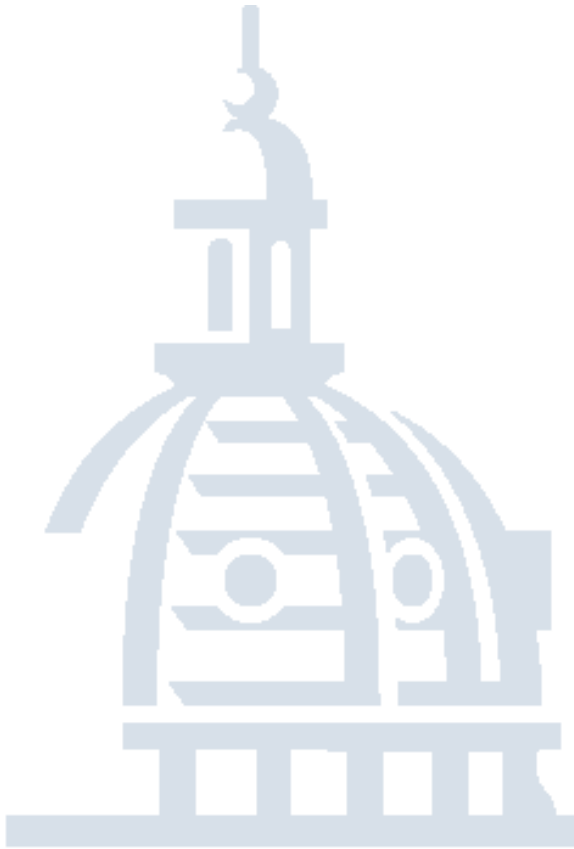


Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Budget Overview and Governor's Recommendations

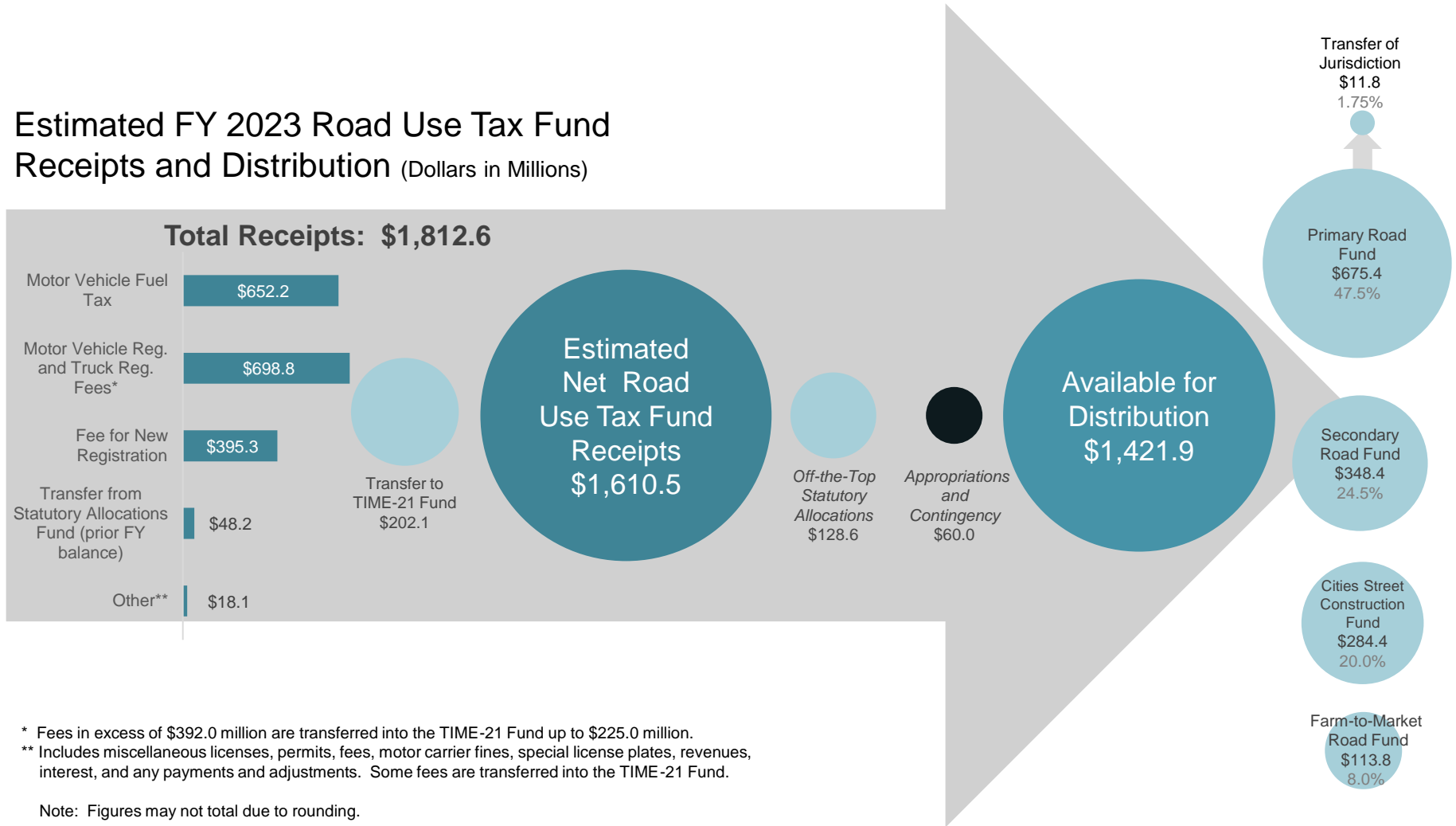


Legislative Services Agency, Fiscal Services Division
January 18, 2023
Maria Wagenhofer

Transportation Appropriations

2023 Legislative Session

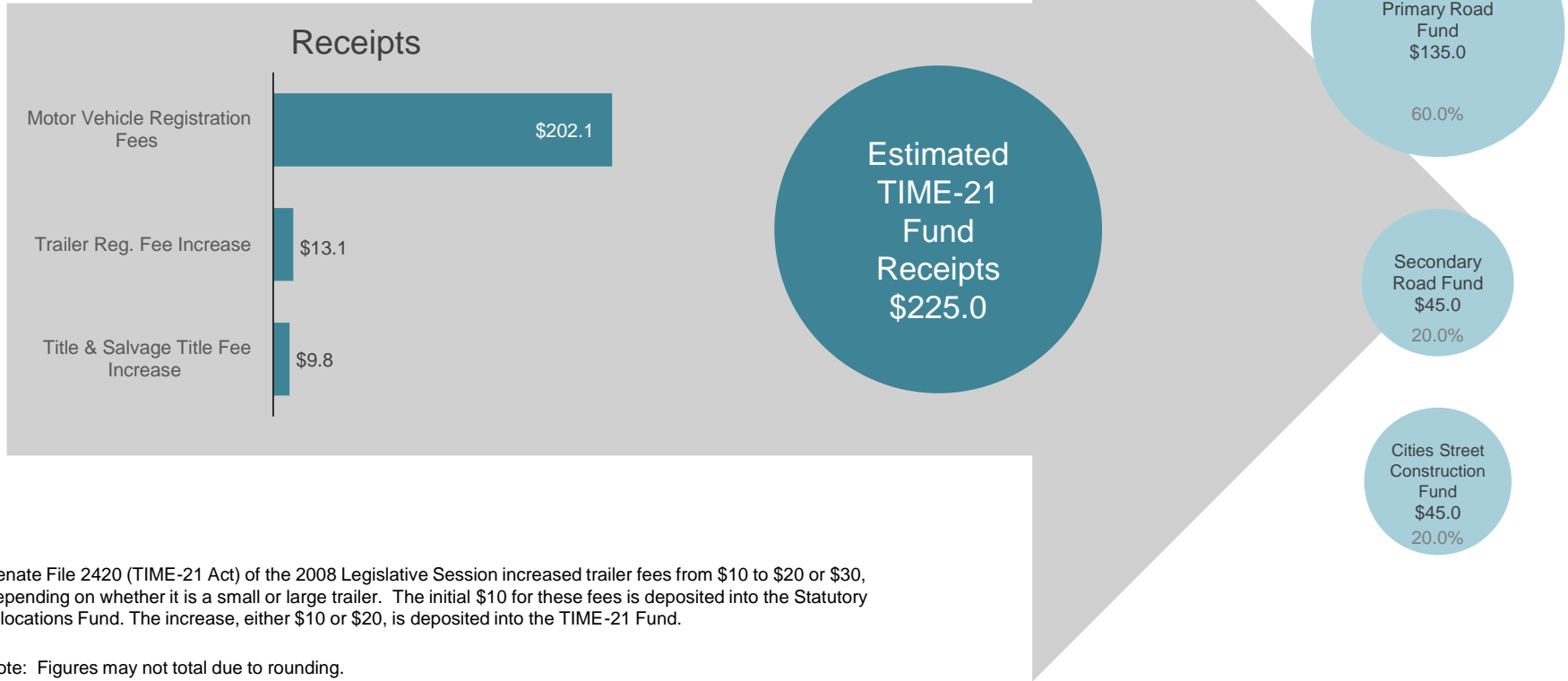
Estimated FY 2023 Road Use Tax Fund Receipts and Distribution (Dollars in Millions)



Transportation Appropriations

2023 Legislative Session

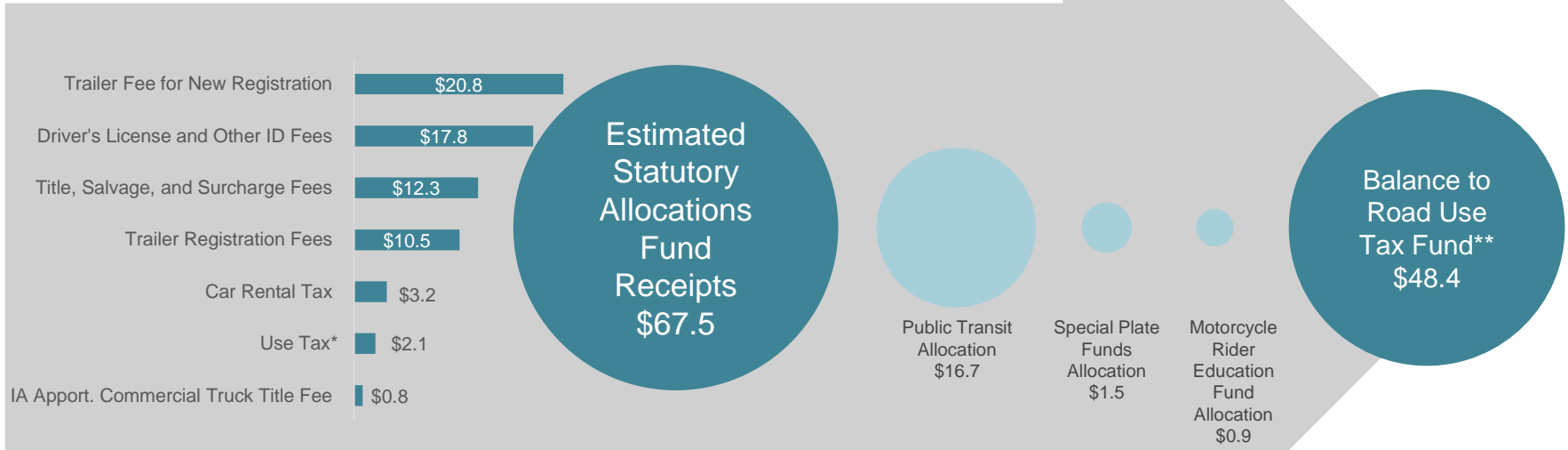
Estimated FY 2023 TIME-21 Fund Receipts and Distribution (Dollars in Millions)



Transportation Appropriations

2023 Legislative Session

Estimated FY 2023 Statutory Allocations Fund Receipts and Distribution (Dollars in Millions)



* Includes the tax on mobile homes, on manufactured homes, and on leased vehicles not subject to registration.

** Due to accounting procedures, the balance of the Statutory Allocations Fund transfers to the Road Use Tax Fund in the next fiscal year.

Note: Figures may not total due to rounding.

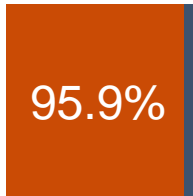
Transportation Appropriations

2023 Legislative Session

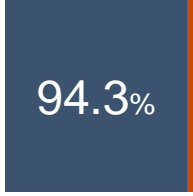
Department of Transportation (DOT) Operations receives funding from both the Primary Road Fund and the Road Use Tax Fund.



Motor Vehicle Division



Transportation Operations



Transportation Appropriations

Appropriations by Type and Division

In FY 2023, these four appropriations were consolidated into a single Transportation Operations appropriation.

	Actual FY 2022	Estimated FY 2023	Gov. Rec. FY 2024
Operations	\$ 368,792,909	\$ 376,779,199	\$ 370,324,276
Highway	275,917,470	-	-
Administration	49,522,256	-	-
Planning and Programming	9,359,725	-	-
Strategic Performance	5,071,292	-	-
Motor Vehicle	28,922,166	28,998,592	28,998,592
Transportation Operations	-	347,780,607	341,325,684
Special Purpose	22,803,927	31,696,023	43,114,373
Inventory and Equipment	7,796,000	12,700,000	23,784,000
Workers' Comp (DAS)	3,493,044	3,641,832	3,476,832
Driver Licenses	3,876,000	3,876,000	3,876,000
DAS Services	2,772,114	2,898,197	3,326,197
Country Treasurer Support	1,406,000	1,406,000	1,406,000
Statewide Communication System	436,936	340,994	487,344
Electronic Records Management	-	3,500,000	3,620,000
Other Special Purpose	3,023,833	3,333,000	3,138,000
Capitals	11,200,000	11,200,000	33,100,000
Facility Major Maintenance	5,300,000	5,300,000	5,300,000
Facility Routine Maintenance	4,700,000	4,700,000	4,700,000
Other Capital	1,200,000	1,200,000	1,200,000
Davenport Facility	-	-	21,900,000
Total	\$ 402,796,836	\$ 419,675,222	\$ 446,538,649

Previously enacted appropriations are in bold and italics. Note: The Electronic Records Management System will receive \$3,402,800 from the RUTF and \$217,200 from the PRF in FY 2024 and \$1,974,000 from the RUTF and \$126,000 from the PRF in FY 2025 unless amended by the General Assembly.

Transportation Appropriations — Governor’s Recommendations

2023 Legislative Session

Motor Vehicle Enforcement Division Alignment — The Governor is recommending aligning the Motor Vehicle Enforcement Bureau, which is currently under the DOT, to the Department of Public Safety. This recommendation includes a decrease of \$12,502,000 from the PRF and a decrease of \$798,000 from the RUTF for a total decrease of \$13,300,000 from road funds. The recommendation also includes a decrease of 100.00 full-time equivalent (FTE) positions. The decrease in funding includes salary costs, funds associated with contributions to the equipment revolving fund, and indirect costs.

	<u>Actual FY 2022</u>	<u>Estimated FY 2023</u>	<u>Gov. Rec. FY 2024</u>	<u>Gov. Rec. FY 24 vs. Est. FY 2023</u>
Transportation Operations				
Road Use Tax Fund	0	19,899,600	19,493,072	-406,528
Primary Road Fund	0	327,881,007	321,832,612	-6,048,395
Total Transportation Operations	0	347,780,607	341,325,684	-6,454,923

The Governor is also recommending the following changes under Transportation Operations, resulting in a net decrease of \$6,048,395 from the PRF and \$406,528 from the RUTF:

- An increase of \$2,678,029 from the PRF and \$162,448 from the RUTF due to increased fuel prices.
- An increase of \$3,354,517 from the PRF and \$203,483 from the RUTF due to increases in the monthly life cycle depreciation costs for equipment and surcharge costs for equipment replacement purchases.
- An increase of \$421,059 from the PRF and \$25,541 from the RUTF for additional Work Zone safety item purchases.

Transportation Appropriations — Governor’s Recommendations

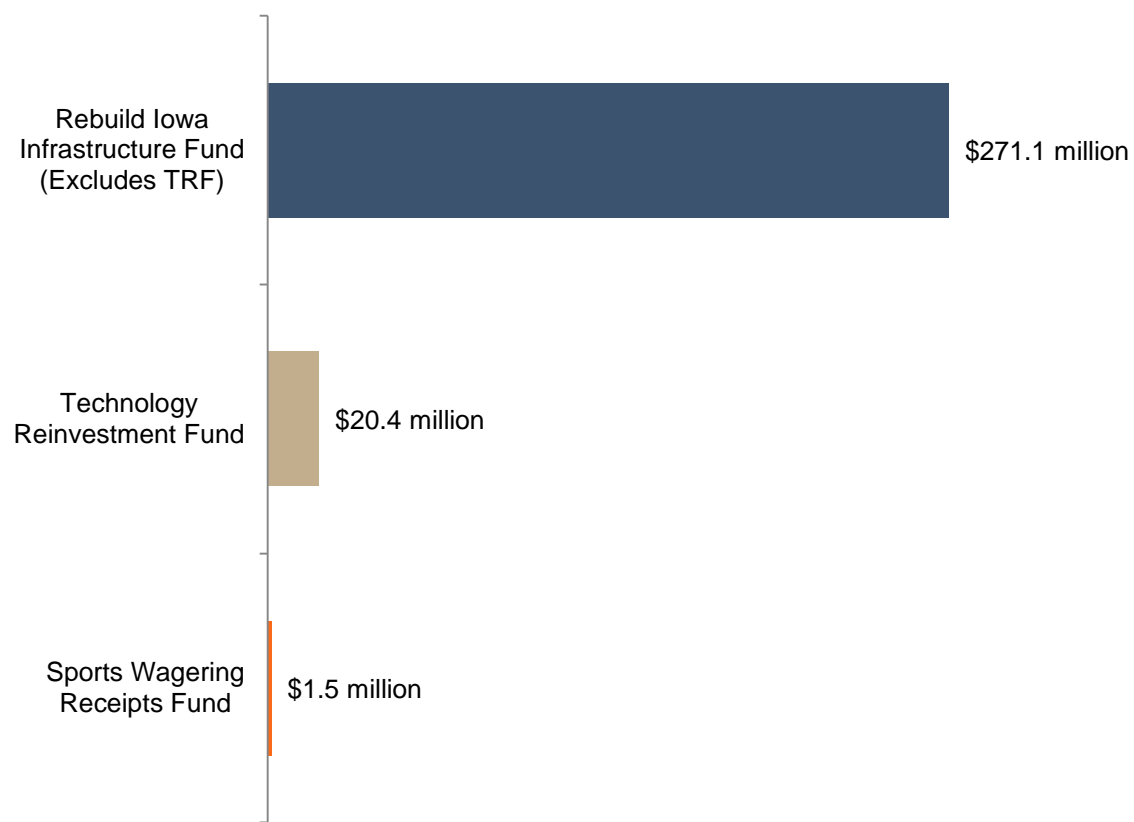
2023 Legislative Session

Additional Changes for FY 2024:

- Department of Administrative Services (DAS) Personnel and Utility Services: **\$428,000** increase to pay the annual increases in the DAS utility services.
- Statewide Communications System: **\$146,000** increase to pay the increase in the DOT share of the Statewide Interoperable Communications System.
- Workers’ Compensation: **\$165,000** decrease in workers’ compensation, which is administered by the DAS.
- Transportation Maps: **\$195,000** decrease for transportation maps, which is appropriated every other year. Funding was last appropriated in FY 2023.
- Inventory and Equipment Replacement: **\$11.1 million** increase to fund the increased costs of equipment replacement purchases as a result of the shift to a 12-year replacement life cycle for equipment.
- Davenport Facility: **\$21.9 million** increase for a new DOT facility in Davenport. The current facility is deteriorating due to age and is not properly sized to accommodate current DOT operations and equipment.

Infrastructure Appropriations

2022 Legislative Session — Infrastructure Act by Fund (FY 2023)



The **Rebuild Iowa Infrastructure Fund** is intended to be expended on vertical infrastructure, which includes:

- Land acquisition and construction
- Major renovation and major repair of buildings
- Routine, recurring maintenance
- All appurtenant structures
- Utilities
- Site development
- Recreational trails
- Renewable fuel infrastructure programs
- Debt service payments on academic revenue bonds issued for capital projects at Board of Regents institutions

“Vertical infrastructure” does not include operational expenses or leasing of a building, appurtenant structure, or utility without a lease-purchase agreement.

Iowa Code section [8.57\(5\)\(c\)](#)

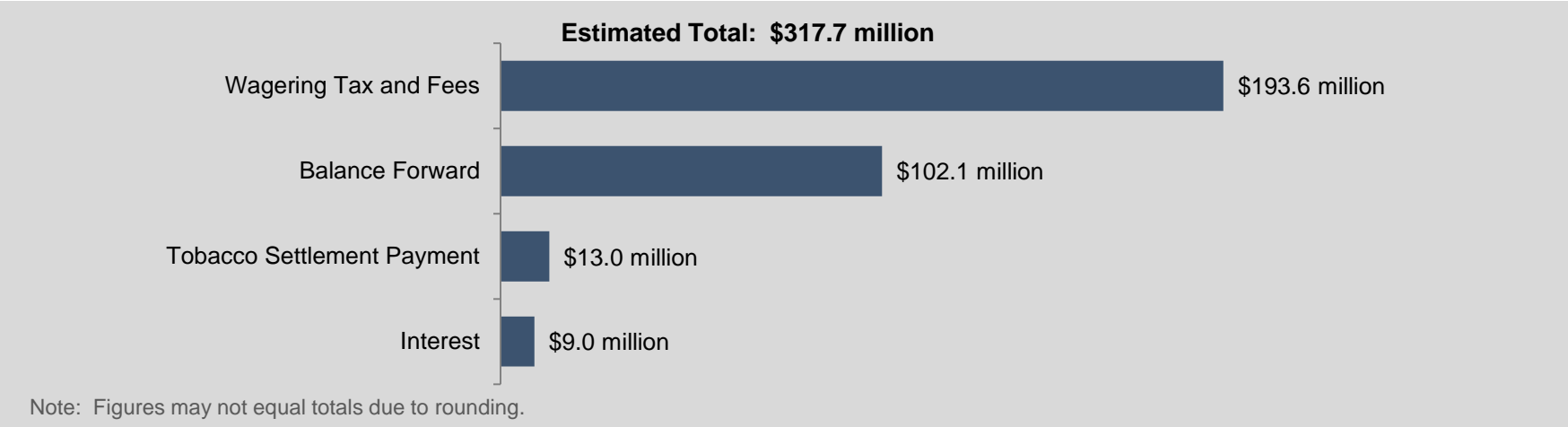
The **Technology Reinvestment Fund** may be expended on:

- The acquisition of computer hardware and software
- Software development
- Telecommunications equipment
- Maintenance and lease agreements associated with technology components
- Equipment intended to provide an uninterruptible power supply

Iowa Code section [8.57C\(2\)](#)

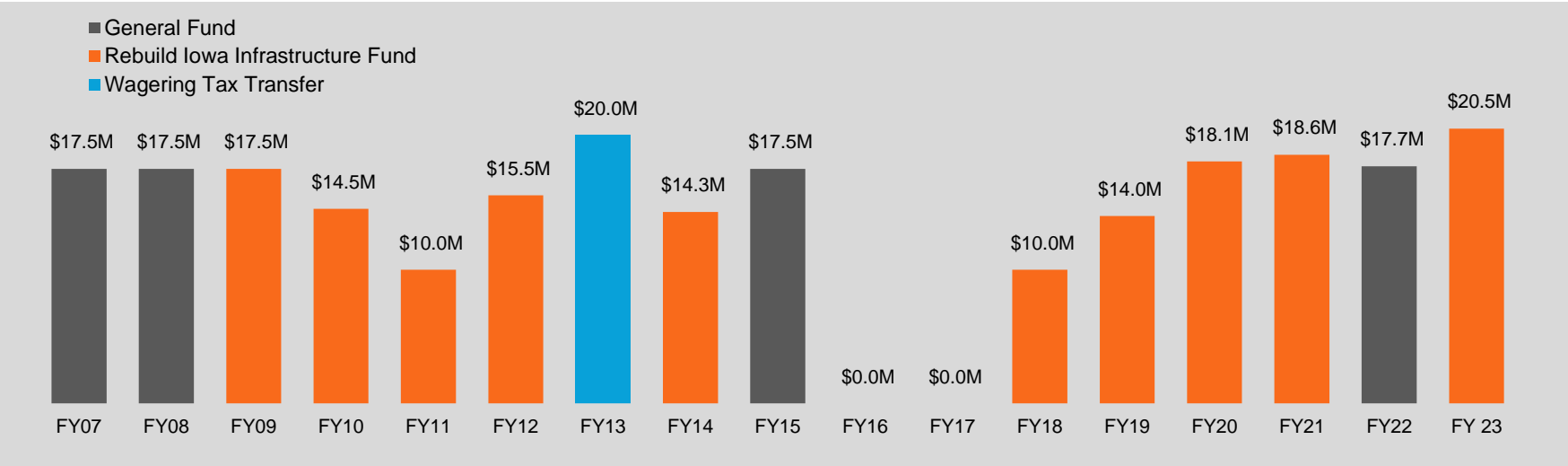
Infrastructure Appropriations

Rebuild Iowa Infrastructure Fund (RIIF) Resources — Estimated FY 2023



Technology Reinvestment Fund (TRF) Resources

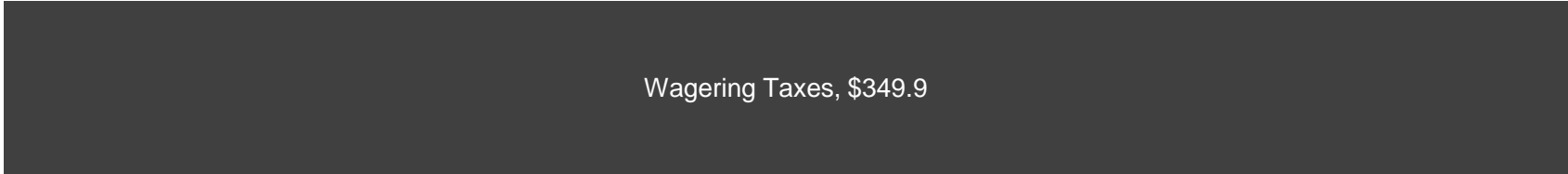
- \$17.5 million standing appropriation from the General Fund.
- This appropriation is often notwithstood. In other words, the General Assembly rescinds the appropriation for a single fiscal year and appropriates moneys to the TRF from other revenue sources.



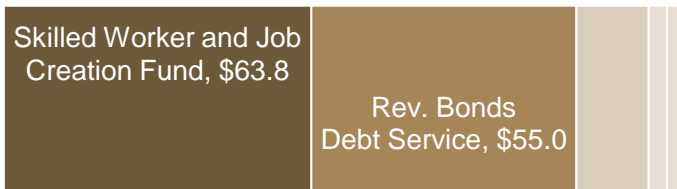
Infrastructure Appropriations

Wagering Tax Distributions — Actual FY 2022 (in millions)

Taxes Eligible for Distribution

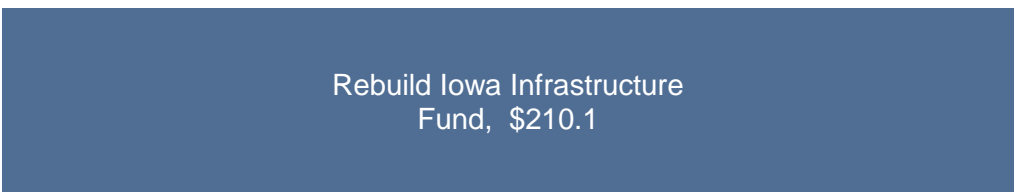


Distributions to Debt Service and Other Funds



- Water Quality Infrastructure Fund, \$15.0 million
- Federal Subsidy Holdback, \$3.75 million
- General Fund, \$2.25 million

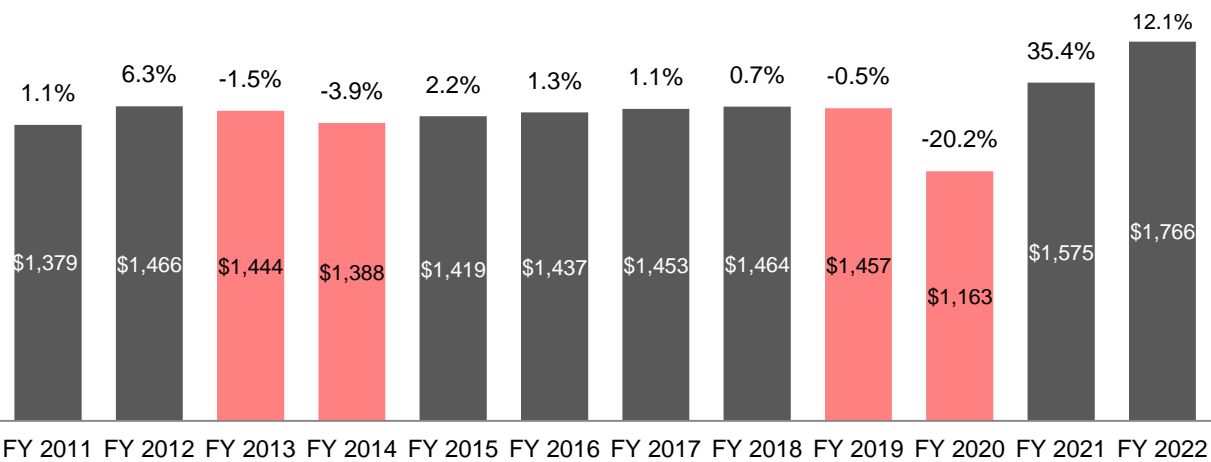
Distribution to the Rebuild Iowa Infrastructure Fund



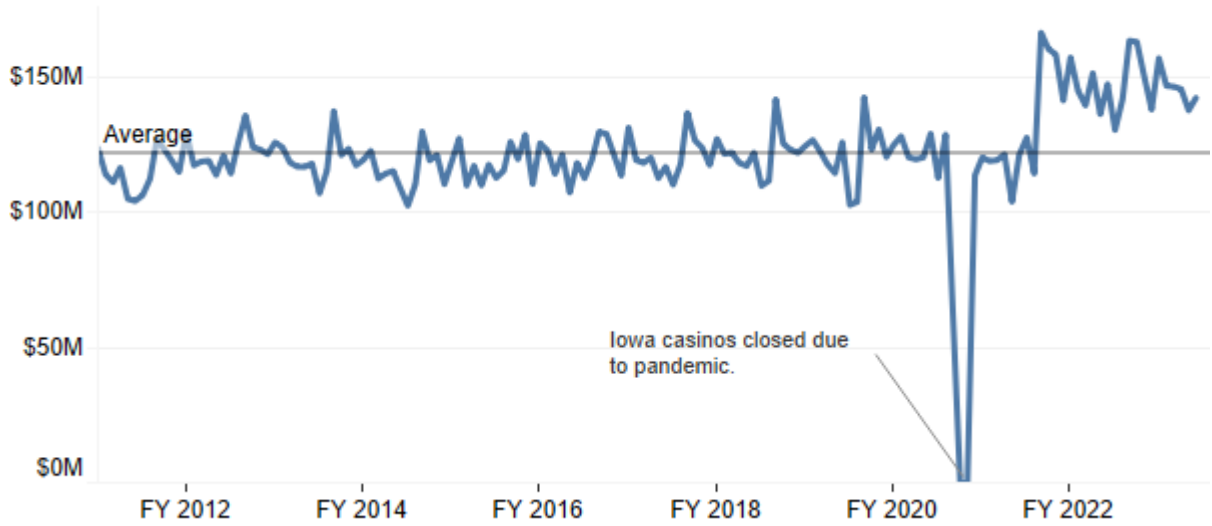
Note: Distributions to fund the Vision Iowa debt payment ended in FY 2020. After this date, \$15.0 million is distributed annually to the Water Quality Infrastructure Fund.

Infrastructure Appropriations

Adjusted Gross Revenue (AGR) by Year (in millions)



Adjusted Gross Revenue by Month



19
Casinos in Iowa

12.1%
Growth compared to FY 2021

0.1%
Decrease in AGR in FY 2023 to date compared to the same time period in FY 2022

Infrastructure Appropriations

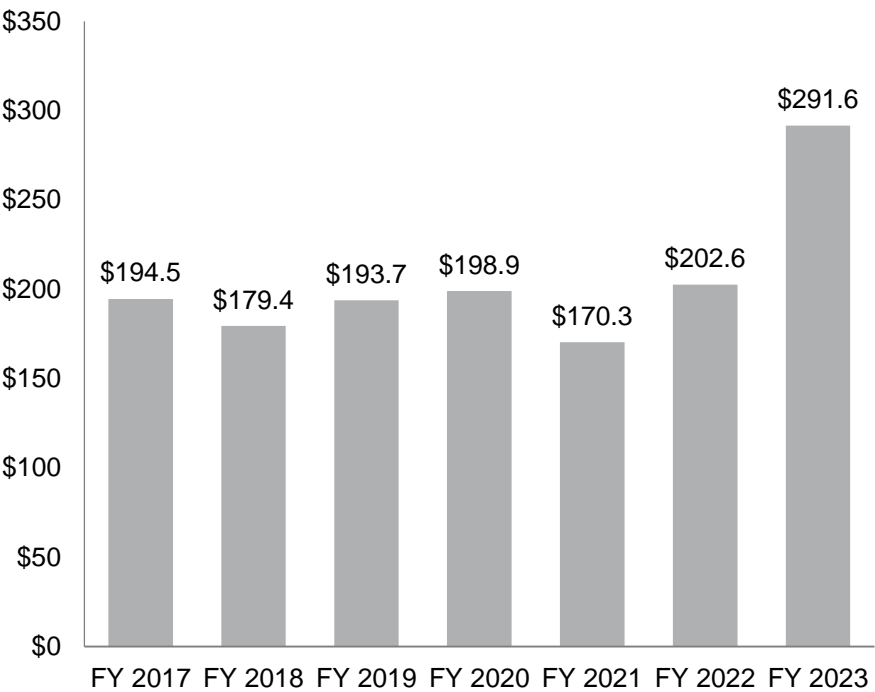
Rebuild Iowa Infrastructure Fund — Appropriations

\$1.431 Billion
RIIF Appropriations Since FY 2017

\$204.4 Million
Average Annual Appropriations from
the RIIF since FY 2017

28 Agencies
Have Received RIIF Funding
Since FY 2017

Total RIIF Appropriations by Year (in millions)



RIIF Appropriations by Agency (in millions)



Infrastructure Appropriations

Rebuild Iowa Infrastructure Fund
 Governor's FY 2024 Recommendations by Fund

\$216.8 million
 Total Appropriations from the RIIF

\$17.5 million
 Appropriation from the RIIF
 to the TRF

\$216.8 million
 Available Funding for FY 2024

Governor's RIIF Recommendations

	Actual FY 2022	Estimated FY 2023	Gov. Rec. FY 2024
Resources			
Balance Forward	\$ 60,620,760	\$ 102,135,693	\$ 27,196,056
State Wagering Taxes and Fees	226,075,921	193,557,000	161,557,000
Interest	2,762,503	9,000,000	15,000,000
Tobacco Settlement	13,909,879	13,000,000	13,000,000
Autism Support Fund Transfer	750,000	0	0
Total Resources	\$ 304,119,064	\$ 317,692,693	\$ 216,753,056
Appropriations			
Enacted Appropriations	\$ 202,569,191	\$ 291,587,568	\$ 73,500,000
New Recommendations	0	0	143,253,056
Total Appropriations	\$ 202,569,191	\$ 291,587,568	\$ 216,753,056
Reversions	-585,820	-1,090,931	0
Ending Balance	\$ 102,135,693	\$ 27,196,056	\$ -

Infrastructure Appropriations

Previously Enacted RIF and TRF Appropriations for FY 2024

\$73.5 million

Previously enacted and standing appropriations from the RIF for FY 2024

\$47.5 million

RIF standing appropriations

\$26.0 million

Other RIF appropriations that were enacted in prior legislative sessions

\$1.6 million

Previously enacted from the TRF for FY 2024

- Rebuild Iowa Infrastructure Fund
- Department of Management
 - \$42.0 million for the Environment First Fund (standing appropriation)
- Iowa Finance Authority
 - \$3.0 million for the State Housing Trust Fund (standing appropriation)
- Legislative Branch
 - \$500,000 for State Capitol Building maintenance (standing approp.)
- Department of Administrative Services
 - \$2.0 million for routine maintenance (standing appropriation)
 - \$20.0 million for major maintenance
- State Fair Board
 - \$6.0 million to renovate four barns at the Iowa State Fairgrounds
- Technology Reinvestment Fund
- Department of Human Services
 - \$1.6 million for the Medicaid Management Information System.

Infrastructure Appropriations

New RIIF and TRF Appropriation Recommendations for FY 2024

\$16.9 million

New RIIF appropriations in FY 2024, not including Department of Corrections (DOC) and Department of Human Services (DHS) recommendations.

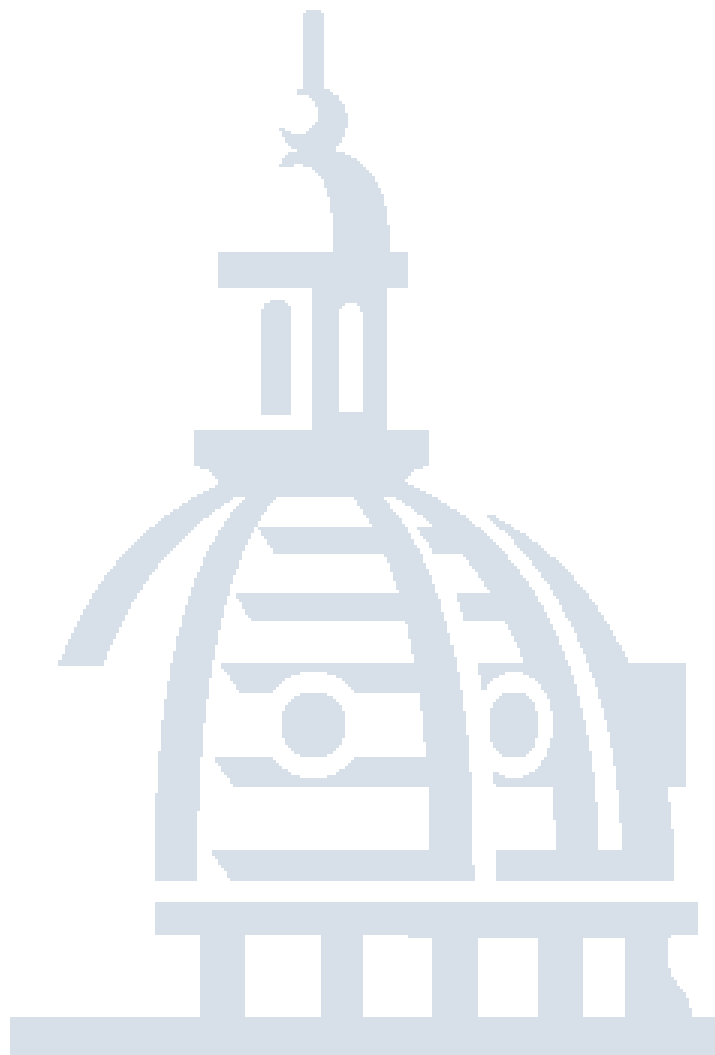
\$8.0 million

FY 2024 recommendations to DOC and DHS that fund capital and major projects

\$4.6 million

In new TRF recommendations

Rebuild Iowa Infrastructure Fund
Agriculture and Land Stewardship
\$500,000 for Foreign Animal Disease Initiative
Department of Corrections
\$865,000 for prison body scanners
Ethics and Campaign Disclosure Board
\$66,000 for office space renovations
Iowa Communications Network
\$578,000 for replacement of the Lucas building switch room HVAC
Department of Human Services
\$5.6 million for the Woodward Resource Center tunnel decentralization
Department of Natural Resources
\$500,000 for renovation of their Iowa State Fair building
Department of Public Defense
\$2.4 million for a chiller replacement at Joint Force Headquarters (JFHQ)
Board of Regents
\$10.0 million for Phase II of the Iowa State University Vet Lab (\$66.5 million total)
\$2.9 million to replace the HVAC in the Iowa School for the Deaf Girl's Dormitory
Technology Reinvestment Fund
Auditor of State
\$293,000 for its server move to LightEdge
Attorney General's Office
\$279,000 for cybersecurity and technology
Board of Parole
\$20,000 for technology programming
Iowa PBS
\$344,000 for a digital asset management system
Department of Management
\$3.2 million for Office of the Chief Information Officer's phone management software



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