

# 2026

## FEDERAL LEGISLATIVE PRIORITIES



UNIFY, ADVOCATE, AND ADVANCE  
THE INTERESTS OF IOWA TRANSIT  
SYSTEMS TO INFLUENCE AND GAIN  
SUPPORT FROM GOVERNMENT  
AGENCIES, LEGISLATORS, AND  
OTHER ENTITIES



# THE VALUE

In 2025, the Iowa Public Transit Association and Iowa DOT commissioned an economic impact study focused on public transit in Iowa.

## ROI for Statewide Investment in Public Transit

FOR EVERY **\$1** INVESTED IN PUBLIC TRANSIT **\$3** IS RETURNED

-Das, Biswa (2025) Iowa Public Economic Impact Study

**48%**

USE PUBLIC TRANSIT TO  
COMMUTE TO WORK

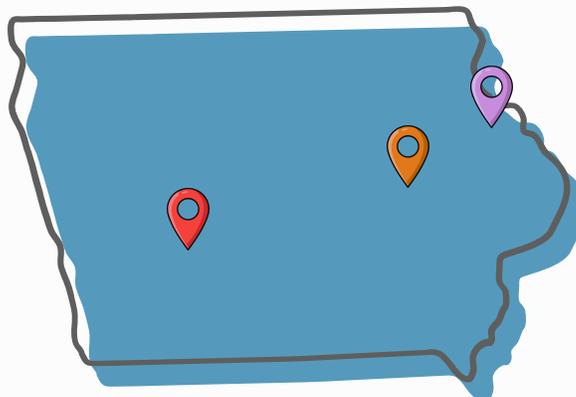
**20**

MILLION  
TOTAL RIDES  
IN FY25  
-Iowa DOT

## New Study Quantifies the Economic Value of Public Transit to Communities

 **CEDAR RAPIDS:** \$291 MILLION & 125 JOBS SUPPORTED

 **REGION 13 (SWITA):**  
\$95 MILLION &  
69 JOBS SUPPORTED



 **CLINTON:** \$70 MILLION  
& 25 JOBS SUPPORTED

# THE CHALLENGE



**IOWA HAS ONE OF THE OLDEST FLEETS IN THE NATION.**

**OVER HALF OF IOWA'S PUBLIC TRANSIT VEHICLES SHOULD HAVE BEEN REPLACED BY NOW.**



**902 buses currently need to be replaced.**  
**The Iowa Transit Systems need \$285 million in funding to accomplish this.**

Right now, in order to keep transit services up and running, transit systems must utilize most of their operating budget on repairing their old buses. The maintenance on a bus that has reached its useful life is more than twice as much as the maintenance on a newer bus.

This is having an adverse affect on their entire organizations and making it challenging to keep the doors open at all.

This also impacts transit agencies' availability to expand service to meet the growing demand for rides. When operating budgets are drained to simply keep old buses functional, everything suffers.



# THE IMPACT

## Impact of Award

Iowa's recent award of \$77 million through the FTA's Bus and Bus Facilities Program represents a transformational investment in the state's transportation network. This funding will allow transit systems across Iowa to replace aging buses and help with three critical facilities. These improvements directly support safer, more reliable service for riders, reduce operating costs for agencies, and strengthen economic opportunity across Iowa.



## Workforce Rides

**60%** of transit rides in Iowa are work-related, helping people access higher-paying jobs that might otherwise be out of reach due to transportation challenges.

## Moving Students

Students rely on public transit to pursue higher education. As we work to attract talent to our state, it's important to recognize that many individuals are accustomed to efficient public transit systems, which they view as a vital amenity.



# PRIORITIES

## Thank You From Iowa

Iowa extends its sincere appreciation to the Federal Transit Administration, along with our Congressional and Senate leaders, for awarding \$77 million through the Bus and Bus Facilities Program. This investment comes at a critical moment, as Iowa has been operating with one of the oldest bus fleets in the nation—a challenge that has strained reliability, safety, and operating budgets across our rural, urban, and regional systems.

FTA's support will allow Iowa to replace outdated vehicles, modernize three essential transit facilities, and accelerate our transition to a more efficient, resilient statewide mobility network. This funding is not just an investment in buses—it is an investment in the Iowans who depend on transit every day for work, healthcare, education, and community connection. We are grateful for FTA's partnership in strengthening mobility for all of Iowa's 99 counties.



# PRIORITIES

## **Fully Fund Reauthorization Levels for Public Transit**

We urge you to support the FY2026 Transportation and Housing and Urban Development (THUD) Appropriations levels and full funding for the Bus and Bus Facilities and Low- and No-Emissions formula and competitive grant programs.

## **Maintain the Current Ratio of Discretionary Dedicated Bus and Bus Facilities Funding**

The current ratio of discretionary funding in the Section 5339 (b) and (c) ensures that the nation's mid-size, small-urban, tribal, and rural transit systems have ample opportunity to compete for vital bus replacement and facility investment. Efforts to shift these funds to formula would dramatically reduce funding to the nation's smaller transit providers.

## **Increase Formula Funds for Rural and Statewide Transit Buses and Facilities**

Under current law, each US state receives a fixed amount of \$4 million per year in formula-based Sec. 5339 (a) funds for bus and bus facility projects that can be used in rural or in urban areas at the discretion of the state. Even if every state were successful at receiving Sec. 5339 (b) competitive grants from FTA for their statewide bus procurements, the 15% of that program's funds reserved for rural projects is inadequate to the total need for timely replacement of existing buses, renovation and construction of bus facilities, and needed expansion of many rural transit fleets. At a minimum, the amount provided to states through the "national distribution" of Sec. 5339(a) funds should be increased to \$8 million per state and \$2 million per territory.

## **Strengthening Iowa's Economy Through Alternative Fuels**

Congress has set aside funding for low-emission vehicles. However, many alternative fuels are not widely available in Iowa. Supporting fuels like biodiesel would promote fuel flexibility and energy independence while also strengthening Iowa's workforce and boosting the state's economy. This would benefit both transit systems and local communities.

Expanding the use of biodiesel could also help Iowa secure additional infrastructure funding for bus replacements.

# RECOMMENDATIONS

## **Reauthorization Priorities**

### **Local Match**

IPTA encourages the FTA to provide greater flexibility and ease local match requirements where possible. The federal share for all projects financed with FTA formula-based public transit funds should be consistent at 80%, regardless of whether a specific project is for “operating” or “capital” purposes.

### **Increase Performance-Based Funding for Small Urban Transit Intensive Cities (STIC)**

In urban areas with populations of more than 200,000, 7.6% of FTA formula-based public transit funds are allocated on the basis of performance. Only 3% of formula-based transit funds are allocated to urban areas with populations under 200,000 based on performance. The share of funds allocated to high-performing urban areas under the Small Urban Transit Intensive Cities formula should be increased to 5%.

### **Promote Flexibility and Eliminate the Bus Fleet Spare Ratio**

Some public transit agencies have faced difficult fleet management choices as needed vehicles surpass their useful life. FTA's “20%” limitation is arbitrary and not based on any statutory requirement. At the end of 49 U.S.C. § 5323, add a new subsection: “(w) SPARE RATIO POLICIES REPEAL.—The Bus Fleet Rolling Stock Spare Ratio Policies, as described in the FTA Grant Management Requirements Circular 5010.1, is repealed.”

### **Streamline NEPA and Section 106 Reviews**

Routine bus shelter projects located in existing rights-of-way often qualify for a categorical exclusion under NEPA, yet can still face extended timelines and extensive documentation requirements. Related Section 106 historic review processes may further delay these low-impact projects.

IPTA supports federal action to establish a uniform categorical exclusion process and streamlined Section 106 review standards for routine bus shelter and bus stop projects in existing rights-of-way with minimal environmental or historic impact, including reduced documentation requirements and clearer, consistent federal guidance.

# CONTACTS



Carl Lingen, Executive Director  
Iowa Public Transit Association  
[staff@iapublictransit.com](mailto:staff@iapublictransit.com)  
(515) 750-2197



Ed Redfern, Federal Legislative Lobbyist  
Iowa Public Transit Association  
[ed@eredfern.com](mailto:ed@eredfern.com)  
(202) 345-3052



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