IOWA
STATE MANAGEMENT PLAN
for
Administration of Funding and Grants under
the Federal Transit Administration
Sections 5310, 5311, 5316, 5317, and 5339 Programs

MARCH 2017

IOWA DOT
Office of Public Transit

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CHAPTER I
Introduction

Purpose

The United States Department of Transportation offers a number of programs designed to financially assist in the provision of local public transportation services. This includes many programs specifically targeted to transit which are generally found within the 5300 series of Part 49 of the U.S. Code and administered either directly by, or under the auspices of, the Federal Transit Administration (FTA). It also includes what are known as "flexible funds" which are authorized under part 23 of the U.S. Code and can either be administered by the Federal Highway Administration (if programmed for highway or trails projects) or transferred or "flexed" to FTA (if programmed for transit).

Several of the transit funding programs are, by law, set up to be administered in whole or in part by the individual states, on behalf of the FTA. FTA requires each state to produce a State Management Plan documenting its policies and procedures used in managing these state-administered FTA programs. This document sets forth the policies and procedures established for these programs in the State of Iowa. It should be noted that in Iowa, the Iowa Department of Transportation is the agency designated by the state's chief executive officer/Governor to administer these programs, including:

- Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program, authorized under 49 U.S.C. 5310 (hereinafter referred to as the 5310 program);
- Formula Grants for Rural Areas Program, authorized under 49 U.S.C 5311 (hereinafter referred to as the 5311 program);
- Rural Transit Assistance Program (RTAP), authorized under 49 USC 5311(b)(2);
- Intercity Bus Assistance Program, Section 5311(f);
- Job Access/Reverse Commute (JARC) Program, authorized under 49 U.S.C. 5316; and
- New Freedom Program, authorized under 49 U.S.C. 5317.
- Bus and Bus Facilities Formula Program, authorized under 53 USC 5339, 49 CFR 1.51.

This State Management Plan also applies to funds flexed to the FTA 5311 Program from the:

- Congestion Mitigation/Air Quality (CMAQ) Program, authorized under 23 U.S.C. 149; and
- Surface Transportation Block Grant Program (STBGP), authorized under 23 U.S.C. 133, programmed for transit projects in non-urbanized areas.

The Iowa DOT also administers the following FTA programs, which are mentioned but not required to be detailed in the State Management Program:

- Metropolitan Transportation Planning (Section 5303);
- Statewide and Nonmetropolitan Transportation Planning (Section 5304); and
- Urbanized Area Formula Grants (Section 5307).

For more information on the administration of any of the above programs, please contact the Iowa DOT Office of Public Transit at 800 Lincoln Way, Ames, IA 50111, or www.iowadot.gov/transit, or 515.233.7870.

Overview of Covered Programs

5310 Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities

This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public

transportation services and Americans with Disabilities Act (ADA) complementary paratransit services. MAP-21 consolidated the former New Freedom Program and former Elderly and Disabled Program. In areas such as the State of Iowa, where public agencies have been given the responsibility for coordinating these types of services, Congress has established that those public agencies are also eligible recipients. Eligible spending is to be at least 55-percent capital projects which meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable. The remaining 45-percent may be spent on public transportation projects that exceed the requirements of the ADA, public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit, and/or alternatives to public transportation that assist seniors and individuals with disabilities.

5311 Formula Grants for Rural Areas

The 5311 program provides capital, planning, job access/reverse commute, operating, and acquisition of public transportation services funding to states to support public transportation in rural areas with populations less than 50,000. State-level costs for program administration are also an eligible expense. The program is intended to provide financial assistance for the support of passenger transportation services which are open to all members of the general public. Federal law requires that specified percentage of these funds are reserved each year for support of an Intercity Bus Assistance Program, the 5311(f) program, unless the Governor of a state certifies that all intercity bus needs in the state are being met.

5311(b)(3) Rural Transit Assistance Program

The RTAP is intended to provide training and technical assistance support to the transit providers in rural and small urban areas. Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help.

5316 Job Access/Reverse Commute (SAFETEA-LU)

The JARC program was intended to provide financial assistance for the support of transportation and related services designed to help welfare recipients and other low income persons obtain gainful employment. JARC funds could be used for either operating or capital support. Under SAFETEA-LU each state received one allocation of JARC funding to be spent in non-urbanized areas and a second separate allocation for use in the state's smaller urbanized areas (with populations of less than 200,000), and was required to conduct a competitive application process for each allocation. Urbanized areas over 200,000 population received individual allocations and conducted their own competitive application processes for these funds. No longer a specific funding program under the FAST Act. This description remains in the State Management Plan as the Iowa DOT spends down leftover SAFETEA-LU JARC funding as projects are completed.

5317 New Freedom (SAFETEA-LU)

The New Freedom program was intended to provide financial assistance for the support of new transportation services designed to benefit persons with disabilities that went beyond the minimum requirements of the Americans with Disabilities Act. New Freedom funds could be used for either operating or capital support. As in the JARC program, each state received one allocation of New Freedom funding to be spent in non-urbanized areas and a second separate allocation for use in the state's smaller urbanized areas (with populations of less than 200,000), and was required to conduct a competitive application process for each allocation. Urbanized areas over 200,000 population received individual allocations and conducted their own competitive application processes for these funds. No longer a specific funding program under the FAST Act, this description remains in the State Management

Plan as the Iowa DOT spends down leftover SAFETEA-LU New Freedom funding as projects are completed.

5339 Bus and Bus Facilities Formula Program (MAP-21)

The Bus and Bus Facilities Formula Program was intended to assist eligible recipients in replacing, rehabilitating, and purchasing buses and related equipment; and to construct bus-related facilities, thus allowing grantees to address replacement and capital expansion needs. FTA apportions the funds to existing Section 5307 or new 5339 designated recipients for large urbanized areas and to the states for all areas under 200,000. The State of Iowa then programs the allotments to the designated recipients according to Iowa's Public Transit Equipment and Facilities Management System (PTMS). The PTMS was a joint effort of the Iowa DOT and the state transit association to develop a mutually acceptable system for prioritizing the programming of available state-wide capital funds among candidate projects, focusing on projects for replacement of revenue rolling stock. The PTMS process assigns points to every revenue vehicle in the state based on its chronological age and accumulated mileage, compared to established useful life standards for the type of vehicle.

Surface Transportation Block Grant

The STBG program provides "flexible" funding that can be used for street or highway improvements, for bicycle or pedestrian facilities, for transit capital needs, or for intermodal planning activities. When programmed for transit-related uses or intermodal planning, these funds can be transferred from the Federal Highway Administration to FTA for administration. Once transferred to FTA, the STBG-funded projects are administered under either the 5307 or 5311 programs, depending on whether the projects are in an urbanized area or rural area.

Congestion Mitigation / Air Quality

The CMAQ program provides "flexible" funding. Areas not in attainment of Clean Air Act air quality standards, each receive separate allocations of CMAQ funds that must be spent in those non-attainment areas and only on projects specifically designed to reduce traffic congestion and improve air quality, in conformance with a State (Air Quality) Implementation Plan. Transit capital improvements and start-up operating costs for new transit services (up to three years) are among the eligible activities. Each state is guaranteed a minimum amount of the nationwide CMAQ funding. States with no non-attainment areas (such as Iowa) or where individual allocations to non-attainment areas don't add up to the guaranteed minimum, receive "minimum allocation" funds that can be spent anywhere in the state for any project that would be eligible under either the CMAQ or STBG guidelines. Once transferred to FTA, the CMAQ-funded projects are administered under either the 5307 or 5311 programs, depending on whether the projects are in an urbanized area or rural area.

Iowa's Goals and Objectives for Administration of These Programs

Office of Public Transit

The Iowa DOT Office of Public Transit's (OPT) Mission is: "To advocate and deliver services that support and promote a safe and comprehensive transit system in Iowa to enhance Iowa's access to opportunities and quality of life."

It is the goal of the OPT to maximize the benefits the people of Iowa receive through these federal transit assistance programs. To this end, the OPT has integrated the administration of these programs as much as possible, while still remaining true to the separate goals established for each by Congress. Also toward this end, the department has committed to pass all program funds on to the subrecipient transit systems/planning agencies/intercity bus operators and to pay for state level administrative costs through

other sources. Finally, the department has sought to partner with Iowa's transit industry to develop a cooperative approach to serving Iowa's citizenry, whether they live in cities or rural areas. While these federal funding programs each have specific purposes, Iowa has added the requirement to all federal and state public transit funds disbursed that all services must be open to the general public.

The OPT cannot fulfill all of the Iowa DOT's obligations as a direct FTA recipient on its own. Several other offices within the Iowa DOT have roles in carrying out the FTA funding responsibilities.

Office of Systems Planning

Long-term, the goals of the public transit agencies are included in local regional and metropolitan long-range transportation plans (LRTP). These LRTPs are approved by Regional Planning Affiliation (RPA) and Metropolitan Planning Organization (MPO) policy boards, primarily comprised of local elected officials. Statewide, Iowa's LRTP addresses overall public transit goals, pertinent to both urban and rural areas, applicable to all state and federal funding programs the Iowa DOT Office of Public Transit administers. At the state level, the Office of Systems Planning is responsible for creating the state LRTP. The current state LRTP, *Iowa in Motion – Planning Ahead*, may be viewed at: http://www.iowadot.gov/iowainmotion/index.html. Iowa in Motion is reviewed annually and updated at least every five years.

The Office of Systems Planning also is responsible for administering the FTA 5303 and 5304 and FHWA PL funds to the RPAs and MPOs for multi-modal transportation planning activities. Systems Planning staff additionally ensures coordinated passenger transportation/human services planning occurs at the RPA and MPO level, through the Passenger Transportation Planning process. Various and specific modal/system plans are generated by Systems Planning as well, such as the recent *Park and Ride System Plan*. Many grant programs are administered through this office, plus support functions such as cartography and travel demand modeling.

Office of Program Management

With respect to FTA funding, the Office of Program Management is responsible for assembling the State Transportation Improvement Program (STIP) and for the process of transferring flexible funds from FHWA to FTA to support transit investments. In addition, Program Management maintains the Statewide Public Participation Process for Transportation Planning, covering the Five-Year Program and the STIP. Program Management also monitors and programs available state and federal resources for road and highway improvements.

Office of External Audits

In working with Iowa's public transit systems, the Office of External Audits reviews cost allocation plans and indirect cost rates, annual audits once received by the Auditor of State, and completes Iowa DOT's FTA grant FSRS or FFATA reporting.

Office of Finance/Accounting

Iowa DOT's Office of Finance/Accounting is responsible for drawing down the FTA reimbursement funds from ECHO. While Office of Public Transit staff receives the reimbursement requests from the public transit systems for operating and capital costs, checks the requests for eligible costs and reimbursement percentage, it is the Office of Finance/Accounting that double-checks that work, ensures the money is available in the appropriate grant through TrAMS, and draws down the funds.

Iowa's Transit Environment

The State of Iowa has long emphasized the need for coordination of publicly-funded passenger transportation services to maximize the transportation benefits that can be achieved with limited

resources. In order to accomplish this, state law requires all agencies providing or purchasing publicly-funded passenger transportation services to coordinate such services and funding through urban or regional transit systems designated by local officials in accordance with Chapter 324A of the Code of Iowa. Each designated transit system is thus responsible for coordination of all publicly-funded passenger transportation, thereby making all transit systems eligible for funding under FTA's 5310 program. All services provided by Iowa transit systems, with the support of state or federal transit assistance, are required to be open to the general public. (For this purpose, complementary ADA paratransit is looked as a required part of fixed-route service.)

Chapter 324A provides that the Iowa DOT is responsible for designating the state's urban transit systems, while the counties within each region are responsible for designating an entity to serve as the regional transit system.

Iowa Administrative Code 761-910.3(2) established the Iowa Transportation Coordination Council (ITCC). The ITCC's codified purpose is to assist in determining if local agencies are complying with the coordination mandate of Chapter 324A. Today, the ITCC's membership consists of many state level agencies and non-profit groups all with an interest in coordination of transportation for Iowa's citizens. With a top-down approach, the ITCC encourages transportation coordination at the local level with members emphasizing its importance to their local affiliates.

Urban Transit Systems

The administrative rules implementing Chapter 324A's provisions on the designation of urban transit systems require each urban transit system to serve a community of at least 20,000 people. A total of 19 urban transit systems have been designated, with four of these being in urbanized areas over 200,000 population, eight in urbanized areas between 50,000 and 199,999 population and seven in small urban areas of between 20,000 and 49,999 population. Collectively the urban systems serving all or part of an urbanized area are referred to herein as "large urban transit systems," while those outside urbanized areas are termed "small urban transit systems," as has historically been the accepted terminology under FTA's 5311 program.

Figure 1 (page 11) shows where each of Iowa's urban transit systems are located within the state. Table 1 (page 12) lists the names of the urban transit systems, each systems' sponsoring agency, describes service areas and indicates what category they fall into.

Regional Transit Systems

Chapter 324A divided the state's 99 counties into 16 multi-county public transit regions, and provided that a single agency should be designated by the counties within each region to be responsible for the administration and provision of all transit services in the region not performed by an urban transit system. The Iowa DOT, through its administrative rules, has allowed an exception for Polk County, which has chosen to designate the state-designated urban transit system based in Des Moines to also serve the non-urbanized portions of the county.

The location of the regions within the state can be seen in Figure 1, below. Table 2 on page 1413 lists the name under which each regional transit system does business, the legal name of the sponsoring agency, and the counties served.

Procedures for the designation or re-designation of single administrative agencies, referred to here as "regional transit systems," are described in Iowa's Transit Manager Handbook (found on the OPT website at www.iowadot.gov/transit/handbook.html). One overriding criteria for designation as an urban or regional transit system under Iowa law is that services must be open to the general public.

Figure 1.

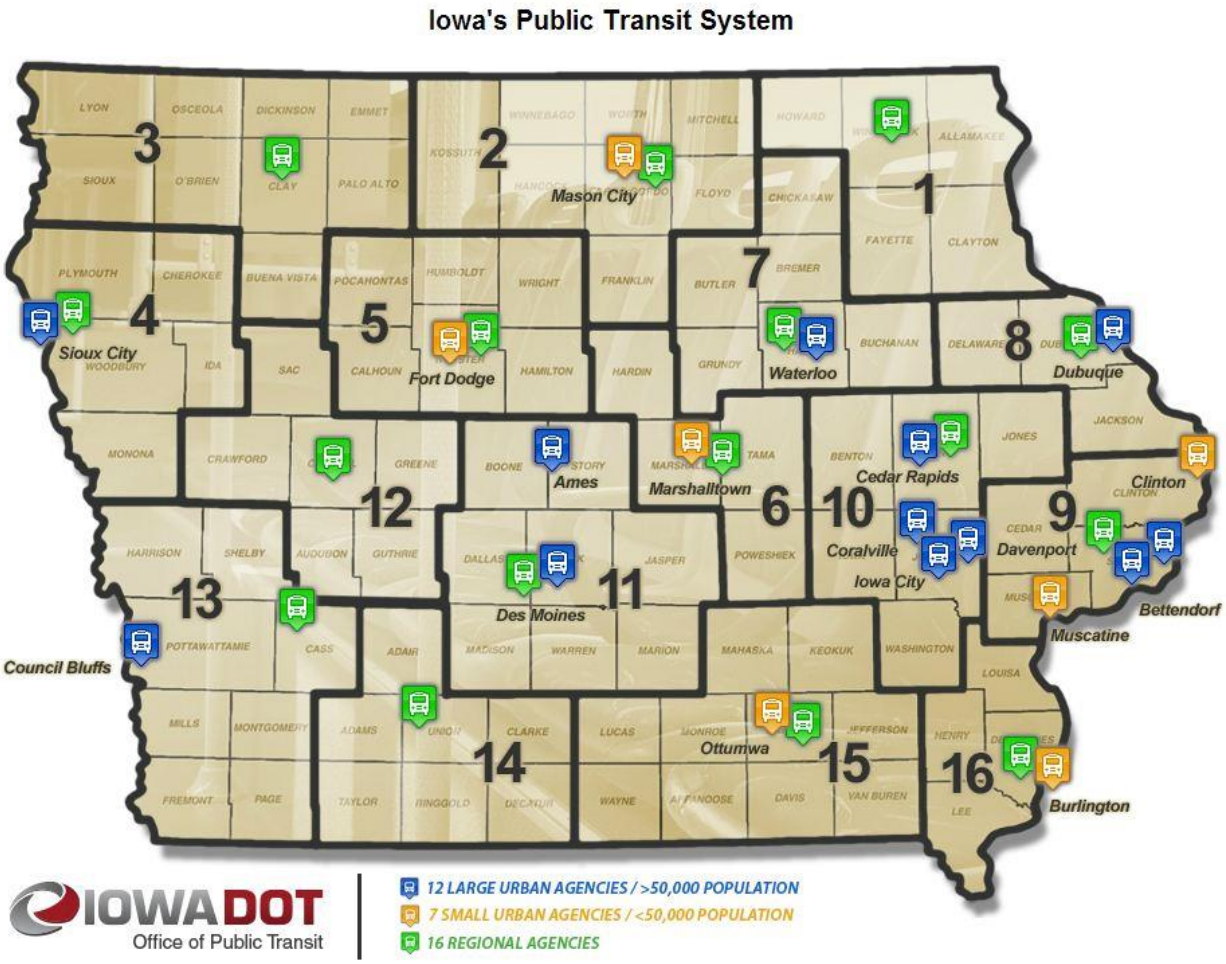

Iowa's Public Transit System
Mason City
Sioux City
Fort Dodge
Waterloo
Dubuque
Ames
Marshalltown
Cedar Rapids
Clinton
Coralville
Iowa City
Davenport
Bettendorf
Muscatine
Des Moines
Council Bluffs
Ottumwa
Burlington
IOWA DOT
Office of Public Transit
12 LARGE URBAN AGENCIES / >50,000 POPULATION
7 SMALL URBAN AGENCIES / <50,000 POPULATION
16 REGIONAL AGENCIES

Table 1. Iowa's Urban Transit Systems

Small Urban Transit Systems (20,000-49,999 population)

Transit System Name Legal Name of Sponsor	Service Area
Burlington Urban Service (BUS) City of Burlington	Cities of Burlington and West Burlington
Clinton Municipal Transit Administration (MTA) City of Clinton	Cities of Clinton and Camanche
Dodger Area Rapid Transit (DART) City of Fort Dodge	City of Fort Dodge, Route to Boondocks
Marshalltown Municipal Transit City of Marshalltown	City of Marshalltown
Mason City Transit City of Mason City	City of Mason City
Muscabus City of Muscatine	City of Muscatine
Ottumwa Transit Authority (OTA) City of Ottumwa	City of Ottumwa

Large Urban Transit Systems - Urbanized Areas (50,000-199,999 population)

Transit System Name Legal Name of Sponsor	Service Area
Cambus University of Iowa	University of Iowa facilities and residences, downtown Iowa City
Cedar Rapids Transit City of Cedar Rapids	Cities of Cedar Rapids, Marion, Hiawatha
Coralville Transit City of Coralville	Cities of Coralville, North Liberty, downtown Iowa City
Cy-Ride City of Ames	City of Ames
Iowa City Transit City of Iowa City	City of Iowa City
The Jule City of Dubuque	Cities of Dubuque, East Dubuque (IL)
Metropolitan Transit Authority (MET) Metropolitan Transit Authority of Blackhawk County	Cities of Waterloo, Cedar Falls, Evansdale
Sioux City Transit City of Sioux City	Cities of Sioux City, Sergeant Bluff, South Sioux City (NE), North Sioux City (SD)

Large Urban Transit Systems – Urbanized Areas (200,000+ population)

Transit System Name Legal Name of Sponsor	Service Area
Bettendorf Transit City of Bettendorf	City of Bettendorf, downtown Moline (IL), east Davenport transfer point
CitiBus City of Davenport	City of Davenport, downtown Rock Island (IL)
Des Moines Area Regional Transit (DART) Des Moines Regional Transit Authority	Polk County and all cities incl. Des Moines, West Des Moines, Clive, Urbandale, Ankeny, etc.
Metropolitan Area Transit (MAT)	Cities of Omaha (NE), Council Bluffs, Ralston,

(NE), City of Omaha	Bellevue (NE), LaVista (NE), Papillion (NE)

Table 2. Iowa's Regional Transit Systems

Region	Transit System Name Legal Name of Subrecipient	Service Area (Counties)
1	Northeast Iowa Community Action Transit Iowa Community Action Organization+	Allamakee, Clayton, Fayette, Howard, Winneshiek
2	North Iowa Area Regional Transit System North Iowa Area Council of Governments	Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago, Worth
3	Regional Transit Authority (RIDES) Regional Transit Authority+	Buena Vista, Clay, Dickinson, Emmet, Lyon, O'Brien, Osceola, Palo Alto, Sioux
4	Siouxland Regional Transit System (SRTS) Siouxland Regional Transit System+	Cherokee, Ida, Monona, Plymouth, Woodbury, plus southern Union County (SD)
5	MIDAS Regional Transit Agency Mid-Iowa Developmental Association	Calhoun, Hamilton, Humboldt, Pocahontas, Webster, Wright
6	PeopleRides Region 6 Planning Commission	Hardin, Marshall, Poweshiek, Tama
7	Iowa Northland Regional Transit Commission (RTC) Iowa Northland Council of Governments	Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Grundy
8	Delaware, Dubuque and Jackson Counties Regional Transit Authority (RTA) Delaware, Dubuque and Jackson Counties Regional Transit Authority+	Delaware, Dubuque, Jackson
9	River Bend Transit (RBT) River Bend Transit+	Cedar, Clinton, Muscatine, Scott, plus urban portion of Rock Island County (IL)
10	East Central Iowa Transit (ECIT) East Central Iowa Council of Governments	Benton, Iowa, Johnson, Jones, Linn, Washington
11	Heart of Iowa Regional Transit Agency (HIRTA) Heart of Iowa Regional Transit Agency	Boone, Dallas, Jasper, Madison, Marion, Story, Warren
12	Western Iowa Transit System (WITS) Region XII Council of Governments	Audubon, Carroll, Crawford, Greene, Guthrie, Sac
13	Southwest Iowa Transit Agency (SWITA) Southwest Iowa Planning Council	Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie, Shelby
14	Southern Iowa Trolley (SIT) Southern Iowa Trolley	Adair, Adams, Clarke, Decatur, Ringgold, Taylor, Union
15	10-15 Regional Transit Agency 10-15 Regional Transit Agency	Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Monroe, Van Buren, Wapello, Wayne
16	Southeast Iowa Bus (SEIBUS) Southeast Iowa Bus (SEIBUS)	Des Moines, Henry, Lee, Louisa

+ Organized as Private Not-for-profit Corporation under chapter 504 of Iowa Code.

(All others are organized as public intergovernmental bodies under Chapter 28E of the Iowa Code.)

Passenger Transportation Coordination

Including the work of the ITCC, Iowa prides itself on its coordinated passenger transportation activities. The Passenger Transportation Planning process requires Transit Advisory Groups (TAG) with representatives from a wide variety human service agencies, transportation providers, users and other interested parties to discuss passenger transportation needs and projects. Services such as medical transportation shuttles, employment transportation, and mobility managers have come out of the TAG discussions. The ITCC and OPT held a Passenger Transportation Summit in May 2014 to highlight the fact that no matter the discipline one comes from, when it comes to passenger transportation needs and solutions there are more commonalities than there are differences. Due to that first Summit's popularity, Summits have been held each year since to highlight passenger transportation coordination opportunities and challenges.

One way passenger transportation coordination is highlighted in Iowa is through a bi-annual report by the OPT to the Iowa General Assembly and Governor. Due December 15 of even numbered years, the 2014 report can be found at: http://www.iowadot.gov/transit/regulations/2014TransportationCoordinationinIowa.pdf.

Channeling of Transit Funding

Only the designated urban and regional transit systems established under Chapter 324A of the Code of Iowa are eligible to receive the state and federal transit assistance funds administered by the Iowa DOT. Agencies other than the designated single administrative agency may benefit from state or federal transit assistance funding by contracting to purchase services from the designated agency, or to provide service under the auspices of that agency, depending on local policies. Any such subcontracts must assure that services will be operated open to the general public and provide for a coordination of the transit services with other transit services either provided directly by the designated agency or by other sub-contractors.

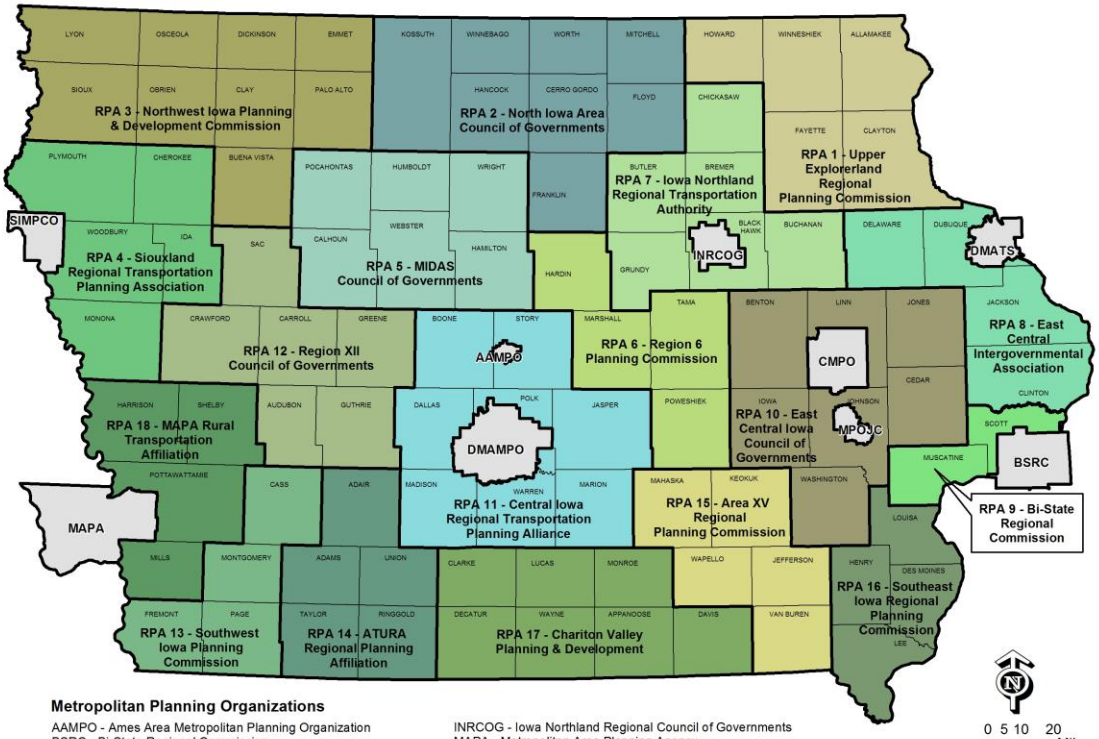
All of Iowa's urban transit systems except Burlington offer a mix of fixed-route bus services and complementary ADA paratransit services. In many of the cases, the ADA paratransit services are contracted from the surrounding regional transit system, or a common sub-contractor. Burlington offers a deviated fixed route in order to meet its fixed route and ADA paratransit responsibilities. Regional transit services tend to be demand-responsive, usually with a heavy mix of subscription services, serving the clients of various human service agencies, along with dial-a-ride services that usually require prior day reservations, but may accommodate same-day requests as the schedule permits.

Relationship of Transportation Planning and Transit

On the planning side, Iowa has nine Metropolitan Planning Organizations (MPOs) and eighteen Regional Planning Affiliations (RPAs) which are responsible for intermodal transportation planning in their area, including the programming of federally funded transportation projects. Six of the MPOs provide the staffing for their surrounding RPA. Figure 2, below, shows the MPOs and RPAs with a full listing of their names. Figure 3 on page 16 shows the regional transit boundaries superimposed over the RPAs. Note that the RPA boundaries do not perfectly match the regional transit boundaries. Prior to the passage of the Intermodal Transportation Efficiency Act of 1991 (ISTEA), the only rural transportation planning had been the transit planning supported by FTA funds. When Iowa decided to implement intermodal transportation planning at the regional level after passage of ISTEA, all Iowa counties were asked to reaffirm their regional planning affiliations for transportation planning purposes. In several areas, the counties chose not to keep the planning boundaries established by executive order of the Governor over 30 years earlier, which had subsequently been adopted as transit regional boundaries and been the basis for previous transit planning efforts. Currently, of the 18 RPAs, only eight have boundaries identical to the transit regions. The other ten RPAs cover eight transit regions, with two transit regions each falling partially in three different planning regions.

FIGURE 2.

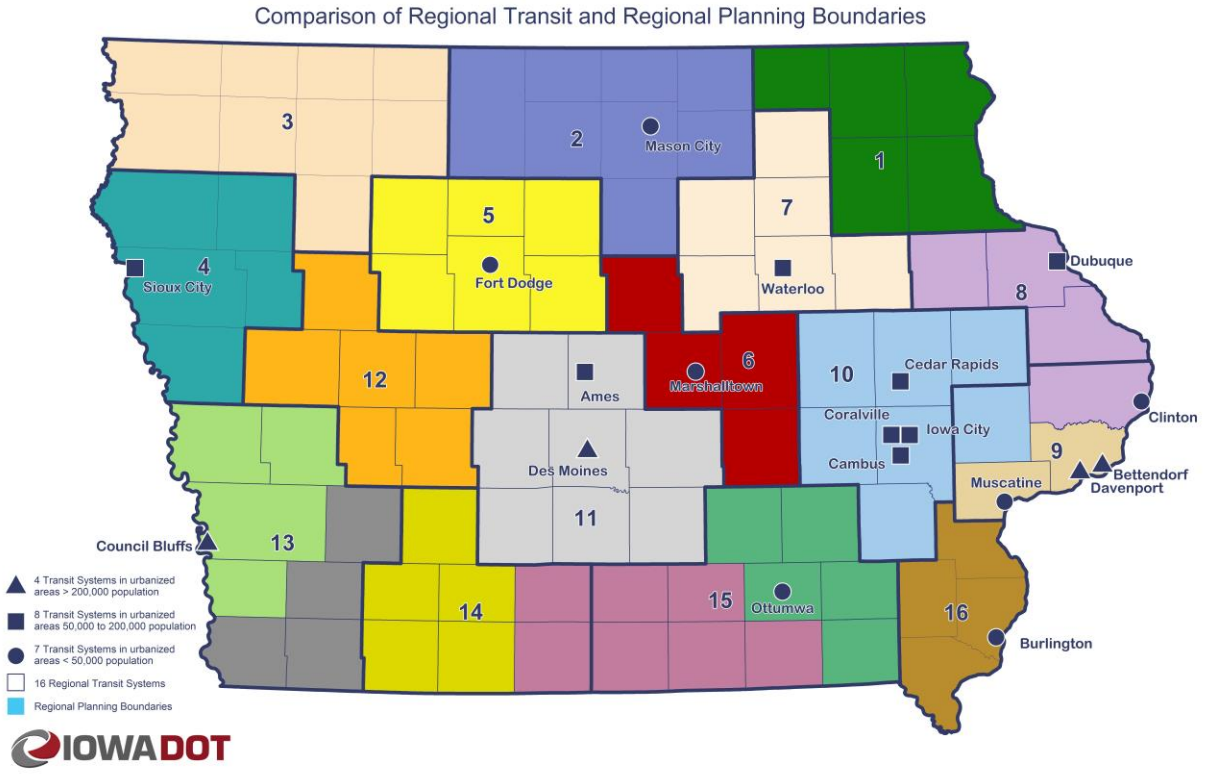
Metropolitan Planning Organizations and Regional Planning Affiliations



Metropolitan Planning Organizations

AAMPO - Ames Area Metropolitan Planning Organization
BSRC - Bi-State Regional Commission
CMPO - Corridor Metropolitan Planning Organization
DMAMPO - Des Moines Area Metropolitan Planning Organization
DMATS - Dubuque Metropolitan Area Transportation Study
INRCOG - Iowa Northland Regional Council of Governments
MAPA - Metropolitan Area Planning Agency
MPOJC - Metropolitan Planning Organization of Johnson County
SIMPCO - Siouxland Interstate Metropolitan Planning Council

FIGURE 3.


Comparison of Regional Transit and Regional Planning Boundaries
3
2
Mason City
1
5
7
4
Sioux City
Fort Dodge
Waterloo
Dubuque
8
12
Ames
6
Marshalltown
10
Cedar Rapids
Coralville
Iowa City
Clinton
Des Moines
Cambus
9
Muscatine
Bettendorf
Davenport
11
Council Bluffs
13
14
15
Ottumwa
16
Burlington
4 Transit Systems in urbanized areas > 200,000 population
8 Transit Systems in urbanized areas 50,000 to 200,000 population
7 Transit Systems in urbanized areas < 50,000 population
16 Regional Transit Systems
Regional Planning Boundaries
IOWA DOT

CHAPTER II
Profile of Administered Programs

The profiles below present the basic parameters which Iowa DOT has established for the 5310, 5311, 5316, 5317, and 5339 federal funding programs administered to support transit activities within the state.

FTA Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities (5310)

Program purpose: This program was established to provide federal funding for support of transit activities providing service to seniors and persons with disabilities that would not otherwise be available. In Iowa, 70 percent of the statewide 5310 apportionment is distributed among and administered by OPT on behalf of urbanized transit systems. The remaining 30 percent of this funding is distributed to systems serving non-urbanized areas and administered along with the non-urbanized (5311) funding.

Eligible subrecipients: All urban and regional transit systems as designated by local officials under Chapter 324A of the Code of Iowa are eligible. The designated transit systems may be organized either as private not-for-profit corporations or as public bodies, since Iowa law charges each designated transit system with the responsibility to coordinate all publicly-funded passenger transportation within its service area. Private sector participation is possible through contracting opportunities the designated transit systems may have for provision of public transportation in their respective service areas. Individual transit agencies should be contacted for specific opportunities.

Eligible assistance categories: Not less than 55-percent of 5310 funds must be spent on capital assistance, and, for this program only, Congress has defined purchase of contracted transit services to be a capital project. New under MAP-21, however, is the ability to spend up to 45-percent of 5310 funds on projects formerly eligible under the New Freedom program, projects that exceed the ADA minimum requirements, improve access to fixed-route service and decrease reliance by individuals with disabilities on ADA complementary paratransit, or provide alternatives to public transportation that assist seniors and individuals with disabilities with transportation.

Eligible projects/services/service areas: Capital projects, to use at least 55-percent of the available 5310 monies, may involve purchase of equipment or vehicle shelters in support of transit service or contracts for purchased transportation services. Mobility management also is considered a capital expense under the 5310 program. The remaining 45-percent of the 5310 funding may be used on capital or operating projects that assist in meeting the special needs of seniors and individuals with disabilities when public transit is insufficient, inappropriate or unavailable, projects which go beyond the ADA, projects that improve access to fixed-route service and reduce reliance on ADA complementary paratransit, or alternatives to public transportation that assist persons with disabilities and seniors. FTA encourages and Iowa requires all 5310-funded projects be open to the general public.

To be considered as candidates for 5310 funding, projects must be documented to be derived from the locally developed, coordinated joint public transit—human services transportation planning process, which is known in Iowa as the Passenger Transportation Plan (PTP) process. This means that the need for the project must be identified in the appropriate PTP and the project must be recommended by the joint public transit-human services advisory committee, commonly called a Transit Advisory Group or TAG, comprised of seniors, individuals with disabilities, representatives of public, private, and non-profit transportation, human service providers, and other members of the general public, which has helped to develop the plan. These plans are developed by the Regional Planning Affiliations (RPAs) and Metropolitan Planning Organizations (MPOs) and must have a minimum five-year planning horizon. (The PTP process is explained in greater detail on Page 29.) Membership on the Policy Boards of the

RPAs and MPOs largely consists of elected officials and it would be those Policy Boards who would review and approve the PTP. While the PTPs are only updated every five years, the RPAs and MPOs must annually submit the meeting minutes, including an attendance list, of the two required TAG meetings to the Iowa DOT Office of Systems Planning. Those meeting minutes are monitored for participation by stakeholders, including seniors and individuals with disabilities.

Match/local funding requirements: 5310 participation in net capital project costs is limited to 80% (85% for purchase of rollingstock meeting ADA and Clean Air amendment standards). For operating projects, 5310 funding may support a project to a maximum 50-percent of the net operating costs (total operating cost less passenger fares.) Matching funds may come from state (in the form of State Transit Assistance or other source) or local public funds, private sources, or from any of the non-DOT federal programs that can be used to support non-emergency passenger transportation costs.

Project selection criteria/method of distributing funds: 70% of each year's 5310 apportionment to Iowa is suballocated to Iowa's large urban transit operators, using the same formula as is used for the 5311 program. Each system can program these funds for any eligible project. The remaining 30% of the annual apportionment is administered in conjunction with the state's 5311 funding, meaning that the combined funds are suballocated using a single formula. (See Figure 4 on Page 23.) The formula to distribute 5310 funding takes annual ridership and revenue miles into account, assuring an equitable distribution of the funds based on past performance. The transit systems may each select any eligible project on which to use their allocation. For convenience of administration, the 5310 funds involved are focused on as few systems as possible, and are programmed to support the cost of contracted services for brokered operations which indicated a desire to use their funds for support of service costs.

It should be noted, although eligible, the Iowa DOT does not keep any of the 5310 funds for administration, planning, or technical assistance with the program. Administration, planning, or technical assistance to the public transit agencies is provided by the Iowa DOT OPT staff.

Application/programming timeline: Projected funding information is provided to the transit systems in December of each year. Projects must be recommended through the local PTP and programmed in the local Transportation Improvement Program (TIP). Applications are accepted as part of the Consolidated Transit Funding Application, http://www.iowadot.gov/transit/applications.html#cf, on the first business day of May. Both the PTP and TIP documents are checked by OPT staff for appropriate project listings prior to awarding funds. Projects in non-urbanized areas are written for the following state fiscal year beginning July 1. In urbanized areas projects may either be for the following fiscal year or for the year which is already under way.

Program measures: For the traditional 5310 projects, the two performance measures required of the 5310 program are for Gaps in Service Filled and Ridership. For other Section 5310 projects the performance measures include increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities, additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities, and actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities. The data relating to the gap and ridership performance measures is collected in Iowa through the quarterly and yearend reports. For those reports, Iowa's transit agencies must collect and tabulate the number of elderly and disabled rides provided by service type. For the physical infrastructure performance measure, information is collected through procurement assistance and reimbursement requests. Service increases funded through the 5310 program are compared to services available in the previous reporting period for proof of increase in available times, area, or quality.

FTA Formula Grants for Rural Areas (5311)

Program purpose: To assist in supporting open-to-the-public transit services in communities with less than 50,000 population. A portion of the funding is dedicated to supporting rural transportation planning – this aspect of the program is administered jointly with the 5304 funding. By federal law, 15% of the total 5311 program funding is set aside for support of rural intercity bus services – the 5311(f) program – which is discussed later in this document.

Eligible subrecipients: For the basic 5311 program, eligible applicants are limited to small urban and regional transit systems designated by local officials under Chapter 324A of the Iowa Code. Private sector participation is possible through contracting opportunities the designated transit systems may have for provision of public transportation in their respective service areas. The portion of 5311 funding set aside to support rural transportation planning is made available to Iowa's 18 Regional Planning Affiliations (RPA). In both the eligible transit systems and the RPAs, members of their respective boards of directors or city councils would typically include rural elected officials involved in project approvals and long-range planning activities.

Eligible assistance categories: For public transit projects, Iowa limits project eligibility to operating assistance and capital assistance. For planning projects Iowa allows either planning assistance or, in some limited cases, capital assistance.

Eligible projects/services/service areas: Public transit services supported must serve non-urbanized areas. All trips should have at least one end outside the urbanized area boundaries. For destinations outside the state, at least one of the trip ends must have been within the state to qualify for 5311 funding. Services must also be operated open to the general public. Planning activities should relate to intermodal transportation issues outside of urbanized areas. Under MAP-21, the FTA added Job Access/Reverse Commute and mobility management projects as eligible services under the 5311 program.

Match/local funding requirements: 5311 participation in operating projects is limited to 50% of operating deficit. 5311 participation in planning and administrative projects is limited to 80% of net project costs. 5311 participation in capital projects is limited to 80% of net project costs, except that for purchase of vehicles meeting ADA and Clean Air Act Amendment requirements FTA allows a blended rate of 85% or for specific features required under the ADA or CAAA the ratio is 90%. Matching funds may come from state (in the form of State Transit Assistance or other source) or local public funds, private sources, or from any of the non-DOT federal programs that can be used to support non-emergency passenger transportation costs.

Project selection/method of distributing funds: Funds for public transit projects are allocated among Iowa's regional and small urban transit systems on the basis of a performance based formula, which uses the statistics from the last completed fiscal year. The formula calculations are based on the total 5311 funding going to public transit projects. The Office of Public Transit determines which type of funds each transit system actually receives, based on the nature of the projects programmed. The 5310 funds are targeted to systems that purchase services from sub-providers, and the 5311 funds are targeted first to systems that provide their services directly. Each subrecipient makes their own selection of eligible projects toward which to program the funds.

The amount of 5311 funding set-aside each year to supplement the 5304 funding and support rural intermodal planning efforts, is established by OPT and the Office of Systems Planning. In recent years the amount has been held constant at $350,000. These 5311 planning funds are allocated among the Regional Planning Affiliations in conjunction with the 5304 funds and using the formula presented in Figure 4 on page 21.

Since Fiscal Year 1994, 15 percent of Iowa's 5311 apportionment each year, has been set aside for the intercity bus program.

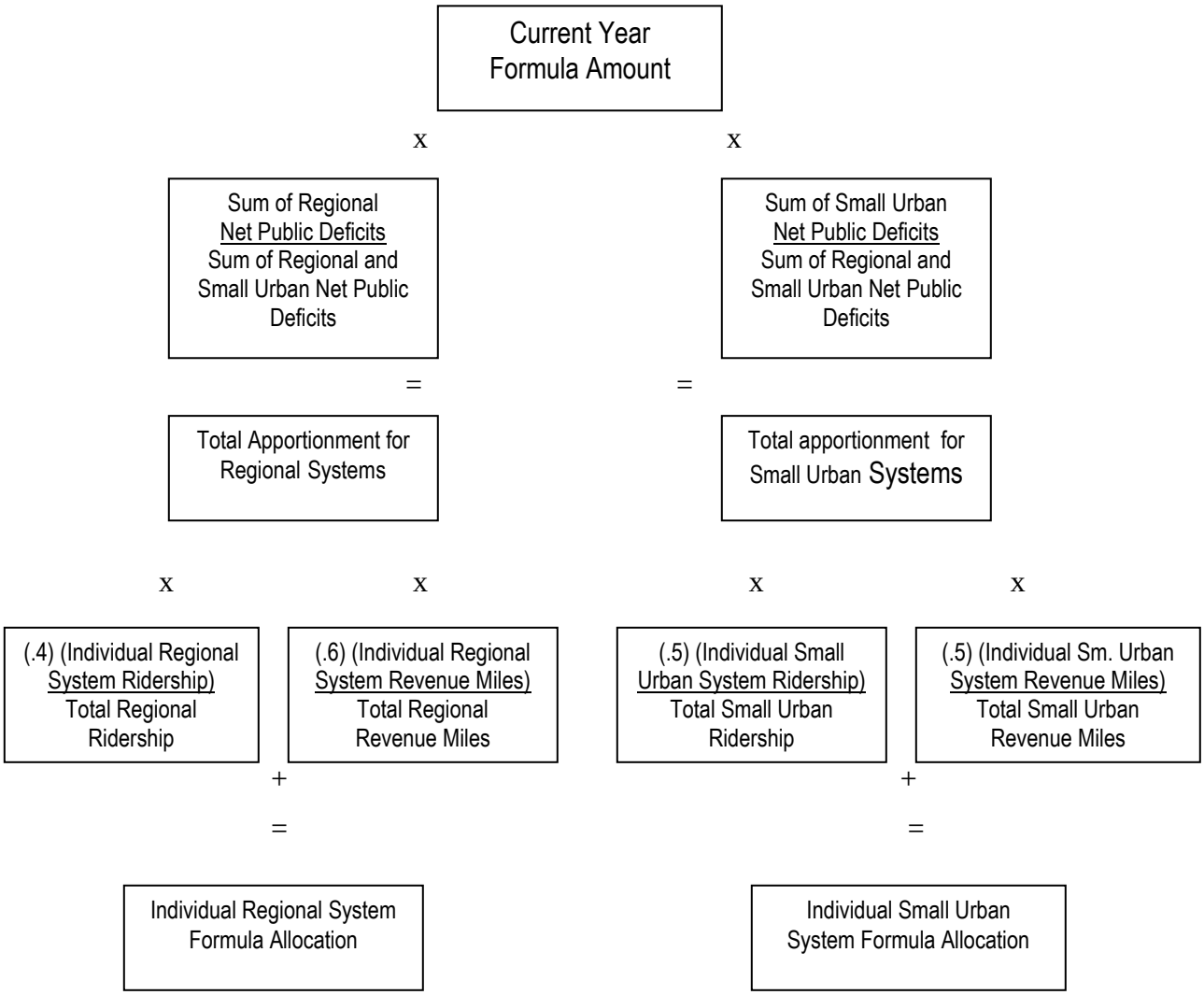
Iowa does not have any Native American tribal governments receiving FTA funding as a subrecipient. There are Native American populations being served by several regional transit systems around the state, however.

Application/programming timeline: Allocations of 5310/5311 formula funds to the public transit systems are announced in December of each year, based either on the actual state apportionment figures (if available) or on projections. The transit systems' applications for 5311 funding are included in Iowa's Consolidated Transit Funding Application package. The forms and instructions are posted to the OPT website in December and are due the first business day of May each year. The program of projects for all projects funded through 5311 formula allocations is approved by the Iowa Transportation Commission at their June meeting. Contracts are issued immediately thereafter, with operating assistance projects effective with the beginning of the state fiscal year on July 1. Capital contracts may require a somewhat longer lead-time to assure that they are adequately addressed in the state's 5311 grant.

As noted under the 5304 discussion, for planning projects annual allocations are announced as soon as possible after the federal appropriations bill is signed. Draft TPWPs are due to Iowa DOT's Office of Systems Planning by April 1 each year. After review and comment by Iowa DOT, FTA and FHWA, final TPWPs are due by June 1 for the project year beginning July 1.

Figure 4.

Iowa 5310/5311 Program
Formula Allocation Process



Net public Deficit, Ridership, and Revenue Miles statistics are from the last complete fiscal year.

Net Public Deficit is defined as operating revenue of a transit system which is not dedicated to any specific client group or client contract, and which is not user-generated revenue. The Net Public Deficit shall include such items as state transit assistance, FTA formula assistance, and local tax support of revenue sharing funds not required as match for client program funds.

Revenue miles are defined as total miles traveled by revenue vehicles while in revenue service.

Ridership is defined as persons boarding a vehicle for the purpose of making a trip. Each time a person boards is counted as a separate trips so long as the vehicle has moved in between.

FTA Job Access/Reverse Commute Program [JARC] (5316, SAFETEA-LU)

The Section 5316 Program was eliminated under MAP-21, with its program purposes now eligible costs under the 5307 and 5311 Programs. The description, below, is of the former 5316 Program and remains in the State Management Plan as funds still remain in grants after JARC projects come in under budget and leftover funds are reprogrammed.

Program purpose: To improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized areas and nonurbanized areas to suburban employment opportunities. Toward this goal, the Federal Transit Administration provides financial assistance for transportation services planned, designed, and carried out to meet the transportation needs of eligible low-income individuals, and of reverse commuters regardless of income.

Eligible subrecipients: Based on federal law, the Iowa Department of Transportation administers two separate apportionments of JARC funding available to different subrecipients. Any of Iowa's designated transit systems proposing to provide JARC-eligible services to one or more of the state's six urbanized areas with populations of at least 50,000, but fewer than 200,000, are eligible to apply for and receive funding from the state's small urbanized area JARC apportionment. Any of Iowa's designated transit systems proposing to provider JARC-eligible services to non-urbanized areas of the state are eligible to apply for and receive funding from the state's non-urbanized JARC apportionment. Private sector participation is possible through contracting opportunities the designated transit systems may have for provision of public transportation in their respective service areas.

Eligible assistance categories: Projects can involve either operating assistance or capital assistance or a combination of the two.

Eligible projects/services/service areas: Projects must be designed to improve access to jobs and job-related services (day care, training, etc.) for low income persons, or to provide reverse commute opportunities taking persons from urbanized area residential areas to suburban or non-urban employment sites. Projects to be funded from Iowa's small urbanized apportionment of JARC funding must involve services predominantly in one of Iowa's small urbanized areas, and projects to be funded from the non-urbanized apportionment must involve services predominantly in non-urbanized areas. Reverse commute services taking workers from an urbanized area to a non-urbanized work locations could conceivably be funded from the apportionment available at either end (including one of the larger urbanized apportionments, if applicable).

To be considered as candidates for JARC funding, projects must be documented to be derived from the joint public transit—human services transportation planning process which is known in Iowa as the Passenger Transportation Plan (PTP) process. This means that the need for the project must be identified in the appropriate PTP, with a five-year planning horizon, and the project must be recommended by the joint public transit-human services advisory committee which has helped to develop the plan. Approval of the PTP goes through the RPA and MPO Boards of Directors, with membership including metropolitan and rural elected officials. Projects must also be programmed in the respective Transportation Improvement Program and the Statewide Transportation Improvement Program.

Match/local funding requirements: JARC participation in operating projects can be a maximum of 50% of the net project cost (total operating expense minus passenger revenues). JARC participation in capital projects is limited to 80% of net cost (83% of the cost of rolling stock purchases so long as they meet the ADA and Clean Air Act Amendments standards). Matching funds may come from state (in the

form of State Transit Assistance or other source) or local public sources, from private sources, or from non-DOT federal programs that can fund the cost of non-emergency passenger transportation.

Project selection/method of distributing funds: Per federal requirements, a separate competitive selection process is in effect for each of the two apportionments administered by the state (smaller urbanized and non-urbanized). No smaller urbanized JARC funds remain for programming. For the non-urbanized funds, all JARC money is programmed out through the end of FFY 2015. Any leftover funds will be used to extend mobility manager positions previously chosen under a competitive application process.

Application/programming timeline: None being accepted at this time.

Program measures: The two performance measures required of the JARC program are for actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC projects and actual or estimated number of rides provided as a result of JARC projects. Iowa's transit agencies must collect and tabulate the number of rides on JARC services and submit those to the OPT in the form of quarterly and yearend reports. It can be estimated that the number of jobs accessed is equal to one-half the number of rides provided, as a roundtrip to work for an employee would equal two rides counted. With the funding of mobility manager positions, program success is measured by the number of persons assisted in finding transportation to employment as reported on quarterly or monthly progress reports.

FTA New Freedom Program (5317, SAFETEA-LU)

The Section 5317 Program was eliminated under MAP-21, with its program purposes now eligible costs under the 5310 Program. The description, below, is of the former 5317 Program and remains in the State Management Plan as funds still remain in grants after New Freedom projects come in under budget and leftover funds are reprogrammed.

Program purpose: To support new transit services and capital improvements to meet the needs of persons with disabilities that go beyond the minimum standards established by the ADA.

Eligible subrecipients: Based on federal law, the Iowa Department of Transportation administers two separate apportionments of New Freedom (NF) funding available to different subrecipients. Any of Iowa's designated transit systems proposing to provide NF-eligible services to one or more of the state's six urbanized areas with populations of at least 50,000, but fewer than 200,000, are eligible to apply for and receive funding from the state's small urbanized area NF apportionment. Any of Iowa's designated transit systems proposing to provider NF-eligible services to non-urbanized areas of the state are eligible to apply for and receive funding from the state's non-urbanized NF apportionment. Private sector participation is possible through contracting opportunities the designated transit systems may have for provision of public transportation in their respective service areas.

Eligible assistance categories: Projects can involve either operating assistance or capital assistance or a combination of the two.

Eligible projects/services/service areas: Projects can involve provision of new transit services or transit alternatives designed to target the transportation needs of persons with disabilities or capital improvements specifically targeting the needs of persons with disabilities. Projects must not have been in existence or programmed for funding prior to the signing of SAFETEA-LU August 10, 2005. They must also be shown to exceed the minimum standards established by the ADA and the FTA regulations regarding transportation programs based on the ADA.

Projects to be funded from Iowa's small urbanized apportionment of NF funding must involve services predominantly in one of Iowa's small urbanized areas, and projects to be funded from the non-urbanized apportionment must involve services predominantly in non-urbanized areas.

To be considered as candidates for NF funding, projects must be documented to be derived from the joint public transit—human services transportation planning process which is known in Iowa as the Passenger Transportation Plan (PTP) process. This means that the need for the project must be identified in the appropriate PTP, with a five-year planning horizon, and the project must be recommended by the joint public transit-human services advisory committee which has helped to develop the plan. Approval of the PTP goes through the RPA and MPO Boards of Directors, with membership including metropolitan and rural elected officials. Projects must also be programmed in the respective Transportation Improvement Program and the Statewide Transportation Improvement Program.

Match/local funding requirements: NF participation in operating projects can be a maximum of 50% of the net project cost (total operating expense minus passenger revenues). NF participation in capital projects is limited to 80% of net cost (83% of the cost of rolling stock purchases so long as they meet the ADA and Clean Air Act Amendments standards. Matching funds may come from state (in the form of State Transit Assistance or other source) or local public sources, from private sources or from non-DOT federal programs that can fund the cost of non-emergency passenger transportation.

Project selection/method of distributing funds: Per federal requirements, a separate competitive selection process is in effect for each of the two apportionments administered by the state (smaller urbanized and non-urbanized). No smaller urbanized New Freedom funds remain for programming. For the non-urbanized funds, all New Freedom money is programmed out through the end of FFY 2016. Any leftover funds will be used to extend mobility manager positions previously chosen under a competitive application process.

Application/programming timeline: None being accepted at this time.

Program measures: The three performance measures required of the NF program are:

- Services that impact availability of transportation services for individuals with disabilities as a result of the NF projects implemented;
- additions or changes to environmental infrastructure, technology, vehicles that impact availability of transportation services as a result of NF projects;
- Actual or estimated number of rides provided for individuals with disabilities as a result of NF projects.

Iowa's transit agencies must collect and tabulate the number of rides on NF services and submit those to the OPT in the form of quarterly and yearend reports. In the project application, the geographic coverage or expanded service times must be detailed to show increased availability for persons with disabilities. Also, within the NF application and in the procurement review process the OPT provides to subrecipients, new technologies and vehicles more accommodating of persons with disabilities are detailed to be eligible for NF funding. With the funding of mobility manager positions, program success is measured by the number of persons with disabilities assisted in finding transportation as reported on quarterly or monthly progress reports.

Bus and Bus Facilities Formula Program (5339, MAP-21)

Program purpose: To finance capital bus and bus-related projects that will support the continuation and expansion of public transportation services by assisting eligible recipients in replacing, rehabilitating, and purchasing buses and related equipment; and to construct bus-related facilities, thus allowing grantees to address replacement and capital expansion needs.

FTA apportions the funds to existing Section 5307 or new 5339 designated recipients for large urbanized areas and to the states for all areas under 200,000. The State of Iowa then programs the allotments to the designated recipients according to Iowa's Public Transit Equipment and Facilities Management System (PTMS). The PTMS was a joint effort of the Iowa DOT and the state transit association to develop a mutually acceptable system for prioritizing the programming of available state-wide capital funds among candidate projects, focusing on projects for replacement of revenue rolling stock. The PTMS process assigns points to every revenue vehicle in the state based on its chronological age and accumulated mileage, compared to established useful life standards for the type of vehicle.

Eligible subrecipients: Based on federal law, the Iowa Department of Transportation administers the grant to subrecipients that are public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income.

Eligible projects/services/service areas: Eligible capital projects include projects to replace, rehabilitate, and purchase buses and related equipment, and projects to construct bus-related facilities. This includes but is not limited to: a. The acquisition of buses for fleet and service expansion; b. Bus maintenance and administrative facilities; c. The acquisition of vans for fleet and service expansion, including specialized vans and related facilities used to provide ADA complementary paratransit service: d. Transfer facilities; e. Bus malls; f. Transportation centers; g. Intermodal terminals; h. Intercity facilities which are part of a joint development project; i. Park-and-ride stations; j. Acquisition of replacement vehicles; k. Bus rebuilds; l. Bus overhauls; m. Passenger amenities such as passenger shelters and bus stop signs; n. Accessory and miscellaneous equipment such as: (1) mobile radio units; (2) supervisory vehicles; (3) fare boxes; (4) computers; and (5) shop and garage equipment.

Match/local funding requirements: participation in capital projects can be a maximum of 15% of the net project cost. 5339 Federal participation in capital projects is limited to 85% of net cost of rolling stock purchases so long as they meet the ADA and Clean Air Act Amendments standards. Matching funds may come from state (in the form of State Transit Assistance or other source) or local public sources, from private sources or from non-DOT federal programs that can fund the cost of non-emergency passenger transportation.

Project selection/method of distributing funds: The State of Iowa then programs the allotments to the designated recipients according to Iowa's Public Transit Equipment and Facilities Management System (PTMS). The PTMS was a joint effort of the Iowa DOT and the state transit association to develop a mutually acceptable system for prioritizing the programming of available state-wide capital funds among candidate projects, focusing on projects for replacement of revenue rolling stock. The PTMS process assigns points to every revenue vehicle in the state based on its chronological age and accumulated mileage, compared to established useful life standards for the type of vehicle.

Application/programming timeline: Projected funding information is provided to the transit systems in December of each year. Projects must be programmed in the local Transportation Improvement Program (TIP).

Flex Funding – Surface Transportation Block Grant Program (STBG)

Program purpose: The STBG program provides flexible funding, which allows states and localities to fund highway projects on the federal-aid highway network, bridge projects on any public road, transit capital projects, or transportation alternatives projects (which can among other options include bicycle and pedestrian improvements). STBG funds can also be used to support intermodal planning activities. When STBG funds are programmed for either transit or planning projects, the funds are transferred from FHWA to FTA and administered under the appropriate FTA program.

Eligible subrecipients: Iowa requires any transit projects funded through the STBG program to be sponsored by one of the state's 35 designated public transit systems. Highway, bridge and transportation alternatives projects must be sponsored by any general purpose unit of government.

Eligible assistance categories: Use of STBG funds for transit is limited to capital improvement projects. As noted above, STBG can also be used to support local transportation planning.

Eligible projects/services/service areas: STBG funds may be used for transit in any area, at the discretion of the respective MPO or RPA. STBG funds programmed for transit within urbanized areas will typically be administered directly by FTA through a 5307 grant to the large urban transit system sponsoring the project. STBG funds programmed for transit projects in non-urbanized areas will typically be awarded to the Iowa DOT to be administered under the state's 5311 grant to the subrecipient small urban or regional transit system sponsoring the project. STBG funds programmed for support of transportation planning activities are typically awarded to the Iowa DOT through the consolidated planning grant to be administered to the respective MPO or RPA sponsoring the project. All projects must be programmed in the local TIP and the STIP.

Match/local funding requirements: Federal participation on transit capital and planning projects funded through the STBG program is limited to 80%, with no provisions for a higher blended match ratio on vehicles including ADA and Clean Air Act Amendments features.

Project selection/method of distributing funds: Approximately half of the state's total apportionment of STBG funds is allocated among the state's MPOs and RPAs on the basis of population (to give each the same per capita allocation as is required to be provided to TMAs under federal law), to be programmed, at their discretion, for eligible projects. Each planning agency has developed its own programming process. Some have a competitive technical selection process at the metropolitan or regional level. Others suballocate the funds to major jurisdictions, allowing them to select their own projects. In some cases, the transit system receives its own separate suballocation, in others they must seek funding either through the metropolitan or regional competition or from one of the jurisdictions receiving a suballocation.

Application/programming timeline: The timeframe for the local STBG project selection/programming process varies from planning agency to planning agency, and may, in some cases, be done on a multiyear basis, rather than annually. The programming, however, must be included in the local TIP. The transit system then includes their STBG projects in the Consolidated Transit Funding Application due to OPT the first business day of May each year. OPT will then package all non-urbanized STBG transit projects into an amendment to their flex funds grant and will issue joint participation agreements upon approval of the amendment by FTA. Planning projects must be included in the respective planning agency's work

plan and are then included in the Office of System Planning's Consolidated Planning Grant application (or amendment application) to FTA, with planning assistance agreements issued upon FTA approval. STBG non-urbanized transit projects programmed mid-year can be included in an application for a 5311 grant amendment upon FTA approval of the STIP amendment.

Flex Funding – Iowa Clean Air Attainment Program [ICAAP] / Congestion Mitigation/Air Quality [CMAQ]

Program purpose: Nationally, the CMAQ program is intended to fund transportation projects designed to improve conditions in areas that violate the air quality standards set in the Clean Air Act Amendments (CAAA). These transportation projects can include highway projects, transit capital projects, projects providing start-up operating support for transit services, as well as bicycle or pedestrian projects, all of which must be designed to reduce congestion in the non-attainment areas. However, based on federal law, each state receives a minimum allocation of CMAQ funding, whether they have areas in violation of the air quality standards or not. In cases where a state receives minimum allocation funding in addition to what would be allocated based on any areas in violation of air quality standards, these minimum allocation funds may be used not just for CMAQ eligible projects, but for any STBG eligible project. Since Iowa currently has no air quality non-attainment areas, all CMAQ funding coming to Iowa is available for the broader purposes. Iowa has, however, chosen to allocate a portion of these funds ($4 million/year) to support CMAQ-type projects, in an effort to maintain its attainment status for air quality through the Iowa's Clean Air Attainment Programs (ICAAP), as noted above. In cases where ICAAP funds are programmed for transit projects, funds are transferred from FHWA to FTA to be administered through the appropriate FTA program. (Funding transferred for ICAAP capital projects may be either CMAQ or STBG, at the discretion of Iowa DOT's Office of Program Management; funding transferred for transit start-up projects must be CMAQ.)

Eligible subrecipients: Any of Iowa's 35 designated public transit systems may propose transit projects to be candidates for ICAAP funding. Sponsorship of highway or bicycle/pedestrian projects is limited to general purpose units of government.

Eligible assistance categories: ICAAP can fund transit capital projects, start-up operating support for new transit services designed to reduce emissions, or other emissions-reducing projects the evaluating committee and Iowa Transportation Commission find worthy. (Start-up funding is limited to three-years of operating assistance, which may be spread over a five-year period.)

Eligible projects/services/service areas: Any transit capital or start-up support of new transit services, anywhere in Iowa is eligible, but it should be understood that the selection process is designed to consider the anticipated effectiveness of candidate projects in reducing emissions and the degree to which they target areas which are in jeopardy of violating the air quality standards. OPT will administer all projects to the subrecipient transit system(s) under either a 5307 or 5311 grant. Projects are not required to be addressed in PTPs and programmed in local Transportation Improvement Plans (TIPs) to be considered as candidates for funding under the statewide application process, but any projects selected for funding must be addressed in both the local PTP and TIP plus the State-wide TIP before they will be included in a statewide grant application. It is recommended that any systems anticipating pursuit of ICAAP funding get this possibility included in the PTP discussions and document as early as possible.

Match/local funding requirements: Federal participation in ICAAP projects is limited to 80% of net project costs for both transit capital and start-up operating support. There is no provision available for the higher blended ratio available for vehicles with features addressing ADA and CAAA requirements.

Project selection/method of distributing funds: Projects are selected annually based on a competitive statewide solicitation. As noted above, selection criteria include each project's anticipated effectiveness in

reducing congestion and/or reducing air pollution and the degree to which it targets an area of the state in jeopardy for violation of air quality standards. Project applications are reviewed and evaluated by an advisory committee which includes, among others, representatives of the state department of natural resources, the state association of regional councils, and the state transit association.

Application/programming timeline: ICAAP applications are due to Iowa DOT's Office of Systems Planning on the first business day of October each year. The input of the review committee and the programming recommendation of Systems Planning staff is presented to the Iowa Transportation Commission at their December meeting for action in January. Approved projects must be added to the STIP and to local TIPs if they were not already anticipated. Projects will generally be scheduled to start no earlier than the following October, but statewide application for transit projects may be submitted prior to this date in order to have joint participation agreements in place for an October start.

CHAPTER III
Planning and Programming

The Local Planning and Programming Process

Federal law requires the establishment of a Metropolitan Planning Organization (MPO) responsible for transportation planning and programming within each urbanized area. Iowa has applied the same policy to the non-urbanized areas of the state. Each Iowa Regional Planning Affiliation (RPA) has responsibilities similar to an MPO, though for some functions, the expectations may be somewhat simplified based on the different nature of the planning area. FTA and FHWA generally have supported Iowa's RPA structure, though, because these groups are not recognized in federal statute, RPA planning products must generally be submitted to the federal agencies by way of the Iowa DOT. The relationship between an MPO and the surrounding RPA is left to be worked out locally. It happens that, in each case where there is a single MPO within an RPA, the MPO staff also serves as staff to the surrounding RPA. In central Iowa, where there are two urbanized areas within one planning region, the RPA is staffed by the Des Moines Area MPO, while the Ames MPO has separate staffing. In east central Iowa, also with two urbanized areas in a planning region, the RPA and the two MPOs all have separate staffing.

Planning Committees

Each MPO and RPA is required to have a Policy Committee made up of elected officials representing the major jurisdictions within the planning area. They should also have a Technical Advisory Committee made up of transportation professionals from the different jurisdictions and sometimes local planners and other as well. Iowa DOT, FTA and FHWA are usually considered non-voting members of each committee. Even where an MPO and RPA share staffing, it is expected that there will be separate committees for each group, though there may be times when it is appropriate that they meet together to consider issues that affect the entire area.

MPOs and RPAs are also required to establish an advisory committee to deal with the joint process for public transit and human services transportation planning. In this case it is allowable for there to be a single shared committee covering contiguous planning jurisdictions (MPO and RPA, multiple RPAs, etc.), since it is recognized that in many cases the jurisdictions of human services agencies, as well as those of public transit systems, may not coincide with the planning boundaries. Committee membership should include representation from all public and private passenger transportation providers in the planning area(s), plus representation from agencies/organizations involved in public health issues, human services issues, employment issues, and representing elderly persons and persons with disabilities. This can be handled within a larger context, including other transit interest groups, as long as issues related to elderly persons, persons with disabilities and low income persons are specifically addressed in the process. Every effort should be made to secure participation from a full spectrum of the mentioned groups.

Processes and Products

Each MPO and RPA is responsible for carrying out a number of specific activities. At minimum these include:

- Preparation of an annual planning work program;
- Preparation and maintenance of a long-range transportation plan;
- Preparation of a passenger transportation plan;
- Preparation of a transportation improvement program; and
- Planning assistance to local project sponsors.

Typically, most planning agencies are at any time also involved in one or more special studies on various transportation topics.

TPWP

The RPA or MPO's transportation planning work program (TPWP) or unified work program (UWP) describes the planning area and identifies what the major transportation issues in the area currently are, then identifies what planning activities will be conducted over the next year. This should be put together with input from all the various jurisdictions and modes. Transit systems should be sure to participate in that process and make sure that any important transit issues are identified and scheduled to be addressed as part of the work plan. The work plan serves as the MPO or RPA's application for the federal planning assistance funds.

Long-Range Transportation Plan

The long range transportation plan is required to look at street and highway, transit, and non-motorized transportation needs of the area for at least the next 20 years. Long range plans are usually updated every five years to make sure that the minimum 20 year horizon is maintained, but they can also be amended if circumstances have changed significantly between updates. Plans may vary in the level of details with some addressing things at more of a policy level and others being much more project specific. Ultimately, the requirement is that all federally funded projects must be consistent with the area's long-range plan. Costs identified in the long-range plan are required to be expressed in year-of-expenditure dollars rather than constant dollars.

PTP

Under MAP-21, a coordinated human services/transportation plan is required only for projects programmed with 5310 dollars. In Iowa, the Passenger Transportation Plan (PTP) serves as the coordinated plan and is required of any MPO or RPA regardless of whether or not their area receives 5310 funding. The goals of the PTPs are:

1. Improve transportation services to Iowans
2. Increase passenger transportation coordination
3. Create awareness of unmet needs
4. Develop new working partnerships
5. Assist decision-makers, advocates, and consumers in understanding the range of transportation options available
6. Develop justification for future passenger transportation investments
7. Save dollars and eliminate overlapping of services

The document must include an inventory of passenger transportation providers, an identification of passenger transportation needs, an identification of gaps in services as well as areas of duplication, and specific recommendations as to what projects should be funded. The PTP document should reflect the process conducted by/with the public transit/human service transportation advisory committee, and must include documentation that it has been endorsed or adopted by that group. Drafts are due to Office of Systems Planning and OPT by the first business day of February for review and the adopted final plans are due the first business day of May.

Although the PTP currently only addresses recommendations for funding derived from the USDOT, and acknowledgement of non-DOT funding flowing to the public transit systems, the expectation is that each year's effort will ratchet up the amount of information collected and presented on non-DOT state and federal funding used to support other transportation providers in the planning area and their fleets and operations. If deemed acceptable by the Office of Systems Planning and OPT, the PTP must only be completely rewritten every five years. In the in-between years, the local transportation advisory group must meet at least twice annually.

TIP

The Transportation Improvement Program (TIP) is a required listing of all surface transportation projects in the planning area approved by the MPO or RPA for federal funding. All projects should be consistent with the long range transportation plan. The proposed program of projects must go through a process of public review and opportunity for comment, before adoption by the MPO or RPA. MPO TIPs are submitted directly to FTA and FHWA for their joint approval. RPA TIPs are not directly reviewed/approved by FTA and FHWA, but get incorporated into the State-wide Transportation Improvement Program (STIP), which Iowa DOT Office of Program Management submits for federal approval. Neither FTA nor FHWA can approve any federal funding (other than planning assistance) without the project being listed in an approved TIP/STIP. TIPs are required to cover a minimum of four years, which includes an "annual element" of projects scheduled for federal funding commitment in the initial year, and then three "out" years. All project costs are required to be presented in year-of-expenditure dollars. Once a TIP is approved, projects can be moved between years within the program by administrative revisions, but adding new projects requires a TIP amendment, which is a much more involved process, including a requirement for public review and opportunity for comment. Iowa policy prohibits inclusion of any transit projects funded from either FTA or FHWA funding unless the project is derived from and documented in the area's PTP. As noted in the profile of the Surface Transportation program (STBG) earlier, each MPO and RPA selects the projects that will be funded with their allocation of STBG funding. Those decisions are documented in the TIP/STIP. The Iowa Division Office of FHWA has indicated that all projects to be funded with flexible funds, must be shown within the highway element of the TIP/STIP, even though transit projects are also in the transit element of the program. TIPs are updated each year, with drafts due to Office of Program Management and OPT by June 15th for review and adopted programs due by July 15th.

State Level Planning and Programming Process

At the state level, Iowa's transportation planning includes an official long range transportation plan branded "Iowa in Motion," plus many special studies of various sorts, along with the programming processes centering on various funding programs, and also the compilation of the State-wide Transportation Improvement Program.

Iowa in Motion

The long-range planning process is generally the responsibility of the department's Office of Systems Planning, though with significant involvement of modal offices, such as the Office of Public Transit, for those parts dealing with modal issues.

On May 8, 2012, the Iowa Transportation Commission adopted the State Transportation Plan: Iowa in Motion – Planning Ahead 2040 (Plan). The Plan builds on the success of the previous long-range plan developed by the Iowa DOT and provides direction for each mode (aviation, bicycle and pedestrian, highway, public transit, rail and waterways). The Plan projects the demand for transportation infrastructure and services out to the year 2040 while taking into consideration the social and economic changes that are expected to occur during this time period.

The Plan provides a guide to the Commission as they make investment decisions for all modes. In addition, the Plan is a resource for Iowa's local governments and regional and metropolitan planning agencies as they look to invest funding into the transportation system.

PTMS

One on-going planning activity at the state level involved the Public Transit Equipment and Facilities Management System (PTMS), which was originally developed to meet the requirements of the Intermodal Surface Transportation Efficiency Act of 1991. Iowa's PTMS process was a joint effort of the DOT and

the state transit association to develop a mutually acceptable system for prioritizing the programming of available state-wide capital funds among candidate projects. The focus has been primarily on projects for replacement of revenue rollingstock. The PTMS process assigns points to every revenue vehicle in the state based on its chronological age and accumulated mileage, compared to established useful life standards for the type of vehicle. The department and the transit association have agreed to use this as the basis for priorities for whatever amount of funding is made available for vehicle replacement each year. This process has also been repeatedly endorsed by Iowa's Congressional delegation. As a programming tool, it applies only to those candidate projects that have been included in the annual element of local TIPs, but as a planning aide, points are calculated each year for every vehicle in the state-wide fleet, giving all systems a feel for their relative chance to access the state-wide funds.

STIP

Iowa requires all projects to be financed with any FHWA or FTA funds to be programmed in the State-wide Transportation Improvement Program (STIP). This may not include local planning projects which the federal agencies would only require to be included in planning work plans. Iowa also varies from standard federal policy in requiring projects in urbanized areas to be included individually in the STIP as opposed to incorporating all urbanized projects by including metropolitan TIPs by reference. This is done in part to enforce Iowa's policies that transit projects may not be included in the STIP unless they are addressed in/derive from the PTP, and that facility projects over $50,000 may not be moved into the annual element of the STIP unless a feasibility study has been completed.

Projects must be in an FTA/FHWA approved STIP in order for FTA to obligate a grant containing that project or for FHWA to transfer funds for a transit project to FTA so that they can be included in a grant the FTA awards. As noted in the discussion of the local TIPs, FHWA's Iowa Division is requiring that all flex funded projects appear in the highway element, as well as the transit element, of the TIPs and STIP.

Overall responsibility for compilation of the STIP rests with the Iowa DOT's Office of Program Management; however, the compilation of the transit element is handled by the Office of Public Transit, working in close cooperation with Program Management.

The STIP is compiled from the local TIPs prepared and adopted by the MPOs and RPAs. As noted, transit projects are screened for compliance with state policies regarding PTP inclusion and facility feasibility studies before being accepted into the STIP. TIP drafts are due June 15th each year, with adopted TIPs due by July 15th. The draft STIP is put out for public review during the month of August and then is submitted to FTA and FHWA by mid-September to allow federal approval by the end of the federal fiscal year September 30th.

TIP revisions or amendments are accepted throughout the year, provided that proper public review has been achieved. Upon receipt of a locally-approved TIP revision or amendment relating to a transit project, and confirmation that Iowa policies on PTP and facility feasibility studies have been followed, OPT submits a corresponding revision or amendment of the STIP's transit element for Federal review and approval. As noted, if flex funds are involved, a revision or amendment to the highway element is also submitted by Office of Program Management.

CHAPTER IV
Financial Management

Financial management runs the spectrum from determining the amount of money available by program and for specific projects, to moving the funds around for the most effective administration, to conducting subrecipient application processes, securing the federal grants, to preparing, administering and closing out subrecipient agreements, then closing the federal grants.

Funding Allocation/Project Selection

Congressional Actions

The determination of how much funding will be available for programs and projects begins with authorizing legislation which establishes the programs and sets allowable funding levels by program as well as establishing the ways by which the funds will be distributed. Traditionally this has involved establishing distribution formulas for some programs or specifying that others will be discretionary or competitive. Authorizations are typically for multi-year periods.

Once funds have been authorized, they still need to be appropriated in order to actually become available. Congress appropriates funds on an annual basis. Recent transportation authorizations have provided for "guaranteed appropriations," however, this guarantee may or may not be kept as the appropriation bill is acted on each year. Typically, Congress holds fairly close to these guaranteed levels, though there have been some minor specific cutbacks and several years when the transit programs have been subjected to across-the-board reductions, sometimes based on being part of a consolidated or omnibus appropriations act, and sometimes based on separate congressional actions. While earmarks were used by Congress widely in the past, getting funding back to home states, the earmarking process for transit has not been utilized for several years; instead, competitive application processes have taken the place of earmarks for getting extra funds to a state or transit system.

Reauthorization of transportation bills have not been timely in recent years. It is common now for multiple extensions to be passed on current transportation bills rather than taking up a whole new reauthorization. These extensions rather than reauthorizations make long-term transit planning difficult. Even the annual appropriations are nearly always delayed. Although the federal fiscal year begins the first of October, Congress typically goes well past that date before taking action on the appropriation, with most recent years stretching into late winter or spring.

FTA Apportionments

Within a few weeks of the President signing the appropriation bill each year, FTA publishes an Apportionment Notice in the Federal Register. This identifies the exact dollar amount available to each state and major urbanized area under formula programs, which often have to be adjusted from the numbers included in Committee reports or even the legislative text due either to statutory program provisions or to subsequent across-the-board adjustments that Congress incorporates into the bill. Exactly when this information will be available depends on when Congress completes their action on the annual appropriation.

OPT Formula Calculations (Projections)

Once the FTA apportionment information is available, OPT adopts the figures on 5310 and 5307 funding attributable to each smaller urbanized area in Iowa that are published for information purposes only in FTA's Federal Register notice. The 5310 funding is available for the following state fiscal year. The 5307 funding is not quite so clear cut, with some large urban systems historically using the new funds for the year that is already underway, and others using it for the following state fiscal year.

OPT also calculates the individual system apportionments that result 5311 funding remaining after the required 15% set-aside for intercity bus assistance and the set-aside that Iowa has established for support of regional transportation planning. Iowa's rural apportionment formula is known as the modified Forkenbrock formula and basically allocates 25% of the total funds to small urban transit systems based 50% on each systems share to total unlinked passenger trips and 50% on each systems share of total revenue miles. The other 75% of total funds is allocated among the states regional systems, based 40% on each region's share of total passengers and 60% on each region's share of total revenue miles. The determination of which systems receive 5310 vs. 5311 funding is based on how systems operate, with the 5310 funds being directed to those regional systems that are organized as brokerages, so that they can use the funds for "cost of contracted service."

OPT has agreed to provide systems with projected funding information for the following state fiscal year in December each year, so that this information can be used in putting together city budgets that must be filed with the state as well as for development of the Passenger Transportation Plans and Transportation Improvement Programs. In years when Congressional appropriations are completed on time, OPT's formula figures can be firm allocations, but in most recent years OPT has only been able to provide projections based on the assumption that appropriations will roughly follow the "guarantees" in the authorizing legislation.

OPT Competitive Selections

OPT administers a competitive selection process for the intercity bus assistance program under 5311(f). These applications are due the first business day of October each year, for projects which run on a calendar year basis. Funding is made available for four categories of projects, including support of existing intercity bus routes, establishment of new intercity bus routes, marketing of intercity bus services, and capital improvements in support of intercity bus service. This process is explained in detail elsewhere within this document.

Competitive Selections by Other Offices

Some of the programs administered by OPT are based on competitive selections by other entities. This includes transit projects funded out of federal flex funds under the Iowa Clean Air Attainment Program (ICAAP) which are approved by the Iowa Transportation Commission as a result of competitive solicitations conducted by the Iowa DOT's Office of Systems Planning.

Fund Transfers

Transfers from FHWA

In those cases where flex funds have been programmed to transit projects, Iowa DOT's Office of Program Management will work with the Iowa Division Office of FHWA to secure transfer of these funds to FTA. The same is true with any FHWA planning funds (PL or SPR) that will be administered as part of a Consolidated Planning Grant by FTA. These transfers take place throughout the year. Since such transfers are not reversible, if programmed funding remains after completion of a transit project for which it was programmed and an MPO or RPA wishes to have it credited back to their account, this is handled by reducing a future transfer by a like amount.

Transfers between FTA Programs

OPT currently does not choose to implement provisions allowing transfer of funds between FTA programs.

Subrecipient Applications

Consolidated Transit Funding Application

Iowa's Consolidated Transit Funding Application serves as the single multi-part application for funding by subrecipient transit systems under Iowa's statewide 5310, 5311, 5339, and CMAQ grants. The application packets are posted on-line in December and are due to OPT by the first business day of May each year.

Mid-year (2nd round) Applications

If significant balances of funding remain uncommitted in any of the statewide funding programs for which the Iowa DOT has responsibility, a mid-year solicitation will be made for additional applications to ensure eligible agencies have the opportunity to use the funding available.

Intercity Bus Assistance Application

Iowa's Intercity Bus Applications are also posted on OPT's website. They get posted in mid-August and are due to OPT the first business day of October each year.

ICAAP Application

The application process for Iowa's Clean Air Attainment Program is administered by the Iowa DOT's Office of Systems Planning and the application forms and instructions are available through their website (www.iowadot.gov/systems_planning/icaap.htm). Applications are due to Office of Systems planning by the first business day of October each year. The staff of the Office of Public Transit provides some assistance to the Office of Systems Planning in the review of applications for transit-related projects.

TPWPs

The Transportation Planning Work Programs (TPWP) prepared by each Iowa MPO or RPA serves as the application for planning assistance funds, administered by the Office of Systems Planning. TPWPs are due to Office of Systems Planning by the first business day of June.

Subrecipient Agreements

The Office of Public Transit has established a standard format for subrecipient agreements, officially called "Joint Participation Agreements," but more often referred to as "agreements" or "contracts." Unless there are a large number of project elements, the basic agreement is a one-page document, which incorporates by reference Part II of the Joint Participation Agreement, which is posted on OPT's website and contains multiple pages of "boilerplate" requirements, some of which apply to all state and federal funding programs administered by OPT, and some of which are specific to individual programs. Part II, in turn, includes by reference other various documents, for which links are provided via the OPT website.

Key Features of One-page OPT Agreement

Agreement Number

OPT's four part/eleven digit agreement number is based on the funding type, the program year of the Statewide Transportation Improvement Program where the project can be found, the FTA grant number under which the project was originally approved, and the transit system identifier.

Accounting Contract Number

This is a unique five digit number that Iowa DOT's electronic accounting system assigns automatically as contracts/agreements are entered into the system. This ties all accounting records related to the contract together and allows tracking of contract financial activity.

CFDA Number

The agreement lists the number assigned to the federal funding program in the Catalog of Federal Domestic Assistance, which assists auditors in understanding the basic federal requirements that apply to the funding.

Legal Name of Subrecipient

OPT has tried to verify the legal name of each subrecipient.

FTA Grant Number

Specifically identifies the FTA grant in which the project was originally approved. (Sometimes, at FTA's urging, the project is subsequently moved partially or fully into older grants to use up unexpended funds. This will usually not show on the paper contract, but is tracked within the Iowa DOT's accounting system, as part of the electronic contract record.)

Project Elements

Listing of individual elements of the subrecipient's overall project, based on FTA line-item codes. Individual elements may be unrelated, or may represent different component parts of a single project, as in the case of a facility project that may involve land purchase, design work, construction and furnishings.

Project Start Date

This represents the earliest date from which project activities can be reimbursed, and is established in light of FTA's advanced authority to incur cost policies. The date will never be earlier than the date when FTA approved a STIP or STIP amendment showing the project as having been programmed out of the appropriate funding source, but if a decision to fund or not fund the project was made sometime after the project was already in an approved STIP, it will be based on the date of that decision. This is the case for all projects funded from the state's earmark of bus and bus facilities money each year and will also be the case for any ICAAP/CMAQ projects. 5311 operating assistance projects and 5310 cost-of-contracted-service projects will normally have a start date that coincides with the beginning of the state fiscal year.

Project End Date

For operating and cost-of-contracted-service projects this represents the last day for which activity can be reimbursed under the agreement. Capital contracts can potentially reimburse any purchase obligated through this date, but this limited by OPT's obligation deadline policy (discussed below) and by the Iowa DOT's requirement that any reimbursements under an agreement take place within 60 days of the project end date. Generally operating and cost-of-contract-service projects have a one-year span from start date to end date. For capital contracts OPT generally sets the end date to be two years from the end of the quarter in which FTA approves the grant or grant amendment containing the particular project.

Obligation Deadline

The two-year life for capital agreements was established to allow longer delivery times for some vehicles and extended construction schedules without necessitating multiple amendments to extend project end dates. To discourage subrecipients from waiting until the last minute to begin a project, OPT has a policy that any project element that has not yet been awarded one year ahead of the project end date, is subject to cancellation, unless OPT has specifically waived or extended this obligation deadline.

OPT's On-line Agreement Binder

Accessible via website, the OPT posts Part II, which applies to all agreements, along with links to the FTA circulars and other documents that were referenced as appendices to the agreements. Posted to http://www.iowadot.gov/transit/joint_participation.html are links of those components OPT controls and links to the components generated by other parties (primarily FTA), thereby assuring that all these items stay current.

Part II

Each OPT joint participation agreement consists of a (typically) single-page Part I and the multi-page Part II. Included are instructions for reporting, payment requests, audits, procurements, civil rights, etc; listings of appendices applicable to each funding program, standard Federal and State contract provisions, and references to individual labor protection agreements to which certain programs are subject.

Appendices

Links are provided to the main documents that define the project and requirements, including the FTA Master Agreement, FTA program circulars, as well as OMB circulars, and other excerpts from the US Code, the Code of Federal Regulations, as well as some items from the Iowa Code or the Iowa Administrative Code or departmental policy documents.

OPT Policies Regarding Administration of the Agreements

Oversight/Concurrences

The Office Public Transit provides active oversight of its subrecipients as they implement the projects in the joint participation agreements. Iowa does allow subrecipients to do their own procurements, but agreements require OPT concurrence in bid solicitations, responses to requests for clarifications/approved equals and bid analyses/awards.

Payments

OPT has implemented FTA policy allowing "reimbursements" to subrecipients, either after payment has been made to a vendor or in advance of such payment, provided that the subrecipient has made arrangements to assure that the vendor will receive payment within 72 hours of the subrecipient receiving the "reimbursement."

The subrecipient submits a signed Request for Payment form to OPT. For capital purchases this must be accompanied by either an original or copy of the vendor invoice. For operating assistance this must be based either on information submitted electronically in a quarterly or year-end transit statistical report or sometimes a separate report, prepared on a different timeframe, which must accompany the request. OPT generates a payment voucher, which is reviewed by the Office of Finance/Accounting, which in turn draws down the federal funds and prepares the abstract for payments by the Iowa Department of Revenue, via electronic fund transfer.

Holds on Payments

The joint participation agreements include a provision allowing OPT to hold payments to a subrecipient, if the subrecipient is delinquent in its required reporting. This provision is generally only invoked with regard to operating assistance project, so as not to adversely impact the payments to vendors under capital projects. The payments are released once the subrecipient is again current in its reporting.

Cancellation of Projects for Lack of Appropriate Progress

As a way to try to assure that implementation of all programmed projects proceeds in a timely manner, each joint participation agreement issued by OPT, other than for formula operating assistance, includes a

project obligation deadline, which is usually one year out from the initial issuance of the agreement. The project sponsor is required to have each project element awarded within this timeframe or the unawarded elements may be subject to cancellation. Project sponsors who have not met these deadlines can request extensions if there were extenuating circumstances, or if the deadlines do not appear appropriate for a specific project or element, but the decision whether to grant extensions rests with the OPT Director.

Revisions/Amendments

Sometimes, in the course of implementing a project, circumstances change and require some type of change in the project. Larger changes may require changes to the federal grants themselves, but many can be handled at the agreement level. Common types of revisions that may be considered by OPT, based on review of justifications, include: waiving the obligation deadline for specific line-items, extending the project end date for specific line-items, allowing purchase of the next larger size vehicle within a series (with no increase in the federal program ceiling), purchase of the next smaller vehicle in a services (with appropriate reduction in the federal program ceiling), or purchase of an ADA-accessible vehicle in place of one originally programmed as non-ADA (with no change in federal program ceiling). In any case where the project was originally programmed through a process not administered by OPT (i.e. for ICAAP/CMAQ funds or STBG funds), OPT will only make changes in project elements with concurrence from the party involved in the programming (i.e. Iowa DOT Office of Systems Planning or the appropriate local MPO or RPA).

Changes in Source of Funds

In some cases, in order to utilize remaining funds in an older FTA grant, OPT may shift part of a project into an older grant coming from the same funding program after the joint participation agreement is already signed. This is done via changes to the grant budgets and to the electronic version of the agreement in the DOT accounting system. No change is made in the paper version of the agreement, since the funding program does not change, nor does any other aspect of the project.

Project Completion/Agreement Closeout

Once the programmed project has been completed, OPT's policy for projects programmed by OPT is that any remaining funds become available for reprogramming state-wide and are not reserved for the system to which they were originally awarded. The policy on ICAAP/CMAQ-funded projects programmed by Office of Systems Planning is similar. For STBG projects, OPT will follow the policy established by the entity originally awarding the funds, as to whether remnant funds can be used for other purposes by the transit system to which they were originally awarded or whether they are to be credited back to the programming agency. In the case of flex funds, the "crediting back" is accomplished by reducing the amount of funds to be transferred from the particular funding source for future projects.

Project Accounting

OPT's subrecipient agreements are generated with two signed originals. One copy is for the subrecipient's files and one is for the official electronic files for use by both the Office of Finance/Accounting and the OPT. Accounting keeps records of any revisions or amendments, plus the payments requests with supporting documentation, and the documentation of payments. OPT's working files include the revisions/amendments plus copies of procurement-related documents with documentation of OPT concurrences, copies of pre-award and post-delivery audit certifications, and the payment requests and vouchers.

Accounting tracks funds by agreement totals and by grant totals, but it is up to OPT to track individual project elements and FTA line items, and to reconcile these to the detailed grant budgets and programs of projects. An effort is made to cross check the information periodically.

Audits

Each sub-recipient is required to have a single agency audit conducted annually, conforming to A-133 standards, and to submit such to the Iowa Auditor of State for review.

Iowa DOT's own workings are examined as part of a single agency audit performed by the staff of the independent State Auditor's Office. Any findings related to the administration of the transit programs are published in the state-wide report.

Copies of Agreements Submitted to ATU

Based on OPT's labor protection arrangement with the Amalgamated Transit Union, related to [13(c)], copies of all joint participation agreements issued by OPT using funding administered by the Federal Transit Administration are forwarded to the ATU offices in Washington, DC.

Closeout of Federal Grants

Once all funds in a grant have been expended and/or all of the subrecipient agreements written under it closed, the Office of Public Transit shall request closeout of the grant. It is the goal of the Iowa DOT to have no more than three prior year grants open at any time under either the 5310 or 5311 programs, and no more than five under other programs. The most difficult have been the earmarked funds under 5309, 5339, JARC, and New Freedom grants. There have been some additional difficulties in grant management due to TEAM to TrAMS transition issues.

CHAPTER V
Intercity Bus Assistance Program

As required by federal law under 49 USC 5311(f), a portion of the total funds allocated to Iowa under the 5311 program, is dedicated to a program to support intercity bus transportation. Iowa has chosen to reserve 15% of its annual 5311 apportionments to support of intercity bus needs, rather than increasing from this legislated minimum or seeking a waiver to go below that level. Intercity bus assistance projects are selected based on a competitive application process, though projects for support of existing or approved new intercity bus service are allocated funding based on the number of Iowa miles of revenue route service provided.

The Intercity Bus Assistance Program is intended to support intercity bus service in rural and small urban areas. Recipients may be private-for-profit companies, private non-profit corporations, or public entities. Eligible bus service must provide opportunities for boardings outside the urbanized areas and make convenient connections to the existing national intercity network. Operations serving strictly a commuter purpose are not eligible. Projects may include operating assistance, capital assistance, planning, or local transit administrative costs such as marketing and insurance.

Intercity bus projects can include support of existing or new intercity bus services [generally based on preventive maintenance costs (defined as capital) and insurance costs (defined as administrative)], marketing (defined as administrative) and capital - including purchase or refurbishment of vehicles, purchase of equipment or improvements to facilities (plus preventive maintenance as discussed above). Although operating assistance is allowed under Iowa's intercity bus assistance program, it is generally not used due to the higher matching requirement.

Categories of Intercity Projects

The Iowa Intercity Bus Assistance Program includes funding for four categories of projects.

Category 1

Category 1 is support for continuation of existing services. Funding is available to each provider of existing intercity bus service that applies and agrees to reporting requirements. Category 1 projects are paid based on documented preventive maintenance costs of existing open-to-the-public intercity services. Federal participation can be up to 80%, but the amount of funding allocated to each project is calculated based on $0.10/revenue mile of existing scheduled route service.

Category 2

Category 2 is support for new and expanded open-to-the-public intercity bus service or feeders connecting into existing intercity bus services. It is not intended to support duplication of existing services. Project payments are based on preventive maintenance, insurance and administrative costs at up to 80% federal participation and operating support, if necessary, at 50% of net project cost. Again, the total funding available for each projects is calculated based on revenue miles—for new service the allocation is based on $0.50/revenue mile.

Category 3

Category 3 is support for marketing of existing and new services. Preference is for cooperative projects with involvement by the communities served. Projects pay up to 80% of project administration/ marketing costs, to limits defined in the application.

Category 4

Category 4 supports facility improvements or equipment purchases necessary for the support of existing or new intercity bus services. Projects pay up to 80% of approved project amounts (83% for purchase of accessible vehicles or 90% on accessibility retrofits of existing vehicles) based on actual costs.

Intercity Bus Applications and Programming

Intercity bus applications are solicited each fall by the Office of Public Transit. A solicitation for applications is issued each August, with applications due the first business day of October for projects to begin in January. The applications are reviewed by OPT staff and a recommended program of projects is presented to the Iowa Transportation Commission in November, for action at their December meeting. Projects run on a calendar year basis.

The Intercity Bus Assistance Program is included as a lump sum in the STIP. If individual projects for these new funds have not been selected at the time of grant application, the project will be included in category "B" of the program of projects, with advancement to category "A" coming upon project selection, in order to meet all certification requirements.

Treatment of Intercity Carriers as Subrecipients

For the portion of 5311 funding set aside for intercity bus assistance, eligible applicants include private intercity bus companies offering services which provide stops in non-urbanized locations, public transit systems linking non-urbanized communities to private intercity carriers, local communities which partner with intercity carriers to provide/improve intercity bus depots or market intercity bus services.

The OPT considers participants in the Iowa Intercity Bus Assistance Program to be subrecipients rather than vendors. Their projects are administered using the same joint participation agreements as for public transit subrecipients, and they are considered eligible for training and technical assistance the same as the public transit systems.

CHAPTER VI
Training/Technical Assistance

The Iowa Department of Transportation offers a variety of training and technical assistance to all of Iowa's transit systems and planning agencies, as well as to intercity bus operators and sometimes to human service transportation providers.

Funding for Training/Technical Assistance

When such services are provided directly by the staff of the Office of Public Transit, Office of Systems planning or other Iowa DOT staff, the costs are not assessed against the transit programs. This is usually the case, as well, with such things as in-house printing, etc.

When outside services are involved, and the cost is charged to the transit program, the Office of Public Transit has the option to fund these services with either federal Rural Transit Assistance Program (RTAP) dollars or State Transit Assistance (STA) dollars or some combination of the two, depending on which systems are involved. When topics are oriented primarily to non-urbanized systems, RTAP funding will be used. If topics are primarily oriented to large urban systems, STA will be used. Usually when topics are generic, RTAP is used on the grounds that there are more non-urbanized transit systems involved than urbanized, and that the non-urbanized systems also tend to be the ones most in need of a lot of the training, though the urban systems can benefit as well, on an incidental basis. It is usually where larger events have specific topics dedicated to each type of transit provider that funding may be shared.

Training Seminars

Training seminars are sponsored when it is felt that there are a significant number of transit personnel desiring or needing training on a specific subject. Courses are selected based on requests, interest surveys of transit management, and evaluations of skill deficiencies by Iowa DOT staff. Courses are open to all Iowa transit systems and transit planning agencies. Registration fees are generally not charged for these seminars. The Iowa Public Transit Association (IPTA) has been under contract to organize a number of these events in conjunction with their regular meetings and for these meetings, meals and lodging are covered by the IPTA contract with the Iowa DOT. Individual transit systems have also assisted by hosting training events on behalf of the department. The source of funding for these events is determined based on the nature of the topics and the predominant attendance as noted above.

Transit Training Fellowships

Transit training fellowships are available to reimburse Iowa transit systems and planning agencies for 80 percent of the cost of registration, travel and lodging for staff (and sometimes board members or subcontractors) to attend transit-related courses or conferences sponsored by other agencies and groups around the country. More generic training (such as on use of specific software, etc.) may also be eligible, if a direct benefit to the transit program is documented. RTAP fellowship funds are used only to pay for such costs incurred by non-urbanized transit systems or RPAs. A parallel program funded with state transit monies pays for costs incurred by urbanized transit systems and MPOs. In the case of agencies that have both non-urbanized and urbanized responsibilities, OPT will base the source of funding on the predominant duties of the individual(s) being trained. Fellowships are individually approved based on applications available through the OPT website. Generally fellowships are limited to two individuals per transit system or planning agency per event.

Fellowships can also help to pay the cost for Iowa transit systems to do peer visits to research various issues, and for Iowa transit people to speak at various transit training forums. In the case of Iowans speaking at out-of -state events, the OPT Director can waive the 20% match requirement on the basis of

the perceived benefit to Iowa's transit program of promoting Iowa's policies and methodologies before a national audience.

In-house Transit Training

In conjunction with the fellowship program, OPT offers Iowa transit systems the option to bring in outside trainers rather than sending employees elsewhere for training. Although this option is usually a higher cost than one or two fellowships, it can be more economical when multiple staff need training. Funding is available to pay 80% of the cost of the contracted trainer(s), plus rented meeting space, course materials, etc. The sponsoring transit system is required to announce the training and invite other transit systems to participate. The source of funding used is generally based on the eligibility of the sponsoring agency, since it is assumed their employees will be the primary beneficiaries. The events are approved individually using the same application form as for fellowships.

Training Library

OPT maintains a lending library of training resources (mostly videos) which are available to Iowa transit systems for local training. In some cases, OPT may choose to reproduce non-copyrighted materials or those for which they can receive permissions, so that the copies can be maintained locally for more immediate access. Historically OPT has produced some training videos (on the concept of transit coordination and on blood borne pathogen safety) that were distributed nationally, and this remains a possibility in any case where good outside resources don't exist or where local branding is considered important. Library resources have generally been focused on the non-urbanized systems and therefore funded primarily through RTAP.

Iowa Transit Roadeo

As a way of promoting advanced driving skills and recognition of transit drivers, the OPT co-sponsors the Iowa Transit Roadeo with the IPTA each year. Competitions are held in both light-duty bus and heavy-duty bus categories, with winners eligible to advance to national competitions. The event is usually held on the Saturday immediately following the conclusion of the IPTA's annual meeting. Based on the participation, the roadeo is popular with both the smaller and larger systems. Both RTAP and STA fund the roadeo, based on the typical percentage of urban versus non-urban attendees.

Multi-State Technical Assistance Program Participation

OPT uses a portion of its RTAP funding to participate in the American Association of State Transportation Official's Multi-State Technical Assistance Program, whereby states pool some of their resources and work together on issues related to assisting public transit and human service transportation providers at the local level.

Direct Technical Assistance

Members of the OPT staff are involved in direct technical assistance to the transit industry in many ways. One of the biggest areas is assistance in conducting the procurement process at the local level, which is part of assisting with the implementation of the joint participation agreements. The OPT staff also assists with analysis of federal and state legislation and regulations so as to keep local transit operators aware of changing requirements and sometimes the opportunity to either advocate for or against impending changes. Staff provides training of new managers, and on-going training on topics such as drug and alcohol testing requirements, ADA requirements, etc. Staff assists both transit systems and planning agencies on issues of transit service standards, fleet management, marketing, and pursuit of new funding sources (flex funds, dedicated tax levies, coordination agreements, etc.). Assistance may be provided one-on-one with transit system staff, or it may involve presentations to official boards or to the public.

The Department's District Transportation Planners, based around the state, are involved in the local processes that generate the MPO and RPA transportation plans and programs, including the Passenger Transportation Plans (PTP). They and the Office of Systems Planning staff are responsible for providing advice and technical assistance to the planning agency staff involved in plan preparation. OPT staff are also involved in discussions concerning the process of programming funds for transit projects, as well as those concerning the PTPs.

Iowa Transit Manager's Handbook

One resource that the OPT has created to assist Iowa transit systems and planning agencies is the Iowa Transit Manager's Handbook. This document was originally developed to help educate transit management and planners about the roles of transit systems and the Iowa DOT in the administration of state transit programs and state-administered federal transit programs, with an emphasis on the relationships between the state and local entities and their respective responsibilities. It includes relevant items such as copies of required reporting forms, along with example reports, etc. Based on requests from the transit systems, it has since been expanded to also describe and discuss many of the same issues as they relate to direct FTA recipients. The handbook is maintained electronically via the OPT website at www.iowadot.gov/transit/handbook.html. An effort is made to keep this document current, with various sections being updated as needed, but this effort is a challenge, especially in times of widespread changes in federal guidance, as happens with the passage of new federal transportation legislation.

Private Sector Clearinghouse

Iowa's Private Sector Clearinghouse is a service that the OPT offers to all Iowa transit systems to assist them in complying with FTA's requirements to provide notice to private transportation operators of opportunities to be involved in transit planning, as well as opportunities to propose alternative private operation of proposed new service, as well as public meetings and hearings related to the transit program or funding applications. Small urban and regional transit systems are required to utilize this service as a way for OPT to monitor their compliance with the federal rules. The service is also available for use by transit systems in small and large urbanized areas, on a purely voluntary basis. Notices sent to OPT are posted to a page on the www.iowadot.gov/transit/ website for private providers, national associations, individual carriers and the public to learn of public meetings and hearing of public transit agencies. .

CHAPTER VII
Reporting

Reporting Required of All Iowa Transit Systems

Quarterly and Year-end Statistical Reports

Iowa requires all designated public transit systems to report statistics quarterly and at year end These reports are due within 45 days of the end of the quarter. Quarterly reports may be on either a cash or accrual basis, while year-end reports must be on an accrual basis. Specific stats from these reports are used by OPT in the funding formulas used to distribute state transit assistance funding as well as the federal funding available under the 5310 and 5311 programs. Reports are submitted electronically via OPT's www.iowadot.gov/transit/ website, and are screened extensively for problems or anomalies.

All state and federal funding will be withheld from any transit system that is delinquent in submitting their quarterly statistical report, until such time as this report, and any other report due as of the beginning of the month for which payment is being made, is submitted.

Inventory / Odometer Reporting (Rollingstock)

All Iowa transit systems are required to file inventory reports and annual odometer updates for transit rollingstock. For units purchased under grants administered by the OPT, this information is used to satisfy the federal requirements for property inventories and continuing control. Even more significantly, for everyone, this information feeds into Iowa's Public Transit Management System (PTMS), which prioritizes rollingstock replacement or rehabilitation projects which seek funding out of the state-wide funding received under the Bus and Bus Facilities Formula Grants (5339) and Congestion Mitigation/Air Quality programs. Initial inventory reports must be submitted prior to receiving reimbursement for the purchase for any vehicles purchase under agreements administered by OPT, or prior to receiving vehicle registration for vehicles transit systems acquire through other means. Each year, the rollingstock inventory records must be updated to report accumulated mileage as of the close or service June 30 or beginning of service July 1. Equipment condition should be reviewed and can be updated at the same time. As vehicles are disposed of, the disposition information must also be added to the inventory.

Inventory Reporting for Facilities and Non-rollingstock Items

OPT requires that any facility improvement or non-rolling stock capital item exceeding an aggregate value of $5,000, funded in any part through a federal grant they administer to be reported as part of the state-wide transit inventory. This is done to comply with the federal inventory and continuing control requirements. Initial inventory information is to be reported prior to the final payment for the acquisition or construction project and inventory information is to be reviewed and updated within 45 days or the close of each state fiscal year.

In addition, the OPT and the state transit association have urged all Iowa systems to also report in the state-wide inventory the status of other transit facilities, whether funded through direct federal grants or financed without federal support. This is being done in order to monitor the industry's overall capital needs and have appropriate documentation for possible legislative efforts to increase capital funding at either the state or federal levels.

Reporting Required Only from Non-urbanized Subrecipients

Drug and Alcohol Testing Annual MIS Reports

Each of Iowa's small urban and regional transit systems, as well as all their transit service subproviders, is required to submit an annual MIS report submitting the results of their required drug and alcohol testing over the past year. Reports are required from each employer, and are due in February each year, covering

the results from the prior calendar year. Reports are entered on-line, and are reviewed by OPT staff prior to submission to the U.S. DOT. Failure to submit a report can make a transit system or subcontractor ineligible for support from any of the federal transit assistance programs. Each transit system is responsible for assuring the compliance of their own contractors. Any statistics related to services by a subprovider that has not complied with the FTA drug and alcohol testing rule will be disallowed for use in the formula upon which 5310/5311 allocations are based, and any FTA-funded vehicles which such providers may be using must be recovered. Monthly payments of formula State Transit Assistance will be withheld from any transit system that is delinquent in submitting their MIS report, until such time as this report, and any other report due as of the beginning of the month for which payment is being made, is submitted.

Disadvantaged Business Enterprise (DBE) Reporting

Each of Iowa's small urban and regional transit systems is required to submit to OPT semi-annual reports regarding the participation of Disadvantaged Business Enterprises in their transit contracting and procurement opportunities. The first report is required to be submitted to OPT by May 1 and covers the first six months of the federal fiscal year (October - March). The second report is due in by November 1 and covers thesecond half of the fiscal year (April – September). . Because Iowa's MPOs and RPAs also receive FTA funding for planning activities, they too are required to compile semi-annual DBE report. The Office of Systems Planning collects the MPO and RPA reports and forwards them to the OPT. All collected reports are then compiled/consolidated by OPT into a single report and submitted to FTA through the TrAMS system. These reports include information on the number and dollar value of third party procurements made during the reporting period and the number and amount awarded to DBEs, as well as the amount of payments made under ongoing and completed contracts. Procurements made to DBE firms within the reporting period are reported by gender and minority classifications. As with the drug and alcohol reports, any transit agency responsible for reporting through OPT, is subject to having monthly STA formula payments withheld if they are delinquent in this reporting.

Charter Activity Reports

Each Iowa public transit agency or subcontractor must comply with the FTA's 2008 Charter Service Rule. If a transit provider is approached to provide charter service, it is the transit system's responsibility to determine, per the rule, if there are willing and able private providers to provide the service or to determine if one of the rule's exceptions would apply to the service.

FTA requires each transit system or subcontractor which receives federal funding directly or indirectly to report any charter services provided during a calendar quarter via the TrAMS website within 30 days of the end of the quarter. Many subrecipient transit systems and subcontractors do not have access to TrAMS. Therefore, the OPT collects the reports of subrecipients and posts them to TrAMS. The report OPT submits contains the following information:

- Name
- Address
- Telephone number
- E-mail address
- Trip Date
- Trip Time
- Origin
- Destination
- Totals (passengers, miles, and hours)
- Fee charged
- Vehicle number
- Exception used

OPT has asked subrecipients who feel they did not perform any charter services in the previous quarter to submit a statement to this effect in lieu of a report. A call for quarterly charter reports is made to the small urban and regional public transit directors around the first business day following the end of the quarter. Reports are due back to the OPT several weeks later allowing time for OPT staff to compile, ask questions if necessary, and submit the report into TRAMS in a timely manner.

Project Progress Reports

FTA requires periodic status reports for all project elements of each grant within TRAMS. Under the 5310 and 5311 programs these reports are only due once a year, within 30 days of the end of the federal fiscal year. For all other programs, these project status reports are due within 30 days of the end of each calendar quarter. OPT does not require subrecipients to make formal reports for this purpose, but OPT Transit Program Administrators, who are responsible for collecting the information and providing it to the OPT grants coordinator, will likely be making contact with transit system management to verify whether projected project milestones remain accurate. The grants coordinator then compiles the milestone reports and submits them via TRAMS. This information is also used by OPT to monitor whether any adjustments need to be made in project implementation schedules and/or whether projects should be cancelled for lack of progress, especially when the project obligation deadlines either established in the original project agreements or as previously extended have not been met.

FSRS/FFATA

Subrecipient grant reporting on the FSRS system to comply with FFATA regulations are accomplished by the Iowa DOT by utilizing the FSRS web site and internal Iowa DOT records. Each month, the FSRS web site is queried by the Office of External Audits for new grant awards to be included in the Iowa DOT's work list. The FSRS work list is then compared to internal records to determine which grants are in fact subrecipient-related pass-through grants that require reporting on the FSRS.gov website. Additional information relating to the grants required to populate the reports is obtained from the Iowa DOT's budget analyst, Operations and Finance Accounting System and data compiled by the OPT.

National Transit Database Non-urbanized Reports

OPT includes specific data elements on the year-end statistical reports to collect information needed for OPT to compile and submit the required non-urbanized reports for the National Transit Database.

CHAPTER VIII
Project Implementation

Direct vs. Contracted Operation

OPT allows its sub-recipients to implement projects is a variety of ways. Transit services may be provided directly by the subrecipient or subcontracted from various providers. If subcontracting is used. OPT must be provided copies of the contract documents in order to verify that services are specified as open to the public and that all federal requirements are passed along to the contracted provider. The subrecipient retains responsibility for assuring that all services performed for them are fully compliant with all federal and state requirements.

Individual vs. Consortium vs. State-administered Procurements

OPT subrecipients are given the option to procure capital items themselves or to join with their peers in consortium procurements or to defer to the state in a state-wide procurement. This was a change from the early years of the rural program, when almost all procurements were required to be state administered. In recent years the predominant mode has the DOT conducting vehicle procurements on behalf of all 35 transit agencies. Some systems have chosen to conduct their own independent procurements (still with OPT oversight/assistance), but without the need to accommodate the various desires of their peers. There has also been considerable use of the piggy-backing procedures allowed by FTA in past years (again with oversight and assistance from OPT staff) but no piggybacks have occurred in recent years.

Recently there has been increasing concern among some of OPT's subrecipients, that the level of effort required to conduct legitimate and successful procurements is detracting from the systems' ability to respond to demands for transit service growth, and there is therefore new interest in using the option of state-administered procurements. Under all these options OPT continues to have a major role in providing oversight to the procurement administrator, whether that is a transit manager or other transit system staff person conducting a procurement on behalf of their own system or a couple of transit managers, taking the lead on behalf of multiple systems, or another office within the DOT or elsewhere in state government—as the recipient of the federal funding OPT is responsible for verifying that their policies and procedures being used are appropriate considering the requirements that come with use of federal funding.

Civil Rights

Title VI, EEO, and DBE

Each subrecipient transit system is subject to the requirements of Title VI of the Civil Rights Act of 1964, as amended, as well as to requirements for Equal Employment Opportunities (EEO), Nondiscrimination on the Basis of Sex, Nondiscrimination on the Basis of Age, and Disadvantaged Business Enterprises (DBE). In order to apply for federal funds, each subrecipient must provide signed Certifications and Assurances for Federal Transit Administration Assistance Programs, which include the above civil rights requirements.

During the compliance reviews of the small urban and regional systems, questions are asked pertaining to Title VI, EEO (if applicable – none currently meet the thresholds), and DBE to ensure compliance. Title VI Programs from these subrecipients also are submitted for review and semi-annual DBE reporting plus triennial goal setting are required to be sent to the Iowa DOT OPT for report compilation for the FTA.

ADA and 504

Subrecipient transit systems are also subject to the requirements of the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1974, as amended, both requiring that services, vehicles, and facilities be accessible to persons with disabilities. These requirements are

referenced in OPT's Joint Participation Agreement with each subrecipient transit system and are covered in more detail in the Transit Manager's Handbook. The subrecipient compliance reviews conducted by the OPT also include questions related to the ADA.

School Bus and Charter Restrictions

FTA funds may not be used for purchase of yellow school buses and all subrecipient transit systems are prohibited from providing exclusive student transportation and are subject to other specifics of the FTA school bus restrictions, which are explained further in the Transit Manager's Handbook. All subrecipient transit systems are also subject to the restrictions and procedural requirements of FTA's Charter rule. This includes all contracted subproviders using FTA-funded equipment or operating services that are reported for allocation of federal formula funding. Specifics of the charter rule are discussed in the Transit Manager's Handbook and the rule itself is available through links from OPT's website.

Maintenance of Project Property

OPT's Joint Participation Agreement requires that all project property be maintained by the subrecipient in a safe, operable and presentable condition. This applies to all facilities, vehicles, and other equipment. If any item is provided to a subprovider for their use in carrying out some portion of the public transit program, the subrecipient continues to have responsibility for that maintenance, though the actual work can be delegated, subject to the subrecipients (and OPT's) oversight. Failure to properly maintain any project property may be grounds for its removal/reassignment, and might also be grounds for denying future project funding.

Each subrecipient is required to have a written maintenance plan addressing vehicles, facilities, equipment, and ADA accessibility features funded in whole or in part with state or federal transit assistance. The plan should address the goals and objectives of the maintenance program (extending useful life, reducing road calls, etc.), include a description of the strategies and actions used to accomplish the objectives, and have preventative maintenance schedules that meet or exceed manufacturer's requirements for warranty purposes. The subrecipient shall make available such plan upon request and during triennial compliance reviews by the OPT.

The OPT is responsible for ensuring Federal and State funded vehicles, facilities, and equipment are in good operating order, and reviews each transit system's maintenance records on a scheduled basis. Documentation that each transit system is using a maintenance plan is performed by the OPT. For more information on capital maintenance plans see Chapter 10 – Capital Management of the Transit Manager's Handbook www.iowadot.gov/transit /handbook/Chapter_10.pdf.

CHAPTER IX
Compliance

In its role as the direct recipient of FTA funding, on behalf of local subrecipient transit systems, under the various FTA programs, OPT assumes the responsibility to assure that those subrecipients comply with all federal requirements attached to the funding. OPT attempts to address this responsibility in several ways, including 1) educating the subrecipients about the requirements, 2) providing oversight and monitoring of sensitive activities, and 3) conducting periodic compliance reviews.

Compliance Education

Much of the training and technical assistance discussed earlier is devoted to helping transit system and planning agency staff know and understand the various federal and state regulations that apply to the transit industry. This includes training seminars, where outside trainers are brought in, as well as presentations made by OPT staff at every meeting of the state transit association, to on-site meetings between OPT staff and transit system staff and/or boards and/or contractors, to e-mailed analyses of new regulations and policies. In each case a major part of the focus is to educate subrecipients about the rules that they must comply with.

Project Oversight and Monitoring

Certain functions are considered to be particularly sensitive with regard to regulatory compliance and OPT has therefore focused somewhat more of its attentions on these areas.

Oversight of Transit Procurements

Probably the greatest focus is on the procurement function. Although all Iowa transit systems are allowed to conduct their own procurements, OPT provides very close oversight, including requiring OPT concurrence at a number of stages, including approval of/concurrence with specifications and bid instructions prior to solicitation, approval of/concurrence with responses to requests for clarifications and equals, and approval of/concurrence with bid or proposal evaluations prior to announcement of intended bid award.

Some the primary issues have been in the areas of free and open competition (restrictive specifications/geographic preferences), buy America, pre-award/post-delivery audits, DBE, and Davis Bacon.

Civil Rights/Title VI

Another area of importance in compliance monitoring is civil rights and Title VI. In order to assist the small urban and regional transit systems compliance with Title VI, the Iowa DOT's Office of Employee Services/Civil Rights TrAMS and Office of Public Transit created a Title VI Program template for ease of creating individual transit systems Title VI Programs. These Title VI Programs were reviewed by the Office of Public Transit to ensure compliance and suggest improvements.

Major Non-procurement Issues

Other areas where OPT staff have tended to work closely with subrecipients in a mixed oversight/technical assistance relationship have involved the environmental and historic assessments involved with facility projects and the ADA features of both rollingstock and facility projects. Drug and alcohol testing and accounting issues have been other across-the-board concerns where OPT has focused education, oversight and technical assistance.

Compliance Desk Reviews

OPT is able to monitor a number of issues through a review of documentation which is either required to be submitted by subrecipients or which comes in from the public. Included among these are:

Transit Service Contracts

OPT requires each small urban and regional transit system to submit copies of any transit service contract they enter into with either service subproviders or consumers purchasing service. The contracts are required in order for the ridership and mileage statistics attributed to these services to count toward funding formulas and to be reimbursable under state and federal transit funding programs the Iowa DOT administers.

Quarterly/Year-end Statistical Reports

The reports that all Iowa transit systems are required to submit to OPT at the end of each quarter and at year-end provide a significant amount of statistical and financial information that helps to understand how each system operates. Besides doing a number of checks to attempt to ascertain the validity of the reports, OPT is able to get some idea of how fairly the benefits of the various funding programs are distributed across various subgroups of the population, as well as whether systems are complying with limits on the percentage of service that can be incidental in nature.

Odometer Reports

The annual reporting of odometer reading by vehicle, allows OPT to both cross check system vehicle and revenue mileage figures which are used in funding allocation formulas, as well as to monitor compliance with the appropriate minimum usage standards applied by USDOT's Office of Inspector General. The utilization data also factors into some of the vehicle replacement policies that are part of Iowa's Public Transit Management System (PTMS).

Media News Reports

The news reports that reach OPT provide another means of monitoring what is happening in the field. Sometimes safety concerns come to light, but probably the most significant issue that can be checked is how the system's services are being presented to the public—especially whether it is being presented as a service for the general public or for only restricted clientele. Whereas the Iowa DOT previously subscribed to a "clipping service" that monitored most print media in the state for transportation-related stories, including transit, this is no longer the case. Access to electronic media has become more available and is more widely used to track transportation stories. OPT staff follow up with local transit management if they come across stories implying services are anything but open to the public or that they may not be in compliance with other requirements, such as the charter rule or the limited English proficiency rules. It is understood that sometimes the issue is a matter of inaccurate reporting rather than improper policies or actions by the transit system, but monitoring the stories is still considered a valuable part of the compliance effort. Even if an apparent problem turns out to be a reporting inaccuracy, there may be reason to request further action by the subrecipient to do some outreach and education for local media.

Public Comments/Complaints

The Iowa DOT is routinely contacted by various members of the public, groups, or businesses with questions and/or comments concerning anything even remotely associated with transportation. Those which are interpreted as possibly dealing with transit, ridesharing, charter, or intercity bus are typically directed to OPT. Usually these are merely requests for information, which may be either answered by OPT staff or referred along to other parties who are more knowledgeable. In some cases, however, these contacts bring to light information which raises questions related to compliance. If these come in the form of a complaint about a subrecipient, OPT will do a formal investigation to resolve the complaint.

Part of this will involve contacting the transit management to get their perspective, but OPT may do their own investigation as well. In a few cases, information raising questions about a subrecipient's compliance status may come up without being presented as a complaint. OPT will follow up on these in a similar, if less formal, fashion. In many cases complaints pertain to systems or entities not under OPT jurisdiction (direct FTA recipients or entities under the authority of other state agencies, etc.) – in these cases OPT will assist the complainant in identifying where the complaint would be most appropriately directed.

OPT's On-site Compliance Review Process

OPT staff have designed an "assisted self-assessment" process for compliance reviews of sub-recipients who are not also direct FTA recipients.[1] The idea is for OPT staff to help the subrecipients be sure that they are in full compliance with the federal program requirements.

Availability of Review Questions and Reference Information

A complete set of OPT's assisted self-assessment compliance review questions is available at all times on the OPT website at www.iowadot.gov/transit/regulations.html. Consistent with the idea that this process is intended as a hands-on training and help to subrecipients to bring themselves into compliance, subrecipients are encouraged to review these materials at any time, and not just immediately in advance of a scheduled compliance review visit.

Description of the On-site Review Process

OPT has designated one staff position, the Compliance and Training Officer, to be responsible for conducting all on-site compliance reviews as a means of assuring consistency for all subrecipients. Each rural and small urban subrecipient is scheduled to be visited and reviewed at least once every three years. The Compliance and Training Officer contacts each scheduled subrecipient several weeks in advance and makes an appointment for the review. Generally these are scheduled for a half-day to give enough time to cover the areas of concern. The subrecipient is e-mailed the questions and request for policies and documents three weeks prior to the review and given two weeks to honestly answer each in terms of how things are done within their system. The responses, documents, and DOT-selected trip manifests are then emailed back to the Compliance and Training Officer. If the transit system has specific staff responsible for certain review subjects, those persons should answer the pertinent questions and be scheduled to participate in the review session. (The sequence of subjects can be adjusted to accommodate the availability of these additional individuals within the overall session.)

After the answers and requested documentation are received via email, the Compliance and Training Officer and appropriate Transit Programs Administrator perform a desk review of the answers and highlight any areas of concern.

At the on-site review, the Compliance and Training Officer reads each question identified as an area of concern and reviews documents and policies as appropriate. The subrecipient personnel then describe how their system handles the issue and may also ask questions. The Compliance and Training Officer identifies whether the described procedure or provided policy is considered compliant and, if it is not, there is discussion of what change is needed to be considered compliant. In many cases, even where there is technical compliance, there may still be discussion of how that can be improved, or how another system is accomplishing things in an easier way, etc.

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[1] OPT was informed by the FTA Regional Office that we can verify eligibility of expenditure and procedural compliance for projects we administer to FTA direct recipients, but that for determination of overall compliance we must defer to FTA's oversight and to the triennial review process.

After the visit, the Compliance and Training Officer finishes reviewing trip manifests and provides the subrecipient with a letter summarizing the result of the review, and specifically noting any areas found to be needing improvement and what was discussed as ways that might be accomplished. Subrecipients are typically given approximately 90 days to address the issues noted in the letter. If issues are found with the trip manifests such as illegal charters, service not open to the general public, sightseeing, or exclusive school transportation, the subrecipients are required to remove those trips from their quarterly and year end statistics and to cease the service. The results of the review are also shared with OPT staff working on various projects with that system who are encouraged to verify whether any issues affecting their particular projects have been addressed. The issues identified as needing improvement become a primary focus of the next review of that system.

Self-Assessment Review Topics

As noted the actual questions are available on the OPT website, but they are generally grouped into the following topics:

- Drug and alcohol testing
- Eligibility
- Employee protection
- Civil rights (Title VI, EEO, DBE, LEP, ADA/504)
- Prohibition against lobbying
- Prohibition against exclusive school services
- Charter rule
- Financial management
- Procurement
- Property management
- Vehicle use
- Maintenance