

FLOW OF TRANSPORTATION DOLLARS

IOWA FREIGHT ADVISORY COUNCIL

OUR MISSION

Getting you there
safely,
efficiently, and
conveniently.



IOWA DEPARTMENT OF
TRANSPORTATION

OUR VISION

Smarter

Simpler

Customer Driven

June 7, 2019

TOPICS

- State road funding
 - Sources
 - Distribution
 - Electric vehicle user fee changes
- Federal funding
 - Distribution
 - FAST Act
 - Federal-aid swap



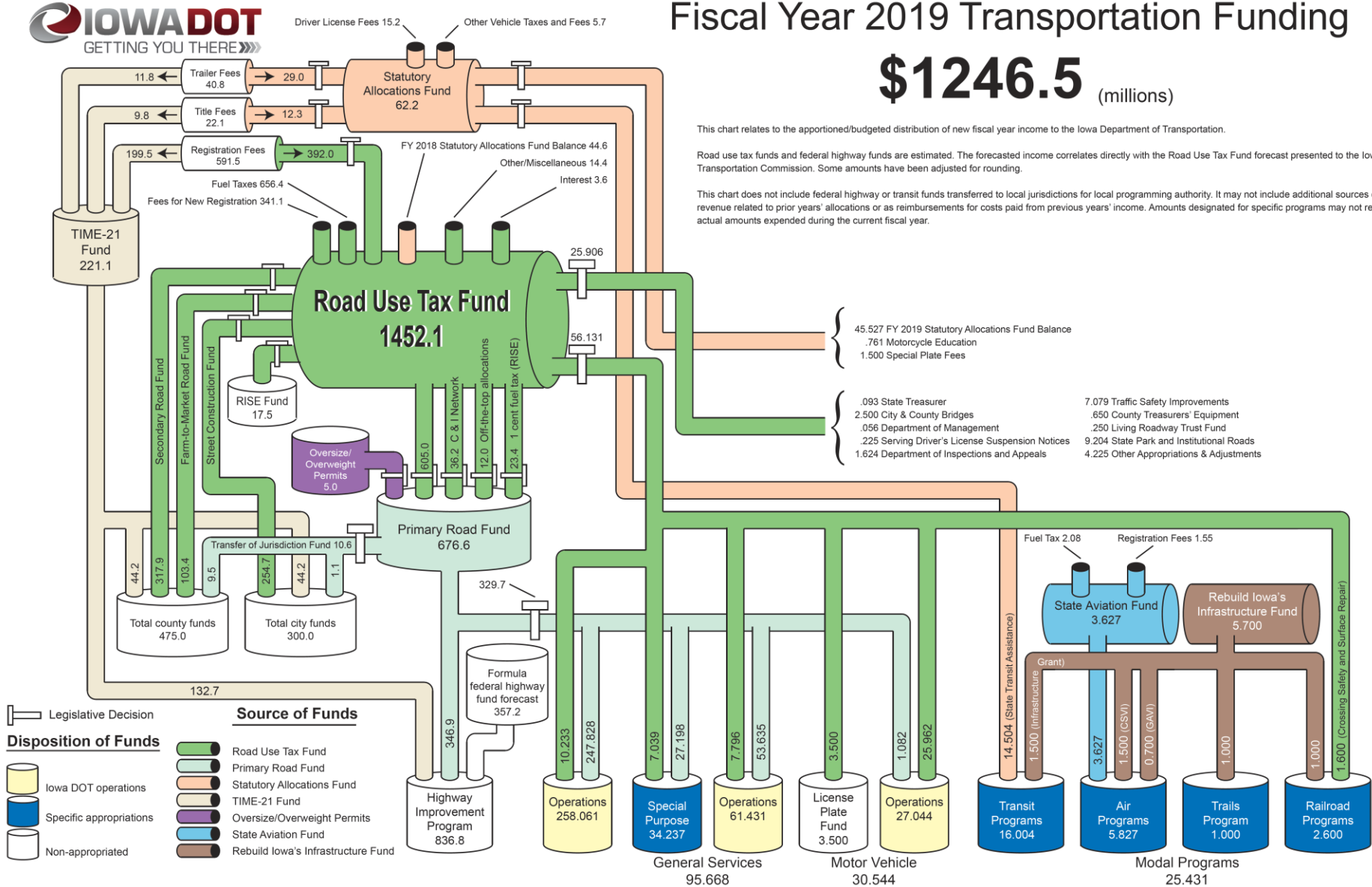
Fiscal Year 2019 Transportation Funding

\$1246.5 (millions)

This chart relates to the apportioned/budgeted distribution of new fiscal year income to the Iowa Department of Transportation.

Road use tax funds and federal highway funds are estimated. The forecasted income correlates directly with the Road Use Tax Fund forecast presented to the Iowa Transportation Commission. Some amounts have been adjusted for rounding.

This chart does not include federal highway or transit funds transferred to local jurisdictions for local programming authority. It may not include additional sources of revenue related to prior years' allocations or as reimbursements for costs paid from previous years' income. Amounts designated for specific programs may not reflect actual amounts expended during the current fiscal year.



STATE ROAD FUNDING

Combined RUTF/TIME-21

Funding Source	FY 2019 (estimated)	Percent of Total	State Constitution Requires Funds be Used for Roads?
Fuel Tax	\$656 million	39 percent	Yes
Annual Registration Fee	\$592 million	36 percent	Yes
Fee for New Registration	\$341 million	20 percent	Yes
Other*	\$84 million	5 percent	No
Total	\$1.673 billion		

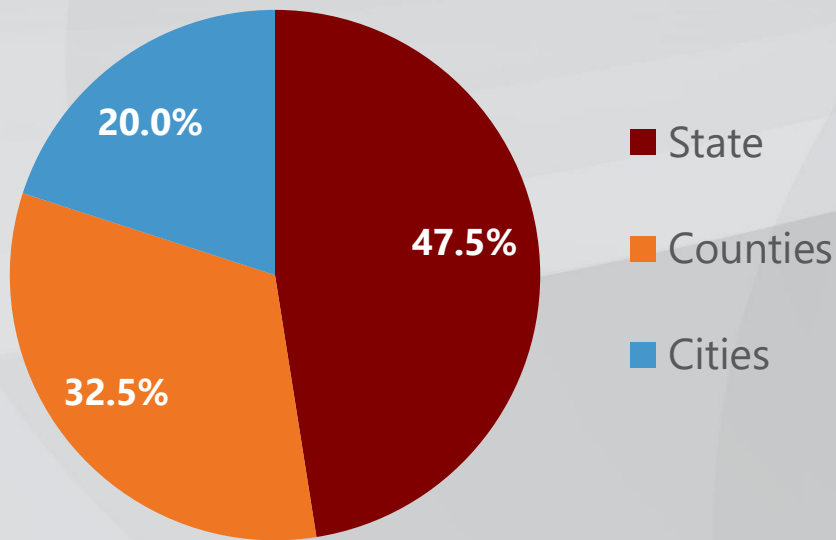
* Driver's license fees, title fees, trailer registration fees, and other miscellaneous fees.



STATE ROAD FUNDING DISTRIBUTION

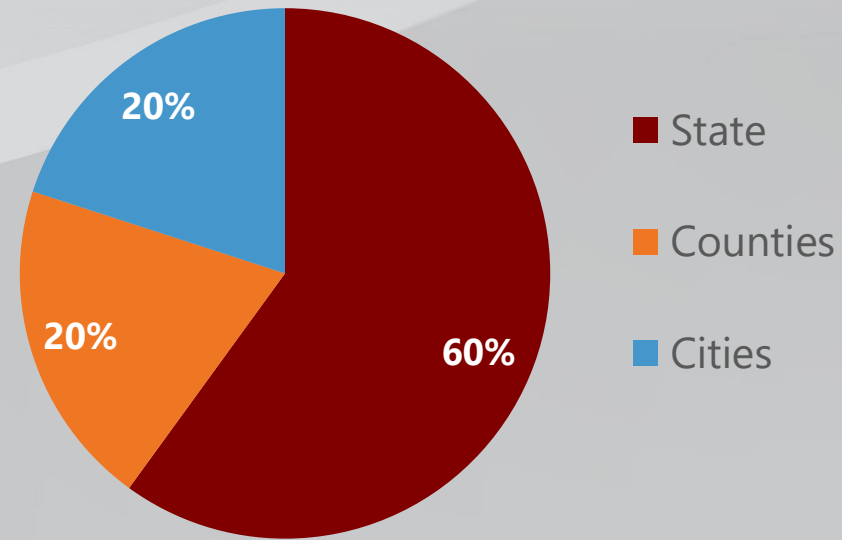
ROAD USE TAX FUND

(FY 2019 - \$1.45 billion)



TIME-21

(FY 2019 - \$221 million)



ELECTRIC VEHICLE RUTF

- Iowa DOT required to develop report estimating impacts to Road Use Tax Fund due to high efficiency vehicles
- Report included estimated impacts, evaluation of mitigation alternatives, and mitigation recommendations
- Iowa DOT provided report to the Iowa Legislature on December 31, 2018
- Study evaluated electric, hybrid, and hydrogen fuel cell vehicles



ELECTRIC VEHICLE RUTF

- Bill passed legislature this session to implement (HF 767)
- Add a per kWh fee excise tax rate of \$0.026 per kWh
 - Applies only at non residential charging locations
 - Utilize taxing system similar to existing LNG and LPG (point of sale collections)
 - Effective July 1, 2023



ELECTRIC VEHICLE RUTF

- Add a supplemental registration fee for passenger EV
- Applies to electric passenger vehicles weighing less than 10,000 pounds

	CY 2020	CY 2021	CY 2022
BEV	\$65	\$97.50	\$130
PHEV	\$32.50	\$48.75	\$65
Electric Motorcycle	\$4.50	\$6.75	\$9



ELECTRIC VEHICLE RUTF

- Add a hydrogen fuel excise tax rate of \$0.65 per diesel gallon equivalent (2.49 pounds of hydrogen)
 - Utilize taxing system similar to existing LNG and LPG (point of sale collections)
 - Effective January 1, 2020



FEDERAL HIGHWAY FUNDING DISTRIBUTION

- About \$530 million to Iowa in FFY 2019
- DOT: ~67 percent
- Local jurisdictions: ~33 percent
 - Allocated/programmed through planning organizations
 - Nine Metropolitan Planning Organizations
 - 18 Regional Planning Affiliations



FIXING AMERICA'S SURFACE TRANSPORTATION (FAST) ACT

- Signed into law Dec 4, 2015
- Five years (FFY 2016-2020)
- \$305 billion total
- \$228.8 billion for highway and highway safety
- A few new programs added
- Some minor adjustments to others
- Streamlining and flexibility efforts continued



FAST ACT: THE GOOD NEWS

- Funding for five years
 - 1st time in 10 years we've received more than two years of funding authority at once
- Program continuity
 - Core formula programs remain in place
 - No sweeping policy changes
- Funding levels
 - ~15 percent increase over the life of the Act
- Continued streamlining emphasis
- Continued federal emphasis on freight movement



FAST ACT - THE BAD NEWS

- Only slight increase in buying power when adjusted for inflation
- No long-term solution to transportation funding
 - Federal fuel taxes unchanged
 - \$70 billion General Fund transfers (total \$143 billion to date)
 - 31 percent of total revenue provided in the Act from General Fund
 - Transfers to the Highway Trust Fund mostly from non-transportation sources
 - Strategic Petroleum Reserve
 - Federal Reserve surplus fund
 - Other miscellaneous “pay-fors”



FEDERAL-AID SWAP - CONCEPT

- Challenge
 - Federal funding comes with additional project development regulations/requirements
 - Local jurisdictions typically do not have the staffing/expertise to efficiently manage federal projects
 - Leads to project delays and increased costs
- Concept
 - Allow local jurisdictions to exchange their federal funds with the Iowa DOT for Primary Road Funds
 - Iowa DOT is better able to utilize federal funds in an efficient manner.
 - Lowers Iowa DOT oversight requirements
 - Reduces local jurisdiction project costs and delays



FEDERAL-AID SWAP - IMPLEMENTATION

- May 9, 2017: Commission – provided an overview of swap
- Initial stakeholder outreach
 - Communication with individual stakeholders
 - Meetings with stakeholder representatives
- Prepare draft policy
- Stakeholder outreach on draft policy
 - Communication with individual stakeholders
 - Meetings with stakeholder representatives
- January 9, 2018: Presentation of draft policy to Commission
- February 13, 2018: Commission approved swap policy
- October 1, 2018: Begin full swap implementation



FEDERAL-AID SWAP - POLICY

- Participation in swap
 - By RPA/MPO
 - Iowa City and Quad Cities are not participating
- Funds swapped dollar-for-dollar
- Eligible projects – road and bridge projects from:



QUESTIONS?

Stuart Anderson

stuart.anderson@iowadot.us

515-239-1661

