

COVID-19 Transportation Funding Impact Update

Transportation Commission Workshop

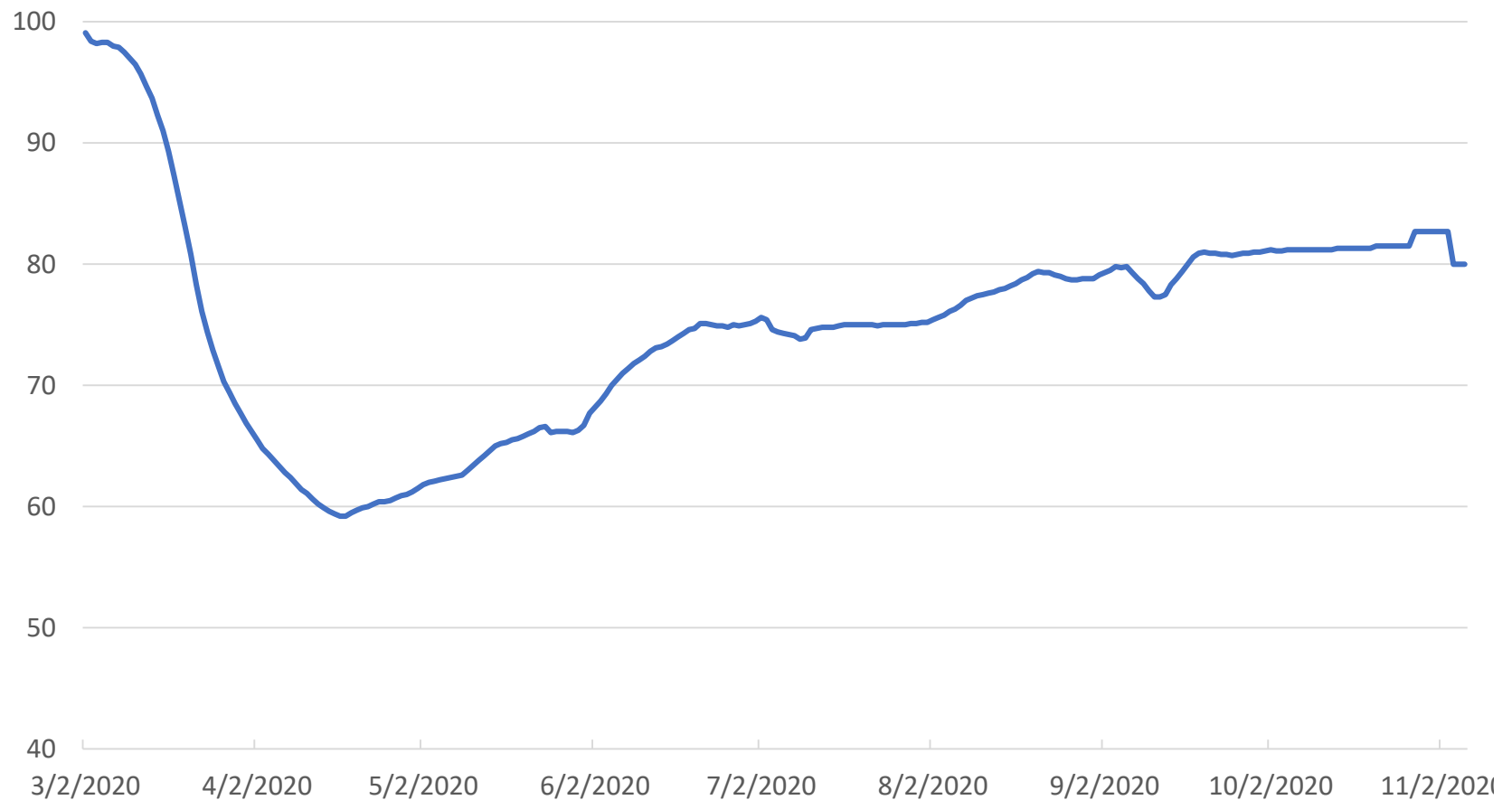
November 10, 2020

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

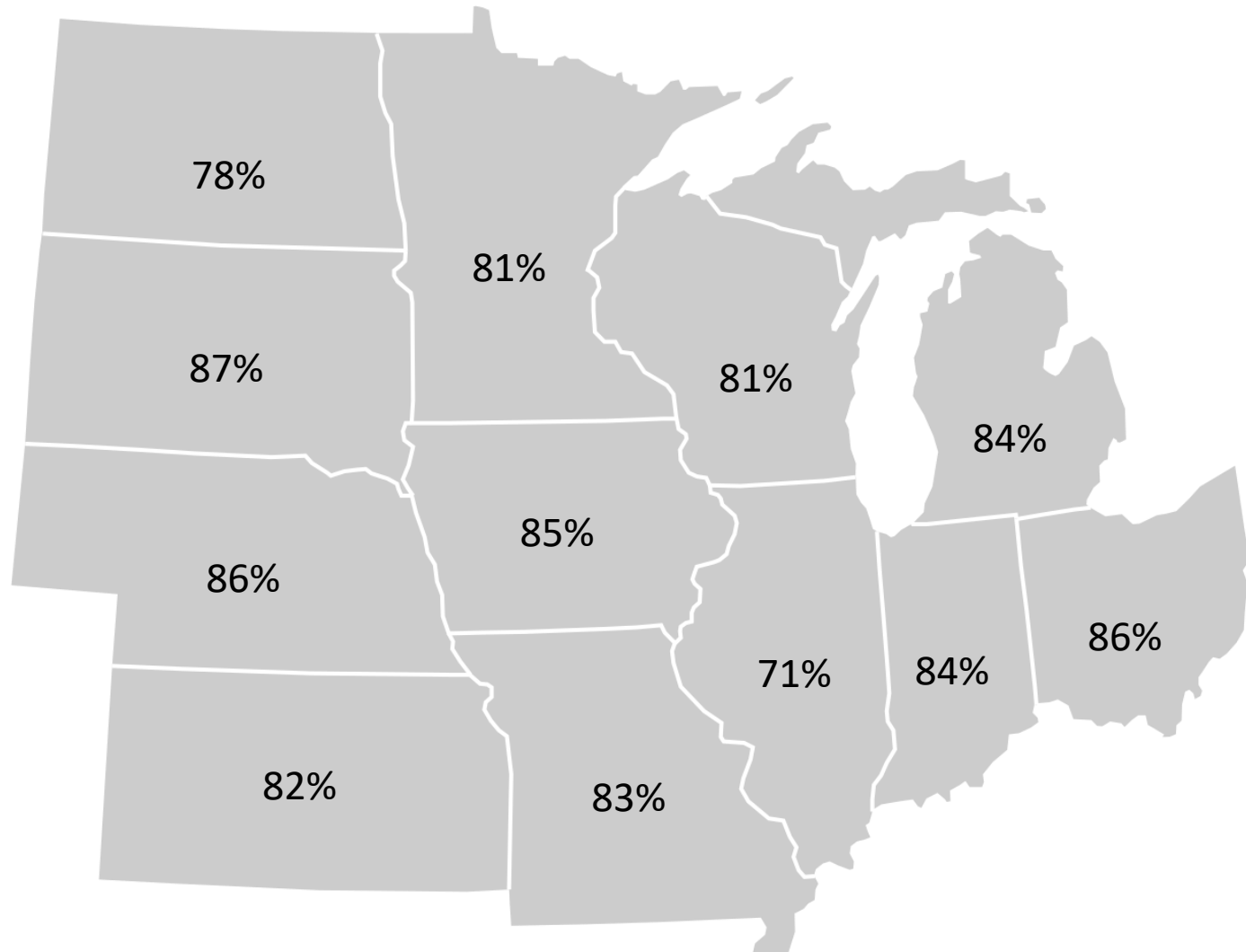
(Pre-Pandemic = 100)



<https://www.cnn.com/business/us-economic-recovery-coronavirus>

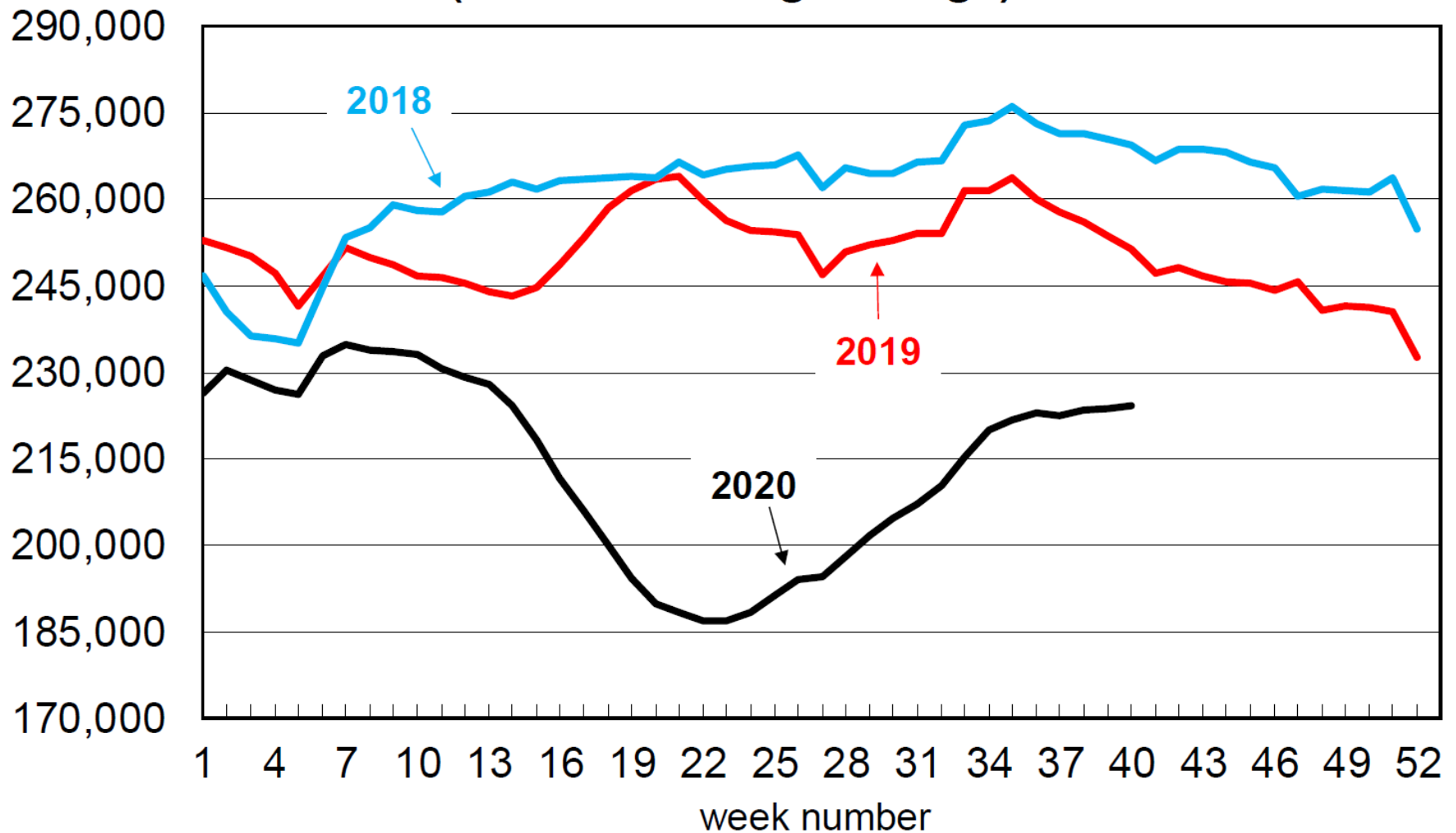
Moody's/CNN Recovery Index - Midwest

(Pre-Pandemic = 100) As of 11/4/2020



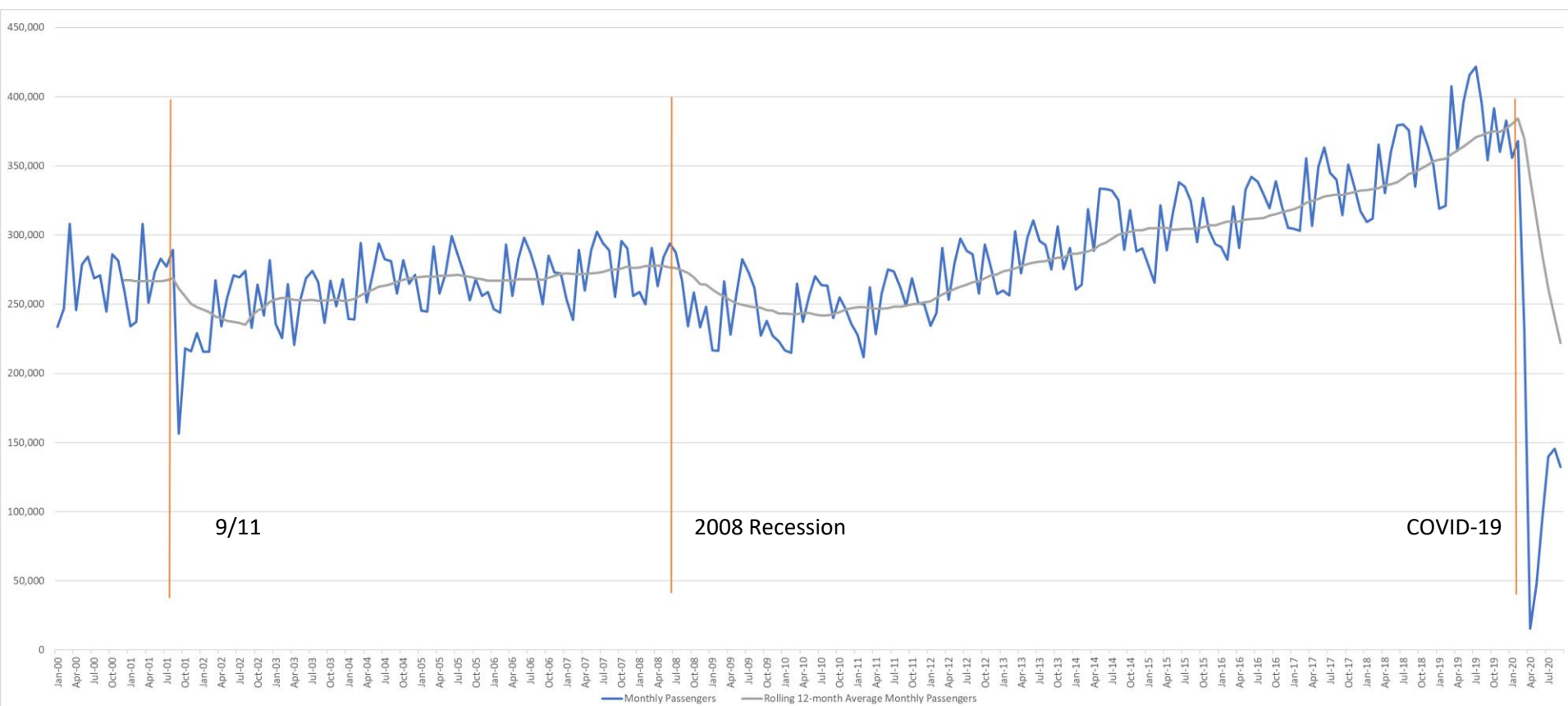
Nation is at 80%

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

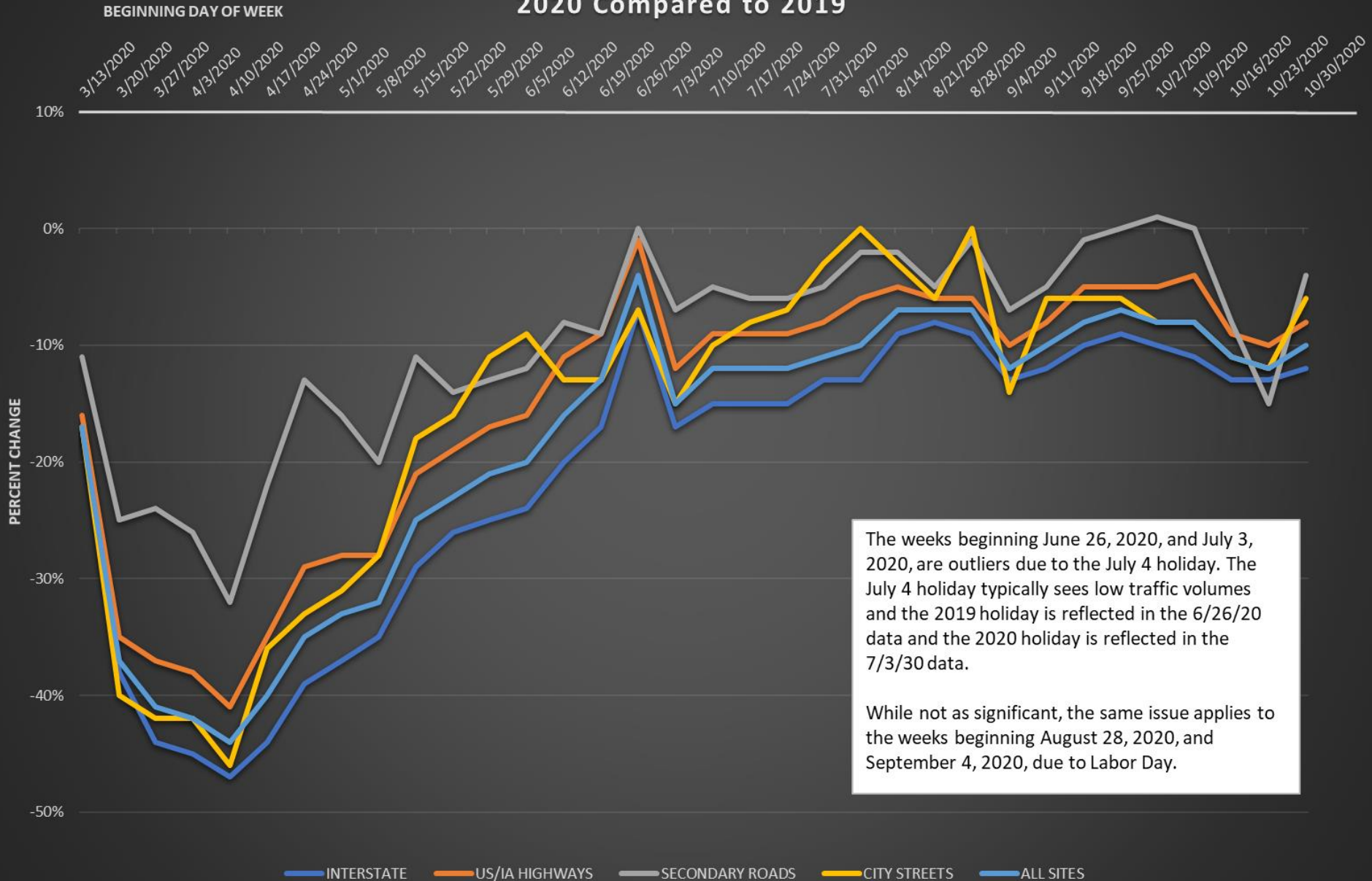


Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: AAR *Rail Time Indicators*

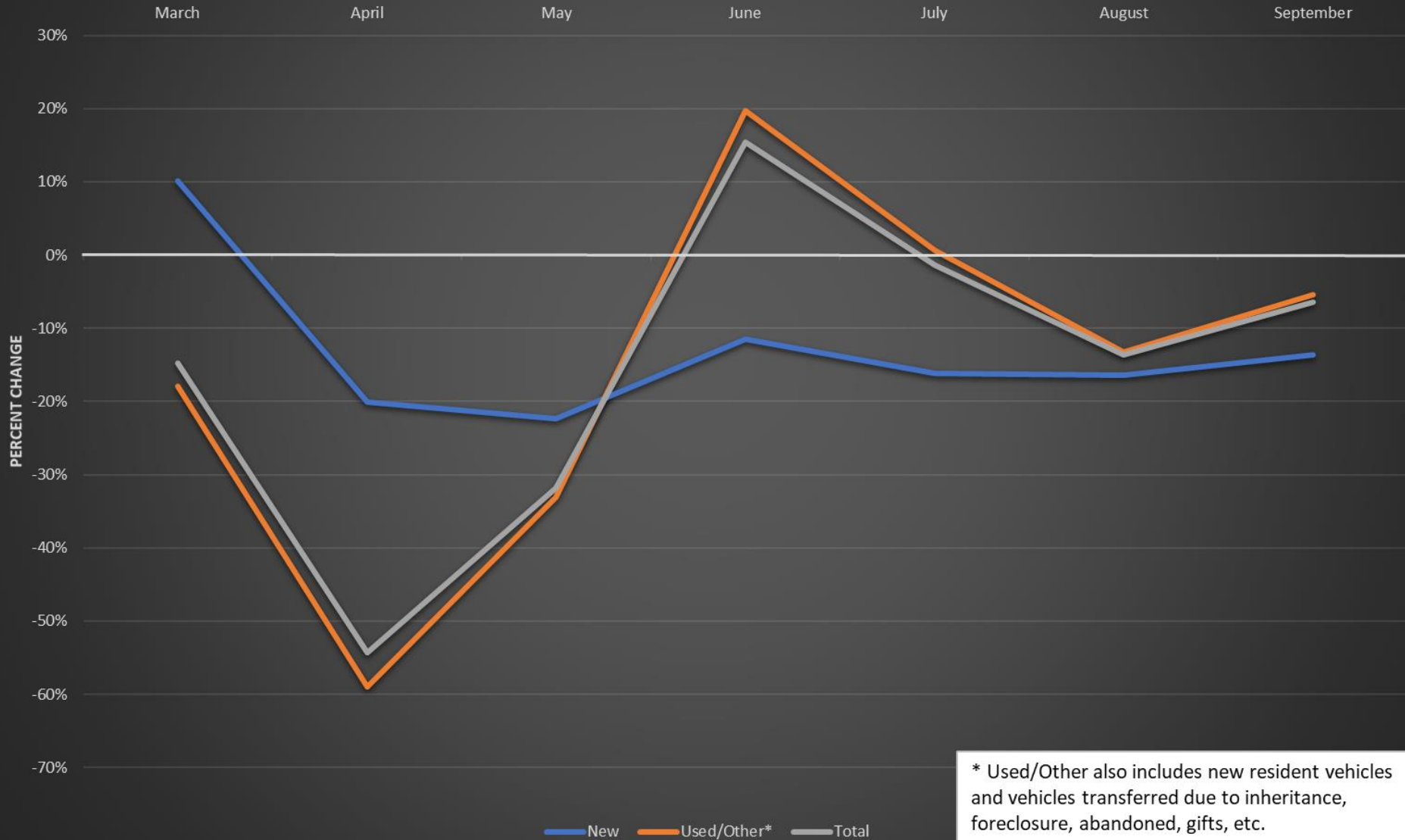
Monthly Passenger Counts at Iowa's Eight Commercial Service Airports (through September 2020)



Weekly Percentage Change in Traffic 2020 Compared to 2019



Monthly Percentage Change in Vehicle Sales 2020 Compared to 2019



Road Use Tax Fund: COVID-19 Impacts

- Funding sources
 - Fuel tax revenue down with reduced travel
 - Traffic down over 40 percent in mid-April but has grown since then.
 - Traffic has leveled off at about 10 percent below 2019 levels and expected to continue an extended period at this level
 - Freight traffic has remained equivalent to 2019 or higher
 - Fee for New Registration revenue down with reduced vehicle sales
 - 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 payments)
 - 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
 - Continuing resolution through December 11.
 - **Expect full year appropriation by Dec. 11**
- COVID-19 Relief Package
 - Status changes daily
 - **Increasing chances of a bill by the end of Dec.**
 - **Disagreement on whether to include state and local aid continues**

Questions?