

Iowa DOT Update

Iowa Freight Advisory Council

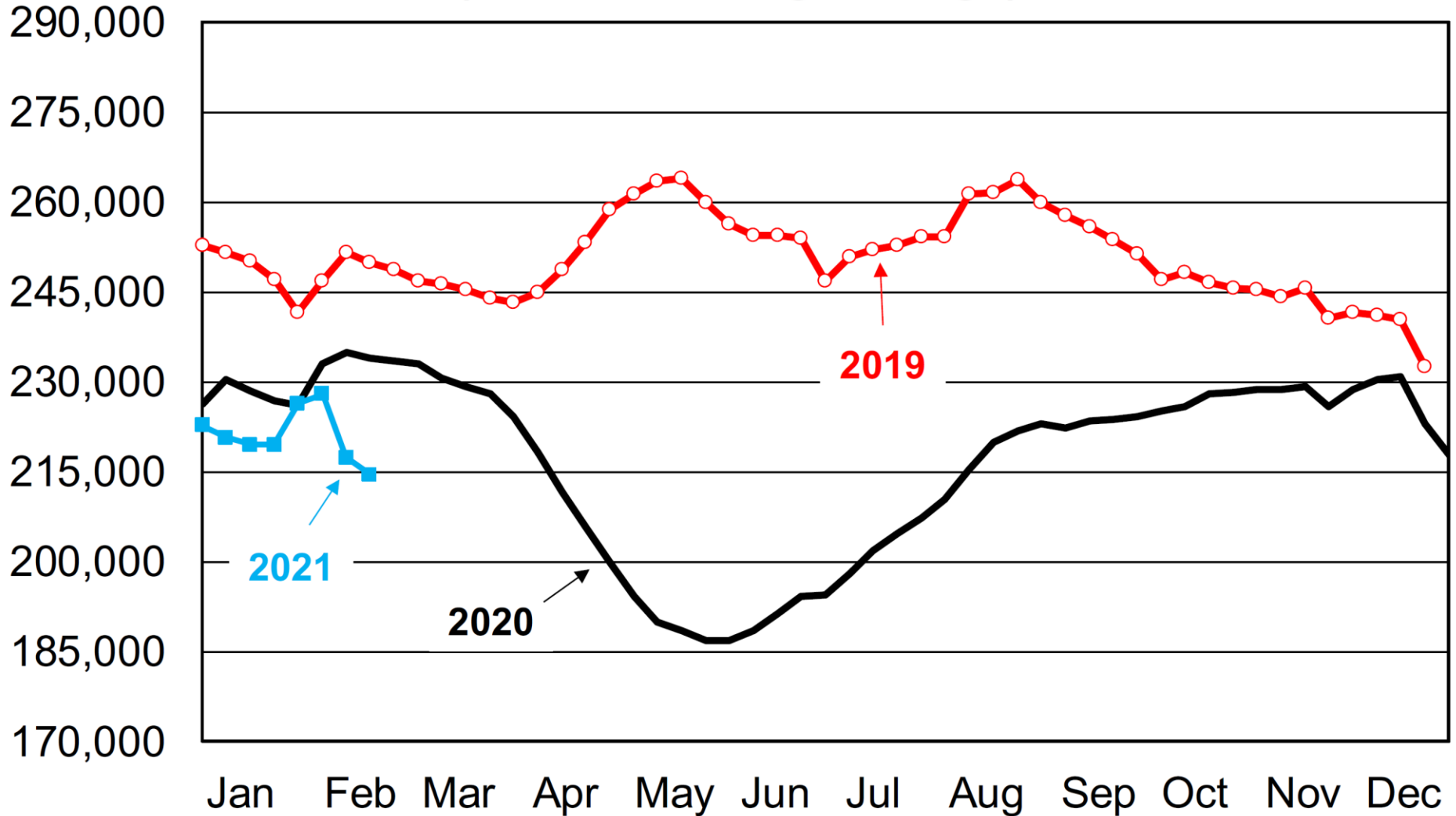
March 26, 2021

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

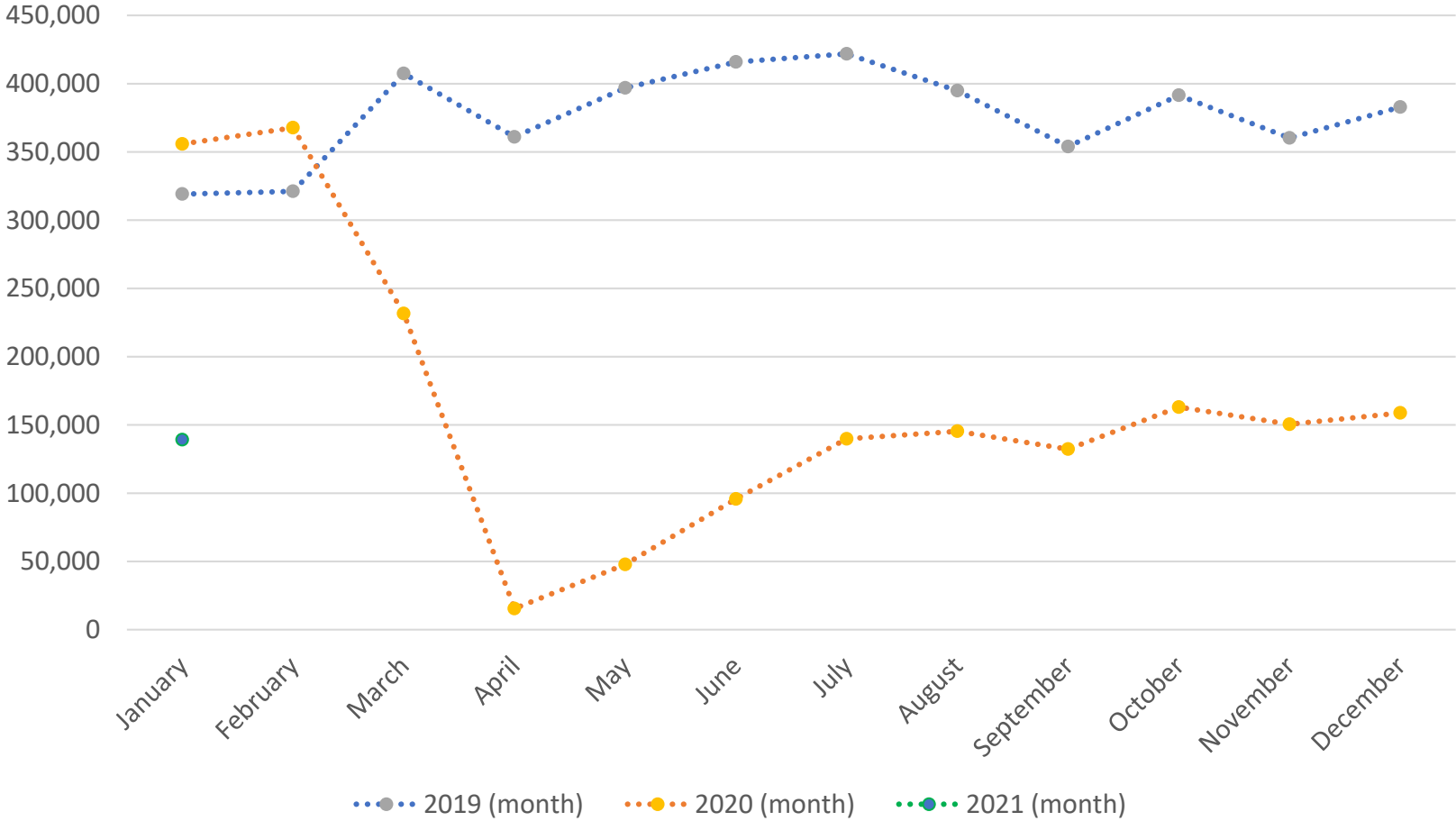
Total U.S. Rail Carloads (6-week moving average)



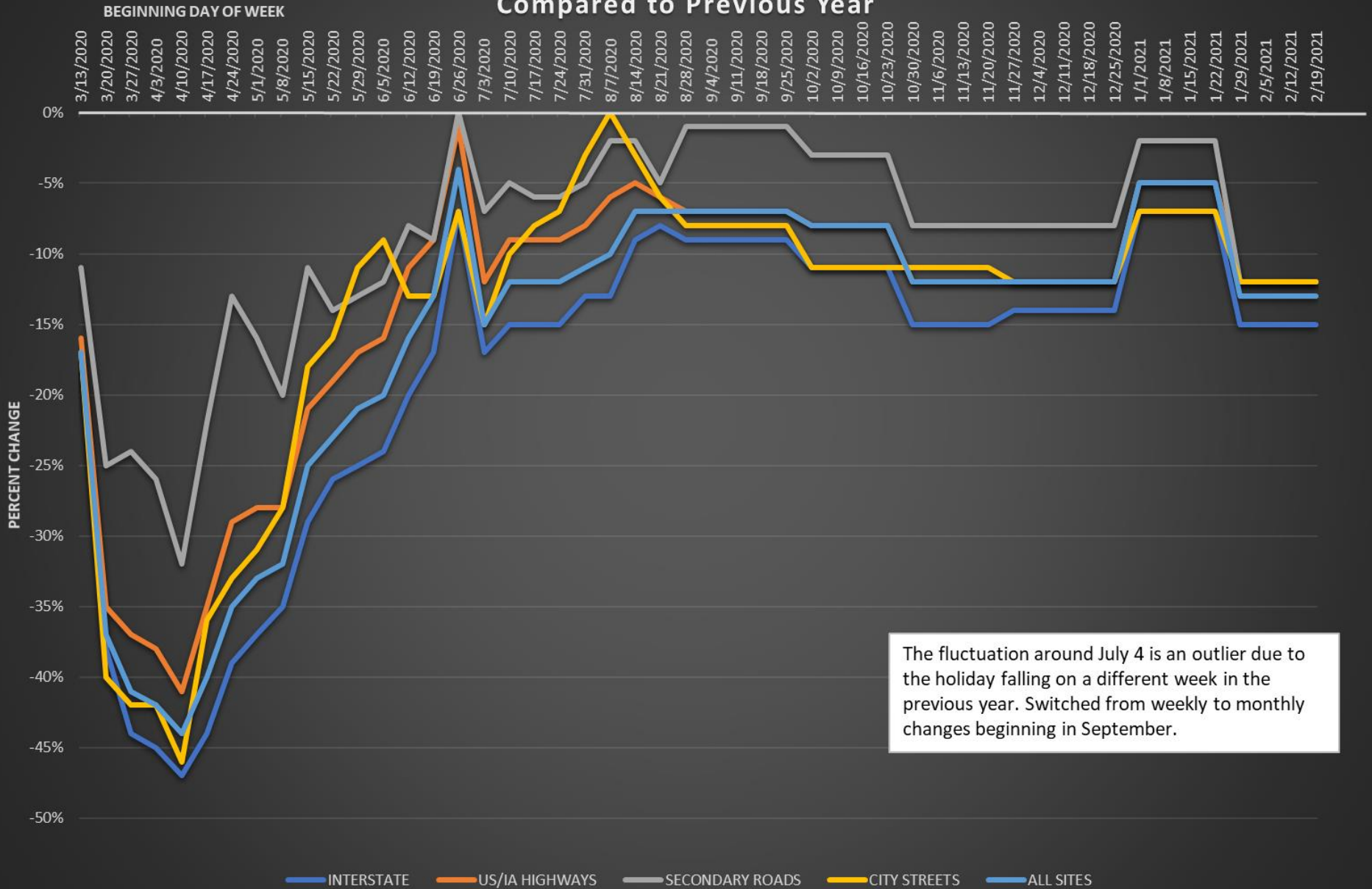
Data are 6-week moving average originations, do not include intermodal, and do not include the U.S. operations of CN, CP, and GMXT. Source: *AAR Rail Time Indicators*

Monthly Passenger Counts at Iowa's Eight Commercial Service Airports

(through January 2021)



Percentage Change in Traffic Compared to Previous Year



The fluctuation around July 4 is an outlier due to the holiday falling on a different week in the previous year. Switched from weekly to monthly changes beginning in September.

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

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 RIIIF 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 RIIIF revenue
- Dramatic drop in local revenue due to reduced passengers

TRAILS

- FY 2021 state vertical infrastructure appropriations lower due to reduced RIIIF 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

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

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)

Questions?