

PUBLIC TRANSIT RULES

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PUBLIC TRANSIT

CHAPTER 900
CONTRACTS SET ASIDE FOR
DISADVANTAGED BUSINESS ENTERPRISES

[Prior to 6/3/97, Transportation Department (820)-(09.A)Ch 1]
Rescinded 1AB 9/28/94, effective 11/2/94

**CHAPTERS 901 to 909
Reserved**

**CHAPTER 910
COORDINATION OF PUBLIC TRANSIT SERVICES**

[Prior to 6/3/87, Transportation Department (820)-(09.A)Ch 2]

761-910.1(324A) Definitions. For purposes of this chapter, the following definitions shall apply in addition to the definitions in Iowa Code section 324A.1:

"Council" means the statewide transportation coordination advisory council formed in rule 910.3(324A).

"Department" means the state department of transportation. The office of public transportation of the air and transit division of the department administers Iowa Code chapter 324A.

"Emergency transportation" means transportation provided when life, health or safety is in danger, such as ambulance or law enforcement transportation.

"Incidental transportation" means transportation provided by an agency or entity when the driver must provide supervision, educational assistance or other support enroute and at the origin or destination. Transportation used merely to access other services is not incidental.

"Provider" means any recipient of direct or indirect, state, federal or local funds, including a public transit system, that provides or contracts for public transit services.

"Public school transportation " means passenger transportation provided by or for a legally organized Iowa public school district for school district purposes.

"*Public transit service*" means any publicly funded passenger transportation for the general public or for specific client groups not including public school transportation, emergency transportation or incidental transportation or transportation provided by the state department of human services or state department of corrections on the grounds of the following institutions:

- State juvenile home, Toledo;
- State training school, Eldora;
- Cherokee mental health institute;
- Clarinda mental health institute;
- Independence mental health institute;
- Mount Pleasant mental health institute;
- Glenwood state hospital-school;
- Woodward state hospital-school;
- Iowa veterans home, Marshalltown;
- Iowa state penitentiary, Fort Madison;
- Iowa state men's reformatory, Anamosa;
- Iowa correctional institution for women, Mitchellville;
- Medium security unit, Mount Pleasant;
- Riverview release center, Newton;
- Iowa medical and classification center, Oakdale;
- North central correctional facility, Rockwell City;
- Correctional treatment unit, Clarinda.

"*Public transit system*" means one of the 35 systems established under Iowa Code chapter 324A.

This rule is intended to implement Iowa Code section 324A. 1.

761-910.2(17A) Information and location. Requests for forms or information about the coordination of public transit services shall be addressed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515) 237-3302.

This rule is intended to implement Iowa Code section 17A.3.

761-910.3(324A) Statewide transportation coordination advisory council.

910.3(1) Purpose. An advisory council shall be formed by the department to assist with implementation of the compliance reviews required by statute. The council shall assist in the review of information concerning the transportation operations of providers and advise the department as to whether the provider should be found to be in compliance with the transportation coordination mandate of Iowa Code chapter 324A.

910.3(2) Advisory council.

a. Membership. Membership in the council shall at minimum include one representative from the department of human services, one from the department of elder affairs and one from the department. Other state agencies as well as federal agencies and Statewide private agencies funding local transportation services may also be granted membership.

b. Chairperson. The director of transportation or the director's representative shall serve as chairperson of the council.

c. Staff. Staff support for council activities shall be provided by the department's office of public transportation.

d. Meetings. Meetings shall be held at least once each month and may be held more frequently if necessary to enable the council to expeditiously discharge its duties.

910.3(3) Duties. The council shall:

- a. Review and make recommendations to the member agencies concerning guidelines and criteria for the review process operated by the council.
- b. Provide the department with written recommendations for findings of compliance or noncompliance with the transportation coordination mandate of Iowa Code chapter 324A for individual providers based upon review of each provider's request for certification.
- c. Upon request of a member agency, review all transportation components of funding applications or plans submitted by a recipient of the member agency.
- d. Advise and make recommendations to the department's office of public transportation concerning public transportation policy.

This rule is intended to implement Iowa Code sections 324A.4 and 324A.5.

761-910.4(324A) Certification process.

910.4(1) Requirement for certification. All providers are required to request a certification of compliance with the transportation coordination mandate of Iowa Code chapter 324A by submitting the certification application form in the Appendix to this rule plus a copy of a certificate of insurance or documentation of self-insurance. *Agencies that provide a mixture of public transit service and other service shall request certification based on that part of their overall operation which is public transit service.

910.4(2) Form distribution.

a. *Recipients of state or state-administered funds.* Each state agency in its own funding application or contract process shall require each recipient of funding to submit a request for certification of compliance.

b. *Recipients of other funds.* The department shall contact local governments and federal agencies to determine whether they are funding any providers that are not funded through the state. The department shall send to any providers identified in this way, or by other means, an explanation of the certification requirement and a copy of the certification request form in the Appendix.

910.4(3) Submission of request forms.

a. Recipients of state funds shall submit both the certification application and the certificate of insurance forms annually to the funding agency.

b. Recipients of funds from multiple sources may submit a single request form to all state funding sources if it covers all agency transportation functions.

c. Providers not receiving any funds from state agencies shall return their completed forms within 20 working days of receipt.

d. Agencies or organizations that receive a form from the department and believe that none of their services fit the definition of public transit services shall respond to the department within 20 working days of receipt, stating this belief and providing a brief description of any passenger transportation service they do provide and why it should not be considered public transit service.

910.4(4) Incomplete or unreturned request forms.

a. Forms submitted to a state funding agency as part of a funding application shall be reviewed for completeness by that agency within 10 working days.

b. Forms submitted directly to the department by its recipients or by providers not receiving state or state-administered funds shall be reviewed for completeness by the office of public transportation within 10 working days.

c. The reviewing agency shall inform the provider in writing of any information deficiencies and allow 10 working days from receipt for submittal of missing information.

d. Each state agency shall report to the council each case in which a provider has failed upon notification to supply the required information within the required time frame.

e. All completed request forms submitted to state funding agencies shall be forwarded to the council staff within 5 working days after verifying completeness.

910.4(5) Processing requests.

a. The council staff shall evaluate completed requests based on the compliance standards found in rule 910.5(324A) and make a recommendation for a finding of compliance or noncompliance to the council within 20 working days of receiving the completed request form.

b. Ten working days prior to the council's scheduled monthly meeting, the council staff shall distribute to each council member and to the respective providers a meeting agenda and copies of all compliance finding recommendations completed since the previous agenda mailing.

c. At their monthly meeting the council shall consider the compliance finding recommendations of the staff and may accept the staff recommendations as their recommendations to the director of transportation, change the recommendations and provide a statement of reasons, or defer action pending further review.

d. Upon consideration of the council recommendations, the department shall make a final finding of compliance or noncompliance and notify the provider and the state funding agency, if applicable, in writing of the department's decision within 5 working days after the council meeting.

This rule is intended to implement Iowa Code section 324A.4.

761-910.5(324A) Standards for compliance. A provider shall be found compliant if the provider meets both of the following standards:

910.5(l) All vehicles used for the public transit services it provides or contracts for are insured for \$1 million per accident for all hazards or the provider maintains a self-insurance fund adequate to provide equivalent protection.

910.5(2) The provider:

a. Purchases all services from a designated public transit system, or

b. Operates all services open to the public under contract with and control of a designated transit system,

or

c. Purchases all services from a private- for-pro fit operator of public transit services, or

d. Operates its own services which:

(1) The designated public transit system is currently unable to provide, or

(2) When considered as a whole using fully allocated costs, prove to be more economical than the purchase of equivalent services from the designated public transit system.

e. Uses a combination of services in paragraphs "a," "b," "c" and "d. "

This rule is intended to implement Iowa Code sections 324A.4 and 324A.5.

761-910.6(324A) Noncompliance. A provider shall be found noncompliant if:

910.6(l) The provider has not submitted required data upon expiration of either the original submittal deadline or the additional 10-day grace period after written notification of deficiencies in an original submittal.

910.6(2) The provider's request for certification has been processed and the provider did not qualify for a finding of compliance.

This rule is intended to implement Iowa Code section 324A.4.

761-910.7(324A) Noncompliant sanctions. A provider that is denied certification and continues the noncompliant activities for more than thirty days shall be subject to the penalties and sanctions specified in Iowa Code subsection 324A.5(3).

910.7(1) If the department of human services purchases services from the noncompliant provider, the department's office of public transportation shall notify the department of human services of the noncompliant finding.

910.7(2) If the noncompliant provider is a recipient of public funds from other than the department of human services, the department's office of public transportation shall notify the proper authority as required in Iowa Code subsection 324A.5(3).

This rule is intended to implement Iowa Code sections 324A.4 and 324A.5.

761-910.8(17A,324A) Revocation.

910.80) If certification is revoked, the air and transit division shall send a written notice of revocation to the provider.

910.8(2) The affected public transit system, the provider and the air and transit division shall meet within ten days after the date of the revocation notice to determine an acceptable amendment of the transportation services. The amendments which are agreed upon shall become effective within sixty days. The contract between the provider and the affected public transit system shall be amended, if necessary, to agree with the service changes.

910.8(3) If the transportation services are not timely amended, the air and transit division shall initiate actions as required in Iowa Code subsection 324A.5(3).

This rule is intended to implement Iowa Code sections 17A.18 and 324A.5.

Appendix to rule 761-910.4(324A)

Date _____

FY _____

CERTIFICATION APPLICATION

State/Federal Administering Agency

I. GENERAL INFORMATION:

Agency Name: _____

Address: _____

Contact Person: _____ Phone: (____) _____

Service Area (counties): _____

Types of Clients: _____

Types of Services: _____

Does agency provide transportation services? Yes _____ No _____

Does agency use public funds for transportation? Yes _____ No _____

II. TRANSPORTATION ACTIVITIES:

Population groups served: Elderly _____ Youth _____ Economically Deprived _____ Public _____

Persons with physical disabilities _____ Persons with mental disabilities _____ Other _____

Describe others: _____

Services Accessed: Medical _____ Day Care _____ Shopping _____ Nutrition _____ Employment _____

Recreation _____ Education/training _____ Other social services _____

What percent of your transportation service (in terms of miles driven) is operated during the following time periods?

_____ % weekdays + _____ % evenings + _____ %weekends = 100%

Is any part of agency's transportation purchased from an urban or regional transit system?

Yes _____ No _____ If yes, please indicate system:

V. PURCHASE OF SERVICE (Contracts and Vendor Agreements): Total \$ _____

	Average Monthly Ridership	Average Monthly Vehicle Miles	Projected Annual Expenditures
Taxi			\$
Intracity bus			\$
Regional/Urban Transit System			\$
Other - specify			\$
Total			\$

VI. OPERATION OF OWN TRANSPORTATION SERVICE: Total \$ _____

STAFF	Number	% of Time	Projected Annual Expenditures
Administrative			\$
Drivers			\$
Maintenance			\$
Professional			\$
Escorts			\$
Volunteers reimbursement		\$ /mile	\$
reimbursement			\$
Subtotal			\$

VEHICLE OPERATING COSTS	Projected Annual Expenditures
Fuel and oil	\$
Maintenance and repair	\$
Insurance	\$
Licenses and fees	\$
Staff mileage reimbursement \$ /mile	\$
Indirect cost or overhead	\$
Other - specify	\$
Subtotal	\$

PURCHASE OR LEASE OF VEHICLES AND SPECIAL EQUIPMENT

Vehicle Type	No. to be Leased	No. to be Purchased	No. for Replacement	No. for Expansion	Special Equipment	Projected Annual Cost
						\$
						\$
						\$
Subtotal						\$

Note: The total funding In Section IV must equal the total expenditures In Section V plus Section VI.

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CHAPTERS 911 to 919

Reserved

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

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, as defined in Iowa Code section 324A.1.

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.

761-920.2(324A) General information. The department shall send annually to each public transit system in Iowa the required forms and instructions for applying for state transit assistance. Requests for assistance and questions about application preparation should be directed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515) 237-3302.

761-920.3(324A) Definitions.

Department. The state department of transportation. Both the air and transit division and the planning and research division of the department have responsibilities under these rules.

Joint Participation Agreement. 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.

Programmed project assistance. State transit assistance appropriations minus funds reserved for special projects.

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

Public transit system. A transit system, either urban or regional, which provides transit services to both the general public and transportation disadvantaged persons.

Regional transit system. See Iowa Code subsection 324A.1(7).

Urban transit system. A system designated by the department which meets the requirements of Iowa Code subsection 324A.1(6). 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 must also 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. Nothing in this paragraph shall be construed to exclude any provider of transit services in an urbanized area from state transit assistance funding if that system was in operation on November 10, 1976, and since that time has provided transportation services on a continuing basis to both the general public and the transportation disadvantaged.

761-920.4(324A) Types of projects.

920.4(1) *Programmed projects.* A programmed project may involve operations assistance, capital assistance, or both. 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 air and transit division.

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) Improving the performance or fiscal viability of the transit system.
- (3) Enhancing the capacity for administration consolidation and service coordination.
- (4) Reducing impediments to intra- or intermodal transfers.
- (5) Increasing the cooperation between private and public sectors.
- (6) Providing incentives for increased commitment of private or public support.
- (7) Developing, demonstrating, or refining some technical, procedural, or mechanical innovation so that it may be successfully employed by other public transit systems in Iowa.
- (8) Responding to an emergency situation that places an extraordinary and unforeseen strain on the resources of a public transit system.

b. Proposals for special projects may be submitted to the air and transit division at any time. However, because of limited funding, special projects should be submitted with the programmed projects, if possible.

c. A special project may either involve assistance to an individual public transit system or to several systems as a group.

761-920.5(324A) Standards for projects.

920.5(l) 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 \$5,000 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 rules 761-Chapter 910.

920.5(5) *Determination of amount reserved for special projects.* Each fiscal year, up to three hundred thousand dollars may be reserved from state transit assistance appropriations for special projects if the appropriations for the year are expected to equal or exceed five hundred thousand dollars. 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.

761-920.6(324A) Processing.

920.6(1) *Review.* The department, through its air and transit division and planning and research division, shall review the proposed projects.

920.6(2) *Program.* Based on available funds and the project priorities established by the transit systems, the air and transit division shall prepare a list of both programmed and special projects recommended for funding approval.

920.6(3) *Approval.* The air and transit division shall submit the list to the transportation commission for approval.

920.6(4) *Agreement.* Upon approval by the commission, the air and transit division shall

prepare a joint participation agreement and send it to the public transit system for signing. The agreement shall be returned to the air and transit division for signing by the department. Rules 920.1(324A) to 920.6(324A) are intended to implement Iowa Code chapter 324A.

APPENDIX TO
761-920.5(324A)

FY	Fiscal year. The twelve-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 programmed eligibility 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 a person boards a vehicle, even though the person may be on the same journey from origin to destination.
PE	Programmed eligibility. 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 "programmed eligibility" shall be made using the method diagramed in this appendix. System programmed eligibility is reduced by twenty-five percent for each quarter of any fiscal year in which no joint participation agreement with the department has been executed. The director of the air and transit division may waive this reduction.
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 PROGRAMED ELIGIBILITY

$$.50 \frac{\text{Regional RevMi}}{\text{Total State RevMi}} + \frac{\text{System's LDI}}{\text{Sum of LDI for all regions}}$$

$$\text{Regional System's PE} = .25 \frac{\text{Regional RevMi}}{\text{Total State RevMi}} \times \frac{\text{System's Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all regions}} +$$

$$.25 \frac{\text{Regional RevMi}}{\text{Total State RevMi}} \times \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all regions}}$$

$$.50 \frac{\text{Urban RevMi}}{\text{Total State RevMi}} \times \frac{\text{System's LDI}}{\text{Sum of LDI for all urbans}} +$$

$$\text{Urban System's PE} = .25 \frac{\text{Urban RevMi}}{\text{Total State RevMi}} \times \frac{\text{System Pass to OpExp ratio}}{\text{Sum of Pass to OpExp ratios for all urbans}} +$$

$$.25 \frac{\text{Urban RevMi}}{\text{Total State RevMi}} \times \frac{\text{System's RevMi to OpExp ratio}}{\text{Sum of RevMi to OpExp ratios for all urbans}}$$

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CHAPTER 921
ADVANCED ALLOCATIONS OF STATE TRANSIT ASSISTANCE FUNDING

[Prior to 6/3/87, Transportation Department (820)-(09,B)Ch 2]

761-921.1(324A) Scope of chapter. This chapter shall apply only to those transit systems eligible for and having or proposing to have a "Joint Participation Agreement" in force with the Iowa department of transportation for state transit assistance funding as set forth in rules 761-Chapter 920, IAC. This chapter implements provisions for advance allocations of state transit assistance funding as set forth in Iowa Code subsection 324A.6(5). The requirements for the award of state funds for state transit assistance and subsequent procedures are found in rules 761-Chapter 920, IAC.

761-921.2(324A) Basic types of advance allocations. Advance allocations of state transit assistance are paid prior to the time actual expenditures are incurred. Three basic types of advance allocations shall be available:

921.2(1) Payment of one-fourth (or twenty-five percent) of the total "Joint Participation Agreement" amount prior to or during each fiscal quarter, starting on the execution date of the "Joint Participation Agreement."

921.2(2) Payment of an amount to be denoted in the "Joint Participation Agreement" prior to or during each fiscal quarter, starting on the execution date of the "Joint Participation Agreement."

921.2(3) Payment of the total "Joint Participation Agreement" amount prior to or during the project period, starting on the execution date of the "Joint Participation Agreement."

761-921.3(324A) Application for advance allocations.

921.3(1) Transit systems having or proposing to have a "Joint Participation Agreement" with the department for state transit assistance funding may make written application for advance allocations of the "Joint Participation Agreement" amount. The application shall be directed to: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515) 237-3302.

921.3(2) Transit systems applying for state transit assistance funding, pursuant to 761 -Chapter 920, may make written application for advance allocations of proposed or existing "Joint Participation Agreement" amount as part of the application for state transit assistance.

921.3(3) No application for advance allocation shall be complete without:

- a. The name of the transit system.
- b. A specific statement of the reasons why an advance allocation is required by the transit system.
- c. A statement from the transit system which indicates the specific existing or proposed "Joint Participation Agreement" from which advance allocations are to be derived.
- d. A statement from the transit system which indicates that the contract officer has read these administrative rules and certifies that the contract officer shall comply with them.
- e. The signature of the contract officer of the transit system, and the date of the signature.

If varied advance allocations per quarter are requested pursuant to subrule 921.2(2), the following shall also be included in the application:

(1) A statement denoting the proposed advance allocations for each quarter, including the dollar amounts and the percentage of each quarter's proposed advance allocation to the total "Joint Participation Agreement" amount.

(2) A statement of justification for the varied allocation amounts requested.

(3) A detailed transit system cash flow analysis projected for the performance period of the "Joint Participation Agreement."

921.3(4) Rescinded, effective April 16, 1986.

761-921.4(324A) Application approval. The air and transit division of the Iowa department of transportation shall review all applications for advance allocations of state transit assistance. It shall also approve, disapprove or defer all such applications. Provisions of applications which are approved shall be written into and made a part of the transit system's state transit assistance "Joint Participation Agreement", if it is in effect, or written into such "Joint Participation Agreement" when awarded by the department pursuant to rules 761-Chapter 920. The transit system shall be so notified of such action. Transit systems whose applications for advance allocations are disapproved or deferred shall be so notified, including the reason(s) for such actions.

761-921.5(324A) Consideration in determining the approval of advance allocation application. The air and transit division shall give consideration to the following items in determining the approval, disapproval or deferment of advance allocation applications:

921.5(1) The justification submitted with the application pursuant to subrule 921.3(3).

921.5(2) Previous experience of the air and transit division in dealing with the transit system making application including but not limited to the following:

- a. Timeliness of contract and application materials, as assessed by the air and transit division.
- b. Fiscal management capability of the transit system, as assessed by the air and transit division.

921.6 Rescinded, effective April 16, 1986.

761-921.7(324A) Reports, and suspension and termination of allocations.

921.7(1) Transit systems receiving advance allocations shall provide quarterly and end-of-the-year financial and statistical reports to the air and transit division in the manner and within the time limits described in the state transit assistance "Joint Participation Agreements." These reports shall be made on forms prescribed for that purpose and furnished to the transit systems by the air and transit division.

921.7(2) Failure to file quarterly and end-of-the-year financial and statistical reports by any transit system with the air and transit division in the manner and within the time limits described in the state transit assistance "Joint Participation Agreement" shall be cause for suspension or termination of those provisions of the "Joint Participation Agreement," and therefore, suspension or termination of advance allocation payments made by the Iowa department of transportation. The air and transit division shall notify any transit system of such actions.

921.7(3) Payment of eligible "Joint Participation Agreement" expenses to a transit system that has had advance allocation contract provisions suspended or terminated by the air and transit division shall be by the method of reimbursement payments as described in the state assistance "Joint Participation Agreements."

761-921.8(324A) Income derived from interest-bearing accounts and investments.

921.8(1) Any transit system that receives advance allocation payments shall deposit these funds in a separately identified interest-bearing account until such time as they are expended on costs incurred by the transit system.

921.8(2) All income derived from interest-bearing accounts and investments shall be credited to the transit system and its transit accounts as a nonoperating or nontransportation revenue.

761-921.9(324A) "Joint Participation Agreement" close and audits.

921.9(1) Each transit system receiving advance allocations shall, as part of the end-of-the-year financial and statistical report, calculate the total "Joint Participation Agreement" amount -eligible for

payment by the Iowa department of transportation within the limits stated in the "Joint Participation Agreement." This eligible "Joint Participation Agreement" amount shall

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be compared to the total amount of the advance allocations for that "Joint Participation Agreement." If the advance allocations' total is greater than the eligible "Joint Participation Agreement" amount, the transit system must repay the Iowa department of transportation the difference. After verification of these calculations, the department shall issue to the public transit system an invoice for the amount of the required repayment. Failure to make this repayment shall be grounds for:

- a. Termination of other transit assistance "Joint Participation Agreements" with that transit system,
- b. Suspension or termination of further advance allocations made on future "Joint Participation Agreements",
- c. Reduction of Iowa department of transportation participation in existing or future "Joint Participation Agreements," or
- d. Reducing future "Joint Participation Agreement" reimbursement requests of the transit system by an amount not to exceed the unpaid debt owed the Iowa department of transportation and crediting the outstanding debt of the project being closed out.

921.9(2) The air and transit division may institute any such action(s) as stated in subrule 921.9(1) above and shall notify any transit system of such action taken against them.

921.9(3) After the repayment and end-of-the-year financial and statistical reports are submitted, or after the air and transit division has instituted any action(s) for failure to do so, the Iowa department of transportation shall audit the transit system's books, accounts, records and other material and information necessary to determine "Joint Participation Agreement" compliance. The advance allocations paid to the transit system shall be taken into consideration and made part of the amount to be audited.

Rules 921.1 to 921.9 are intended to implement Iowa Code chapter 324A.

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CHAPTER 922
FEDERAL TRANSIT ASSISTANCE
[Prior to 6/3/87, Transportation Department(820)--(09,B)Ch3]

761-922.1(324A) Projects for nonurbanized areas and private nonprofit transportation providers.

922.1(1) General information.

a. Section 18 of the Federal Transit Act established a program of federal financial assistance for support of public transportation projects in areas outside urbanized areas of 50,000 or more population as defined by the U.S. Census Bureau.

b. Section 16 of the same Act established a program of federal financial assistance for support of capital acquisitions for private nonprofit providers of specialized transportation services for elderly and handicapped persons.

c. As required by the Federal Transit Act, the Iowa transportation commission has been designated by the governor to administer both programs within Iowa, subject to review by the Federal Transit Administration (FTA).

922.1(2) State management plan.

a. Sections 16 and 18 federal transit assistance programs within Iowa shall be administered according to "Iowa's State Management Plan for the Section 16 and 18 FTA Programs," dated July 1, 1993, which has been prepared by the department and approved by the Federal Transit Administration in conformance with FTA Circulars 9040 and 9070.1C.

b. Copies of the state management plan are available upon request from: Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313.

This rule is intended to implement Iowa Code chapter 324A.

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923.5(2) *Loan request.* The public transit system shall normally submit a request for a revolving fund loan to the air and transit division when the annual grant application is made, but may submit a request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

- a. A description and cost estimate of the proposed project.
- b. An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.
- c. An explanation and justification of need for the loan.
- d. A proposed schedule of when funds will be needed for the project.
- e. A proposed loan repayment plan with schedule and source of funds.

923.5(3) *Criteria for selection.* The air and transit division shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (not listed in order of preference), preference shall be given to projects that:

- a. Foster coordination among transit services, such as a ground transportation center, a joint maintenance facility, or co-operative vehicle usage.
- b. Enhance local or regional economic development, such as a transit mall, passenger shelter facilities, or vehicles for extension of services.
- c. Increase federal funding to the state, such as accelerating purchase of replacement vehicles.
- d. Extend services to the transportation disadvantaged.
- e. Promote energy conservation, such as fuel efficiency.
- f. Require the loan as only a portion of the local matching funds required.

923.5(4) *Approval.* Based on available funds, the air and transit division shall approve loans for projects meeting the criteria in subrule 923.4(1) or shall submit recommended loan projects meeting the criteria in subrule 923.4(2) to the transportation commission for approval. Submission may be on an annual or an individual basis.

923.5(5) *Agreement.* Upon approval by the transportation commission, the air and transit division shall prepare a loan contract and send it to the public transit system for signing. The signed contract shall be returned to the air and transit division for signing by the department.

923.5(6) *Default.* If a public transit system fails to make a loan payment as agreed in the contract, the air and transit division may, at its option, deduct the amount of any loan payment past due from state transit assistance payments allocated to that transit system.

These rules are intended to implement 1985 Iowa Acts, chapter 265.

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CHAPTER 924 ENERGY CONSERVATION TRUST FUND APPROPRIATION

[Prior to 6/3/87. Transportation Department (820)-(09. B)Ch5]
Rescinded IAB 2/5/92, effective 3/11/92.

CHAPTER 923
CAPITAL MATCH REVOLVING LOAN FUND
[Prior to 6/3/87, Transportation Department(820)-(09.B)Ch4]

761-923.1(71GA,ch265) General information.

923.1(1) Scope of chapter. The general assembly appropriated money from the petroleum overcharge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund will enable public transit systems to obtain the matching funds required to qualify for capital purchases under federally funded projects. The fund will provide multi year interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall be required to demonstrate ability to repay the loan from budgeted funds or revenues.

923.1(2) Information. Information, requests for assistance, and answers to questions about the preparation and submission of loan requests may be obtained by contacting: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515) 237-3302.

761-923.2(71GA,ch265) Definitions. The definitions in rule 761-920.3(324A), Iowa Administrative Code, for "department," "public transit system," and "project" shall also apply to this chapter.

761-923.3(71GA,ch265) System eligibility. A public transit system is eligible to request a capital assistance loan from the revolving loan fund if it complies with all of the following criteria:

923.3(1) It uses a centralized accounting system that maintains primary documentation for all revenue and expenses.

923.3(2) One person is responsible for managing the assets, operations, and funding of the system.

923.3(3) 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.

761-923.4(71GA,ch265) Project eligibility.

923.4(1) A project is eligible if it meets all of the following criteria:

a. It is a transit-related project for a capital purchase, e.g., new or replacement vehicles, facilities, or both.

b. It qualifies for federal funding approval which includes meeting the federal spare vehicle ratio requirement.

c. It meets an identifiable transit need that has been included in the public transit system's planning or programming document.

d. It is part of a statewide program of transit projects which has been adopted by the transportation commission.

e. The local funding needed for the project justifiably exceeds the public transit system's annual capital match funding capability.

923.4(2) A project to purchase vans for a vanpool, as defined in Iowa Code subsection 325.1(9), may be submitted by an individual or a group through the appropriate public transit system. A vanpool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated.

761-923.5(71GA,ch265) Procedure.

923.5(1) Federal funding request. The public transit system shall submit an application for federal funding approval of the proposed project to either the air and transit division or to the Federal Transit Administration, as required by the type of funding requested.

CHAPTER 924
PUBLIC TRANSIT INFRASTRUCTURE GRANT PROGRAM

761—924.1(324A) Purpose. The purpose of the public transit infrastructure grant program is to provide funding for improvement of the vertical infrastructure of Iowa’s designated public transit systems.

761—924.2(324A) Definitions. The following definitions shall apply to this chapter:

“*Public transit system*” means one of the regional transit systems or urban transit systems designated under Iowa Code section 324A.1.

“*Vertical infrastructure*” is defined in Iowa Code section 8.57, subsection 6.

761—924.3(324A) Information and forms. Information, instructions, and application forms may be obtained from the Office of Public Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010; telephone (515)239-1875. Information and forms are also available through the Internet at <http://www.iatransit.com>.

761—924.4 Reserved.

761—924.5(324A) Applicant eligibility. Eligible public transit systems shall be limited to the regional transit systems and urban transit systems that have been designated under Iowa Code chapter 324A.

761—924.6(324A) Project eligibility. Projects may be considered for funding only if:

924.6(1) The project has been included in a locally approved transportation improvement program and in the statewide transportation improvement program.

924.6(2) Local match for the project is currently available.

924.6(3) The project is capable of being substantially completed within 18 months of project selection.

761—924.7(324A) Eligible project activities. Activities that are eligible for reimbursement include, but are not limited to, the following:

924.7(1) Construction, expansion, or renovation of facilities for administration of public transit operations, including any associated design, land acquisition, grading and foundation work.

924.7(2) Construction, expansion, or renovation of facilities for servicing, maintenance or storage of public transit vehicles, including any associated design, land acquisition, grading and foundation work.

924.7(3) Construction, expansion, or renovation of transit vehicle fueling facilities, including any associated design, land acquisition, grading and foundation work.

924.7(4) Construction, expansion, or renovation of passenger waiting facilities, including any associated design, land acquisition, grading and foundation work.

924.7(5) Relocating an existing administrative or maintenance facility, if necessary to correct violations of safety or design standards. Such project may include any associated design, land acquisition, grading and foundation work.

761—924.8(324A) Ineligible project activities. A transit facility may be incorporated into a larger project. Examples might include, but are not limited to, an intermodal facility, a headquarters for the umbrella organization sponsoring the transit program, or a public works facility. If this is the case, those costs attributable to the nontransit elements of the larger project shall not be eligible under this program.

761—924.9 Reserved.

761—924.10(324A) Funding.

924.10(1) Program funds may reimburse up to 80 percent of transit-related project costs.

924.10(2) At least 20 percent of transit-related project costs must be provided from local sources by the sponsoring transit system in cash or value of real property.

924.10(3) Assistance from the public transit infrastructure grant program, when combined with federal or other state resources, may not exceed 80 percent of the project's transit-related costs.

761—924.11(324A) Project applications.

924.11(1) Project applications shall be submitted to the office of public transit.

924.11(2) Each application shall contain:

a. General information, including the transit system name, contact person, mailing address, E-mail address, telephone number, and fax number.

b. A project data sheet. The data sheet shall include the following:

(1) A brief description of the project and its purpose, project justification and anticipated benefits to the transit program.

(2) Cost information including total project cost and an itemized breakdown of project components (including transit vs. nontransit costs).

(3) The proposed implementation schedule.

(4) A statement of the applicant's ability to complete the project.

(5) A sketch of the project.

c. Documentation of project feasibility and costs.

d. A resolution from the governing body of the sponsoring transit system endorsing the project and authorizing the necessary local funding match.

761—924.12 Reserved.

761—924.13 Reserved.

761—924.14(324A) Project priorities. The transportation commission shall consider the following in project selection:

924.14(1) Benefits of project to the transit program in terms of:

a. Enhancement of the life of the transit vehicle fleet.

b. Enhancement to transit services.

c. Increased ridership.

924.14(2) Readiness to proceed.

924.14(3) Feasibility of timely completion of the proposed project.

924.14(4) Ability of the project to leverage other funds.

761—924.15(324A) Review and approval. Department staff shall review project applications with an industry advisory committee and shall submit recommendations to the transportation commission. The transportation commission is responsible for approving the projects to be funded.

761—924.16(324A) Project agreement and administration.

924.16(1) *Agreement.* After a project has been approved, the department shall enter into an agreement with the transit system sponsoring the project.

924.16(2) *Payments.* Payments to the transit system sponsor for eligible project costs shall be made on a cost reimbursement basis.

These rules are intended to implement Iowa Code sections 8.57 and 324A.1 and 2006 Iowa Acts, chapter 1179, section 55.

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