

# Road Use Tax Fund Efficiency Report

## Savings Status

As of December 31, 2015

| Efficiency opportunity  | Estimated savings      | Savings to Date                                     |
|---|------------------------|---|
| <b>Program Efficiencies - \$38.5 million</b>  |                        |   |
| <p><b>Post-letting project costs</b><br/>           \$10 million savings per year by reducing program line item by \$10 million (Extra work orders and project changes).</p> <p>Through improved cost control and budgeting initiatives, the Commission has reduced that amount of funding set aside each year to cover post-letting project costs resulting from extra work orders and project changes. Previously, the Commission programmed \$20 million per year to cover these costs and with the 2013-2017 Transportation Improvement Program, that amount has been reduced by \$10 million per year. This fully implements the recommendation from the RUTF Efficiency Report.</p>   | \$10 million annually  | \$10 Million  |
| <p><b>Rest areas and commercial motor vehicle weigh stations</b><br/>           \$0.5 million savings by reducing annual rest area maintenance costs due to completion of a safety related infrastructure improvement program.</p> <p>I-35 Ankeny rest area was programmed for \$11.1 million in 2012, now programmed for \$10.1 million in 2013. The reduction was a result of design modifications intended to reduce the cost of the facility. Changes included reduction of the building footprint, substitution of a less costly heating/cooling system, reducing art and cultural components throughout the building and sites, reduction of the size of the parking areas, and a number of other less impactful changes.</p> | \$1.5 million Annually | \$0.5 Million<br><br>\$1.0 Million One-time savings |
| <p><b>Revenue collection</b><br/>           Implement mechanisms to assure collection of state road fund revenue is done uniformly, effectively and efficiently, while maximizing revenue collected. The Iowa DOT administers the collection of several components of state road funding.</p>   | \$8 million annually   | \$1.135 Million                                     |

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| <p><b>Revenue collection (continued)</b></p> <p>Improved fee investigation &amp; collection efforts.</p> <p>[Focused efforts to identify and collect unpaid or underpaid registration fees associated with vehicles improperly registered under out-of-state L.L.Cs, vehicles improperly registered as business trade trucks, and privately sold vehicles that falsely under-reported the purchase price of the vehicle have resulted in additional collections of \$722,774]</p>  |  | <p>\$\$.723 Million<br/>One-time savings</p>                     |
| <p><b>Statewide roadside improvements</b><br/>\$1.0 million savings by reducing program line item for roadside vegetation by \$1.0 million annually.</p>   | <p>\$1 million annually</p>                            | <p>\$1.0 Million</p>   |
| <p><b>Statewide traffic control devices</b><br/>\$1.0 million savings by reducing program line item by \$1.0 million in 2013. Reductions will be applied to the dynamic message sign purchase program and the specialty pavement marking program.</p>  | <p>\$1 million in one-time savings</p>                 | <p>\$1.0 Million</p>   |
| <p><b>Right of way parcels</b><br/>\$.5 million annual savings by eliminating annual Corridor Preservation program line item.</p> <p>In addition, a \$14,338,699 gain was realized through the sale of excess right of way during the period of January 2012 through November 2015.</p>  | <p>\$1 million annually</p>                            | <p>\$.5 Million<br/><br/>\$14.3 Million<br/>One time savings</p> |
| <p><b>Asset management</b><br/>\$11.0 million savings in 2015 for Non-Interstate Pavement Modernization-resurface, restore, rehabilitate.</p> <p>Through the implementation of more aggressive asset management practices, the Commission was able to reduce the amount of funding programmed for non-Interstate pavement modernization projects by \$11 million in FY 2015. This was accomplished by greater use of preventative maintenance projects and the use of tools that assist in determining the most cost-effective timing and selection of pavement modernization projects.</p> <p>The \$11 million savings implemented in the 2013-2017 Transportation Improvement Program meets the goal of the RUTF Efficiency Report; however, additional initiatives are underway to secure additional savings at the state level and also in partnership with local jurisdictions.</p> | <p>\$11 million in one-time savings</p>                | <p>\$11 Million</p>  |
| <p><b>Highway project concepts</b><br/>Design or concept changes on 4 projects in the first half of 2014 have resulted in a savings of \$809,000. This is in addition to prior savings of \$14.1 million dollars on 11 other projects, for a total savings of \$14.9 million to date on 15 projects.</p>   | <p>\$5 million in one-time savings over five years</p> | <p>\$14.9 million</p>  |

| <b>Partnership Efficiencies – \$11.5 million</b>  |                                |                        |
|---|--------------------------------|------------------------|
| <p><b>Surface Transportation Program (STP)</b><br/>Develop, in conjunction with the regional planning affiliations and metropolitan planning organizations and other stakeholder groups, a process to exchange STP federal funds for Primary Highway System funds for the purpose of reducing the number of small projects that have to meet onerous federal requirements.</p> <p>In order to implement this recommendation, legislative action is required to eliminate the restriction on using Primary Road Fund revenue on local jurisdiction roadways in exchange for a portion of their federal STP funding. Discussions amongst all impacted parties to reach consensus on how this recommendation could be implemented is necessary prior to seeking legislative action. These discussions are ongoing.</p> | \$5 million annually           |                        |
| <p><b>Local jurisdiction partnerships for roadway maintenance</b><br/>Review, in partnership with local jurisdictions, opportunities to maximize resources utilized for roadway maintenance activities.</p> <p>Iowa DOT staff has contacted counties across Iowa to assess their level of interest in partnering with the Iowa DOT in providing maintenance services. Several counties have expressed an interest and discussions are ongoing. Three pilot agreements have been entered into with counties resulting in operational efficiencies for the department but little to no direct operations budget savings.</p>  | \$0.5 million annually         |                        |
| <p><b>Iowa DOT facilities, fleet and printing operations</b><br/>During the period FY12 to December 31, 2015, the reduction in printing expenditures, facility consolidation efforts, and fleet reduction and changes has resulted in combined savings of approximately \$ 1.197 Million.</p>   | \$0.5 million annually         | \$1.197 Million        |
| <p><b>Regulatory permitting process</b><br/>Partner with regulatory permitting agencies to streamline the permitting process to reduce time and cost.</p>   | \$0.5 million annually         |                        |
| <p><b>Motor vehicle enforcement</b><br/>Facilitate Iowa DOT and Iowa Department of Public Safety integration in related mission areas to capitalize on expertise; thus, ensuring the success of both departments.</p>   | \$5 million annually           |                        |
| <p><b>Vehicle Services Reduction in inventory for license plates</b><br/>DOT participated in process improvement project with county treasurers and Iowa Department of Corrections (Iowa Prison Industries staff). The project resulted in decreased inventory levels of 42% and an increase in cash flow of over \$430k.</p>   |                                | \$.43 million annually |
|   | <b>Total annual savings:</b>   | <b>\$33 million</b>    |
|   | <b>Total one-time savings:</b> | <b>\$17 million</b>    |
|   |                                | <b>\$14.76 Million</b> |
|   |                                | <b>\$42.92 Million</b> |

| Senate File 257: Additional Efficiency Measures–<br>(FY2016 \$10 million/FY2017 \$10 million)   | Estimated Savings   |  |
|---|---|--|
| <p>During the 2015 legislative session, Senate File 257 was passed and signed into law. This bill generated additional transportation funding to address critical needs across the state of Iowa. The bill also included the following language requiring the Iowa Department of Transportation (DOT) to identify additional efficiency measures for fiscal years 2016 and 2017:</p> <p><i>The department of transportation shall identify ten million dollars in efficiencies for the fiscal year beginning July 1, 2015, and ten million dollars in efficiencies for the fiscal year beginning July 1, 2016, in addition to the identification of any other efficiencies as required by law. The department shall provide details of activities undertaken to implement these efficiencies in the annual “Road Use Tax Fund Efficiency Report” required by 2012 Iowa Acts, chapter 1129, section 4, as amended by 2014 Iowa Acts, chapter 1123, section 21.</i></p> <p>The Iowa DOT has identified potential efficiency measures to exceed the legislative requirements and is working to finalize and implement the measures. The results will be reported in the Road Use Tax Fund Efficiency Report for December 2016 and December 2017.</p> | <p>\$10 million in fiscal year 2016</p> <p>\$10 million in fiscal year 2017</p> |  |