Iowa DOT Update

Iowa Freight Advisory Council
March 26, 2021

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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)
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 RIIF 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 RIIF revenue
• Dramatic drop in local revenue due to reduced passengers

TRAILS
• FY 2021 state vertical infrastructure appropriations lower due to reduced RIIF revenue
Federal Support – COVID

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

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<tr>
<th>Category</th>
<th>Percent</th>
<th>Amount</th>
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<tr>
<td>Trails</td>
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<td>Highway</td>
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<tr>
<td>DOT</td>
<td>47.5 percent</td>
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<td>County</td>
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<td>Secondary Road Fund</td>
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<td>City Street Fund</td>
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<tr>
<td>Total</td>
<td></td>
<td>$121.9 million</td>
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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?