

IOWA DOT UPDATE

Iowa Freight Advisory Council

December 10, 2021



Topics

- Infrastructure Bill Status
- Road Use Tax Fund Study

Infrastructure Bill Status

- Infrastructure Investment and Jobs Act (IIJA)
- Passed the Senate (69-30) and House (228-206)
- President Biden signed Nov. 15
- Includes reauthorization of surface transportation programs for FFY 2022 to FFY 2026.
- Includes \$550 billion in new funding with half going to transportation
- Operating under a continuing resolution through Feb. 18, 2022, for FY 2022


 FIVE-YEAR PROGRAM UPDATE AND RUTF STUDY

Highway Formula Programs (millions)

Program	2021 (actual)	2022	2023	2024	2025	2026
National Highway Performance	307.4	365.8	373.1	380.6	388.2	395.9
Surface Transportation Block	157.2	177.9	181.5	185.1	188.8	192.6
Highway Safety Improvement	28.1	35.8	36.6	37.5	38.3	39.2
Rail-Highway Crossings	5.7	5.7	5.7	5.7	5.7	5.7
Congestion Mitigation/Air Qual.	11.8	12.3	12.6	12.8	13.1	13.3
National Highway Freight	18.2	17.0	17.4	17.7	18.1	18.4
Metro Planning	2.1	2.6	2.7	2.7	2.8	2.8
State Planning and Research	10.6					
Highway Infra/Bridge	43.6					
Bridge		86.3	86.3	86.3	86.3	86.3
Carbon Reduction		15.9	16.2	16.5	16.8	17.2
PROTECT		18.0	18.4	18.8	19.1	19.5
Total	584.7	737.4	750.4	763.7	777.3	791.1
<i>National EV Charging</i>		<i>10.3</i>	<i>10.3</i>	<i>10.3</i>	<i>10.3</i>	<i>10.3</i>

Highway Formula Programs (millions)

Program	2021 (actual)	2022	2023	2024	2025	2026
Total (minus Carbon Red/Protect/EV)	584.7	703.5	715.8	728.4	741.4	754.4
Increase over 2021		118.8	131.1	143.7	156.7	169.7
Available funding (after obligation limitation)		106.9	118.0	129.3	141.0	152.7

Potential Amendment

- Will present to Commission on Dec. 14 for potential action in January
- Allocate some of the FFY 2022 Infrastructure Bill funding increases to SFY 2022 Program.
- Projects that can be delivered this fiscal year and distributed across the state.

2023-2027 Highway Program

- To be approved June 2022
- ~ \$4 billion of state/federal funding (up from \$3.6 billion)
- Challenges
 - Federal funding uncertainty
 - FFY 2022 continuing resolution
 - FFY 2027 funding levels
 - High expectations of the impact of the Infrastructure Bill

Road Use Tax Fund Study

307.31 Periodic review of revenues — evaluation of alternative funding sources.

1. The department shall periodically review the current revenue levels of the road use tax fund and the sufficiency of those revenues for the projected construction and maintenance needs of city, county, and state governments in the future. The department shall submit a written report to the general assembly regarding its findings by December 31 every five years, beginning in 2011. The report may include recommendations concerning funding levels needed to support the future mobility and accessibility for users of Iowa's public road system.

2. The department shall evaluate alternative funding sources for road maintenance and construction and report to the general assembly at least every five years on the advantages and disadvantages and the viability of alternative funding mechanisms. The department's evaluation of alternative funding sources may be included in the report submitted to the general assembly under subsection 1.

2007 Acts, ch 200, §5

Sources of needs estimates

- City road/bridge needs: INTRANS (dTIMS)
- County road/bridge needs: ICEASB (TR608)
- State road needs: Iowa DOT Pavement (dTIMS)
- State bridge needs: Iowa DOT Bridge Management Team (IDS Bridge Optimizer)

Needs estimate parameters

- 2020 baseline condition data
- Forecast period: 2021-2040
- No overall funding/budget constraints
- Condition targets consistent desired management practices
- Initial estimates in current year dollars
- Will apply consistent annual cost inflation

Draft needs estimates

	State	County	City
20-year needs	\$32.76B	\$28.06B	\$26.83B

- Total 20-year needs = \$87.65B
- Annual average needs = \$4.38B

Sources of revenue estimates

- Road Use Tax Fund Forecast: Iowa DOT
- County revenue history: ICEASB
- City revenue history: City Street Finance Reports (Iowa DOT Local Systems)
- Federal Funding Forecast: Iowa DOT

Revenue estimate parameters

- Forecast period: 2021-2040
- RUTF revenue growth approximately 1% annually
- Federal revenue growth
 - Includes Infrastructure Bill funding levels through FFY 2026
 - Approximately 0.5% growth annually beyond 2026

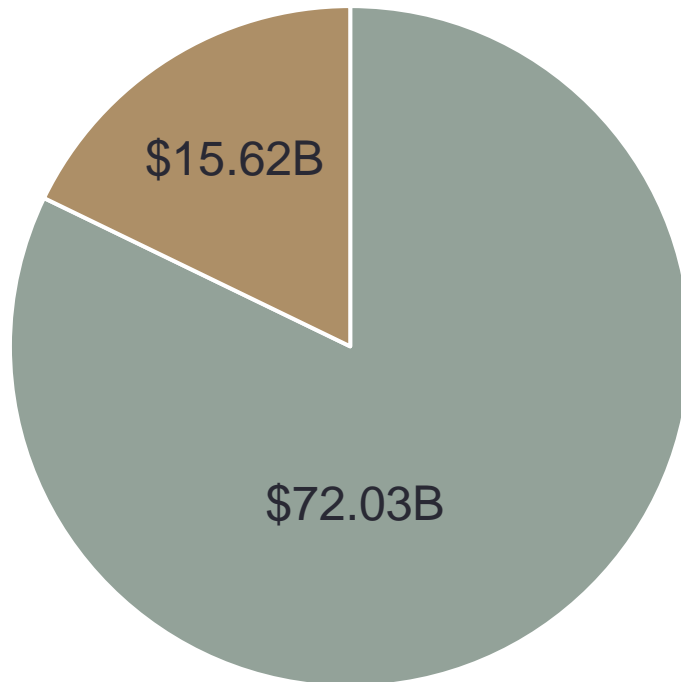
Draft revenue estimates

	State	County	City
20-year revenue	\$28.55B	\$18.79B	\$24.69B

- Total 20-year revenue = \$72.03B
- Annual average revenue = \$3.60B

Draft shortfall estimate

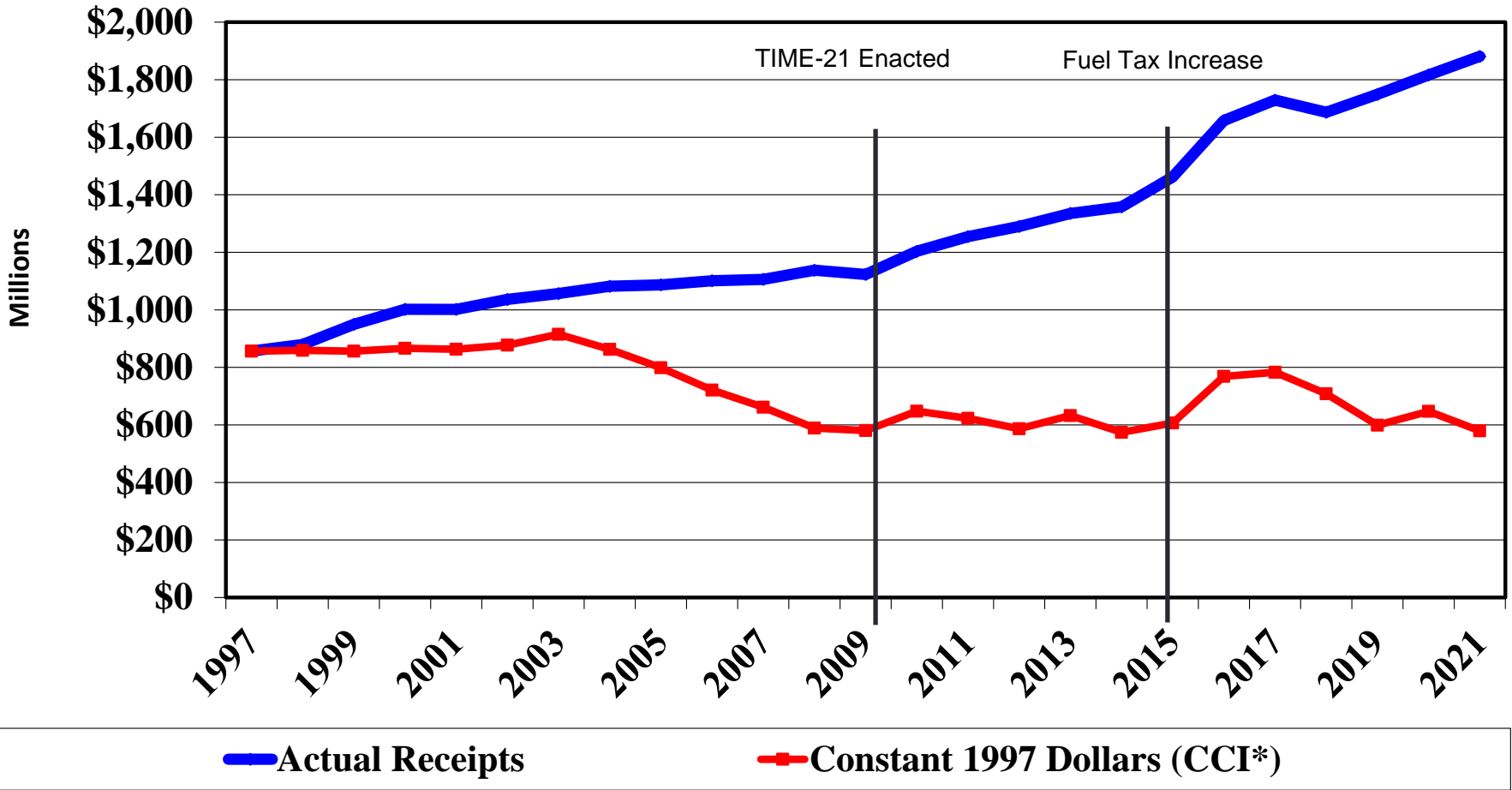
20-year needs: \$87.65B



■ 20-year revenue ■ 20-year shortfall

Average annual
shortfall
\$781 million

RUTF Revenue



*CCI= Iowa Construction Cost Index. This reflects the inflation of roadway construction costs in Iowa and corresponding loss in buying power.



Questions?

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