

Transportation Coordination in Iowa

Report to the Iowa General Assembly and Governor Kim Reynolds,
per 2024 Iowa Code section 324A.4

Prepared by the Iowa Department of Transportation, in cooperation
with the Iowa Transportation Coordination Council

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Table of Contents

Introduction	3
Background	3
Iowa Transportation Coordination Council.....	4
2024 Passenger Transportation Summit.....	4
Iowa Public Transit Long Range Plan	5
Passenger Transportation Planning Process.....	7
Coordination Efforts.....	8
Social Service Agencies	8
Aging Community.....	9
Public Health	9
Mobility Management	11
Rideshare and Commuting Options.....	12
COVID-19 Pandemic Effect on Public Transit.....	12
Driver Shortage	13
Supply Chain Issues and Bus Price Increases	13
Recommendations	14
Conclusion.....	16
Referenced Documents	17

Introduction

The Code of Iowa, Section 324A.4, subsection 2, Code 2024, states the Iowa Department of Transportation (DOT) “shall biennially prepare a report to be submitted to the general assembly and the governor prior to December 15 of even-numbered years. The report shall recommend methods to increase transportation coordination and improve the efficiency of federal, state, and local government programs used to finance public transit services and may address other topics as appropriate.”

Iowa has long been a leader in transportation coordination, from designated public transit agencies covering the 99 counties with little duplication, to requiring any agency receiving public dollars for the provision of transportation to first coordinate with the local public transit agency before providing the transportation on their own, to the creation of the Iowa Transportation Coordination Council. Coordination allows Iowa to provide much needed transportation services to the citizens of Iowa with the most efficient use of public funds. Coordination has been an important topic in Iowa for many years, but during these times of economic constraint and restraint and Iowa’s changing demographics, coordination of transportation services becomes even more critical.

Background

Iowa has 35 public transit systems, covering all 99 counties, served by 19 urban systems in cities and 16 regional systems that are multi-county in nature. These public transit systems provided approximately 17.3 million rides in Fiscal Year (FY) 2023. Due to the decreased ridership from the pandemic, the transit agencies are now working toward re-building their ridership back to pre-pandemic levels. In FY 2023, approximately 25.1 million revenue miles were traveled by the public transit systems. All transit services are open to the general public; trips are made to work, shopping, meal sites, medical appointments, social events, for any purpose a person desires.

The 19 urban systems typically operate as a department of their respective cities, with four systems as exceptions: CAMBUS as a department of the University of Iowa, Metropolitan Transit Authority of Black Hawk County as a stand-alone 28E organization, the Des Moines Area Regional Transit Authority as a stand-alone 28M organization, and Ottumwa Transit operated by 10-15 Transit. Service in the urban areas can be classified as fixed route or ADA complementary paratransit. Fixed route operates along a set course with passengers accessing the service via the nearest bus stop, or, in some communities, flagging the bus down along the route. ADA complementary paratransit is available in zones around the fixed routes to those who meet certain disability qualifications under the Americans with Disabilities Act (ADA), with service provided as origin-destination with the bus picking the passenger up at their home, or other site, and delivering them to their desired location. ADA complementary paratransit trips are scheduled the day before the desired trip. One of the regional systems, 10-15 Transit, also operates a fixed route and ADA complementary paratransit service in the city of Oskaloosa. Oskaloosa is not included in the count of 19 fixed route systems, however, as the city is not large enough in terms of population to receive funding directly from the Iowa DOT for the service.

The 16 regional systems, ranging in coverage from three counties to ten, are set up either independently as non-profit organizations, by 28E agreement, or are housed within another agency such as a council of governments. Regional systems operate on a demand-response basis, with curb-to-curb or door-to-door service for passengers typically scheduling trips 24-hours in advance.

For more information on Iowa's public transit systems, please visit <http://www.iowadot.gov/transit/>.

Iowa Transportation Coordination Council

Meeting bi-monthly, the Iowa Transportation Coordination Council (ITCC), established by the Iowa Legislature, discusses passenger transportation issues affecting Iowa. The Iowa DOT Modal Transportation Bureau public transit section chairs and staffs the meetings. Members include representatives from Iowa Department of Health and Human Services (HHS) divisions of Community Access and Eligibility, Aging and Disability Services, Iowa Medicaid, and Public Health. Other member organizations include Iowa Vocational Rehabilitation Services, Iowa DOT's Systems Planning Bureau, Iowa's public transit systems, Iowa Developmental Disabilities Council, Iowa Public Transit Association, AARP, Epilepsy Foundation Iowa, Veterans Affairs, and the Federal Transit Administration (FTA).

The ITCC serves as the statewide coordination advisory group, identifying gaps in transportation needs, barriers to coordination, and developing partnerships for solutions and transportation options. ITCC agenda items have included: Iowa Solutions for Aging with Independence and Longevity (IA SAIL) Project, Low-No Bus Procurement, Iowa Rideshare, STA Special Project Application Reviews, passenger transportation-related legislation, Iowa Public Transit Long Range Plan, updates from the Statewide Mobility Manager, and the 2023 and 2024 Passenger Transportation Summits.

Because of relationships formed during these ITCC meetings, other cooperative and coordinated efforts occur. ITCC members have frequently included Iowa DOT Public Transit section staff as speakers at various human service-related conferences to further educate attendees on public transit and mobility coordination in Iowa. The ITCC organizations also attend and exhibit at each other's conferences and events. For more information on the ITCC, please visit: <http://www.iowadot.gov/transit/itcc>

2024 Passenger Transportation Summit

Since 2014, the ITCC and Iowa DOT Public Transit section have organized an annual Passenger Transportation Summit. Held in Marshalltown the first three years, the Summit was held in Ankeny in 2017, 2018, 2019, 2022, 2023, and 2024 at the suggestion of summit attendees. Due to the COVID-19 pandemic, no Passenger Transportation Summit was held in 2020 or 2021. The purpose of the annual summit is to bring many different disciplines together, from employment to health care, to discuss passenger transportation issues in hopes that attendees will learn they have more in common when it comes to planning for passenger transportation than they have differences.

Summit agenda items for May 24, 2023:

- Age Friendly Transit

- Transit Passenger Interviews (Video)
- Driver Recruitment
- Public Transit...More Than a Fixed Route!

Summit agenda items for May 8, 2024:

- Waterloo Disadvantaged Youth Access to Programs
- Public Transit Plan Input and Discussion
- ITS4US – Heart of Iowa Regional Transit Agency (HIRTA) Health Connector
- Lansing Water Taxi and Shuttle

Attendance at these summits typically reaches over 100 each year. In 2024, attendance was lower than 100, but we are seeing a slow increase in attendance each year since the pandemic. These summits are important for conveying information about all passenger transportation options in the state, coordination efforts that work and those that do not, and for the networking opportunity they provide.

Iowa Public Transit Long Range Plan

During the summer of 2020, the Iowa Department of Transportation released an update to the Iowa Public Transit Long Range Plan to reflect the operating environment and needs of Iowa’s public transportation system at that time.

The Iowa Public Transit Long Range Plan update, included researching the historical trends in demographics and passenger transportation usage, forecasting future projected needs within the public transit system, and devising strategies to address any challenges.



Some of the key findings identified within the Iowa Public Transit Long Range Plan include the following:

- Several challenges exist which inhibit the public transit system from achieving its potential, including use of older transit vehicles, having a limited pool of qualified transit vehicle drivers, perceptions of overcrowding on transit vehicles, and rapidly changing technologies such as on-demand ride hailing apps and automated vehicles.

- Iowa's rural transit regions continue to see a decrease in population and an increase in the age of riders while urban transit regions are experiencing population growth and an increase in population density. This presents unique challenges for ensuring all Iowans have adequate means of getting to work, to medical appointments, or any other destinations.
- Based on recent studies, there is a net positive return-on-investment for public transit, indicating that net economic benefits are realized for every dollar invested in providing public transit services.
- There is a need to address accessibility of the public transit system for all riders while supporting workforce development by connecting employees with jobs. Recent pandemic responses also show a need to support essential segments of the economy by ensuring a reliable transportation system continues to operate regardless of disruptions.
- With the completion of that Iowa Public Transit Long Range Plan, the planning process transitioned into implementation. During the implementation phase, the Iowa DOT will expand on the partnerships it has formed with key stakeholders to help guide investments among all of Iowa's 35 public transit systems and support Iowa's vision of rightsizing the system.

As this Iowa Public Transit Long Range Plan is implemented through various projects and activities outlined in the strategies section, the impact of these efforts will be measured and used to refine Iowa DOT's approach to public transit and inform future Iowa Public Transit Long Range Plan updates. Instrumental to this implementation is the collaboration between key stakeholder groups including ITCC, IPTA, and MPO's/RPA's. This plan can be referenced by visiting: <https://iowadot.gov/iowainmotion/Modal-Plans/Public-Transit-Plan>

It is prudent to continuously evaluate alternative funding sources for public transit and passenger transportation services for their advantages, disadvantages, and overall viability. This is particularly important as circumstances change, as observed during the COVID-19 pandemic with its impacts on the funding of public transit services for employees who work in critical and essential employment sectors of Iowa's economy. Recommended mechanisms from the plan include:

- Reduce population threshold for Regional Transit Districts (RTD) formation for counties from 175,000 to 90,000 to allow an additional seven counties to collaborate on transit funding through the formulation of a multi-city/county RTD.
- Increase the property tax cap from \$0.95 to \$1.45 per \$1,000 of taxable valuation for RTDs and municipal transit levies.
- Enable RTDs to levy local option sales taxes to meet the public transportation needs of those who work and live in their district.
- Sustain Rebuild Iowa Infrastructure Fund (RIIF) to help with a variety of transit projects including maintenance facility improvements, construction of bus storage buildings, and repair of bus shelters.
- Increase State Transit Assistance (STA) standing appropriation from 4 percent to 5 percent (equivalent to the state sales tax) of the fees for new registration collected on sales of motor vehicle and accessory equipment to support public transportation.

- Add vehicle rental and leased car sales taxes to support public transit by placing a premium on the usage of such personal transportation options compared to other more cost-effective modes of transit.
- Establish Transportation Network Company (TNC) tax to balance the return-on-investment of public transportation infrastructure versus the net negative impacts of congestion and increased road surface deterioration that TNCs induce on public infrastructure.
- Enable TNC usage and ridership data to be shared with the state for planning purposes in order to more effectively analyze trends in transportation infrastructure and forecast future needs.

The Iowa DOT Public Transit Long Range Plan is currently in the process of getting updated by the Iowa DOT Systems Planning Bureau and the Public Transit Section. This update is expected to be completed by October 31, 2025.

Passenger Transportation Planning Process

The Passenger Transportation Plan (PTP) process for Iowa's nine Metropolitan Planning Organizations (MPOs) and 18 Regional Planning Affiliations (RPAs) is designed to promote joint, coordinated passenger transportation planning programs that further the development of the local and regional public transportation systems. Public transportation systems in Iowa include the 35 public transit systems plus a wide array of human service and private transportation providers.

The goals of the passenger transportation planning process are to:

1. Improve transportation services to lowans;
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; and
7. Save dollars and eliminate overlapping of services.

Public transit projects to be funded with FTA Section 5310 (Enhanced Mobility of Seniors and Individuals with Disabilities) monies must be derived from a coordinated planning process. While only Iowa's large urban transit systems (over 50,000 in population) and two regional public transit systems receive Section 5310 funds annually, the Iowa DOT requires a coordinated passenger transportation plan from all areas of the state. This coordinated planning process brings together local stakeholders in transportation to identify transportation needs in the community. Projects such as medical shuttles, employment shuttles, a one-call/one-click project in eastern Iowa, transportation coordination summits and workshops, and the hiring of local mobility coordinators have come from the passenger transportation planning process. Bringing the right organizations together to discuss transportation needs incites coordination of ideas and resources and enhances the mobility of lowans.

For a list of Iowa's MPOs and RPAs, please visit:

https://iowadot.gov/systems_planning/district-transportation-planners-area-of-responsibility

Coordination Efforts

Public transit agencies strive to coordinate transportation services within their community to the greatest extent possible, to the benefit of all involved. By partnering with the RPAs and local human service providers they work to create more efficient use of the public transit vehicles, cost savings to the coordinating agencies, and access to needed transportation services for the community. One of the biggest barriers to coordination in rural areas is the federal Charter rule (49 CFR Part 604). These rules prevent local public transit agencies from providing group trips to their local community members, groups such as daycares and social service organizations can no longer utilize public transit for trips because they are considered exclusive use of the vehicle for a negotiated price. These trips may only be provided if none of the registered charter companies in an area respond as able to perform a trip or if the public transit agency is able to provide the service for free. While large event transportation should be provided by private charter companies if available, small daycares cannot afford charter rates to transport their children to the local pumpkin patch, library, or zoo. In recent years, several of the regional public transit agencies in Iowa have had luck in notifying the local registered charter providers of requested trips, with none responding, and then providing these trips. However, it is still often the case that the public transit systems shy away from charter work because of the cumbersome rules, so these trips do not occur and learning opportunities are lost.

Another rule hindering the provision of public transit, especially in rural areas, is the Federal Transit Administration's School Bus Operations rule (49 CFR Part 605). Written with urban fixed routes in mind, this rule also applies to rural, demand response systems. With many school districts limiting the areas in which transportation to students is provided, including within city limits or with limited stops along a route, parents look to the public transit agencies to provide transportation for their children. Public transit agencies must be careful, however, to ensure this service does not look exclusive to school children, even though parents are individually scheduling and paying for their own children and does not cause other general public riders from being denied rides. Like the Charter rule, explained above, some public transit agencies turn down requests for school transportation from parents to ensure compliance with the rule.

Social Service Agencies

Human service agencies, counties, nursing homes, sheltered workshops, etc. are all able to transport their clients to medical appointments, work, and social activities by public transit without the expense of purchasing, maintaining, fueling, and insuring a vehicle. Staff time is also saved because an employee is not required to take time out of their workday to transport perhaps as few as one person to an appointment. Unfortunately, public transit days and hours of service do not always provide enough coverage for social service agencies to take full advantage of this coordination effort and sometimes funding sources may dictate the transportation provider to be used. Overall public transit demand, driver availability, vehicle availability, and operational funding factor into hours and days public transit is available to assist social service agencies with their transportation needs. Discussions are always on-going

to increasing those factors. Working to eliminate funding silos where funding sources prescribe the transportation provider or have restrictions about who may ride a vehicle would also boost coordination in this area.

Aging Community

Many of Iowa's public transit agencies receive Federal Title IIIB funding through their respective Area Agencies on Aging (AAA) to provide transportation services to those aged 60 years and over. Eligible passengers living independently typically pay only a donation for the transportation service received. This partnership is valuable, allowing seniors who may not be able to drive or choose not to the ability to remain in their homes as long as they desire.

In 2020, during the pandemic when so many of Iowa's elderly were socially isolated, another important role for several public transit agencies became that of meal and grocery delivery service. Partnering with the local AAA, fresh or frozen meals were placed on public transit vehicles and delivered to seniors. The FTA allows up to 20% of a federally-funded vehicle's usage to be for incidental services, such as meal deliveries. This partnership ensured many older Iowans received the nutrition they needed during a time when leaving their homes to shop or visit meal sites was not the safest option.

Another function of Iowa's AAAs is to serve as their region's Aging and Disability Resource Center or ADRC. In this role, AAA employees assist and counsel persons who are aging or have disabilities about the benefits for which they are eligible. Understanding the public transit system is useful to this counseling role.

Public Health

The Iowa DOT is one of the many partner agencies providing input on and taking responsibility for addressing Iowa's critical health needs through annual updates to [Iowa's 2023-2027 State Health Improvement Plan](#). In addressing the transportation issues in the most recent update, the Iowa DOT committed to: "Support Iowa's public transit agencies in providing local public transit services with funding assistance and regulation interpretation (*Partners in Action: Health Improvement Strategies Throughout Iowa*, p. 2, 2023)." The Iowa DOT Public Transit section annually sets aside State Transit Assistance (STA) funds to provide grant funding to Iowa's public transit agencies for start-up of new projects, an example of which could be medical transportation.

Iowa's Medicaid system is contracted out to three managed care organizations (MCO), each responsible for providing non-emergency medical transportation to their respective eligible clients. Iowa Medicaid members with full benefits may be able to get rides to routine medical appointments at no cost, or reimbursement for travel expenses. Coordinating these non-emergency medical transportation trips are two brokerages: Access2Care and MTM. In August 2024, MTM announced it had acquired Access2Care. Any time a transition happens with either the addition or departure of a transportation broker, the public transit agencies must quickly negotiate or contract with the brokers and learn a new portal and database system in order to ensure those needing rides to medical appointments have them. Differences in policies

from broker to broker is difficult on transportation providers, as procedures can vary. Also, timeliness in receiving payments from the brokers has been an issue for several public transit agencies over the years, making cash-flow tight at times.

A rule change by Iowa Medicaid Enterprise in December 2017 for persons on the Medicaid Intellectual Disability Waiver regarding transportation services continues to affect some public transit agencies. Persons on this waiver, and their provider, receive funding under a tiered rate structure. Prior to December 1, 2017, transportation services were paid on top of the tiered rates. After the rule change, transportation costs were included in the tiered rate structure, therefore each person and their respective service agency had less overall funding to spend on a daily basis. To save money, some service providers have ended arrangements with local public transit agencies and have begun providing transportation internally. These agencies have either purchased vans for providing the transportation or are using staff cars. While not intentional, this has created a challenge in fulfilling the transportation coordination requirements of Code of Iowa Section 324A.4.1 which reads in part:

An organization, state agency, political subdivision, or public transit system, except public school transportation, receiving federal, state, or local aid to provide or contract for public transit services or transportation to the general public and specific client groups, must coordinate and consolidate funding and resulting service, to the maximum extent possible, with the urban or regional transit system.

The public transit agencies are willing and able to provide the needed transportation services for the Intellectual Disability Waiver clients and since ending the contracts with the human service agencies for these services public transit agencies have reported significant loss of revenue that has reduced public transit services for all users. Discussions with Iowa Medicaid Enterprise, their service providers, and the public transit agencies may be productive in determining an agreement for providing Medicaid Waiver funded transportation. Some discussions have already been fruitful with public transit agencies recently reporting requests for transportation for Intellectual Disability Waiver clients again as the human service organizations working with the clients are unable to cover all the transportation needs due to staffing or vehicle maintenance expenses.

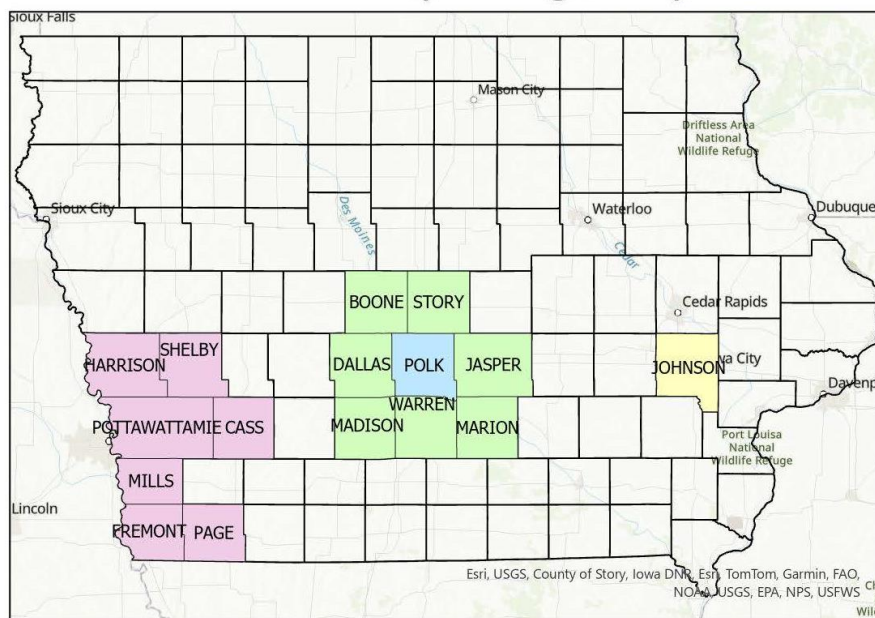
On September 28, 2023, the Centers for Medicare & Medicaid Services (CMS) issued guidance, the *Medicaid Transportation Coverage Guide*, to serve as a consolidated and comprehensive compilation of both current and new Medicaid transportation policy. The guidance includes new policies to help strengthen access to necessary transportation services. This includes when beneficiaries may encounter extended wait times and long-distance trips. CMS is encouraging states, like Iowa, to use this guide as an aid when developing and updating policies and procedures, helping to create strong transportation programs. Additionally, a *Medicaid Transportation Coverage & Coordination Fact Sheet* was released in November 2024 providing further clarity about non-emergency medical transportation.

Mobility Management

Mobility management has become an essential component of passenger transportation over the past 15 years both nationally and in the State of Iowa. Mobility managers, or mobility coordinators as many are known, assist individuals in navigating beyond Point A to Point B, no matter the number of modes of transportation required, and truly understanding the individual needs of transit riders. Mobility coordinators may provide travel training, showing persons how to ride the bus if they have never had that experience. Mobility coordinators also meet with human service agencies, businesses, and other organizations to inform them of the public transit services available to inspire more collaboration. Currently mobility coordinators are located in Region 11, Johnson County, and Polk County. Region 13 has a representative that takes on some of the responsibilities of a mobility coordinator.

One position unique to the State of Iowa is the statewide mobility coordinator. These responsibilities are provided by an Iowa DOT Public Transit section staff member, in addition to their regular duties as Transit Planner.

Iowa Mobility Manager Map



- Kristen Templeton, Transit Coordinator, Southwest Iowa Transit Agency Contact: 712-243-4196 ext. 232 kristen.templeton@swipco.org
- Kelly Schneider, Social Services Mobility Coordinator, Johnson County Social Services Contact: 319-356-6090 kschneider@co.johnson.ia.us
- Danny Schnathorst, Marketing Outreach Coordinator, Heart of Iowa Regional Transit Agency Contact: 515-309-9284 dschnathorst@ridehirta.com
- Catlin Curry, Mobility Coordinator, Des Moines Area Regional Transit Authority Contact: 515-246-2526 ccurry@ridedart.com
- Emma Simmons, Statewide Mobility Coordinator, Iowa DOT Public Transit Team Contact: 515-233-7877 emma.simmons@iowadot.us

While mobility management is an eligible expense under several Federal Transit Administration programs available to Iowa's public transit agencies, these funding sources are often fully committed to funding public transit operational activities rather than mobility coordination. Separate, specific funding programs for mobility management no longer exist under the current federal transportation law, therefore creation of new positions requires a real local commitment to the mobility management concept. Many transit

systems believe mobility management to be a good idea but are unable to free up already committed funding to pay for an additional staff person. Several transit agencies have realized mobility management is a function of the work performed by existing transit agency staff through community outreach and educational duties, allowing the mobility management network to expand and grow. Region 13 is an example with staff providing mobility management services in addition to their regular job duties, as needed.

For more information about mobility management, please visit:

<https://iowadot.gov/iowamobilitymanagement>

Rideshare and Commuting Options

As part of a 2012 Veterans Transportation Community Living Initiative grant the Iowa DOT received from the FTA, Iowa DOT procured a statewide ride matching software, where veterans and the general public could locate others with similar origins and destinations in order to share transportation costs. www.iowarideshare.org went live in 2016, to serve as Iowa's ride matching resource.

In 2023, the Iowa DOT's original contract ended for the Iowa Rideshare software. The Iowa DOT had the opportunity to join Des Moines Area Regional Transit Authority's (DART) Request for Proposal for Vanpool and Rideshare Software. The new software chosen, HBSS/QRyde, is currently in the testing phase, and is estimated to be launched at the beginning of 2025.

In Iowa, multiple transit agencies have partnered with Commute with Enterprise to provide workforce transportation services in their area. For example, CorridorRides in the Cedar Rapids area has coordinated with local businesses, utilizing Commute with Enterprise to provide vanpooling options for their employees. Region 6 PeopleRides also works with Enterprise to provide vanpools in their area. During the transition period for the service, they held bi-weekly virtual meetings in an effort to define what level of subsidy the transit agency would provide and the demand for the services in the area. Currently, five of the six board approved vanpools are up and running.

Over the past several years, the Iowa DOT has focused on coordinating efforts across bureaus and divisions to address mobility and accessibility challenges. One such coordinated effort is the 380 Express commuter bus. Intended to relieve congestion during the reconstruction of I-380 between Cedar Rapids and Iowa City, the 380 Express began operation on October 1, 2018. 380 Express is a service of CorridorRides (public transit Region 10) and is operated by a private company under contract. In FY 2022, over 64,000 rides were provided. This number was surpassed in 2023 with the number of rides jumping to over 76,000. More information on 380 Express can be found at <https://380express.com/>.

COVID-19 Pandemic Effect on Public Transit

The COVID-19 pandemic hit in March 2020, about 75% of the way through Fiscal Year 2020. FY 2020 statewide ridership did drop 20% from FY2019. Some systems saw ridership decreases as high as 34%. At the height of business and school closures in Spring 2020, ridership had fallen by as much as 85% for some

systems. FY 2021 was the hardest year for public transit ridership, with statewide decreases of 57% from FY 2019. As a result of and/or causing these ridership drops were transit agencies stopping service entirely for a time or cutting route services within certain areas of a community. Knowing what a vital service public transit is, Iowa's public transit agencies found ways to re-open and adapt to make their services safer.

Currently, many transit agencies are still trying to restore their ridership and mileage back to what they were pre-pandemic. In addition to making the passenger comfortable riding public transit again, driver shortages, bus price increases, and supply chain issues are all hampering the recovery effort.

Driver Shortage

Most public transit vehicles in Iowa require a Commercial Driver's License (CDL) to operate. Drivers with CDLs are becoming increasingly hard to find. There is competition with private trucking companies, school bus contractors, and charter bus operators in hiring drivers with CDLs. Many of those competitors can pay higher wages than public transit or offer better hours. Additionally, the Federal Motor Carrier Safety Administration recently adopted new Entry-Level Driver Training requirements for those wanting to obtain or upgrade their CDLs, thus prolonging the hiring process if an applicant does not already possess a CDL. If a transit agency is unable to put the applicant on payroll while they go through their training, the applicant often will find another job rather than go unpaid for several weeks. Once a driver is through that training, it has also been difficult for public transit agencies to find prompt appointment times for the drivers to take the CDL knowledge and skills test necessary to obtain the license.

To help alleviate the testing timeliness situation, the Iowa DOT's Motor Vehicle Division proposed and the Iowa Legislature passed into law, 2022 Iowa Acts, Senate File 2337. This legislation amended Iowa Code section 321.187 to authorize public transit systems and regional public transit systems to be third-party CDL testers, and to allow all third-party testers to administer the CDL knowledge test in addition to the CDL skills test. Under this legislation, any CDL knowledge or skills test offered by a third-party must be the same as the test administered by the Iowa DOT. This law will hopefully also in turn help with the driver shortage since it will make the CDL process and onboarding of new drivers more efficient. As of November 2024, three public transit agencies have completed all the steps required to become third-party CDL test sites: RIDES in Spencer, CyRide in Ames, and CAMBUS at the University of Iowa in Iowa City.

Supply Chain Issues and Bus Price Increases

Like most of the public transit entities in the United States, Iowa's public transit agencies are encountering dramatic bus price increases due to supply chain shortages and lingering manufacturing delays due to the COVID-19 pandemic. In early summer 2022, the Iowa public transit agencies purchasing from the Iowa DOT's statewide vehicle procurements received notices from the bus vendors that their bus purchase contracts would be cancelled because the vendors could not provide the product at the previously agreed upon price. These prices had just been set in December 2021 through a statewide vehicle procurement. To ensure the public transit agencies could again enter into contracts with the bus vendors, the Iowa DOT requested price adjustments from all vendors on the statewide vehicle procurement, thus establishing

new price ceilings for federal participation in vehicle purchases. The Iowa DOT has continued to work with the bus vendors over the last two years and made further price adjustments.

The new pricing when compared to the previous federal spending ceilings caused a large shortfall for the public transit agencies meaning a much higher local match would be required to purchase the new vehicles. After sorting through old contracts for project underruns and adding the other capital funding available for bus replacement projects, the Iowa DOT, with Iowa Transportation Commission approval, worked with the public transit agencies to cover as much of the shortfall on open bus replacement contracts as possible.

The impact of the supply chain issues and delayed bus replacements on provision of public transit services is the need to continue maintaining and keeping on the road very old vehicles at great expense to the public transit agencies. Some of the vehicles are old enough that parts are not available, or the repair is not worth the expense in relation to the overall value of the vehicle.

Recommendations

1. To increase transportation coordination and improve efficiency, the Iowa DOT recommends consideration of legislation that allows transportation costs to be eligible expenses for all state human service programs. If a person requires assistance from a human service-type program, it is likely they have difficulty securing transportation to access the benefits afforded to them. For instance, if a person is on a Medicaid waiver, with medical and employment-training transportation covered, it is very likely that person will also need transportation to a job once the training period has ended. Often the limited hours worked, and low wages make paying for transportation a burden. However, this transportation is vital for including all persons within their communities. The Iowa DOT and ITCC will encourage agencies providing those services for state human service programs to coordinate transportation needs with the local public transit provider. These transportation services are not without cost, however, and solutions for making the transportation to work and other quality of life activities affordable must be found.
2. Having a transportation benefit under the Medicaid program is extremely important to ensuring Medicaid recipients – persons with limited income or serious health conditions – receive needed preventive medical treatment, helping to ensure those persons do not have more serious and costly medical emergencies down the road. Lawmakers are encouraged to continue covering transportation as a Medicaid benefit to ensure clients can travel to their medical appointments and treatments, even if the Federal government offers waivers to this requirement. Providing transportation to the routine, non-emergency appointments reduces emergency room visits and costly ambulance trips, saving the Medicaid program in the long run.
3. Public transit agencies contracting with Medicaid non-emergency medical transportation brokers are reporting large deficits in the provision of those services due to strict interpretation of Medicaid laws surrounding allowable costs. As an example, the Medicaid transportation brokers

will not pay for unloaded miles, the time when the bus is driving to pick up the client or after dropping the client off at their destination. Those miles have a cost, but the public transit agency is unable to recoup those expenses due to strict interpretation of Medicaid law. However, with the 2023 guidance from the Centers for Medicare and Medicaid, states are given the flexibility to adjust rates to account for those unloaded miles. Iowa DOT will reach out to the Department of Health and Human Services to discuss this guidance and ways the two departments can partner on Medicaid transportation solutions.

4. At the city and county level, transportation access – public transit, in addition to roads – should be considered when new services are being started and when new developments are being proposed. Businesses will only survive if their employees and customers can get to work. The Iowa DOT recommends developers and community planners to consider public transit availability early in the approval process when considering new commercial developments. One step in the right direction is Iowa Economic Development Authority's (IEDA) Certified Sites program. IEDA asks the Iowa DOT for input on available transportation around a potential certified site, including public transit services, prior to the site's approval.
5. Iowa has one of the oldest transit fleets in the nation. The state needs a funding mechanism for replacing and expanding public transit vehicle fleets. The federal government, through the Bipartisan Infrastructure Law, Infrastructure Investment and Jobs Act, provides a base level of formula dollars to Iowa and a highly competitive grant program for replacement vehicles. Through this new law, there is a considerable increase in funding available for low and no emission vehicles, for which Iowa has successfully applied. However, discretionary grants are never a sure thing. Public transit services are only as good as the vehicles providing them. Iowa's public transit systems work hard to keep vehicles in a state of good repair well beyond their useful lives, but eventually vehicles wear out and must be replaced. A reliable funding stream for this purpose is needed and options should be explored at the federal, state, and local level. It is even more vital now that the State secures funding due to the increase in nationwide bus costs.
6. Federal charter rules (49 CFR Part 604) are stifling some coordination efforts in the state of Iowa. Since its adoption in 2008, the federal charter rule has put an end to many community group trips which had been provided by public transit. Efforts to change these rules are ongoing and support from legislators and other parties to work with Iowa's Congressional delegation would show the importance of this issue to Iowa and enhance the likelihood of change.
7. Likewise, Iowa's rural, demand response systems need clarification on the applicability of the Federal Transit Administration's School Bus Operations rule (49 CFR Part 605). If rides are properly, individually, scheduled and paid for and trips to a local school fill the better part of a bus at a couple times a day, this service may not pass the 'reasonable person' test – viewing the service as exclusive to school. It is the opinion of the Iowa DOT this is simply efficient scheduling by the rural public transit system and is not exclusive school service. Efforts to change these rules

are ongoing and support from legislators and other parties to work with Iowa's Congressional delegation would show the importance of this issue to Iowa and enhance the likelihood of change.

Conclusion

It is hard to predict the long-term impacts of the pandemic on future public transit ridership, service, driver availability, and vehicle replacements. Some large employers are again requiring employees to work in the office at least a couple days a week, perhaps reviving the demand for commuter and express bus routes. For others, the pandemic may make them permanently shy away from crowded buses in favor of single passenger transportation options, like those provided by Uber and Lyft. Dollars are also stretched, making passenger transportation coordination so important in creating efficiencies between agencies and services.

Many coordination efforts are already in place in Iowa. This fact can be touted and celebrated. However, more work can be done. Funding silos at the federal and state level must be reduced for the efficient funding of transportation services for those that need it. Greater coordination can be achieved if the various agencies charged with providing services to citizens work together to provide the necessary funding and coordinated transportation services. Many of the example successes seen to date, started with a conversation. With transit managers and mobility coordinators out talking in the community and engaging human service providers barriers have been eliminated, opportunities have been realized and Iowans have been better served. The conversations need to continue, and participation needs to be broader. Government programs must be allocated the necessary funding to provide these important services and the rules must be flexible enough to allow for innovation in coordination. Through the coordinated efforts of the agencies, Iowans will experience enhanced quality of life and mobility and Iowa will continue to be a great place to live.

Referenced Documents

[Medicaid Transportation Coverage & Coordination Fact Sheet](#)

[Assurance of Transportation: A Medicaid Transportation Coverage Guide](#)

[Iowa DOT Transit Asset Management Group Plan 2022](#)

[Iowa's State Health Improvement Plan 2023-2027](#)

[Partners in Action: Health Improvement Strategies Throughout Iowa](#)

[Passenger Transportation Plan Requirements for Iowa's MPOs and RPAs](#)

[Iowa Public Transit 2050 Long Range Plan](#)