

# COVID-19 Transportation Funding Impact Update

Transportation Commission Workshop

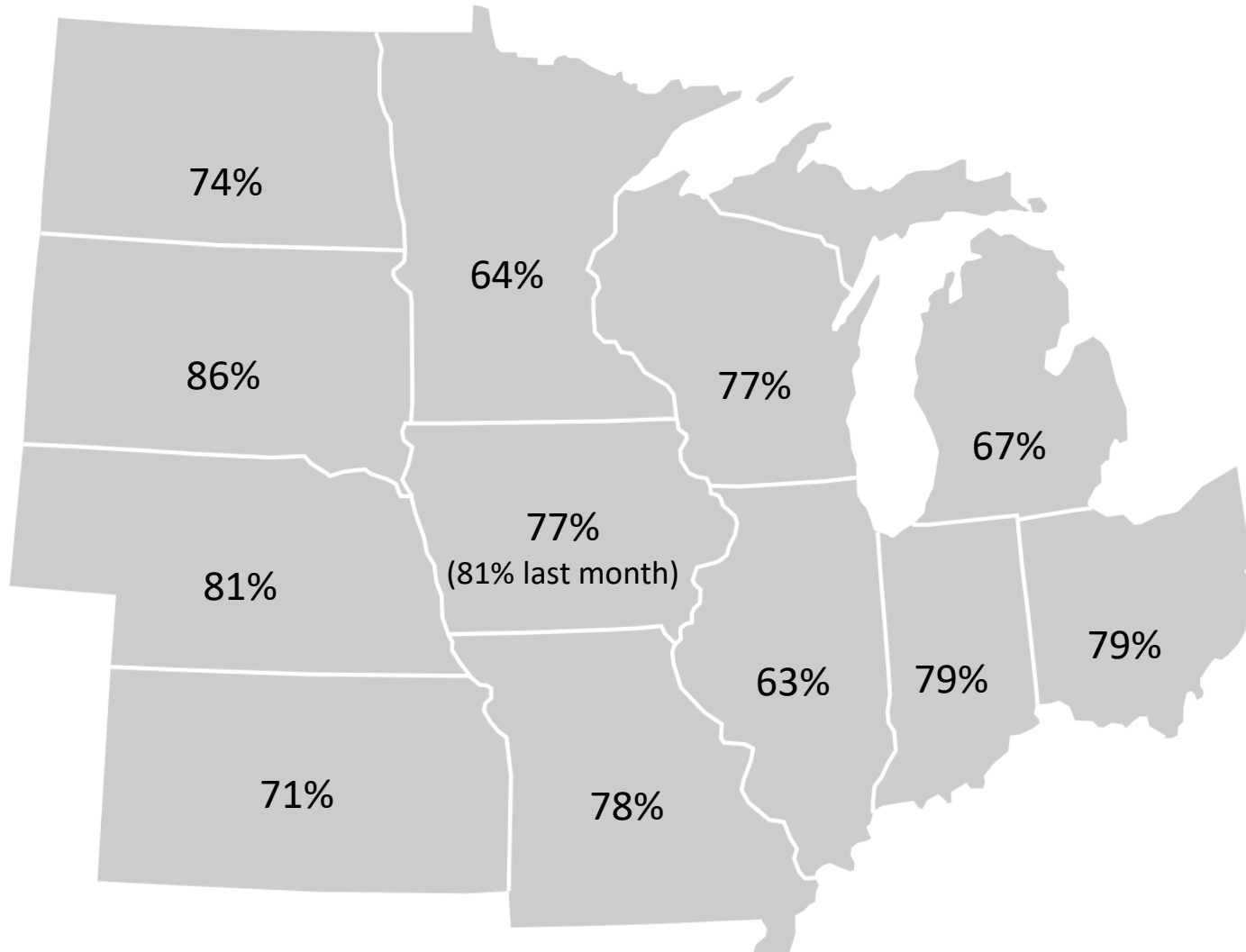
January 13, 2021

# Update

- Economic Recovery Index
- Travel trends
  - US total rail carloads
  - Commercial air service passenger counts
  - Vehicular traffic
  - Vehicle sales
- Funding
  - State Road Use Tax Fund
  - Federal funding update

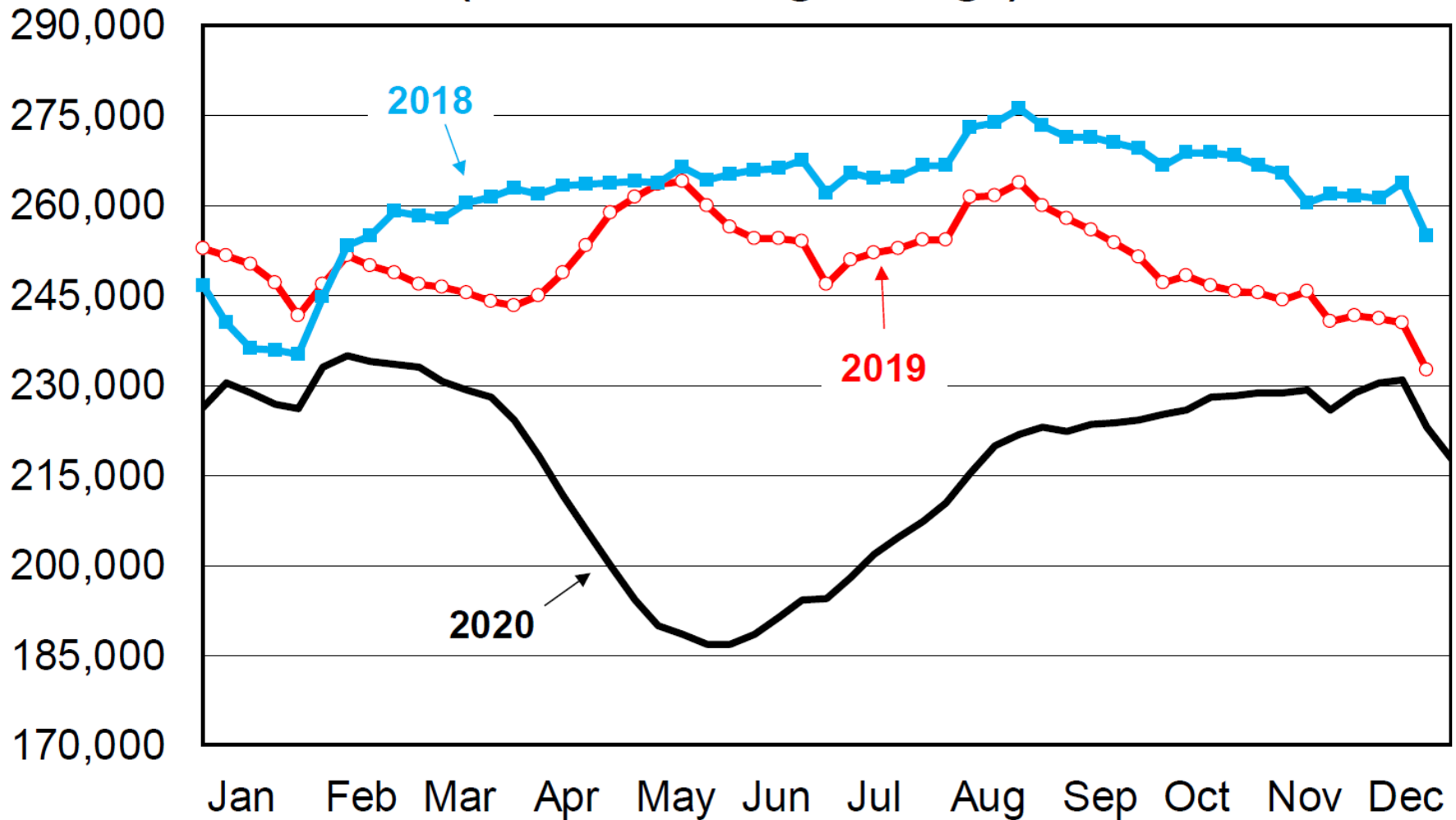
# Moody's/CNN Recovery Index - Midwest

(Pre-Pandemic = 100) As of 1/5/2021



Nation is at 74% (79% last month)

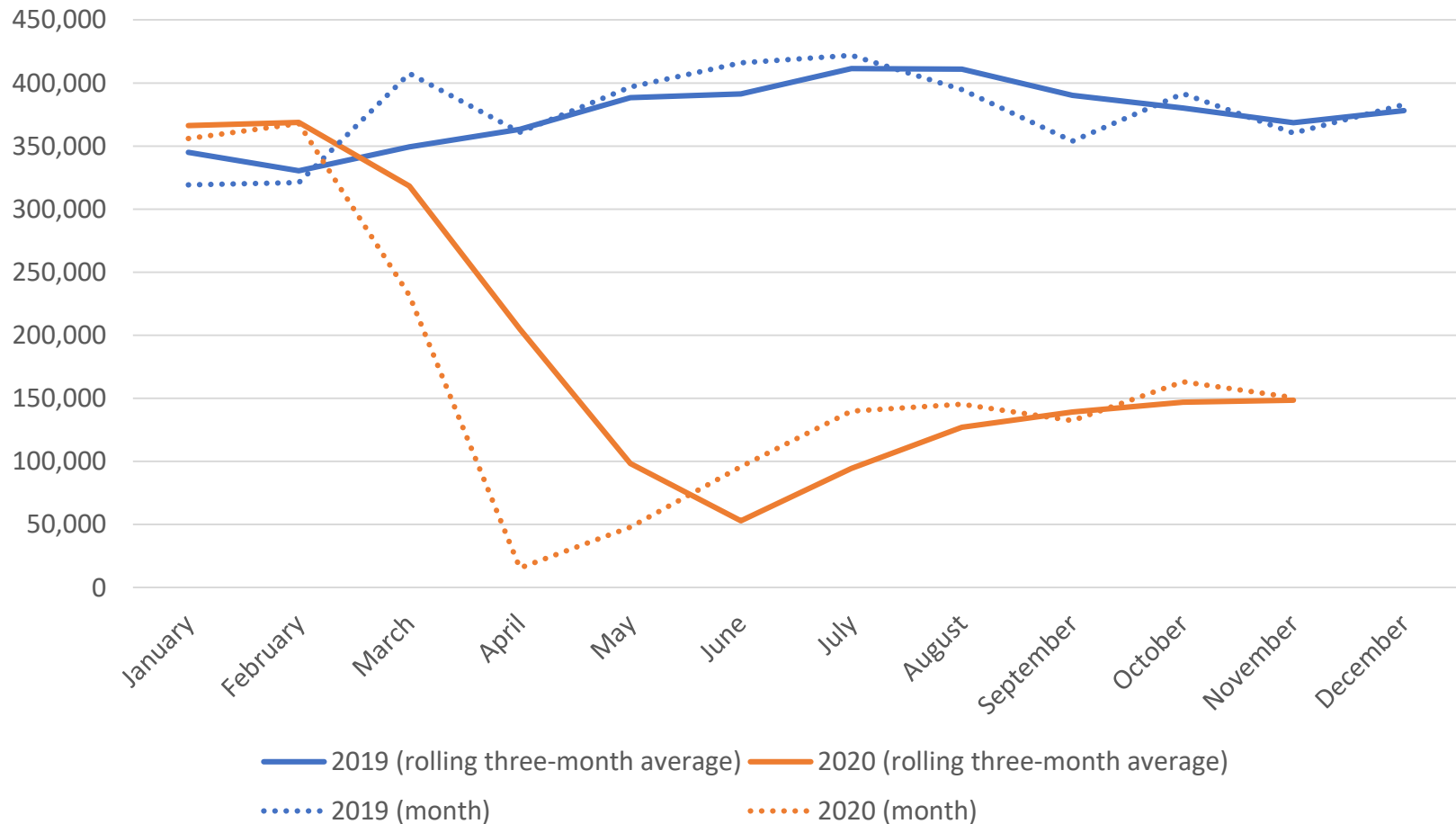
# Total U.S. Rail Carloads (6-week moving average)



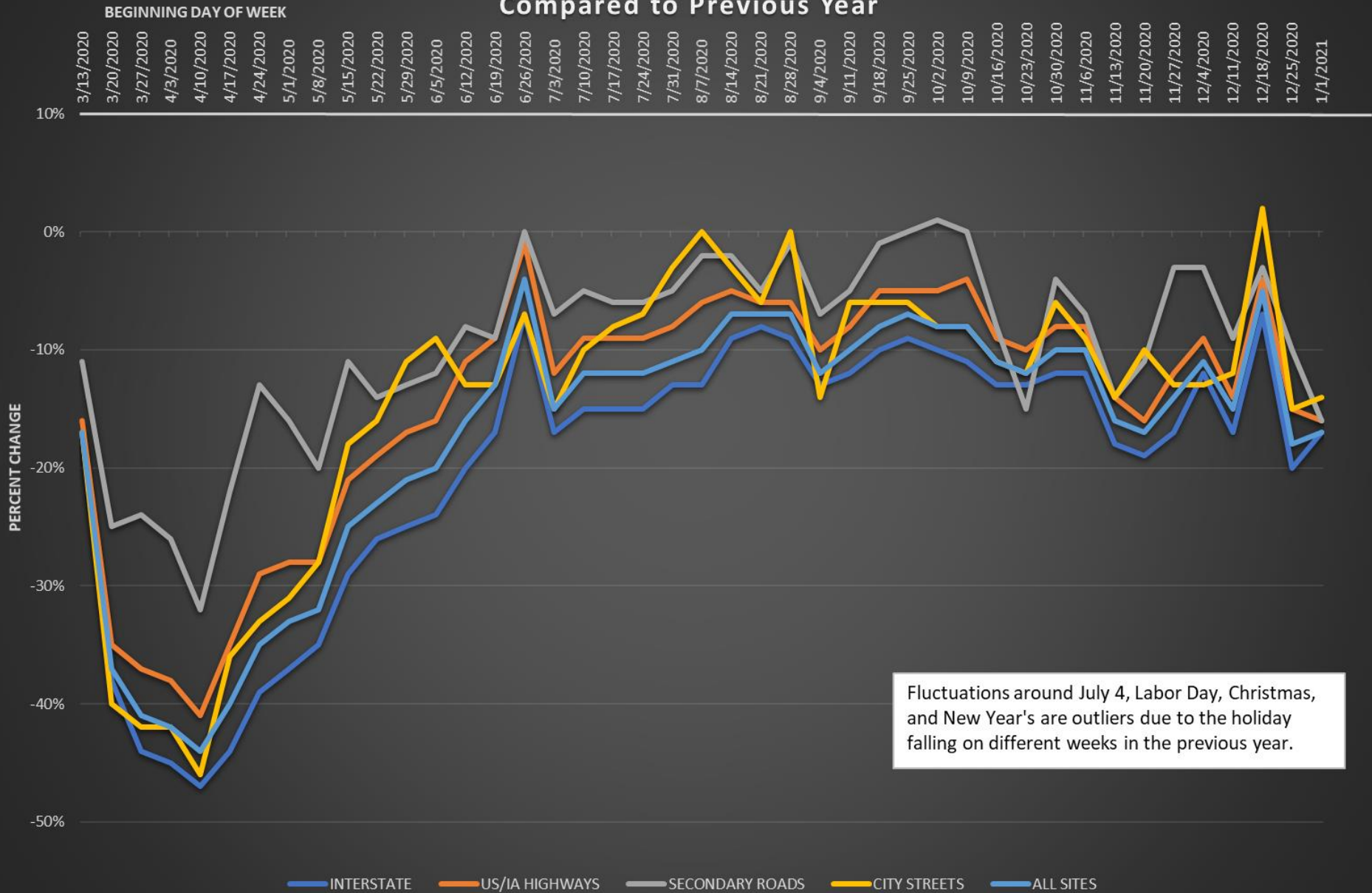
Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*

# Monthly Passenger Counts at Iowa's Eight Commercial Service Airports

(through November 2020)



## Weekly Percentage Change in Traffic Compared to Previous Year



# Road Use Tax Fund: COVID-19 Impacts

- Funding sources
  - Fuel tax revenue
    - Traffic down over 40 percent in mid-April but has grown since then.
    - Traffic was at about 10 percent below 2019 levels for an extended period but now down around 15 percent during latest surge
    - Freight traffic has remained equivalent to 2019 or higher
  - Fee for New Registration revenue
    - Vehicle sales down over 50 percent in April but growing since then.
    - Vehicle prices have been increasing leading to generally no reduction in revenue from 2019 levels at this point.
  - Annual vehicle registration revenue down slightly
    - 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

- Funding impacts
  - Overall, COVID-19 impacts have been significantly less than originally feared.
  - June 2020 through October 2020 (actual): -\$40 million
  - November 2020 through June 2021 (estimated): - \$10 million (this number would show a larger negative impact due to COVID-19; however, is partially offset due to a RUTF deposit timing issue in October)
  - Long-term – estimate revenue will be down 3.5 percent from our FY 21 forecast, primarily due to reduced travel for an extended time period

# Federal Funding Update

- Reauthorization
  - FAST Act extended one year through Sept. 30, 2021
  - \$13.6 b transferred into Highway Trust Fund to ensure solvency through FFY 2021
- FFY 2021 Appropriation
  - Signed into law Dec. 27, 2020
  - Includes COVID-Relief discussed on next slide
  - Appropriation levels similar to FFY 2020
  - Highway bridge formula program continues at similar funding levels to FFY 2020

# Federal Funding Update – COVID-19 Relief

- Attached to the full year appropriation
- Funding for transportation - \$45 billion
  - Airlines: \$15 b
  - Airports: \$2 b
  - Private bus: \$2 b
  - Amtrak: \$1 b
  - Public Transit: \$14 b
  - Highways: \$10 b

# Federal Funding Update – COVID-19 Relief

- Highway funding allocation
  - Iowa share expected to be \$100 m to \$120 m
  - Specific allocation requirements for MPOs over 200,000 population (Council Bluffs, Des Moines, and Quad Cities)
  - Intended to cover revenues lost due to COVID-19
  - Reviewing options for how best to allocate funds to local jurisdictions
    - Use RUTF allocations?
    - Allocate directly to cities/counties?
    - Dependent on final FHWA guidance
- Recommendations to be presented in February

# Questions?