

**CHAPTER 8835**  
**DEPARTMENT OF TRANSPORTATION**  
**PROGRAM MANAGEMENT DIVISION**  
**PUBLIC TRANSIT**

**PUBLIC TRANSIT SUBSIDY AND DEMONSTRATION GRANT PROGRAM**  
8835.0100 DEFINITIONS.  
8835.0200 AUTHORITY.  
8835.0300 PROGRAM APPLICATIONS.  
8835.0400 USE OF SUBSIDY AND DEMONSTRATION ASSISTANCE.  
8835.0500 PURPOSE OF PUBLIC TRANSIT SUBSIDY PROGRAM.  
8835.0600 ELIGIBILITY FOR PUBLIC TRANSIT SUBSIDY.  
8835.0700 APPLICATION FOR SUBSIDY ASSISTANCE.  
8835.0800 DETERMINATION OF SUBSIDY ASSISTANCE.  
8835.0900 PUBLIC TRANSIT SUBSIDY CONTRACTS.  
8835.1000 OBJECTIVES OF PARATRANSIT GRANT AND REGULAR ROUTE TRANSIT IMPROVEMENT PROGRAM.  
8835.1100 ELIGIBILITY FOR PARATRANSIT GRANT AND REGULAR ROUTE IMPROVEMENT PROGRAMS.

8835.1200 DETERMINATION OF GRANT ASSISTANCE.  
8835.1300 GRANT CONTRACTS.  
8835.1400 FINAL APPLICATION FOR SUBSIDY AND GRANT ASSISTANCE.  
**PUBLIC TRANSIT CAPITAL GRANT ASSISTANCE PROGRAM**  
8835.2200 PUBLIC TRANSIT CAPITAL GRANT ASSISTANCE PROGRAM.  
**UNIFORM PERFORMANCE STANDARDS FOR PRIVATE OPERATORS IN METROPOLITAN TAXING DISTRICT**  
8835.5100 DEFINITIONS.  
8835.5200 PURPOSE, OBJECTIVES, AND APPLICATION.  
8835.5300 SERVICE STANDARDS.  
8835.5400 OPERATING PERFORMANCE STANDARDS.  
8835.5500 FUNDING PROCEDURE.  
8835.5600 VERIFICATION PROCEDURE.

**PUBLIC TRANSIT SUBSIDY AND DEMONSTRATION GRANT PROGRAM**

**8835.0100 DEFINITIONS.**

Subpart 1. **Scope.** The following terms as used in parts 8835.0100 to 8835.1400 have the following meanings.

Subp. 2. **Commuter van.** "Commuter van" has the meaning given it in Minnesota Statutes 1976, section 221.011.

Subp. 3. **Department.** "Department" means the Department of Transportation.

Subp. 4. **Development region.** "Development region" has the meaning given to it by Minnesota Statutes, section 462.384.

Subp. 5. **Operating deficit.** "Operating deficit" means the amount by which the total operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to Minnesota Statutes, section 174.24, subdivision 4. Financial assistance received from the federal government for the operation of a public transit system shall be treated as revenue for the purpose of determining the operating deficit.

Subp. 6. **Paratransit.** "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

Subp. 7. **Public transit; transit.** "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit. For the purposes of this chapter, this term does not include air or rail transit.

Subp. 8. **Regular route transit.** "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

Subp. 9. **Regular route transit improvement program.** "Regular route transit improvement program" means state financial assistance granted to an eligible recipient in accordance with Minnesota Statutes, section 174.26.

Subp. 10. **Subsidy assistance.** "Subsidy assistance" means state financial assistance granted to an eligible recipient in accordance with the public transit subsidy program established pursuant to Minnesota Statutes, section 174.24.

**Statutory Authority:** *MS s 174.23 subd 2*

#### **8835.0200 AUTHORITY.**

The Minnesota Department of Transportation is authorized to adopt rules necessary to carry out the public transit subsidy program, paratransit grant program, the regular route transit improvement program, and the public transit capital grant assistance program pursuant to Minnesota Statutes, sections 14.05 to 14.36 and chapter 174.

**Statutory Authority:** *MS s 174.23 subd 2*

#### **8835.0300 PROGRAM APPLICATIONS.**

Subpart 1. **Procedure.** The program application procedure shall consist of a preliminary and final application. See parts 8835.0500 to 8835.1400 for other rules relating to final application.

Subp. 2. **Preliminary application.** The preliminary application must be submitted to the department and appropriate regional development commission for review and approval for consistency with regional transportation plans and development guides prior to the department approving the application. The RDC as part of their review will ensure that existing public or private transit service in the proposed service area has the opportunity to comment on the proposed project. The RDC in their review will indicate this has been accomplished. Any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove an application. The regional development commission must transmit its comments to the department within 45 days of the receipt of the application. The preliminary application must also be submitted to the local transit authority, commission, or system for review and comment as to consistency with its approved transportation development program. That review must be submitted to the department and RDC within 30 days of receipt. No comment from the RDC, local transit authority, commission, or system will constitute a positive comment from such commission, authority, or system. After considering those comments and within 60 days of receipt of preliminary application, the department shall determine and notify the applicant of its eligibility to submit a final application.

Subp. 3. **Final application.** The final application must also be submitted to the RDC and transit authority, commission, or system for comment. The department will allow any regional development commission or transit system to withdraw their approval or comment for any final application that deviates significantly from the preliminary application. Those comments must be submitted to the department within 15 days of receipt. The department will act upon the final application within 20 days of receipt.

Approval of applications shall be based on criteria in parts 8835.0500 to 8835.1400.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0400 USE OF SUBSIDY AND DEMONSTRATION ASSISTANCE.**

Subpart 1. **State audits.** The financial records of the eligible recipient will be audited by the department. A benchmark audit of the recipient's books shall be required at the beginning of the first contract period and prior to contract execution and fund encumbrance. Another audit shall be required at the end of the contract period to establish an approved total operating deficit. The department shall conduct an interim audit of an approved total operating system that is sold during the contract period as of the effective date of the ownership transfer. Other audits may be made by the department. The eligible recipient will be required to conduct an audit of the participating public transit system financial records.

Subp. 2. **Record keeping.** The eligible recipient and participating public transit system shall maintain accounting and other records as required by the department. These records will permit audit verification of all transit cost allocations claimed during the contract period.

Subp. 3. **Project evaluation.** The department shall use the management plan required pursuant to part 8835.1400 as a basis for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviation from the management plan shall be reported to the department for approval prior to implementation. Failure to secure approval will jeopardize continued subsidy or demonstration assistance.

Subp. 4. **Third-party contracts.** Private and public organizations may participate in projects by contract with the eligible recipient. DOT concurrence is required for the third-party contract.

Subp. 5. **Penalties.** When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the department may terminate all or part of the subsidy or demonstration assistance awarded to the eligible recipient.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0500 PURPOSE OF PUBLIC TRANSIT SUBSIDY PROGRAM.**

The purpose of the public transit subsidy program is to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0600 ELIGIBILITY FOR PUBLIC TRANSIT SUBSIDY.**

Subpart 1. **Eligible recipients.** Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

Subp. 2. **Eligibility factors.** A public transit system with a total operating deficit projected for the contract period shall be eligible for subsidy assistance. Deficits incurred prior to this period shall not be eligible for subsidy assistance. When a legislatively established public transit commission or authority is in existence, any application for the area under the jurisdiction of the commission or authority must be submitted by that commission or authority, except any private operator of regular route transit in the metropolitan transit taxing district as defined in Minnesota Statutes, section 473.446, subdivision 2 may apply

directly to the department.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0700 APPLICATION FOR SUBSIDY ASSISTANCE.**

Subpart 1. **Procedure.** The application for subsidy assistance shall be submitted in two stages: preliminary and final applications. The department shall assist the applicant in the preparation of the final application upon request. Subsidy assistance may not be used to pay any costs incurred by the applicant in the preparation, submission, or processing of applications.

Subp. 2. **Preliminary application.** The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected total operating deficit and projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. The preliminary application shall be submitted to the department and appropriate RDC as required in part 8835.0300.

A preliminary application that contains all of the following information will be approved for submittal of a final application. The preliminary application shall be in the form and manner prescribed by the department and shall contain the information required by the department, including the following:

- A. the applicant's legal name;
- B. the official name of the public transit system for which the subsidy assistance would be used;
- C. the common carrier certificate number of public transit system prescribed by the Minnesota Public Service Commission;
- D. the amount of subsidy assistance requested;
- E. a narrative describing the transit service; and
- F. a description of the transit costs allocation method.

Subp. 3. **Final application.** The final application shall be submitted to determine the subsidy assistance to be granted and basic elements in the agreement. It shall be submitted by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the department and appropriate RDC and include the elements specified in part 8835.1400. When the eligible recipient has submitted or anticipates submitting an application for assistance under the demonstration program parts 8835.1000 to 8835.1200, during the contract period, that project must be identified in the application.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0800 DETERMINATION OF SUBSIDY ASSISTANCE.**

Subpart 1. **Total operating deficit.** In determining the total operating deficit of a public transit system, the following shall apply:

- A. generally accepted accounting principles and practices;
- B. depreciation on capital equipment that was purchased with state or federal financial assistance shall be excluded in the computation of total operating expenses to the extent of the federal or state assistance;
- C. subsidy assistance shall be considered on the basis of the total project deficit for the proposed contract period;
- D. a deficit incurred as the result of authorized increased services shall be considered in determining eligibility; and
- E. an eligible recipient shall treat financial assistance received from any agency of the federal government for the operation of a public transit system as revenue for the purposes of determining its total operating deficit.

Subp. 2. **Factors in subsidy assistance.** The department shall review the application and determine the amount of subsidy assistance, if any, that shall be given to the eligible recipient.

The department shall use the management plan required pursuant to part 8835.1400 as a basis for allocation of subsidy assistance to an eligible recipient. In the allocation of subsidy assistance, the department shall consider population, transit ridership, relative need for public transit, new developments, and prior local assistance. Subsidy assistance shall not exceed two-thirds of the total operating deficit of the public transit system, as approved by the department. The eligible recipient shall establish to the satisfaction of the department that at least one-third of the total operating deficit will be available from local sources during the contract period. When more than one unit contributes assistance to the operation of the public transit system, the share contributed by each shall be specified.

In the Minneapolis-Saint Paul metropolitan transit taxing district as defined in Minnesota Statutes, section 473.446, subdivision 2 private operators of transit service that are eligible recipients may receive a grant for up to 100 percent of their operating deficit. The amount of the grant shall be based on the uniform performance standards specified in parts 8835.5100 to 8835.5600.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.0900 PUBLIC TRANSIT SUBSIDY CONTRACTS.**

Subpart 1. **Content.** The subsidy assistance contract shall be based upon the final application. It shall specify the amount of subsidy assistance that shall be awarded to the eligible recipient and shall be effective for a period of no more than one year. It shall include the assurance of the eligible recipient that it will provide the required local share. For a particular public transit system, only one contract shall be executed on behalf of all units participating in the system.

Subp. 2. **Disbursement schedule.** The contract shall specify a monthly or quarterly disbursement schedule at the pleasure of the recipient. Disbursements will reimburse the recipient based on the claimed operating deficit for the monthly or quarterly reporting period, but will not be allowed to exceed the estimate in the final application. At the end of seven months if it appears that the existing contract limit shall be insufficient the department will, upon application, amend the contract.

As agreed to in the contract, a portion of the final payment of the transit subsidy shall be withheld pending a final audit of the public transit system's books by the department at the termination of the contract. The final audit shall be used by the department to verify the transit costs claimed during the contract period. When the supplemental assistance is more than two-thirds of the total operating deficit, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned to the state treasury at the request of the department.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.1000 OBJECTIVES OF PARATRANSIT GRANT AND REGULAR ROUTE TRANSIT IMPROVEMENT PROGRAM.**

Subpart 1. **Paratransit purpose.** The purpose of the paratransit grant program is to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing program objectives.

Subp. 2. **Paratransit objectives.** The objectives of the paratransit grant program are:

A. to provide transportation services which improve the accessibility and productivity of regular route transit;

B. to provide transportation services in those areas inefficiently or inadequately served by regular route transit;

C. to provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit;

D. to show how existing single occupant auto drivers can be diverted to paratransit or other public transportation modes; and

E. to determine the most effective manner of providing paratransit services. A potential demonstration project shall be designed to meet directly one or more of these program objectives.

Subp. 3. **Regular route program objective.** The objective of the regular route transit improvement program is to provide financial assistance for improvements in the accessibility, quality, economic performance, or patronage of regular route transit service by the following means: expansion of existing routes and addition of new routes in areas that previously have not been served or have been served inadequately by regular route transit; and management and operations improvements without expanding existing routes or adding new routes.

A potential improvement project shall be designed to meet program objectives by one of these two methods. No less than 40 percent nor more than 60 percent of the total financial assistance available shall be granted to projects for improvements by each method.

**Statutory Authority:** *MS s 174.23 subd 2*

### **8835.1100 ELIGIBILITY FOR PARATRANSIT GRANT AND REGULAR ROUTE IMPROVEMENT PROGRAMS.**

Subpart 1. **Eligible recipients.** Any public or private agency, entity, or person is eligible to receive financial assistance through the paratransit grant program.

Any organization that qualifies under part 8835.0600, subpart 1 that operates, intends to operate, or assists in the operation of regular route transit services is eligible to receive financial assistance through the regular route transit improvement program.

Subp. 2. **Eligible projects.** An eligible project for paratransit grant and regular route improvement programs shall meet the following requirements: it shall be designed to have potential for general applicability in other areas of the state; it shall demonstrate the effect of improved public transit service; and it shall meet one or more of the program objectives in parts 8835.0600 and 8835.0800.

An application should include a request for funding an ongoing evaluation of the project.

**Statutory Authority:** *MS s 174.23 subd 2*

### **8835.1200 DETERMINATION OF GRANT ASSISTANCE.**

Subpart 1. **General.** The application for grant assistance shall be submitted in two stages: preliminary and final applications. The department shall assist the applicant in the preparation of application upon request. Grant assistance may not be used to pay any costs incurred by the applicant in the preparation, submission, or processing of the applications.

Subp. 2. **Preliminary application.** The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. It shall be in narrative form and shall contain the following:

A. project objectives: a narrative describing the purpose of the proposed project shall include the manner in which it will meet one or more of the program objectives;

# MINNESOTA RULES 1983

## 8835.1200 PUBLIC TRANSIT

7016

B. project description: the following must be discussed:

- (1) the content of the project;
- (2) the time schedule proposed for completion of the project;
- (3) the public transit service including identifying proposed service levels and daily hours of operation;
- (4) the compatibility of the project with any existing transit service;
- (5) the potential for continuation of the project beyond the demonstration phase;
- (6) a project budget, by categories of expenditures, including sources and amounts of nonstate funding;
- (7) a description of the applicant's organization including the key personnel and their experience;
- (8) identification of the market to be served, including the proposed daily and weekly patronage; and
- (9) transit cost allocation procedures.

A preliminary application that contains all of this information will be approved for submittal of a final application.

**Subp. 3. Preliminary application submission.** The preliminary application shall be submitted to the department and appropriate regional development commission and transit systems as required in part 8835.0300. The department will assist in the planning of a system or the preparation of the applications if requested.

**Subp. 4. Final application.** The final application shall be submitted to determine the financial assistance to be granted and the basic elements of the agreement. It may be submitted only by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the department and appropriate RDC in the form and manner prescribed by the department and shall include the elements specified in part 8835.1400. When the eligible recipient has submitted or anticipates submitting an application for assistance under the public transit subsidy program, parts 8835.0500 to 8835.0900, during the contract period, this shall be briefly discussed in the application.

**Subp. 5. Application evaluation.** The criteria that will be used by the department to evaluate and approve proposed projects are:

- A. potential for meeting one or more of the program objectives;
- B. potential in demonstrating specific concepts that are applicable in other areas of the state;
- C. degree of innovation incorporated;
- D. compatibility and coordination with existing regular route and paratransit systems;
- E. potential for integration with existing transit service;
- F. evidence of local government and public support;
- G. ability to continue a successful project beyond the demonstration phase;
- H. efficiency in the use of energy resources to accomplish objectives; and
- I. cost effectiveness of the project.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.1300 GRANT CONTRACTS.**

**Subpart 1. Content.** The demonstration contract shall be based upon the final application. It shall specify the amount of the demonstration assistance that shall be awarded to the eligible recipient and shall not exceed one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, one contract shall be executed on behalf of all units participating in the system.

**Subp. 2. Disbursement schedule.** Disbursements will reimburse the recipient based on the claimed deficit for the monthly reporting period, but will not be allowed to exceed the contract amount.

As agreed to in the contract a portion of the final payment shall be withheld pending an audit of the transit system's books by the department at the termination of the contract. This final audit shall be used by the department to verify the transit costs claimed during the contract period. When the grant assistance is more than the approved limit of the total cost, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned.

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.1400 FINAL APPLICATION FOR SUBSIDY AND GRANT ASSISTANCE.**

**Subpart 1. Content.** The final application for the subsidy program or for the grant program shall be a form as prescribed by the department and shall contain the following.

**Subp. 2. Management plan.** The basic component of the final application shall be a management plan that details all of the planned and anticipated events that will affect the public transit system's operating revenue and expenses during the contract period.

The essential purposes of a management plan are: to document the maintenance or improvement of public transit services; to identify and implement policies and practices to increase the efficiency of public transit operations; and to ensure that state assistance will be spent wisely.

**Subp. 3. Details of plan.** The final application shall include the following elements which may vary in detail with the size of the public transit system:

A. The ownership of the participating transit system during the contract period shall be described.

B. The levels of service provided by the participating public transit system during the contract period shall be described.

C. The fare structures anticipated during the contract period shall be described.

D. A proposed marketing program shall be described in general terms, including the cost benefits of the major elements.

Elements of a marketing program shall include: market research; public information; promotion; advertising; community relations; and employee relations.

E. Any actual or anticipated capital improvements in the participating public transit system during the contract period shall be described. Capital improvements include, but are not limited to buses, fareboxes, communications equipment, storage and maintenance facilities and equipment, passenger shelters, and bus stop signs.

F. Any anticipated noncapital improvements proposed in the participating public transit service area during the contract period shall be described. Noncapital improvements include, but are not limited to staggering work hours, regulating supply and prices of off-street parking, and increasing daytime parking rates on workdays.



G. Revenue-producing contracts relating to the public transit services provided by or for the eligible recipient shall be described. A copy of the contract will be required as part of the final application.

The following types of contracts shall be discussed: contracts with private and public schools, colleges, and universities; contracts with private and public organizations that guarantee a minimum revenue on regular or special routes; contracts with private and public organizations that purchase rides for employees or patrons; and advertising contracts.

H. Any traffic improvements made in the public transit service area during the contract period that will affect directly the speed and reliability of transit services shall be described.

Examples of traffic improvements include use of exclusive or preferential streets, bus lanes, or expressway ramps; control of traffic lights by buses; provision of fringe parking spaces with express or improved bus service; provision of bus turnouts; and priority snow-plowing of transit routes.

The discussion of each type of traffic improvement shall include the the date the traffic improvement is expected to be made; and the expected impact of the traffic improvement upon estimated public operating revenues and expenses.

I. Any contracts for services and goods relating to the public transit services provided by or for the eligible recipient and others shall be described.

The types of contracts to be discussed include contracts for management and consulting services; contracts for storage and maintenance of buses; contracts for the lease or purchase of tires and tubes; contracts for fuel and lubricants; contracts for liability and property insurance; and contracts, union and nonunion, with transit system employees.

A copy of each contract will be required as part of the management plan.

J. The participating public transit system's planned preventive maintenance program for the contract period shall be described. Elements of a preventive maintenance program typically include defect reporting by drivers; daily fueling inspection; mileage inspection; and inventory controls.

Subp. 4. **Description of organization.** The local institutional or organizational structures established to carry out the management plan shall be described, including a description of the technical policy and decision-making organizations responsible for directing, controlling, reviewing, and implementing the management plan. The relationships between these various organizations shall be illustrated in a simple diagram following the narrative. In addition, the following questions shall be answered:

A. Who is directly responsible for the day-to-day management and operation of the transit system?

B. Who is directly responsible for negotiating wage contracts with the employees of the transit system?

C. Where more than one local unit of government participates in the program, who represents the applicant public body in negotiations with surrounding communities? Who represents the surrounding communities?

D. Who will represent the applicant public body in negotiating an assistance contract with the state, and how shall a contract be ratified by the applicant public body?

E. Who is responsible for filing reports for the transit system with the Minnesota Public Service Commission?

Subp. 5. **Financial conditions.** Financial data shall be reported in the form and manner prescribed by the department. The cash accounting method shall be used to report financial data unless otherwise authorized by the department.

For the transit subsidy program, this financial data shall contain the audited figures for a 12-month period preceding the contract period and estimated figures for the contract period.

For the grant program, the financial data shall contain estimated figures. When the grant project is associated with an existing public transit system, the financial data shall include the audited figures for a 12-month period preceding the contract period.

Subp. 6. **Financial statement.** A detailed breakdown of operating expenses shall be required. The projection of revenues and expenses should reflect the policies and practices outlined in the management plan.

Subp. 7. **Operating statistics.** The actual and anticipated operational characteristics of the public transit system in a 12-month period preceding the contract period and/or the contract period shall be described. This discussion shall include revenue passengers, monthly ridership, total operating miles, revenue hours, and other relevant information required by the department.

Subp. 8. **Sources of local funds.** The sources and type of revenue that the eligible recipient and each participating unit will use to match the supplemental or demonstration assistance shall be identified.

Subp. 9. **Fuel supplies.** Existing and potential problems that the public transit system faces in obtaining adequate fuel supplies during the contract period shall be identified, including the status of contracts with fuel suppliers, the prospects for securing contracts for the contract period, the time between deliveries under normal and anticipated conditions, and any other pertinent facts.

**Statutory Authority:** *MS s 174.23 subd 2*

#### **PUBLIC TRANSIT CAPITAL GRANT ASSISTANCE PROGRAM**

#### **8835.2200 PUBLIC TRANSIT CAPITAL GRANT ASSISTANCE PROGRAM.**

Subpart 1. **Program objectives.** Program objectives:

A. to actively promote the coordination of transportation services where no local agency has taken this responsibility or where local disputes threaten accomplishment of the task;

B. to help alleviate the transportation problems of Minnesota's elderly and handicapped residents;

C. to participate in joint-agency efforts to construct and implement park-ride facilities when it can be demonstrated that these facilities will serve existing demand;

D. to develop a specific position on performance funding for nonurban transit operators;

E. to effectively provide public transportation in rural and small urban areas inefficiently or inadequately served by regular route transit;

F. to divert single-occupant auto drivers to public transportation modes; and

G. to fund effective and cost efficient methods of providing nonurban transportation services.

Subp. 2. **Application.** Eligible recipients as defined in Minnesota Statutes 1979 Supplement, section 174.245 shall apply for capital grant assistance by a letter to the Minnesota Department of Transportation citing the Minnesota statute under which eligibility is claimed. The letter of application shall contain the following information: a statement of eligibility under the Urban Mass Transportation Act of 1964, Public Law Number 88-365, as amended; the amount of state financial assistance requested; and a statement that this capital improvement is included in the current approved management plan if the recipient is currently receiving state financial assistance.

Subp. 3. **Procedure for review and approval.** A letter of application shall be reviewed by the Department of Transportation for the requirements contained in subpart 2 and shall be considered for funding.

Subp. 4. **Basis for grant.** Capital grant assistance shall be based on: the availability of state public transit capital grant assistance funds; the availability of local matching funds; the priority listing recommendation of the Transportation Advisory Committee established by the state management plan for public transportation financial assistance under section 18, Urban Mass Transportation Act of 1964, Public Law Number 88-365, as amended.

The committee shall base their recommendations on the following criteria:

- A. how well the project meets the program objectives;
  - B. the accessibility of the transit system to the handicapped and elderly;
  - C. the amount of local government and community support;
  - D. the potential for continuation after the first year;
  - E. the applicability of the project results to other areas of the state;
- and

F. the potential for meeting the life support needs (i.e., nutrition, health, shopping, recreation, etc.) of those the transit system is designed to serve.

Subp. 5. **Contract.** The public transit capital grant assistance contract shall be based on the letter of application. It shall specify the amount of financial assistance to be awarded. It shall include the assurance of the eligible recipient that the local matching funds are available and shall be provided.

**Statutory Authority:** *MS s 174.23 subd 2*

#### UNIFORM PERFORMANCE STANDARDS FOR PRIVATE OPERATORS IN METROPOLITAN TAXING DISTRICT

#### 8835.5100 DEFINITIONS.

Subpart 1. **Scope.** The following terms, as used in these rules, have the following meanings.

Subp. 2. **Bus miles.** "Bus miles" shall mean the miles operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" mileage.

Subp. 3. **Capacity.** "Capacity" shall mean the number of passenger seats made available.

Subp. 4. **Contract service.** "Contract service" shall mean bus service operated under contract or as a charter, to provide service to a specific market.

Subp. 5. **Crosstown service.** "Crosstown service" shall mean bus service connecting either community subcenters or linehaul services emanating radially from a central business district (CBD). It shall generally be construed to mean nonradial travel that is not directed to or from a central business district.

Subp. 6. **Deadhead miles.** "Deadhead miles" shall mean those miles operated for the purpose of maintenance testing, driver training, and garage transfers.

Subp. 7. **Express service.** "Express service" shall mean a bus service having the following characteristics: average operating speed in excess of "regular" bus service speeds and nearly equivalent to average automobile speeds for the same trip; and a limited-stop route segment which is greater than 50 percent of the route's one-way mileage. "Limited-stop route segment" is defined as one-half or less than the minimum stops for regular service.

Subp. 8. **Feeder service.** "Feeder service" shall mean providing access to or from a linehaul service.

Subp. 9. **Headway.** "Headway" shall mean the time interval between two consecutive buses (frequency of service) measured at the maximum load point.

Subp. 10. **Linehaul service.** "Linehaul service" shall mean direct, point-to-point travel over distances (route length) greater than two miles between residential areas and activity centers of business districts.

# MINNESOTA RULES 1983

7021.

PUBLIC TRANSIT 8835.5200

Subp. 11. **Load factor.** "Load factor" shall mean the ratio of the number of passengers on board versus the number of seats provided measured at the maximum load points on a particular route.

Subp. 12. **Off-peak periods.** "Off-peak periods" shall mean all other times not included under "peak period."

Subp. 13. **On time performance.** "On time performance" shall mean zero minutes early and no more than five minutes late at a schedule time point.

Subp. 14. **Passenger per mile.** "Passenger per mile" shall mean the number of passengers carried divided by the number of bus miles operated.

Subp. 15. **Peak period.** "Peak period" shall mean the hours of 6:30 a.m. to 9 a.m. and 3:30 p.m. to 6 p.m. weekdays.

Subp. 16. **Peak period bus requirement.** "Peak period bus requirement" shall mean the maximum number of transit units an operator must have in service to meet scheduled trips excluding spare units.

Subp. 17. **Regular service.** "Regular service" shall mean a bus service operating primarily on arterial streets making a minimum of five pickup or dropoff stops per mile and having an average operating speed of 15 mph or less.

Subp. 18. **Revenue hours; revenue miles.** "Revenue hours/revenue miles" shall mean the miles or hours operated by a transit unit on a route excluding "pull-in" "pull-out" miles and hours. Same as "scheduled" hours "scheduled" miles.

Subp. 19. **Route miles.** "Route miles" shall mean the one-way mileage between route termini.

Subp. 20. **School service.** "School service" shall mean extra bus trips on "regular or express" service, designed to transport students either on the route or directly to or from a school.

Subp. 21. **Vehicle hours.** "Vehicle hours" shall mean the hours operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" time.

**Statutory Authority:** *MS s 174.23 subd 2*

## 8835.5200 PURPOSE, OBJECTIVES, AND APPLICATION. R

Subpart 1. **Purpose.** The purpose of uniform performance standards for private operators in the metropolitan transit taxing district is to increase the number of persons riding and the rate at which persons are diverted from driving to riding; to achieve the fullest and most efficient use of public resources and investments in public transit; to provide adequate service levels within geographic areas and on route segments characterized by high density of demand for service and for the transit dependent population.

Subp. 2. **Objectives.** The objectives of uniform performance standards for private operators in the metropolitan transit taxing district are:

A. The public transit service provided by state-funded private operators within the metropolitan area as defined in Minnesota Statutes 1978, section 473.121, subdivision 2 shall be designed, operated, and maintained to attract patrons in such numbers as to assure continuing viability as a reasonable alternative to the private automobile.

B. Prime consideration shall be given to the safety of operators and passengers.

C. Each private operator's system shall be maximized within the metropolitan urban service area and shall be consistent with the development guide of the metropolitan council.

D. Existing service levels shall be evaluated for economic considerations, public necessity, and ability to attract new patrons from competing modes of transportation.

# MINNESOTA RULES 1983

## 8835.5200 PUBLIC TRANSIT

7022

E. Service shall be designed to minimize door-to-door travel time.

F. Service changes shall be made on the basis of feasibility and the attendant physical, operational, economical, financial, and social merits.

G. Each private operator shall provide some opportunity for local input into their systems' service levels and route structures.

H. Service provided by the private operators shall be comparable to and compatible with other service offered in the metropolitan urban service area.

Subp. 3. **Minimum performance.** Parts 8835.5100 to 8835.5600 set forth a description of what shall be considered minimum levels of performance or design and identify the standards against which existing services will be evaluated and for planning new or modified services.

Subp. 4. **Application.** Performance standards have been developed to apply to the unique financial and geographical characteristics encountered by private operators in the metropolitan area as defined in Minnesota Statutes 1978, section 473.121, subdivision 2. These standards are not necessarily the same ones utilized by the Metropolitan Transit Commission (MTC). The MTC service standards are spelled out in the Transportation Development Program and Transportation Improvement Program (1978-1983).

**Statutory Authority:** *MS s 174.23 subd 2*

## 8835.5300 SERVICE STANDARDS.

Subpart 1. **Route spacing.** Route spacing is a function of population density and physical considerations such as terrain and adequate roadways.

### MINIMUM ROUTE SPACING

Population Per Square Mile (1) (Thousands)	Route Spacing (Miles)	or	Route Miles Per Square Mile
4 and over	0.50		1.50
2 - 4	1.00		1.00
0 - 2	2.00		0.50

(1) Land acreage only.

Subp. 2. **Directness of service.** Schedule leave and arrive times for routes having common termini shall be coordinated to the maximum extent possible.

Not more than 25 percent of the total system's riders will be required to transfer between an operator's vehicles to complete their trip.

Subp. 3. **Route layout.** Route alignment shall be as direct as possible, and to the maximum extent feasible, areas with no adjacent land development shall be avoided in laying out the collector portion of a route. Service shall be operated over permanently paved streets having at least ten-foot lanes. Service shall not be operated over streets which continually exhibit danger-producing situations such as steep grades; poorly plowed or sanded roadways; or streets where parking habitually encroaches on the roadway reducing passageway to less than ten feet.

Subp. 4. **Frequency of service.** A sufficient number of vehicles shall be provided past the maximum load points on a route to accommodate the passenger volume within the loading standards established under part 8835.5400.

### MINIMUM HEADWAYS

Service Type	Days Provided	Range of Service	Peak	Off Peak
Regular	Mon - Fri	6:00 am - 6:30 pm	30 min	70 min
Regular	Sat	8:00 am - 6:00 pm	To be based on	

# MINNESOTA RULES 1983

7023

PUBLIC TRANSIT 8835.5400

Express Mon - Fri 6:30 am - 9:00 pm demonstrated need  
3:30 pm - 6:00 pm

Subp. 5. **Passenger stops.** In suburban residential areas, the distance between bus stops shall not exceed 2,000 feet. In CBD's, the distance between bus stops shall not exceed 600 feet. Designated bus stops shall be indicated by at least a sign on a stanchion or fastened to a utility pole. The bus stop sign shall display a bus information phone number.

Minimum acceptable bus stop lengths are:

- A. farside stop, 80 feet;
- B. nearside stop, 80 feet; and
- C. mid-block stop, 80 feet.

Note: Farside stops are preferable to all others.

Shelters shall be provided at all stops which serve 40 or more boarding or transferring passengers during the course of a typical day.

**Statutory Authority:** *MS s 174.23 subd 2*

## 8835.5400 OPERATING PERFORMANCE STANDARDS.

Subpart 1. **Speed.** Average operating speed excluding recovery time shall not exceed 25 percent deviation from the service (i.e., express and regular) operating speed for the time being analyzed. Any service having an average operating speed less than this standard will be considered for remedial analysis.

No service is to have a layover time to running time ratio over 30 percent at any time.

Subp. 2. **Maximum load.** Maximum load standards per route shall be:

Service	Peak of the Peak	Total Peak Period	Off Peak
Express	1.1	1.0	1.0
Regular	1.25	1.1	1.0

Subp. 3. **Labor productivity.** Labor productivity shall be measured by "miles per employee" factored to eight hours = one full-time employee. No operator's labor productivity shall be less than 18,000 bus miles per employee per year.

Subp. 4. **Schedule adherence and service dependability.** Complaints shall not exceed one per 100 hours of service. A complaint is defined as official contact in writing with either the PSC or the Minnesota Department of Transportation (Mn/DOT).

Ninety-five percent of all service provided shall be on time.

Ninety-nine percent of all scheduled trips shall be completed each month.

Maintenance standards shall be high enough to provide, at a minimum, 10,000 bus miles of service for each disruption of service due to mechanical failure.

Subp. 5. **Economic standards.** No service shall be permitted to have a "revenue per passenger" departure from the system average of more than 25 percent, unless the "passengers per mile" are at least 65 percent of the system average.

System fares shall be set to ensure a system "revenue per passenger" ratio to "full cost per passenger" of at least 35 percent in that reimbursement to the operator on a "deficit per passenger" basis will not exceed 65 percent of the "full cost per passenger."

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.5500 FUNDING PROCEDURE.**

Subpart 1. **Expiration notice.** Two months prior to the expiration of an existing contract term, the operator shall be sent a letter by the Minnesota Department of Transportation notifying him of the upcoming expiration. This letter shall also have attached the Service Standards for Metro Area Private Operators.

The letter will ask the operator to advise Department of Transportation (Mn/DOT) of the operator's intent to continue providing fixed route public transit service within his authorized service area; advise Mn/DOT if he intends to apply for a state financial assistance contract relative to the public transit service; and submit a signed statement to Mn/DOT that he has read and can meet the required "service standards."

Subp. 2. **Application preparation.** If the operator intends to apply for state financial assistance, and has indicated he can meet the "service standards," a member of the Mn/DOT staff shall meet with the operator to assist him to prepare the application including, but limited to management plan, operating budget, patronage and revenue projections, transit cost allocation plan (to be attached as an element of the contract), capacity analysis, and operations narrative.

Subp. 3. **Calculating funding.** When the application is complete and agreed to as accurate by Mn/DOT and the operator, funding shall be calculated as follows:

A. Full operating cost shall be divided by the number of rides projected. This will yield a "full cost per passenger."

B. All anticipated revenues shall be calculated and divided by the number of rides projected to obtain an estimated "revenue per passenger."

C. The estimated "revenue per passenger" shall then be subtracted from the "full cost per passenger" to obtain a "deficit per passenger."

D. The amount of the "deficit per passenger" shall be what the operator will be reimbursed for each passenger carried on his system. Such reimbursement shall not exceed 65 percent of the "full cost per passenger."

**Statutory Authority:** *MS s 174.23 subd 2*

**8835.5600 VERIFICATION PROCEDURE.**

Subpart 1. **Timetable analysis.** Prior to the execution of a financial assistance contract or a route or service change the operator shall be required to submit a complete set of current or proposed schedules to Mn/DOT.

Upon receipt of the schedules, Mn/DOT and Metropolitan Council staff shall perform an analysis to ensure that the service offered is consistent with the recommended operating performance standards and Metropolitan Council Development Guide.

Upon completion of the schedule analysis, a summary shall be prepared detailing those portions, if any, of the service that are substandard and outlining possible corrective measures.

Subp. 2. **Operator's load and performance analysis.** Operators shall develop and maintain daily trip sheets for their drivers to record daily passenger counts. Daily trip sheets shall be collected for each service day by the operator. Daily trip sheets are to be retained by the operator for a period of two years or until final audit, whichever occurs first.

The driver's daily trip sheet should include, but not be limited to:

- A. day of week/date/run number/bus number;
- B. each trip run (terminal and scheduled departure time);
- C. maximum load carried per trip at specified maximum load points;
- D. number of transfers received;

# MINNESOTA RULES 1983

7025

PUBLIC TRANSIT 8835.5600

- E. any deviation from scheduled time, and reason for this; and
- F. driver signature.

Subp. 3. **Department's load and performance analysis.** Mn/DOT shall establish maximum load points for each route in an operator's system; these will be consistent with the maximum load points that the operators are using.

Checking sheets shall then be developed for each maximum load point. The checking sheets will be organized by trip (inbound or outbound), in time order, for an entire service day. Separate sheets will be developed for weekday and Saturday service.

Mn/DOT shall hire on-street checkers to collect the actual data. The checkers will be placed at the maximum load points and required to record the following data for each bus that passes: condition of bus; bus number; actual time bus passes maximum load point; estimated number of passengers on board; and weather and street conditions. Trips not completed will also be recorded.

Checkers shall conduct spot checks on a random basis. Checks shall be performed at random times within the peak and off-peak periods to ensure that all time periods will be observed.

Occasionally, checkers shall be required to perform "onboard" checks of an operator's service. Onboard checks are utilized to observe the loading patterns of an entire route, operating hazards along the route, transfers issued and received, and running time for the route. The operator shall be notified in advance each time this is planned.

Checking sheets shall be submitted to Mn/DOT and the data will be analyzed.

A summary of the maximum load/on-time performance checks shall be prepared monthly and will detail the areas, if any, where the operator's system is performing below the minimum operating standards and recommendations for remedial measures will be made.

Mn/DOT maximum load check sheets shall be compared with the operator's drivers trip sheets monthly to verify passengers carried.

Subp. 4. **Maintenance analysis.** Operators shall be required to report all disruption of service due to mechanical failure, to Mn/DOT monthly.

Mn/DOT shall apply the "total bus miles" operated monthly to the total number of "disruptions of service due to mechanical failure" to ensure that "bus miles for each disruption of service due to mechanical failure" are consistent with the maintenance standards.

**Statutory Authority:** *MS s 174.23 subd 2*