



BILL SUMMARY

**Transportation Budget
SF 2320**

Status of Bill: Passed Senate (27-23)
 Committee: Appropriations (14-11)
 Lead Democrats: Rep. Cohoon/ Rep Dunkel
 Floor Manager: Rep. Huseman
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Background

The Road Use Tax Fund (RUTF), created in 1949, is primarily funded from motor vehicle fuel taxes on gasoline, ethanol, and diesel fuels; motor vehicle registration fees; title and driver’s license fees; and the sales taxes on the sale of motor vehicles. The fund is constitutionally protected and can only be spent on the construction, maintenance, and supervision of Iowa's public highways. The RUTF is distributed after the Off the Top allocations in the following manner:

- 47.5% to the Primary Road Fund or PRF. (State)
- 24.5% to the Secondary Road Fund (Counties)
- 8.0% to Farm to Market (Counties)
- 20% to Street Construction Fund (Cities)

The bill appropriates from three different funding sources: the RUTF, the PRF, and the State Aviation Fund. The PRF is an account within the RUTF and is used for state roads.

Summary – Division 1

Section 1- Road Use Tax Fund

	Estimated FY 16	House FY 17	Senate FY 17	House FY 17 v. Senate FY 17
Driver License	3,876,000	3,876,000	3,876,000	0
Operations	6,559,821	6,643,821	6,715,591	-71,770
Planning and Programming	438,973	438,973	454,604	-15,631
Motor Vehicles	36,925,345	35,925,345	36,202,585	-277,240
Performance and Technology	509,040	509,040	518,400	-9,360
DAS Personnel and Utility Service	251,465	259,560	259,560	0
Unemployment Compensation	7,000	7,000	7,000	0
Worker’s Compensation	143,468	157,938	157,938	0
Indirect Cost Recoveries	78,000	90,000	90,000	0
Auditor Reimbursement	73,010	82,516	82,516	0
County Treasurer Support	1,406,000	1,406,000	1,406,000	0
Mississippi River Park Commission	40,000	40,000	40,000	0
Scale/ MVD Facilities	300,000	300,000	300,000	0
TracS/ MACH	300,000	300,000	300,000	0
Total	49,908,122	49,736,493	50,410,194	-374,001

- **Driver's License Equipment.** Maintains the current funding of \$3.9 million from the RUTF for FY 17. The money is used to provide electronic processing for the payment of driver's license and non-operator ID's. The appropriation also includes costs for the lease of the Driver's License Digitized Photo Imaging System.
- **County Treasurer's Support.** Maintains the funding of \$1.4 million from the RUTF for FY 17 for County Treasurer Support. Money is used for the processing of purchase of IDs with a debit or credit card at county treasurers' offices. The DOT also receives a standing appropriation of \$650,00 for the purchase of automation and telecommunications as well as support for issuing vehicle registrations, titles, and driver's license at county treasurers offices.
- **TraCS/MACH.** Maintains the funding of \$300,000 from the RUTF for the TraCS/MACH program. TraCS/MACH stands for the Traffic and Criminal Software and Mobile Architecture and Communications Handling programs. The program allows for the collection of crash data and the ability to share information of public safety agencies.
- **Mississippi River Parkway.** Maintains the \$40,000 from the RUTF for FY 17 for Iowa's participation in the Mississippi River Parkway commission. This is a commission of bordering the Mississippi River and meets quarterly.
- **Field Facility Maintenance.** Maintains current funding of \$300,000 from the RUTF for FY 17. This money is used maintain weigh scales and driver's license stations.

Section 2- Primary Road Fund

	Estimated FY 16	House FY 17	Senate FY 17	House FY 17 v. Senate FY 17
Operations	40,296,045	40,812,045	41,252,919	-440,874
Planning and Programming	8,340,481	8,340,481	8,637,481	-297,360
Highway	238,625,855	240,485,855	249,013,967	-8,528,112
Motor Vehicles	1,496,889	1,496,889	1,508,441	-11,552
Performance and Technology	3,126,960	3,126,960	3,184,459	-57,499
DAS Personnel and Utility Services	1,544,713	1,594,440	1,594,440	0
DOT Unemployment	138,000	138,00	138,000	0
DOT Workers Compensation	3,443,221	3,790,504	3,790,504	0
Garage Fuel and Waste Management	800,000	800,000	800,000	0
Indirect Cost Recoveries	572,000	660,000	660,000	0
Auditor Reimbursement	448,490	506,884	506,884	0
Transportation Maps	0	242,000	242,000	0
Inventory and Equipment	5,366,000	5,366,000	5,366,000	0
Field Facility deferred Maintenance	1,700,000	1,700,000	1,700,000	0
Utility Improvements	400,000	400,000	400,000	0
Garage Roofing Projects	500,000	500,000	500,000	0
HVAC Improvements	700,000	700,000	700,000	0
Rest Area Facility Maintenance	250,000	250,000	250,000	0
Ames Administrations Building	2,000,000	0	0	0
ADA Improvements	150,000	150,000	150,000	0
Mount Pleasant/ Fairfield Facility	0	4,902,000	4,902,000	0
Muscatine/Wapello Combined Facility	5,427,000	0	0	0
Total	315,325,654	315,824,196	325,397,095	-9,335,396

- **Operations.** A combined appropriation from the RUTF and the PRF of \$47.9 million for FY 17, from the Senate. The House Republicans are appropriating a combined total of \$47.5 million, eliminating salary adjustments.

- **Planning and Programming.** This is a combined appropriation from the RUTF and PRF. The Senate appropriates a total of \$9 million for FY 17. The House Republicans are appropriating a total of \$8.8 million for FY 17, eliminating salary adjustments.
- **Highway.** The Senate appropriates \$249.0 million from the PRF for the Highway Division in FY 17, an increase of \$10.3 million from FY 16. Of the increase \$8.5 million will be used to fund salaries to maintain current staffing levels. Another \$1.6 million will fund overtime expenses and \$203,000 will go towards equipment depreciation. The House Republicans are appropriating a total \$240.4 million, eliminating salary adjustments.
- **Motor Vehicles.** The Senate appropriates a total of \$37.7 million from the RUTF and the PRF for FY 17 to Motor Vehicles. House Republicans are appropriating a total of \$37.4 million, eliminating the salary adjustments.
- **Performance and Technology.** The Senate appropriates a total of \$3.7 million from the RUTF and the PRF for FY 17. The House Republicans are appropriating a total of \$3.6 million, eliminating the salary adjustments. There is policy language in this section that prohibits the DOT from operating a driver's license station in Dallas County with this money. (The House strikes the prohibition from the bill)
- **Personnel and Utility Services.** Appropriates a total of \$1.9 million from both the RUTF and the PRF for FY 17, an increase of \$57,822 from FY 16. This money is used to repay DAS for utility services.
- **DOT Unemployment.** This is a combined appropriation of \$145,000 from the RUTF and the PRF that maintains FY 16 funding.
- **DOT Workers Compensation.** This is a combined appropriation of \$3.9 million from the RUTF as well as the PRF for FY 17. This is an increase of \$361,753 from FY 16.
- **Garage Fuel and Waste Management.** Appropriates \$800,000 for FY 17 from the PRF for cost associated with hazardous waste clean up from day to day operations. The DOT contracts with the private sector for disposal services.
- **Indirect Cost Recoveries.** This is a combined \$750,000 appropriation from the RUTF and the PRF for FY 17. This is a \$100,000 increase from FY 16.
- **Auditor Reimbursement.** Appropriates a combined \$589,400 from the RUTF and the PRF for FY 17 for State Auditor expenses. This is an increase of \$67,900 from FY 16.
- **Transportation Maps.** Appropriates a total of \$242,000 from the PRF for state transportation maps. This has become a biennial expense and 1.5 million maps are expected to be printed for the next two years.
- **Inventory and Equipment.** Appropriates \$5.3 million from the PRF for equipment replacement, for FY 17. This is the same as FY 16. Funds are deposited into the Materials and Equipment Revolving Fund.
- **Field Facility deferred Maintenance.** Appropriates \$1.7 million from the PRF for FY 17, the same as FY 16 for facility maintenance. This appropriation is used for field facility maintenance needs such as painting building, replacing windows, and various other projects.
- **Utility Improvements.** Maintains FY 16 funding of \$400,000 from the PRF for FY 17. This money is used for utility improvements at facilities across the state.
- **Garage Roofing Projects.** Maintains FY 16 appropriation of \$500,000 from the PRF for FY 17. Funds are used for roof replacement projects at garages across the state. This funding is not sufficient to cover all the needs across the state and are completed on a priority basis.
- **HVAC Improvements.** Appropriates \$700,000 from the PRF for FY 17 for HVAC improvements across the state. This is the same as FY 16.
- **Rest Area Facility Maintenance.** Appropriates \$250,000 for rest area improvements for FY 17 from the PRF. This is the same as FY 16. Potential projects include: security cameras and HVAC improvements.
- **ADA Improvements.** Maintains FY 16 spending of \$150,000 from the PRF for FY 17. Projects include: sidewalks, entrances, parking, restrooms, and public areas.
- **Mount Pleasant/ Fairfield Facility.** Appropriates a total of \$4.9 million from the PRF for a new combined maintenance garage for FY 17. The new facility will be located in Fairfield and combine two facilities.

Section 3 - State Aviation Fund

	Estimated FY 16	House FY 17	Senate FY 17	House FY 17 v. Senate FY 17
Commercial Infrastructure Improvements	1,500,000*	1,500,00	1,500,000	0
General Aviation Improvements	750,000*	750,000	750,000	0
Total	2,250,000*	2,250,00	2,250,000	0

- **Commercial Infrastructure Improvements.** The Senate appropriates \$1.5 million for upgrades to commercial airports. This funding has in the in the past come from the Rebuild Iowa Infrastructure Fund (RIIF). There are 8 commercial airports in the state: Burlington, Cedar Rapids, Des Moines, Dubuque, Fort Dodge, Mason City, Sioux City, and Waterloo
- **General Aviation Improvements.** The Senate appropriates \$750,000 from the State Aviation Fund for the improvements at general aviation airports. This has previously been funded through RIIF. Total projects require a minimum of a \$5,000 local match and must meet the definition of vertical infrastructure.
- **Airport Policy Language.** The DOT is required to adopt a process for a political subdivision that has closed operation to submit an application to forgive any required repayment of financial assistance. The application is required to have a cost benefit analysis and plans for the future use of the airport facility. If the project includes a benefit to the economy and creates jobs, the DOT is required to forgive any payment of money that may be owed to the state. The private investment for future use must be two times the amount to be repaid to the state.

(Note: According to the DOT, there will be a net reduction in FTE's in FY 17 will be 157 and 259 of FTEs in FY 18 as a result of the Republican Committee Amendment.)

Division 2 – Federal Block Grant to DOT

The Federal Transportation bill or FAST Act provides an appropriation of \$149,300,000 for October 1 until September 30 of the following fiscal year. Money may be used by states and facilities to preserve any federal aid highway, bridge, and tunnel projects on a public road.

Amendment Summary

H-8265 by Committee on Appropriations

This amendment cuts \$9.7 million from the Transportation budget. The money was originally requested by the Department and the Governor for salary adjustments for the DOT to maintain current staffing levels. This cut will result in a net loss of approximately 415 FTE's over the next 2 fiscal years.

The amendment also removes the language prohibiting the DOT from building a driver's license station in Dallas County.