

Iowa DOT Updates

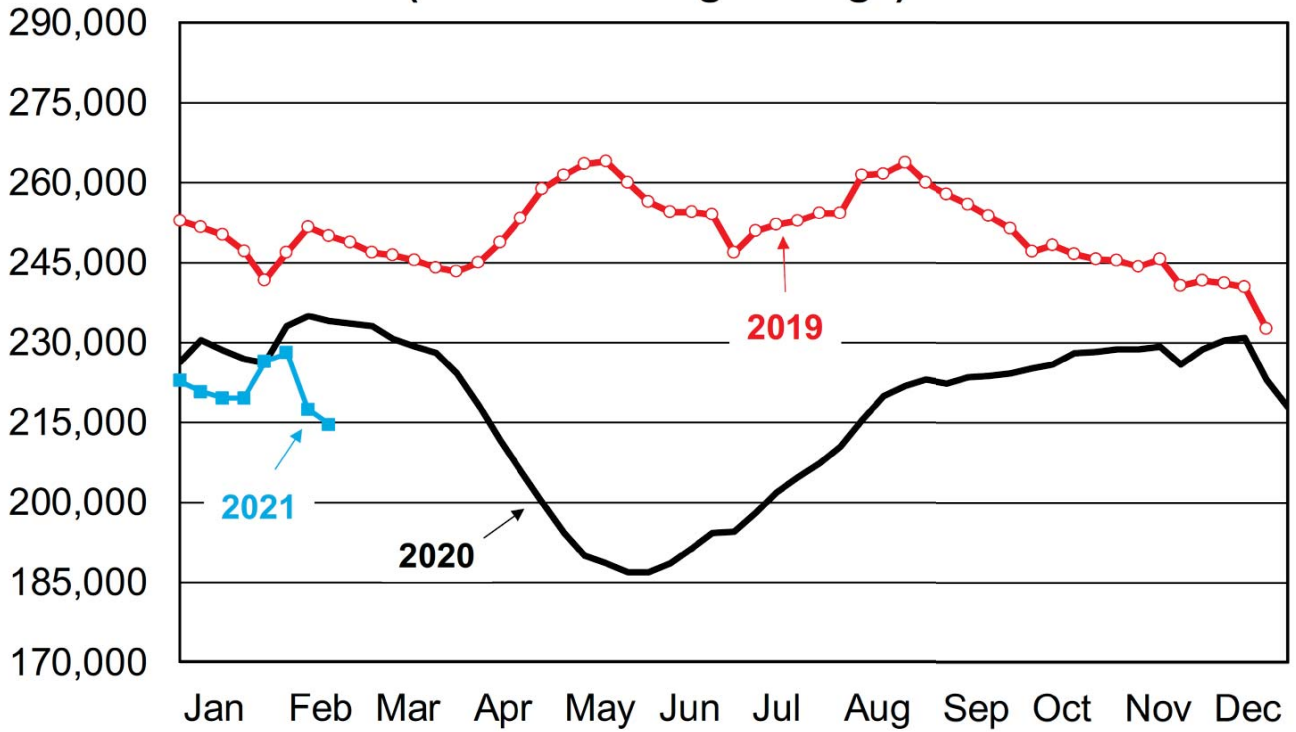
MPO/RPA Quarterly Meeting
March 24, 2021

Stu Anderson

Update

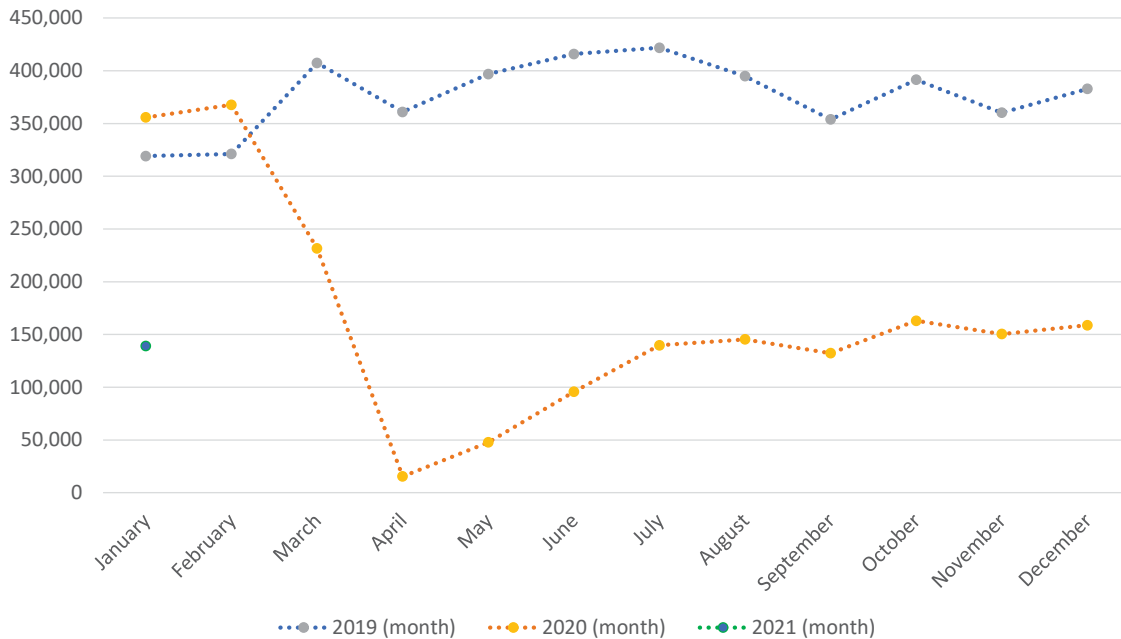
- COVID – 19 Transportation Impacts
 - Travel trends
 - Funding
 - State Road Use Tax Fund
 - COVID-19 Relief Allocation
- Federal-Aid Swap Update
- Five-Year Program Status

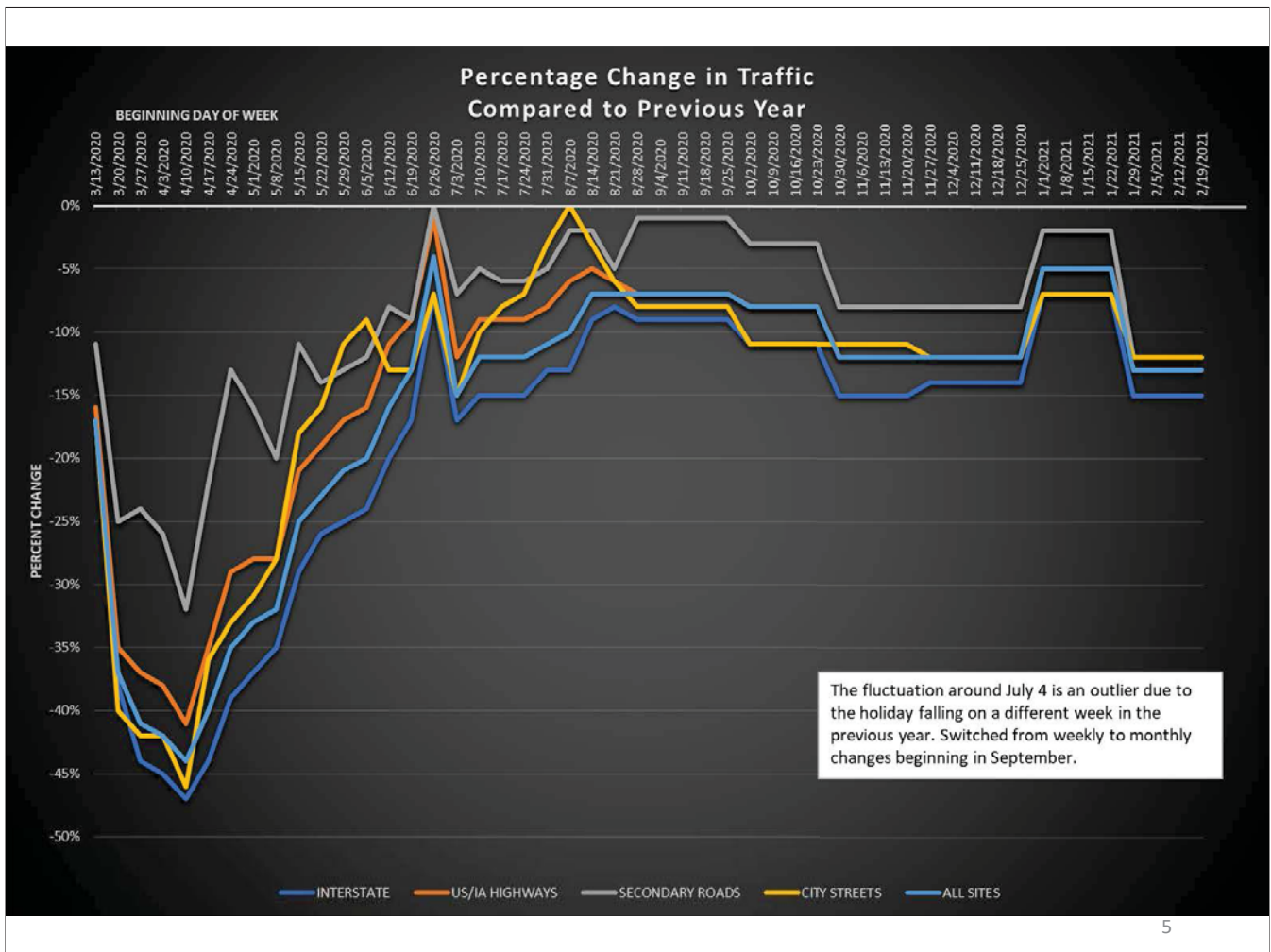
Total U.S. Rail Carloads (6-week moving average)



Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*

Monthly Passenger Counts at Iowa's Eight Commercial Service Airports (through January 2021)





Road Use Tax Fund: COVID-19 Impacts by Funding Source

- Fuel tax revenue
 - Traffic down over 40 percent in mid-April but has grown since then.
 - Traffic has leveled off around 10 percent below previous year
 - Freight traffic has remained equivalent to 2019 or higher
- Fee for New Registration revenue
 - Vehicle sales down over 50 percent in April but has rebounded.
 - Vehicle prices have been increasing.
 - Basically no COVID-19 impact at this time
- Annual vehicle registration revenue
 - Was down very slightly early on – (Governor forgave late payment penalties)
 - Basically no COVID-19 impact at this time

Road Use Tax Fund: COVID-19 Impacts

- Overall, COVID-19 impacts have been significantly less than originally feared.
- Estimated impact through June 2021: -\$50 million
- Long-term – estimate revenue will be down slightly due to reduced travel for an extended time period

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Transportation Funding Impacts – COVID

HIGHWAY

- Fuel tax receipts are down due to travel impacts
- Vehicle registration revenue is steady to growing (despite early drop in vehicle sales)
- Estimated lost RUTF through June 2021

- \$50M

TRANSIT

- Initial drop in State Transit Assistance revenue but that has rebounded
- FY 2021 state vertical infrastructure appropriation lower due to reduced RIF revenue
- Dramatic drop in local revenue due to reduced ridership

AVIATION

- State aviation fund revenue down about **40 percent** due to lower aviation fuel tax
- FY 2021 state vertical infrastructure appropriation lower due to reduced RIF revenue
- Dramatic drop in local revenue due to reduced passengers

TRAILS

- FY 2021 state vertical infrastructure appropriations lower due to reduced RIF revenue

Federal Support – COVID

FEDERAL APPROPRIATIONS

CARES Act - March 2020
Coronavirus Aid, Relief, and
Economic Security Act

CRRSAA - Dec. 2020
Coronavirus Response and
Relief Supplemental
Appropriations Act of 2021

ARP - March 2021
American Rescue Plan Act of
2021

HIGHWAYS/BRIDGES IN IOWA

- CARES Act: None
- CRRSAA: \$121.9 million
- ARP Act: No dedicated funding

TRANSIT AGENCIES IN IOWA

- CARES Act: \$107 million
- CRRSAA: \$26.6 million
- ARP Act: waiting for final numbers

AIRPORTS IN IOWA

- CARES Act: \$70.5 million
- CRRSAA: \$13.4 million
- ARP Act: waiting for final numbers

Federal Funding Update – COVID-19 Relief

- Part of FFY 21 appropriation signed Dec. 27, 2020
- Highway funding allocation:
 - Iowa share \$121.9 m
 - Specific allocation requirements for MPOs over 200,000 population (Council Bluffs, Des Moines, and Quad Cities)
 - Intended to cover lost state revenues lost due to COVID-19
 - Broad eligibility
 - Typical FHWA eligibility (i.e. roads, bridges, trails)
 - Added eligible activities (maintenance, operations, salary)
 - 100 percent federal share

Federal Funding Update – COVID-19 Relief

- Allocation priorities

- Meet congressional intent by allocating using Road Use Tax Fund Formula
 - DOT: 47.5 percent
 - County: 32.5 percent
 - City: 20 percent
- Allocate to all cities and counties in Iowa
- No match requirements
- Get the funding out as quickly as possible
- Allocate a portion to address lost state revenue for trail development

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Federal Funding Update – COVID-19 Relief

- Recommended allocation process

- Modify Commission federal-aid swap policy to allow COVID-19 relief funds for local jurisdictions to be swapped on a dollar-for-dollar basis
- Allocate Primary Road Funds directly to the city and county road funds so every city and county in Iowa quickly gets their share of funds
- A direct opt-out of swap is not possible in this scenario but we can work individually with any jurisdiction that prefers federal instead of state funds. May involve the jurisdiction returning their allocation of Primary Road Funds
- DOT will spend federal COVID Relief funds on DOT projects – will coordinate with Transportation Management Areas
- Allocate a portion of funding for trails and award through a one-time application-based program

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Federal Funding Update – COVID-19 Relief

- Allocation

Category	Percent	Amount
Trails		\$5.0 million
Highway		
DOT	47.5 percent	\$55.5 million
County		
Secondary Road Fund	24.5 percent	\$28.6 million
Farm-to-Market Fund	8.0 percent	\$9.4 million
City Street Fund	20.0 percent	\$23.4 million
Total		\$121.9 million

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2022-2026 Program Status

- Under development now
- Draft Program in May with final approval in June
- Good news
 - No projects programmed in FY21 were delayed to later fiscal years or removed from the program
- Bad news
 - COVID relief funds will only be sufficient to make up for lost revenue and help erase previous program deficits
 - Limited room to add a lot of large new projects
- Optimistic outlook for future programs (infrastructure and reauthorization)

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Questions?