder service: $326,000
- marketing: $162,000
- ADA vehicle/facility improvements: $326,000

In FY 2007, $1.3 million was available. Funding can be moved from one category to another as necessary.

More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1530
Fax: 515-233-7983
www.iatransit.com

Over-the-Road Bus Accessibility Program (Section 3038)

Intent of program
This program was established to provide federal funding to assist in implementing accessibility requirements for over-the-road buses, which is required by the Americans with Disabilities Act of 1990 (ADA).

Who is eligible for funding?
Intercity fixed route carriers

Qualifications for funding

- matching funds (federal share is 90 percent of cost of project needed to comply with ADA)
- service impacts rural areas and low-income individuals, and has been identified as needed

Type of submittal required
Identified need for service, financial capacity, impact on rural area, and timing of acquisition of required equipment. All requirements of intercity operational program must also be followed.

Application deadline
As announced by the Federal Transit Administration (FTA) each year

Special project requirements
Federally funded projects must comply with requirements regarding:

- civil rights protections;
- use of disadvantaged business enterprises;
- bus inspections;
- pre- and post-procurement audits; and
- drug and alcohol testing.

Type of approval required
FTA

Average length of time for acceptance decision
Varies – application is directed to the FTA which annually sets the application deadline

Program's annual funding level
Nationally: $7.6 million for FY 2007

More information/applications
Iowa Department of Transportation
800 Lincoln Way
Ames, Iowa 50010
515-239-1875
www.iatransit.com

Grant applications are sent to:
Federal Transit Administration, Region 7
901 Locust St., Suite 404
Kansas City, MO 64106
Phone: 816-329-3920
Fax: 816-329-3921

Job Access and Reverse Commute (Section 5316) – Federal Transit Funds

Intent of program
This program funds the development of transportation services to connect welfare recipients and low-income persons to employment and support services.

Who is eligible for funding?
Urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa. Transit systems may be organized as public bodies or as not-for-profit corporations.

Qualifications for funding

- Projects must derive from a coordinated public transit/human service transportation planning process.
- Projects must address transportation needs of low-income persons to jobs/training/childcare.
- Projects must be in an approved Passenger Transportation Development Plan and the State Transportation Improvement Plan.
- Project must involve service within the area covered by respective apportionment.

Non-federal matching funds required:

- 50 percent of operating deficit for operating support
- 20 percent of net project cost for preventive maintenance or capital for vehicles *other than* those that are compliant with the requirements of the Americans with Disabilities Act (ADA)/Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA

Type of submittal required
Submittal requirements are listed in the table on page 80.

Application amount – minimum/maximum
Discretionary funding

Special application process under each apportionment

- statewide process for non-urbanized and urbanized areas under 200,000 in population
- local application process in each urbanized area over 200,000 in population (Des Moines, Quad Cities, Council Bluffs/Omaha)

Application deadline
May 1 for statewide; local as announced

Special project requirements
Must meet other requirements for receiving federal funds

Type of approval required
The Federal Transit Agency (FTA) gives final approval to all federal formula apportionment funds. Projects may be submitted to the DOT for submission in a statewide application.

Average length of time for acceptance decision
Varies – statewide is 45 days to staff recommendation, 90 days to Iowa Transportation Commission action, but subject to FTA approval

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Program's annual funding level
FY 2007 funding for urbanized areas of 200,000 or more in population

- IL/IA Davenport: $132,714
- Des Moines: $134,714
- IA/NE Council Bluffs-Omaha: $271,986

Urbanized areas of 50,000 – 199,000 in population

- Iowa: $426,122

Non-urbanized areas of 50,000 or less in population

- Iowa: $414,410

More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

New Freedom

Intent of program
Expand transportation services for persons with disabilities

Who is eligible for funding?
Urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa. Transit systems may be organized as public bodies or as not-for-profit corporations.

Qualifications for funding

- Projects must derive from coordinated public transit/human service transportation planning processes.
- Projects must be new since August 10, 2005.
- Projects must exceed minimum service standards set by the Americans with Disabilities Act of 1990 (ADA).
- Projects must be in an approved Passenger Transportation Development Plan and the State Transportation Improvement Plan.
- Projects must involve service within the area covered by the respective apportionment.

Non-federal matching funds required:

- 50 percent of operating deficit for operating support
- 20 percent of net project cost for preventive maintenance or capital for vehicles other than those that are compliant with the requirements of ADA and the Clean Air Act Amendment (CAAA)
- 17 percent of net project cost for vehicles that are compliant with ADA/CAAA

Type of submittal required
Applications forms must be submitted and include a detailed project justification, justification of project eligibility and budget, along with the nature and source of matching funds.

Application amount – minimum/maximum
Formula apportionment

Special application process under each apportionment

- statewide process for non-urbanized areas and urbanized areas under 200,000 in population
- local application process in each urbanized area over 200,000 in population (Des Moines, Quad Cities, Council Bluffs/Omaha)

Application deadline
May 1 for statewide; as-announced for local

Special project requirements
Projects must not have been in operation or programmed prior to August 10, 2005.

Type of approval required
The Federal Transit Administration gives final approval to all federal formula apportionment funds. Projects may be submitted to the DOT for submission in a statewide application.

Average length of time for acceptance decision
Varies

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Program's annual funding level
FY 2007 funding for Urbanized – 200,000 or more in population

- IL/IA Davenport: $73,714
- Des Moines: $92,618
- IA/NE Council Bluffs-Omaha: $151,226

Urbanized – 50,000 – 199,000 in population

- Iowa: $242,588

Non-urbanized areas – 50,000 or less in population

- Iowa: $271,824

More information/applications
Iowa Department of Transportation
Office of Public Transit
800 Lincoln Way
Ames, Iowa 50010
Phone: 515-239-1875
Fax: 515-233-7983
www.iatransit.com

Iowa Clean Air Attainment Program (ICAAP)

Intent of program
This program funds highway/street, transit, bicycle/pedestrian, or freight projects or programs that help maintain Iowa's clean air quality by reducing transportation-related emissions. Eligible highway/street projects must be on the federal-aid system, which includes all federal functional class routes except local and rural minor collectors.

Who is eligible to request funding?
The state, a county or a city may sponsor an application or may co-sponsor for private, non-profit organizations and individuals. Transit systems may apply directly.

Qualifications for funding

- A local match of at least 20 percent is required.
- Eligible projects will fall into one of the following categories:
  - those which reduce emissions via traffic flow improvements and provide a direct benefit to air quality by addressing ozone, carbon monoxide, or particulate matter PM-2.5 or PM-10 (all of these pollutant emissions must be addressed, and a reduction calculation must be provided by the applicant for all types of projects listed);
  - those which reduce vehicle miles of travel;
  - those which reduce single-occupant vehicle trips; or
  - other transportation improvement projects to improve air quality or reduce congestion.

Net operating costs of new transit services are eligible for up to three years (at 80 percent federal/20 percent local participation).

Type of submittal required
Application forms must be submitted with emission reduction calculations and supporting documentation of congestion reduction and/or travel reduction assumptions. Applications are available from the DOT at www.dot.state.ia.us/forms/index.htm or at www.sysplan.dot.state.ia.us/icaap.htm.

Requested amount – minimum/maximum
Minimum $20,000 total project cost

Application deadline
October 1, statewide competitive application

Special project requirements
Highway projects

- Projects must be let by the DOT.
- Federal Highway Administration (FHWA) environmental concurrence is required.
- Right-of-way activities must comply with applicable federal and state laws.
- Plans and specifications must be prepared by an Iowa licensed professional engineer.
- If federal-aid dollars are used for a consulting engineer, the Federal-Aid Consultant Selection Process must be used.
- DOT design criteria should be used for the appropriate road classification.
- Approval by the DOT of plans and specifications is required.
- Compliance with regulations regarding the following is required:
  - -federa l equal employment opportunity;
  - -use of disadvantaged business enterprises;
  - -Oc cupational Safety and Health Administration provisions; and
  - -fed eral (Davis-Bacon) wage rates.

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For those projects on federal-aid routes, refer to FHWA form 1273, "Required Contract Provisions, Federal-Aid Construction Contracts," for more information. Materials testing, construction inspection and final project acceptance must be done according to DOT procedures.

Transit projects

- Capital improvements require adherence to approved transit procurement procedures and equipment specifications.
- Project candidates must be part of an approved five-year Capital Improvement Program.
- Federally funded projects must comply with requirements regarding:
  - -civil rights protections;
  - -use of disadvantaged business enterprises;
  - -com petitive procurement;
  - -bu s testing;
  - -pr e- and post-procurement audits; and
  - -dr ug and alcohol testing.

Type of approval required

- Project Evaluation Committee/DOT staff recommendation, with Iowa Transportation Commission approval
- Inclusion of selected projects in the Statewide Transportation Improvement Program (STIP) (also, RPAs and MPOs must include selected projects in their respective Transportation Improvement Programs)
- FHWA and FTA final approval of the STIP
- Authorization by FHWA of projects prior to proceeding with work or with advertisement of the project for receipt of bids

Transit projects must be approved by FTA as part of either a direct or a statewide grant.

Average length of time for acceptance decision
Four months

Program's annual funding level
Approximately $4.7 million

More information/applications
Iowa Department of Transportation
Office of Systems Planning
800 Lincoln Way
Ames, Iowa 50010
515-239-1681
www.sysplan.dot.state.ia.us/main_grants.htm

Surface Transportation Program (STP)

Intent of program
This Federal Highway Administration (FHWA) program provides flexible funding that may be used for transit projects.

Who is eligible to request funding?
Urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa. Transit systems may be organized as public bodies or as not-for-profit corporations.

Qualifications for funding
Approval by Regional Planning Affiliation or Metropolitan Planning Organization (RPA/MPO)

Requested amount – minimum/maximum
Varies by RPA/MPO

Application deadline
Varies by RPA/MPO

Special project requirements

- Projects must be in approved Statewide Transportation Improvement Program (STIP).
- Transfer of funding from Federal Highway Administration to Federal Transit Administration (FTA) must be requested from the RPA/MPO.
- Funding takes on the characteristics of the federal transit program to which it is transferred.

Type of approval required

- inclusion of projects in RPA/MPO Transportation Improvement Program
- FHWA and FTA final approval of the STIP

Average length of time for acceptance decision
Varies by RPA/MPO

More information/applications
Iowa Department of Transportation
Office of Program Management
800 Lincoln Way
Ames, Iowa 50010
515-239-1288

Submittal Requirements

	State Funds	State-Administered Federal Funds	Federal Funds*
Inclusion in the RPA/MPO TIP (and resulting STIP)	Yes	Yes	Yes
Consolidated transit funding application form	Yes	Yes	No
Resolution from applicant's policy board	Yes	Yes	Yes
Certification of compliance with federal transit requirements	No	Yes	Yes
Documentation of a public hearing	Yes	Yes	Yes
Listing of other surface transportation providers in the service area	No	Rural applicants only	No
Signed agreement to abide by federally established labor protection provisions	No	Rural applicants only	Yes, unless employees are non-union

**Most assistance for areas over 50,000 in population is administered directly by the federal government*

Large Urban, Small Urban, and Regional Transit Systems