

**Governor's Transportation 2020 Citizen Advisory Commission (CAC)  
June 16, 2011 Meeting Minutes**

**Courtyard Des Moines Ankeny – Salon I  
Ankeny, IA**

**ATTENDANCE:**

**Members:**

X Nancy Richardson, Co-chair	X Jim Kersten
X Allan Thoms, Co-chair	X Lindsey Larson
X Scott Cirksena	X Rose Mitchell
X Jeff Corkery	X Ann Trimble Ray
X Catherine Dunn (by phone)	X Dan Wiedemeier
X Geri Huser	X Larry Winum

**Ex-Officio:**

X Rep. David Tjepkes	Sen. Tom Rielly
X Rep. Jim Lykam	X Sen. Tim Kapucian

**Others:**

Jon Ranney, Iowa DOT	Scott Newhard, AGC of Iowa
Craig Markley, Iowa DOT	Dave Scott, Iowa Good Roads Association
Paul Trombino III, Iowa DOT	Kristi Kielhorn, House Republican Caucus Staff
Stuart Anderson, Iowa DOT	Danny Waid, Wright/Hamilton County Engineer

**1) Welcome (10 am)**

Nancy Richardson welcomed the members of the CAC and introduced Governor Terry E. Branstad.

**2) Opening Remarks**

Governor Branstad opened the meeting by challenging this diverse group of “idea people” to come up with new and innovative ways of financing infrastructure needs given the increases in fuel economy and the beginning of a dynamic change of vehicles being powered by electricity and other alternative fuels. He emphasized Iowa has traditionally been a “pay-as-you-go” state and we need to ensure all users pay their fair share. He stated any changes won’t be easy but it is critical for this group to get citizen viewpoints for use in conjunction with their diverse transportation experience to come up with “out-of-the box” alternatives for consideration by the Legislature and himself next session.

**3) Member Introductions**

The members of the CAC introduced themselves and then Nancy Richardson discussed the CAC’s mission of providing input for the Iowa Department of Transportation’s (DOT) Road Use Tax Fund (RUTF) study of needs and funding levels that is due December 31, 2011 to the Legislature. She also echoed the Governor’s goal of getting

public input (formal presentations, news releases, website – [www.iowadot.gov/Transportation2020/](http://www.iowadot.gov/Transportation2020/), etc.) into this process which involves educating the public in order for supportive informed decisions to be made. The end result must also blend the general public comments with entities having vested interests (e.g. counties, cities, Iowa Good Roads Association, Farm Bureau, etc.).

Rep. Lykam stated the public needs to know that cities, counties and the Iowa DOT have looked internally first for efficiencies (i.e, staff reductions, reduced low volume road maintenance, transfers of jurisdiction responsibilities) prior to initiating this need to consider an increase in revenue.

#### **4) Overview of Reference Material Binder**

Stuart Anderson, Iowa DOT, reviewed the material provided to the CAC in a three-ring binder. The binder distributed to the CAC contained the 2006 RUTF Study, 2008 TIME-21 study, RUTF history and ethanol analysis, surrounding state information including fuel tax rates, current and potential funding sources and options, and a copy of the presentation to be given to the CAC at this meeting. Space has been reserved to add information from future meetings.

#### **5) Recent Road Fund Studies and Current Status**

Stuart Anderson presented background information to the CAC on the current public roadway system, recent road funds studies, and status or needs on the system. Following is a summary of the presentation along with comments from the Commission:

- General system level statistics were reviewed such as miles of roadway and number of bridges by jurisdiction; current funding sources; challenges of an aging system and severe weather impacts versus increased usage; flattened revenues and increased construction costs. It was also noted that in comparing Iowa's infrastructure condition ranking nationally from 2009 to 2010 – it dropped four places for deficient bridges and rural interstates and down three places for rural arterials.
- 2006 RUTF study recommended TIME-21 Fund creation and \$200 million in additional funding for “critical” needs.
- May 25, 2007, a bill was signed to create the TIME-21 fund, define distribution and targeting of the fund, and establish a legislative interim committee to develop a funding proposal.
- April 22, 2008, a bill was signed to begin generating TIME-21 funding, primarily through changes to annual vehicle registration fees. The bill also eliminated the use tax funding source to the RUTF and replaced it with a “fee for new vehicle registration” which generates the same revenue as the use tax but provides constitutional projection to the revenue. With this action, 95 percent of RUTF/TIME-21 revenue is constitutionally protected..
- December 31, 2008 report to the Legislature found critical needs had increased to \$267 million. In addition, the report found that Iowa drivers account for 80% of travel on roadways but contribute 87% of revenue with out-of-state drivers accounting for the remainder of usage and revenue.
- Due to grandfathering provisions tied to the changes in annual vehicle registration fees, TIME-21 revenue started relatively low at \$5.3 million in SFY 2009 but is

- expected to grow to \$152 million in SFY 2015. This revenue growth will slow down after SFY 2015. However, the draft calculation of critical needs shows an annual increase of \$215 million above TIME-21 revenue is required.
- Iowa fuel tax rates have remained around 19 to 22.5 cents per gallon (depending on the type of fuel used) since 1989 but if they had kept up with the Consumer Price Index would be 45 to almost 54 cents. Rep. Tjepkes asked if any states adjust their fuel tax based on the Consumer Price Index. Stu stated that at least North Carolina has a partial adjustment to their fuel tax rate based on an inflation factor. Stu also said that Wisconsin did have their rate adjusted annual based on CPI but eliminated that adjustment several years ago.
  - Iowa is in the lower third of states when taking into account all fuel related taxes.
  - The ideal way to charge users is simply by the amount of miles they travel; however, this is challenging to implement.
  - Some states are considering a flat fee for hybrid and electric vehicles to account for their lack of paying current fuel taxes.
  - A question was asked if interstates could be tolled. Stu and Nancy said federal provisions only allow three pilot projects that are already taken. However, if lanes are added to the interstate system then those may be tolled in some instances but the public may oppose.

#### **6) Discuss Funding Solutions**

Allan Thoms asked how we “sell” the need for additional revenue with a current \$2 billion budget. Nancy Richardson said a good way to illustrate “value” to the public would be to highlight current funding on a smaller scale such as how much is spent per mile or for every bridge. She said there is an AASHTO report that documents different ways to “personalize” transportation for citizens that could be utilized. She also said we need to highlight slide #21 that illustrates how Iowa is losing ground due to recent trends. Rep. Tjepkes said a good way to show value is highlighting that Interstate 380 stayed open in Cedar Rapids during the flood. Sen. Kapucian said a good way to show value is to illustrate wear and tear on vehicles. Allan Thoms said when presenting to the public, system needs must be discussed prior to talking about available funding and to take out draft ideas rather than conclusions. Geri Huser stated “critical need” must be defined for the general public and be based on items they feel are important - if the failing timber bridge shown in the presentation would not meet this definition then it should be taken out. The CAC also discussed the need to assure funds are utilized in the most efficient and targeted manner. Catherine Dunn said there needs to be astute criteria/guidelines to show what types of activities will receive funding. Nancy Richardson pointed out that TIME-21 put restrictions on where new funding could be spent and this report could do the same (counties have to spend on the farm-to-market system and bridges, cities don’t have restrictions and state must spend on Interstate and Commercial and Industrial Network systems). Rep. Tjepkes said there could be public perception the funding will spent on the wrong roadways or utilizing poor design standards; thus, checks and balances should be discussed. Allan Thoms said we may want to avoid dictating how locals should spend funding as there are plenty of other good “selling” points. Jim Kersten mentioned it would be beneficial to split up critical needs by state, city and county jurisdiction.

**7) Discuss Input Process and Schedule**

The CAC discussed options for seeking public input. This included seeking a rural/urban balance and good geographic distribution. The CAC determined that at least two of six sites for formal public input should be held in rural areas. The CAC also considered having individual members make presentations and seek input at meetings in their home area. The CAC felt that at these meetings, draft ideas on how to generate additional revenue should be presented and gather input on those ideas. Each meeting should include an attempt to localize the challenges through a short presentation. The CAC also determined that the public input process requires a way to get input from cities, counties, and other interested groups/organizations.

**8) Identify Additional Information Needs**

The CAC throughout the meeting identified the following information needs:

- AASHTO report on how to personalize investment needs
- Results of tolling studies
- Background on Washington/Oregon alternative fuel vehicle taxes
- Background on “Heavy Axle Mileage” tax and/or ton-mile tax for large trucks
- Missouri bridge summary report about problems concerning their project design-build-finance-maintain project
- Restrictions on the use public/private partnerships for rest areas
- More in-depth road funding revenue source and distribution documentation for border states

**9) Discuss Agenda for June 27 Meeting**

The CAC concluded that the next meeting will require more discussion on how critical infrastructure needs are defined, funding options, draft recommendations, messaging, and the public input schedule/process/format. The CAC also discussed the possibility of having an additional meeting prior to the public input beginning the possibility of extending their schedule a month so that they are complete in November.

The meeting adjourned at 2:15 pm.