**Section 651.302 Approval of Operating Assistance Grant Program of Proposed Expenditures**

a) After the comparison and selection of programs (in whole or in part) to receive Section 18 operating assistance based on the criteria in Section 651.301 herein, the Department will review the proposed budget of each selected participant's proposed program to assess the reasonableness of the relationship between the level of proposed services and the projected costs of such services. As part of this review, the Department will consider:

1) The comparison of the participant's projected costs for proposed services with the actual costs of providing similar transportation services in comparable nonurbanized areas;

2) The effect of any proposed expansion of transportation services above the previously approved Section 18 program of proposed expenditures, upon overall operating ratios, including but not limited to the following:

A) Passenger per vehicle mile.

B) Fare box revenue per vehicle mile.

C) Deficit per vehicle mile.

D) Operating expense per vehicle mile.

3) Where no expansion of service is proposed, the comparison of the proposed budget with the program budget approved for the previous fiscal year so as to determine the cause of any rapid escalation in the cost of providing transportation services under the proposed program.

b) If after the Department has completed the review as provided in this Section and has determined that the participant's proposed budget is unreasonably high in relation to the proposed services to be provided, the Department will work with the participant to modify the proposed budget to achieve a reasonable level. As a result of this process, particular line items of a participant's proposed budget will be increased or decreased and a final program of proposed expenditures will be approved by the Department.