
ISSUE REVIEW

Fiscal Services Division

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Iowa Transportation Commission

ISSUE

This **Issue Review** provides information on the history and responsibilities of the Iowa Transportation Commission. The **Issue Review** will:

- Recollect the [origins](#) of the Highway Commission and legislation affecting its duties.
- Address the [reorganization](#) of the Highway Commission with other State agencies into the Department of Transportation and the Transportation Commission.
- Describe the current [duties](#) of the Transportation Commission using the [2020-2024](#) Transportation Improvement Program as a framework.

AFFECTED AGENCIES

Department of Transportation

CODE AUTHORITY

Iowa Code chapter [307A](#)

Iowa Code sections [307.24\(5\)](#), [307.26\(10\)](#), [307A.2](#), [308.4](#), [308.9](#), [308A.1](#), [313.2A](#), [315.3](#), [315.5](#), and [321.35](#)

BACKGROUND

It seems absurd that in a state so wealthy and prosperous, so advanced in education and intelligence, the entire agricultural economy and the basis for practically all business activity should be left to the mercy of bad weather...

— Anson Marston, Highway Commission, *Transportation in Iowa History: A Historical Summary*, page 93

The history of road building in Iowa could be written as the history of the State Highway Commission.

— William H. Thompson, Iowa Transportation Historian, *Transportation in Iowa History: A Historical Summary*, page 82

The Iowa Legislature does not appropriate moneys to specific road projects. The responsibility for funding individual projects for both roads and other transportation projects falls on the Iowa Transportation Commission. Transportation commissions function as an additional oversight body over transportation spending by state agencies, particularly the state transportation agency. While not a direct descendant, the Iowa Transportation Commission traces its roots back to the Highway Commission of the early 20th century. While the current Commission oversees more than road transportation, including aviation, public transit, and rail, and many

highway-related responsibilities are now implemented by the Iowa Department of Transportation (DOT), the approval of transportation improvement programs continues to make up the largest portion of the Commission's duties.

The Highway Commission

In 1904, after years of agitation for improved roads by bicyclists, motorists, farmers, and mail order customers, the Iowa Legislature passed 1904 Iowa Acts, chapter [105](#), establishing the Highway Commission for the State of Iowa within what is now Iowa State University. The precursor to today's DOT and Transportation Commission, the Highway Commission was composed of Charles F. Curtiss and Anson Marston, both serving as deans at the college, and Thomas H. MacDonald, an assistant. The Highway Commission was tasked with the following purposes delineated in the legislation:

1. To devise and adopt plans and systems of highway construction and maintenance...and conduct demonstration in such highway construction...for the instruction of county supervisors, township trustees, superintendents, students of the college, and others.
2. To disseminate information and instruction to county supervisors, and other highway officers who make request. Provided a trained and competent highway builder for demonstration upon the request of a county.
3. To formulate reasonable conditions and regulations for public demonstrations; and to promulgate advisory rules and regulations for the repair and maintenance of highways.
4. To keep a record of all the important operations of the Highway Commission.

The Commission had no significant power over the entities controlling road maintenance but rather served in an advisory capacity. In its first annual report, the Commission divided its activities into four sections:

- **Investigations.** Investigations included analyzing soil conditions throughout the State's glacial districts, the status of road work in various counties, and traffic statistics compiled in the 1905 State census.
- **Experiments.** Experiments included traction tests, tests of reinforced concrete, and tests of concrete culverts.
- **Plans and Publications.** Publications included "The Good Roads Problem in Iowa" and "A Manual for Highway Officers." The former detailed road construction and maintenance, and the latter provided practical reference for road officers throughout the State.
- **Road School.** Over the course of a week, the Commission presented on topics such as road dragging, pavement on city streets, and demonstration work on stone roads and road machinery.

1913: The State Highway Commission

1913 brought a new phase to the Commission. After prolonged debate, the Legislature established that the State Highway Commission would remain on Iowa State's campus but no longer under its purview.¹ Marston remained as chairman of the Commission with two additional commissioners, one from each party, along with staff members from the previous iteration. The legislation gave the new Commission additional powers and responsibilities, among them the ability to supervise rather than advise county and town supervisors.

*Dean of Engineering
Anson Marston*



¹ 1913 Iowa Acts, chapter [122](#)

New Facilities and New Powers

In 1923, the 40th General Assembly approved the building of facilities for the Highway Commission in Ames.² The site remains the home of both the Department of Transportation and Transportation Commission. Along with the dedicated facilities, subsequent legislative acts increased the standing in the highway building hierarchy. The 1925 Iowa Primary Road Act³ granted control of primary road funds to the Highway Commission. Subsequently, the 1927 Iowa Primary Road Act transferred county supervisor powers to the Highway Commission.⁴

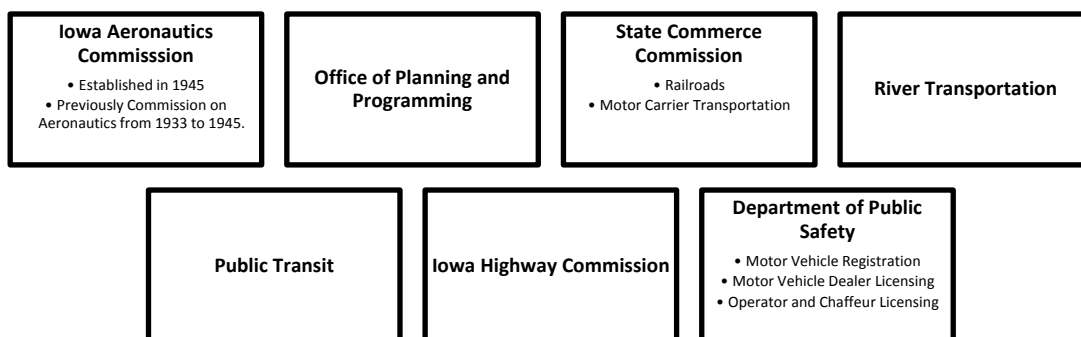
In 1949, the Road Use Tax Fund (RUTF) and the structure for funding road construction and maintenance in Iowa were established in 1949 Iowa Acts, chapter [122](#). The RUTF formula distributes the majority of State road funding by allocating funds to the State and county and municipal authorities. Revenue includes motor fuel excise taxes, annual vehicle registrations, new vehicle registrations, and other sources. Pursuant to the Constitution of the State of Iowa, [Article VII, section 8](#), the majority of these revenue funds are mandated to be used on the highway system. By the established formula, these revenues are then directed to other funds including the Primary Road Fund (PRF). The DOT and the Transportation Commission allocate PRF funds under the Highway Improvement Program.

TRANSITION

Federal legislation later in the 20th century placed a greater emphasis on multimodal transportation planning, which incentivized the creation of centralized transportation agencies incorporating highways, railroads, aviation, public transit, and other modes. At the federal level, the Department of Transportation Act⁵ established the new Department of Transportation in 1966. Throughout the country, states created their own departments of transportation.

In 1970, Iowa Governor Robert Ray commissioned the Office of Planning and Programming (OPP) to submit a report on the merits of the creation of an Iowa Department of Transportation. As the report was being written, U.S. Congress passed several acts that further encouraged state supervisory agencies. In 1971, the OPP report recommended the creation of the Iowa Department of Transportation and detailed possible responsibilities, demonstrated in the graphic.

Agencies Merging Under Proposed DOT



² 1923 Acts, chapter [329](#)

³ 1925 Iowa Acts, chapter [114](#)

⁴ 1927 Iowa Acts, chapter [101](#)

⁵ [PL 89-670](#)

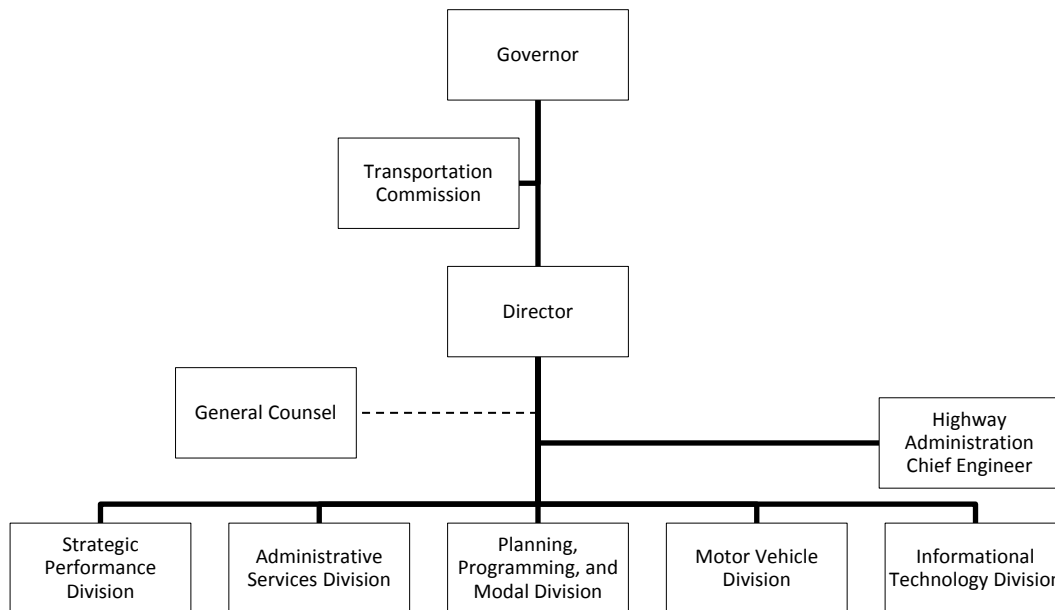
As recommended by the report, the Legislature created the Iowa Department of Transportation in 1974, along with the Transportation Commission.⁶ The Highway Commission, with annual expenditures of over \$150.0 million, comprised the largest portion of the new Department. For comparison, the Iowa Aeronautics Commission in 1971 had annual expenditures of \$400,000. The DOT gained responsibilities from previous agencies including the Highway Commission, which essentially became a branch of the new Department. The Transportation Commission created in the Act served as an additional oversight body for the DOT.

In 1986, the Legislature transferred the power to appoint the director of the Department of Transportation from the Transportation Commission to the Governor subject to confirmation from the Senate.⁷ The Commission gained the ability to amend the transportation budget prior to submittal to the Governor and the General Assembly and to approve qualifying road and street projects under the Revitalizing Iowa's Sound Economy (RISE) Program.

DUTIES AND CURRENT ORGANIZATION

The Transportation Commission is comprised of [seven members](#), with no political party exceeding the other by more than one member.⁸ A chairperson and vice-chairperson are selected by the Commission each July. The Commission meets once a month. Members are appointed by the Governor and confirmed by the Senate to overlapping four-year terms. The commissioners are paid an annual \$10,000 salary.⁹ The following is a portion of the Department of Transportation organizational chart (May 2019):

Transportation Commission



The list of responsibilities afforded to the Commission by Iowa Code sections [307A.2](#) and [315.5](#) include:

⁶ 1974 Iowa Acts, chapter [1180](#)

⁷ 1986 Iowa Acts, chapter [1245](#)

⁸ Iowa Code section [307A.1A](#)

⁹ Iowa Code section [7E.6](#)

1. Developing, coordinating, and updating a comprehensive transportation [policy and plan](#) for the State.
2. Preparing and updating a five-year [program](#) for the primary road system as part of the transportation improvement program plan.
3. Adopting administrative rules, specifically on criteria for allocating funds.
4. Administrating the Revitalizing Iowa's Sound Economy (RISE) Fund, which is approximately \$42.0 million per year.
5. Promoting the coordinated and efficient use of all available modes of transportation for the benefit of the State and its citizens including but not limited to the designation and development of multimodal public transfer facilities if carriers or other private businesses fail to develop such facilities.
6. Identifying, within the primary road system, a network of commercial and industrial highways.
7. Approving all rules prior to their adoption by the Director.

The General Assembly does not appropriate funds for specific highway projects. However, the General Assembly does appropriate funds for the DOT's operation budget.

TRANSPORTATION GRANT PROGRAMS

In addition to developing a five-year program of construction projects for the primary road system, the Commission is responsible for allocating funds to several transportation grant programs.

State Aviation Program. Each year, the Commission approves annual funding allocations for the State Aviation Program. The Program receives funding from the aviation fuel tax and aviation registration fees. In addition, the Commission prioritizes pre-applications of federal funding and oversees two programs funded through a Rebuild Iowa Infrastructure Fund (RIIF) appropriation:

- Commercial Service Vertical Infrastructure
- General Aviation Vertical

Transit Program. The Commission allocates funding to public transit systems through three mechanisms:

- State Transit Assistance — This Program is funded through a tax on the sales of motor vehicles.
- Public Transit Infrastructure Program — This Program is typically funded through a RIIF appropriation.
- Federal Transit Administration Funds — This Program is federally funded.

Railroad Program. The Commission approves funding for railroad projects through the following programs:

- Highway-Railroad Crossing Safety Program — This Program is federally funded.
- Highway-Railroad Crossing Surface Repair Program — State funding pays for 60.0% of the cost of surface repair. The remaining 40.0% comes from local government and railroad companies.
- Railroad Revolving Loan and Grant Program — This Program is funded through railroad loan repayments and an annual State appropriation.

State Recreational Trails Program. This Program provides funding to establish transportation and recreation trails in Iowa. Eligible applicants include State and local government agencies, municipal corporations, counties, and nonprofit organizations. The Program is typically funded with a RIF appropriation. The Commission also administers applications for the Federal Recreational Trails Program.

Iowa Statewide Transportation Alternatives Program (TAP). TAP projects are community-based projects that expand travel choices and enhance the transportation experience by integrating modes and improving the cultural, historic, and environmental aspects of Iowa's transportation infrastructure. The Program is federally funded.

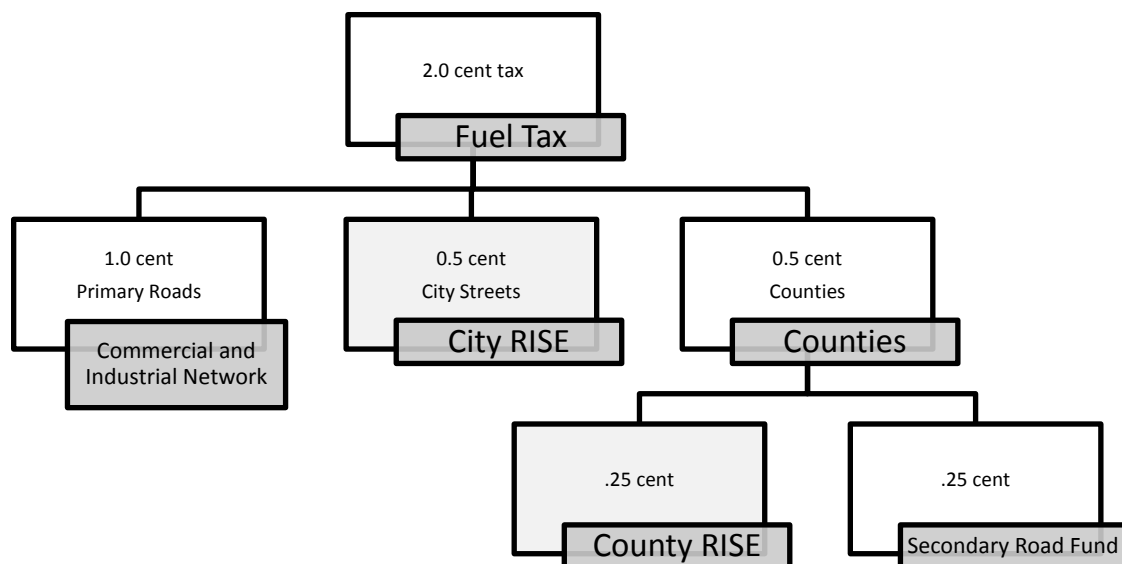
Iowa Clean Air Attainment Program (ICAAP). ICAAP projects are intended to improve air quality by maximizing vehicle emission reductions. The Program is federally funded.

Traffic Safety Improvement Program. Traffic Safety Improvement Program funds can be used for traffic safety improvements or studies of public roads under county, city, or State jurisdiction. The Program is funded by one-half percent (approximately \$7.0 million in FY 2019) of the RUTF.

RISE Fund. The RISE Fund¹⁰ was created in 1985 to promote economic development in Iowa through construction or improvement of roads and streets. Primary road RISE funds are deposited in the Primary Road Fund for use on the Commercial and Industrial Highway Network. Projects under city street and secondary road funds fall into two categories:

- Immediate Opportunity Projects — This category is reserved for projects related to an immediate, nonspeculative opportunity for permanent job creation or retention.
- Local Development Projects — This category is for projects that support local economic development but that do not require an immediate commitment of funds or meet the threshold set for immediate opportunity projects.
- An amount equivalent to a 2.0-cent tax on fuel is distributed as shown in the chart below:

RISE Tax Distribution



¹⁰ Iowa Code chapter [315](#)

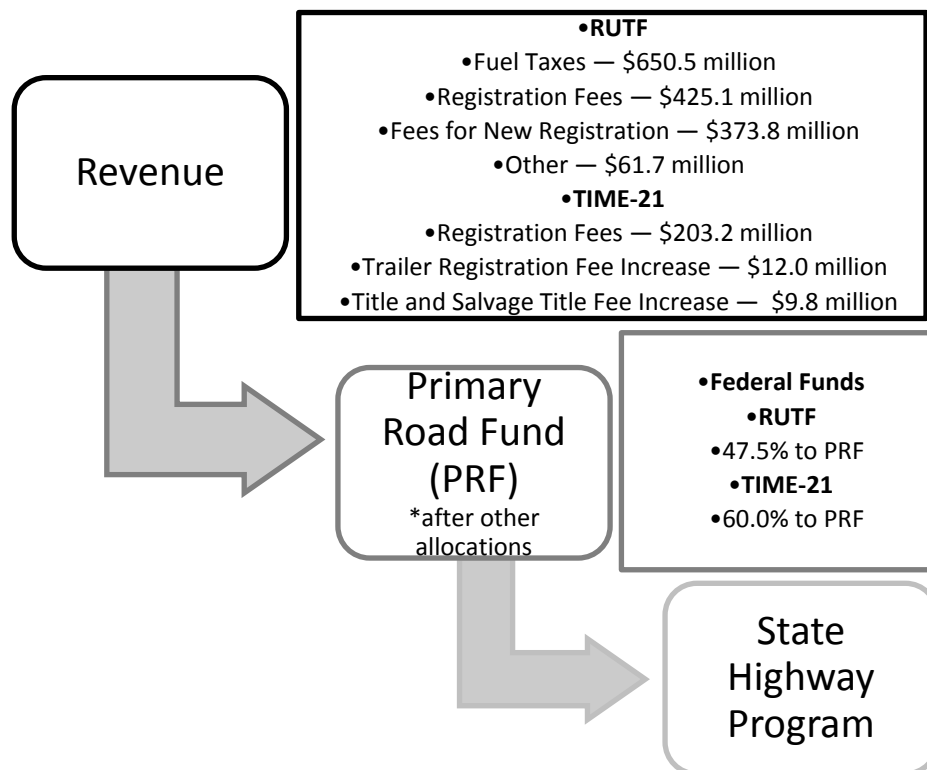
Below is a summary of FY 2018 RISE funding awarded by types of roads.

| Summary of FY 2018 RISE Funding | | | |
|--|---------------------------------------|---------------------------|---|
| Roads | Amount Awarded/ Programmed | Annual Revenue | Percent of Annual Revenue Awarded/Programmed |
| Primary Roads | \$24,000,000 | \$24,000,000 | 100.0% |
| City Streets | 5,000,000 | 12,000,000 | 41.7% |
| Secondary Roads | 2,000,000 | 6,000,000 | 33.3% |
| Total | \$31,000,000 | \$42,000,000 | 73.8% |

Note: Amount awarded to RISE projects varies from year to year based on number of applications.
Funds are nearly fully obligated on previously and currently awarded projects.
Any unobligated county RISE funds are reverted to the Secondary Road Fund at the end of the fiscal year.
*Figures are rounded.

STATE HIGHWAY PROGRAM

The largest portion of moneys programmed by the Commission is toward the State Highway Program. Approximately \$786.4 million in projects is programmed through the State Highway Program in FY 2020. The programming model is aggressive in the number of projects planned and conservative in incoming revenues. The Commission annually approves a five-year State Highway Plan establishing the Commission's priorities for implementing highway and bridge improvements throughout the State. The following graphic shows the flow of revenues used for the State Highway Program for FY 2019.¹¹



¹¹ The Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund was established in 2008. Motor vehicle registration fees exceeding \$392.0 million are directed towards the TIME-21 Fund until the Fund reaches a total of \$225.0 million in funds. The TIME-21 Fund distributes moneys at different percentages than the RUTF.

The following table lists the programs as approved by the Commission for the 2020-2024 Iowa Transportation Improvement Program and their respective funding amounts.

| PROGRAM | FUNDING |
|--|--|
| STATE HIGHWAY PROGRAM | \$786.4 million, FY 2020 |
| STATE AVIATION PROGRAM | \$49.1 million in State/federal/other funding, FY 2019 |
| RISE FUND | \$42.0 million in State funding, FY 2018 |
| TRANSIT PROGRAM | \$16.4 million in State funding, FY 2019 |
| TRAFFIC SAFETY IMPROVEMENT PROGRAM | \$7.9 million in projects approved, FY 2020 |
| RAILROAD PROGRAM | \$4.4 million in State funding, FY 2019 |
| IOWA CLEAN AIR ATTAINMENT PROGRAM (ICAAP) | \$4.0 million in federal funding, FFY 2020 |
| STATE RECREATIONAL TRAILS PROGRAM | \$1.3 million in State funding, FY 2019 |
| IOWA STATEWIDE TRANSPORTATION ALTERNATIVES PROGRAM (TAP) | \$850,000 in federal funding, FY 2020 |

COMPARISON TO BORDERING STATES

Of the transportation commissions in bordering states, most commissions assist in the development of transportation plans. Most commissioners are appointed by the Governor and are subject to some type of legislative approval. Missouri is the only state whose transportation commission has the power to appoint the director of transportation. Nebraska's commission, unlike those of other bordering states, has no official capacity to approve or amend budgets but serves in an advisory capacity.

The states of Wisconsin, Illinois, and Minnesota do not have a transportation commission. The table below compares differences among neighboring state commissions.

| State | Name of Commission | Members | Term Length | Appoints Director |
|--------------|--|----------------|--------------------|--------------------------|
| Illinois | N/A | N/A | N/A | N/A |
| Iowa | Transportation Commission | Seven | Four Years | No |
| Missouri | Highways and Transportation Commission | Six | Six Years | Yes |
| Minnesota | N/A | N/A | N/A | N/A |
| Nebraska | State Highway Commission* | Eight | Six Years | No |
| South Dakota | Transportation Commission | Nine | Four Years | No |
| Wisconsin | N/A | N/A | N/A | N/A |

* The Nebraska State Highway Commission serves in an advisory capacity and does not develop, approve, or amend transportation plans.

FUTURE CHALLENGES

As mentioned, while the Iowa Transportation Commission approves and amends budgets for the various transportation modes, the highways of the State continue to be the largest portion of its budget. Accordingly, any federal disruption in aid to improve and construct federal-aid highways and support public transit will affect Transportation Commission plans for both highways and other modes of transportation. At the time of writing, the federal funding authorization act, Fixing America's Surface Transportation (FAST) [Act](#), is set to expire in September 2020. Between \$500.0 and \$550.0 million annually has been apportioned to Iowa for the maintenance of highways and bridges through the FAST Act.

The Highway Trust Fund

The federal Highway Trust Fund supports the improvement and construction of the federal-aid highway system and supports the operation and capital needs of public transit systems in the country. As currently set up, the federal Highway Trust Fund is projected to run out of funds by FFY 2022, according to the federal [Congressional Budget Office](#). The Highway Trust Fund receives revenues from taxes on motor fuels, trucks and trailers, and truck tires; taxes on certain vehicles; and interest credited to the Fund. On September 30, 2020, the legal authority to expend revenue from these sources on federal-aid highway projects expires.

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