COVID-19 Transportation Funding Impact Update

Iowa Freight Advisory Council
September 18, 2020
Update

• Travel trends
  • US total rail carloads
  • Commercial air service passenger counts
  • Vehicular traffic
  • Vehicle sales

• Funding Impacts
  • State Road Use Tax Fund
  • Rebuild Iowa Infrastructure Fund
Moody's-CNN Back-To-Normal Index
(Pre-Pandemic Level = 100)

Source: Moody's Analytics, CNN Business
For details, see www.cnn.com/business/us-economic-recovery-coronavirus
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 July 2020)
The weeks beginning June 26, 2020, and July 3, 2020, are outliers due to the July 4 holiday. The July 4 holiday typically sees low traffic volumes and the 2019 holiday is reflected in the 6/26/20 data and the 2020 holiday is reflected in the 7/3/20 data.

While not as significant, the same issue applies to the weeks beginning August 28, 2020, and September 4, 2020, due to Labor Day.
Monthly Percentage Change in Vehicle Sales
2020 Compared to 2019

* Used/Other also includes new resident vehicles and vehicles transferred due to inheritance, foreclosure, abandoned, gifts, etc.
Road Use Tax Fund

• Funding sources
  • Fuel tax revenue down with reduced travel
  • Fee for New Registration revenue down with reduced vehicle sales
  • Annual vehicle registration revenue down slightly
Road Use Tax Fund (cont.)

• Monthly Funding Impacts
  • June allocation of RUTF (actual): -$25 million
    • Generally reflective of April collections
  • July allocation of RUTF (actual): +$18 million (had estimated -$1 million)
    • COVID-19 impact is offset by a fuel tax deposit timing situation.
  • August allocation of RUTF (actual): -$6 million (had estimated -$28 million)
  • September allocation of RUTF (actual): -$2 million (had estimated -$19 million)
  • October allocation of RUTF (est.): -$17 million (had estimated -$20 million)
Road Use Tax Fund (cont.)

• Long-Term Estimated Impacts (not updated since August)
  • June 2020 through Oct. 2020 Impact: -$50 million (had estimated -$100 million)
  • Nov. 2020 through June 2021 Impact: -$96 million (had estimated -$118 million)

• Reasons for Changes
  • Vehicle sales did not drop as significantly as data originally showed. Much of the drop was due to delayed processing as a result of COVID-19 office closures.
  • Fuel tax
    • Diesel tax is helping offset lower gasoline tax
    • Fuel tax receipts may still not fully reflect lower travel trends
## FY 2021 Modal Appropriations from RIIF
($ 000 omitted)

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<thead>
<tr>
<th>Program</th>
<th>FY 2020 Appropriation</th>
<th>FY 2021 Appropriation</th>
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<tbody>
<tr>
<td>Commercial Service Vertical Infrastructure</td>
<td>$1,900</td>
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<tr>
<td>General Aviation Vertical Infrastructure</td>
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<tr>
<td>State Recreational Trails</td>
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<td>Public Transit Infrastructure</td>
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<td>Railroad Revolving Loan and Grant Program</td>
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<td>$500</td>
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<td><strong>Total</strong></td>
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<td><strong>$3,650</strong></td>
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Questions?