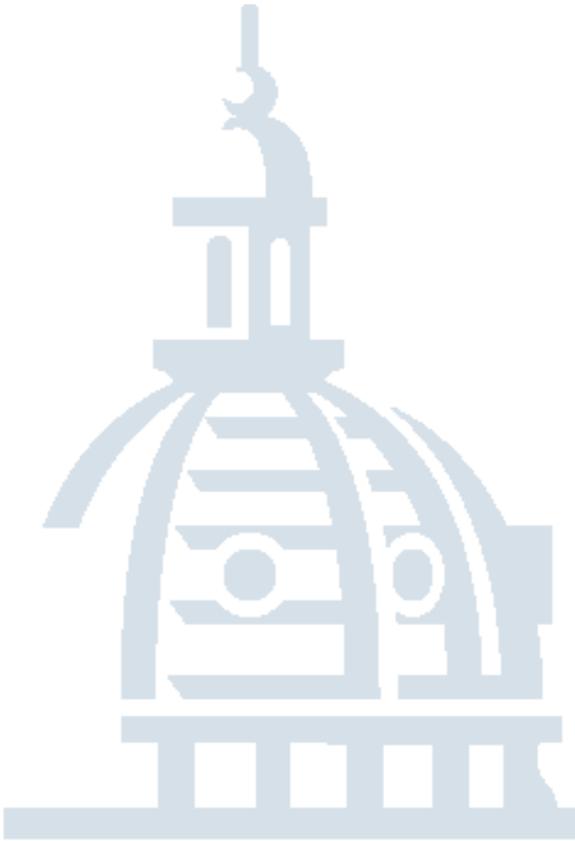


Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Budget Overview and Governor's Recommendations

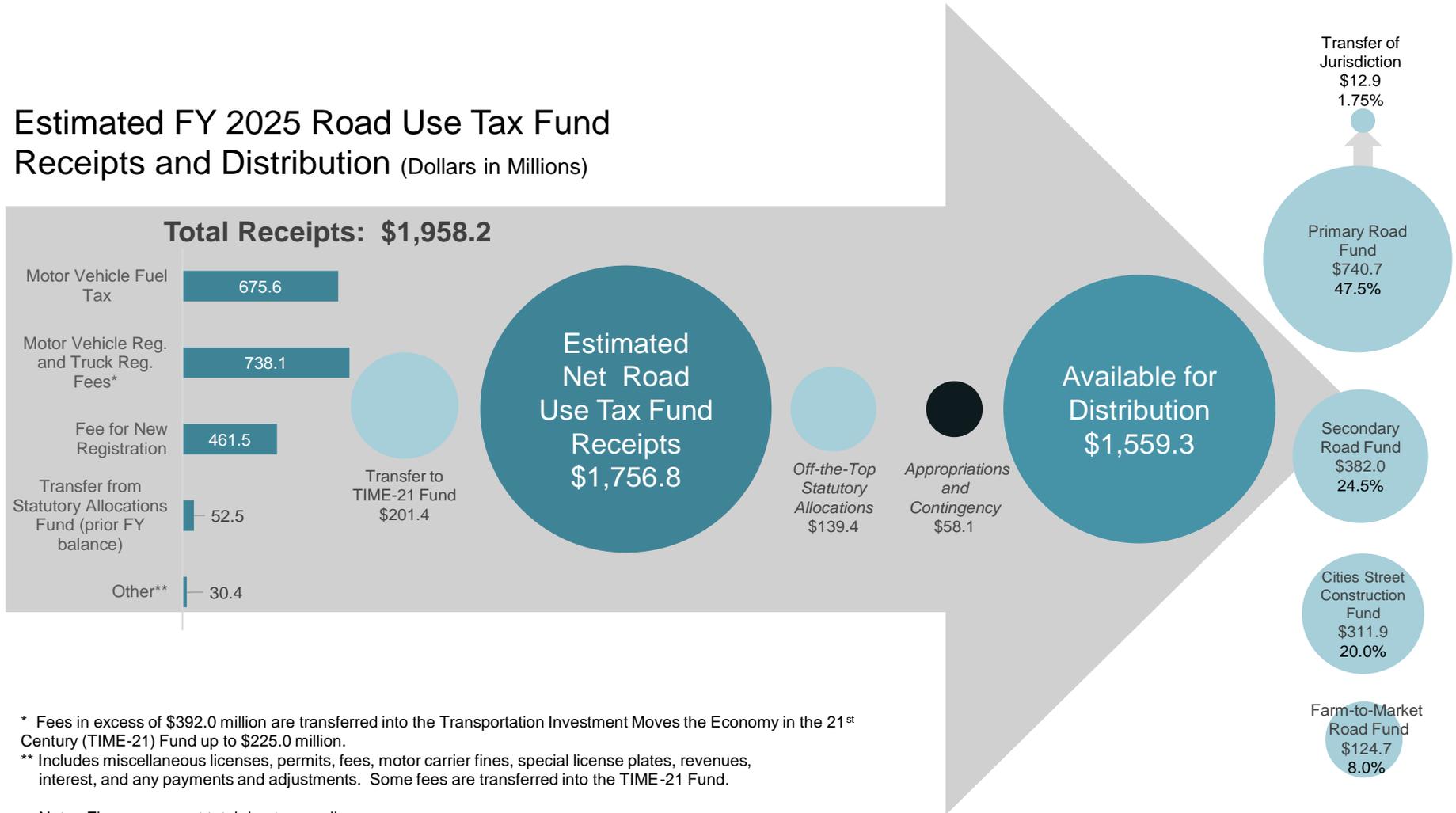


Legislative Services Agency, Fiscal Services Division
January 23, 2025
Maria Wagenhofer & Garry Martin

Transportation Appropriations

2025 Legislative Session

Estimated FY 2025 Road Use Tax Fund Receipts and Distribution (Dollars in Millions)



* Fees in excess of \$392.0 million are transferred into the Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund up to \$225.0 million.

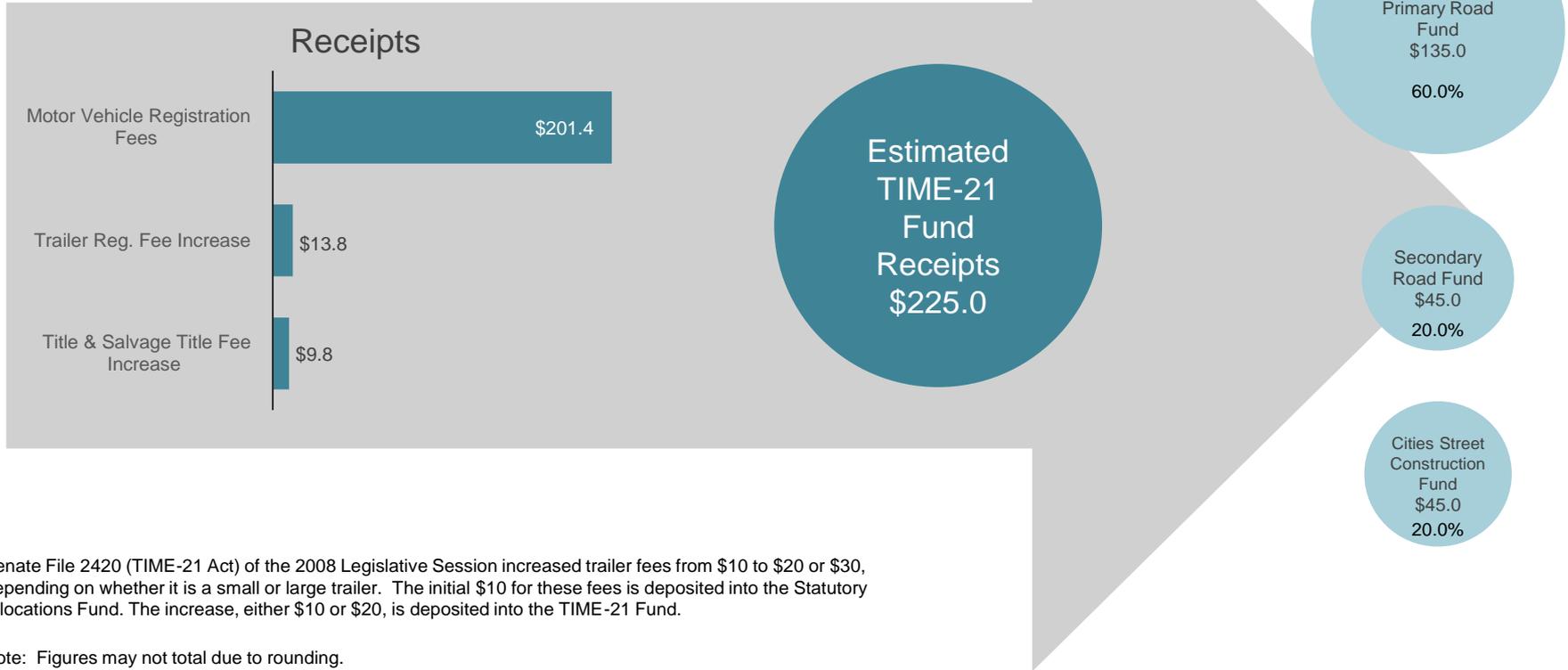
** Includes miscellaneous licenses, permits, fees, motor carrier fines, special license plates, revenues, interest, and any payments and adjustments. Some fees are transferred into the TIME-21 Fund.

Note: Figures may not total due to rounding.

Transportation Appropriations

2025 Legislative Session

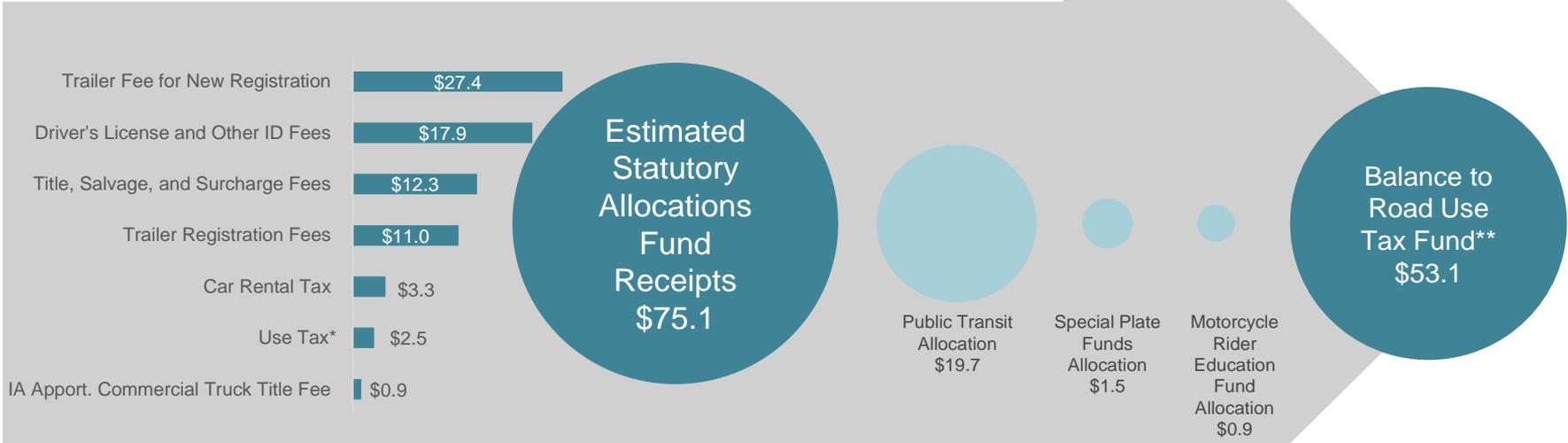
Estimated FY 2025 TIME-21 Fund Receipts and Distribution (Dollars in Millions)



Transportation Appropriations

2025 Legislative Session

Estimated FY 2025 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.

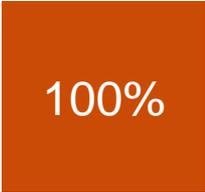
Transportation Appropriations

2025 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

	Actual FY 2024	Estimated FY 2025	Gov. Rec. FY 2026
Operations	\$ 378,694,922	\$ 398,662,170	\$ 396,812,170
Motor Vehicle	30,542,265	32,710,876	32,710,876
Transportation Operations	348,152,657	365,951,294	364,101,294
Special Purpose	39,444,797	43,328,923	52,354,786
Inventory and Equipment	23,784,000	29,626,000	40,818,240
Workers' Comp (DAS)	3,476,832	3,574,540	3,880,084
Driver's Licenses	3,876,000	1,600,000	0
DAS Services	3,326,197	3,254,621	3,577,700
Country Treasurer Support	1,406,000	1,406,000	1,406,000
Statewide Communication System	487,344	442,162	442,162
Garage Fuel and Waste Management	1,000,000	1,000,000	0
Other Special Purpose	2,088,424	2,425,600	2,230,600
Capitals	36,720,000	28,290,359	53,647,387
Facility Major Maintenance	5,300,000	6,300,000	6,300,000
Facility Routine Maintenance	4,700,000	5,200,000	8,050,000
Other Capital	1,200,000	400,000	400,000
Davenport Facility	21,900,000	0	0
Electronic Records Management	3,620,000	2,100,000	0
Albia Garage	0	7,291,067	0
Jefferson Garage	0	6,999,292	0
Waterloo Garage Renovation	0	0	18,897,387
ARTS Modernization	0	0	20,000,000
Total	\$ 454,859,719	\$ 470,281,452	\$ 502,814,343

Transportation Appropriations — Governor’s Recommendations

2025 Legislative Session

	Actual FY 2024	Estimated FY 2025	Gov. Rec. FY 2026
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ARTS Modernization	0	0	20,000,000
Total	\$ 454,859,719	\$ 470,281,452	\$ 502,814,343



The Governor recommended shifting the \$1.0 million appropriation from the Garage Fuel and Waste Management line item into the Transportation Operations line item and then reallocating \$2.9 million in funding from the Transportation Operations line item to the Facility Routine Maintenance line item. This recommendation is to better align funding with intended uses.

Transportation Appropriations — Governor's Recommendations

2025 Legislative Session

Additional Changes for FY 2026:

- Department of Administrative Services (DAS) Personnel and Utility Services: **\$324,000** increase to pay the annual increases in the DAS utility services.
- Workers' Compensation: **\$306,000** increase in workers' compensation, which is administered by the DAS.
- Electronic Records Management System: a decrease of **\$2.1 million** due to the ending of appropriations for the project in FY 2025.
- Driver's License Equipment: a decrease of **\$1.6 million** to change production of driver's license costs from an appropriation to a statutory allocation.
- Transportation Maps: **\$195,000** decrease for transportation maps, which is appropriated every other year. Funding was last appropriated in FY 2025.
- Inventory and Equipment Replacement: **\$11.2 million** increase due to the addition of new safety equipment to the fleet and increased cost of equipment replacement purchases.

Transportation Appropriations — Governor's Recommendations

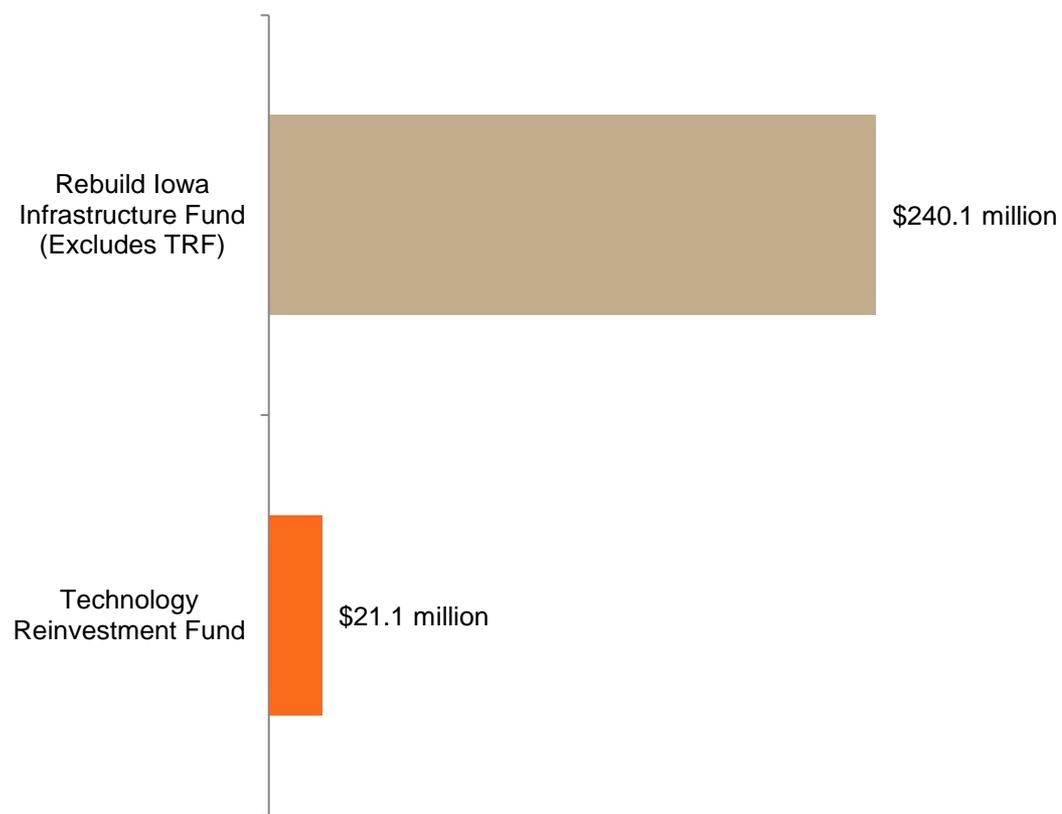
2025 Legislative Session

Additional Changes for FY 2026:

- Albia Garage Renovation: A decrease of **\$7.3 million** due to one-time funding appropriated for the Albia garage renovation in FY 2025.
- Jefferson Garage Renovation: A decrease of **\$7.0 million** due to one-time funding appropriated for the Jefferson garage renovation in FY 2025.
- Waterloo Garage Renovation: A new appropriation of **\$18.9 million** to replace the Waterloo DOT Field Operations garage facility.
- Archon Registration and Titling System (ARTS) Modernization: A new appropriation of **\$20.0 million** to facilitate the modernization of the current drivers and vehicles record system. This is a three-year capitals project with estimated out-year costs of \$20.0 million in FY 2027 and FY 2028.

Infrastructure Appropriations

2024 Legislative Session — Infrastructure Act by Fund (FY 2025)



The **Rebuild Iowa Infrastructure Fund (RIIF)** 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\(3\)\(b\)](#)

The **Technology Reinvestment Fund (TRF)** may be expended on:

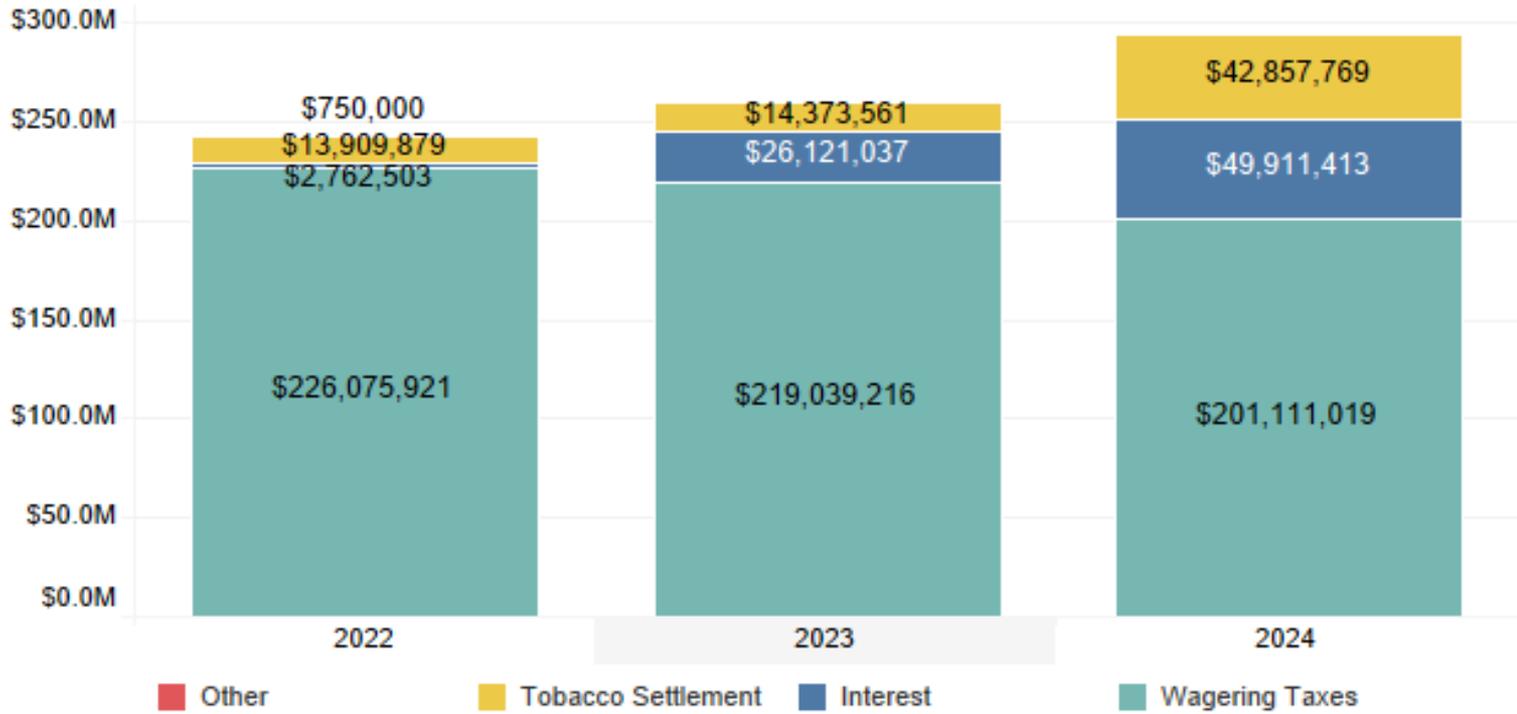
- The acquisition of computer hardware and software
- Software development
- Telecommunications equipment
- Maintenance and lease agreements associated with technology components
- Equipment intended to provide an uninterruptible power supply

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

Infrastructure Appropriations

Rebuild Iowa Infrastructure Fund (RIIF) Receipts

FY 2022 through FY 2024 RIIF Receipts



Note: Other represents \$750,000 transferred from the Autism Support Fund in FY 2022.

Infrastructure Appropriations

Wagering Tax Distributions — Actual FY 2024 (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
- Levee Improvement Fund, \$5.0 million
- General Fund, \$2.25 million

Distribution to the Rebuild Iowa Infrastructure Fund



Infrastructure Appropriations

Types of RIIF Appropriations

Standing Appropriations

- Standing appropriations are set by current law. There are currently four existing standing appropriations totaling \$42.5 million from the RIIF.

Building Projects

- Building projects are vertical infrastructure projects that may require multiyear funding that ends upon project completion.

Other Appropriations

- Other appropriations include all other projects, programs, grants, and needs that are funded through the RIIF. Appropriations include but are not limited to major maintenance, programs established in the Iowa Code, ongoing State infrastructure expenses, grants, environmental programs, and multimodal transportation programs.

Tuition Replacement

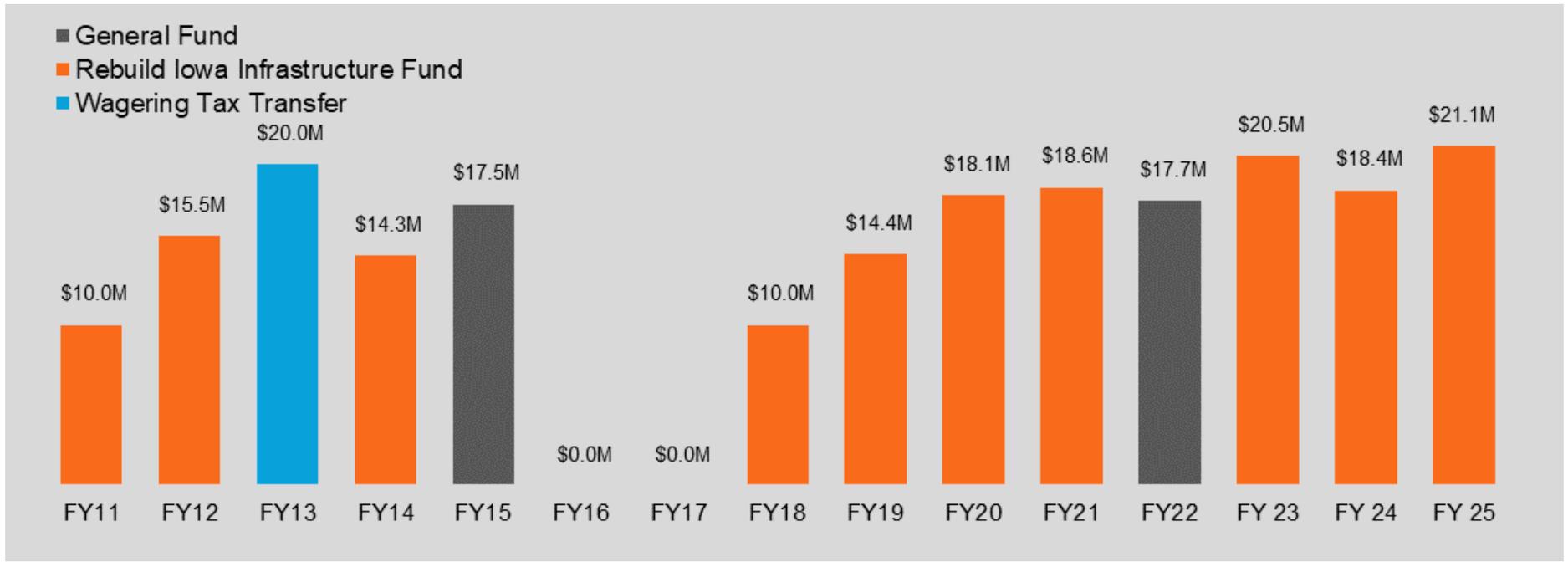
- Tuition Replacement funds the majority of debt service for revenue bonds used to construct academic buildings.

Technology Reinvestment Fund

- Iowa Code section [8.57C](#) provides a standing appropriation of \$17.5 million from the General Fund to the TRF. However, the General Assembly typically suspends the General Fund appropriation and appropriates the funding from RIIF.

Infrastructure Appropriations

Technology Reinvestment Fund (TRF) Resources



- \$17.5 million standing appropriation from the General Fund.
- This appropriation is often suspended. 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

Rebuild Iowa Infrastructure Fund

Governor's FY 2026 Recommendations

Governor's RIIF Recommendations

	Actual FY 2024	Estimated FY 2025	Gov. Rec. FY 2026
Resources			
Balance Forward	\$ 72,308,752	\$ 110,576,986	\$ 79,185,511
State Wagering Taxes and Fees	201,114,908	173,165,905	157,357,000
Interest	49,911,413	47,000,000	30,000,000
Tobacco Settlement	42,857,773	9,684,560	8,819,730
Total Resources	\$ 366,192,846	\$ 340,427,451	\$ 275,362,241
Appropriations			
Enacted Appropriations	\$ 255,775,796	\$ 261,241,940	\$ 114,775,000
New Recommendations	0	0	160,587,241
Total Appropriations	\$ 255,775,796	\$ 261,241,940	\$ 275,362,241
Reversions	-157,241	0	0
Ending Balance	\$ 110,574,291	\$ 79,185,511	\$ 0

Appropriation Reversions

All appropriations from the RIIF have a three-year reversion date to allow funding to remain available for the specific project. If a project needs additional time to utilize its RIIF funding, oftentimes there is added language in the Infrastructure Appropriations bill that makes changes to prior appropriations' reversion dates. Additionally, there are many appropriations in the RIIF budget that are made to a Fund. Oftentimes, these funds are set up in a way where the money deposited into the Fund does not revert and instead remains available indefinitely for expenditure.

Infrastructure Appropriations

Previously Enacted RIIF and TRF Appropriations for FY 2024

\$114.8 million

Previously enacted and standing appropriations from the RIIF for FY 2025

\$47.5 million

RIIF standing appropriations

\$67.3 million

Other RIIF appropriations that were enacted in prior legislative sessions

- 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)
 - \$22.0 million for major maintenance
- Department of Health and Human Services
 - \$14.3 million for the Woodward Tunnel Decentralization project
 - \$28.0 million for the Iowa Medical Examiner Office Expansion
- Board of Regents
 - \$3.0 million for the Iowa Lakeside Laboratory

Infrastructure Appropriations

New RIIF Appropriation Recommendations for FY 2026

\$37.2 million

New RIIF appropriations in FY 2026

Rebuild Iowa Infrastructure Fund
Department of Administrative Services
\$1.5 million for demolition of the Fleet Building
\$5.0 million for Historical Building Sustainable Storage
Department for the Blind
\$559,000 for building repairs
Department of Corrections
\$4.2 million for the CBC District 4 Central Office
Iowa Economic Development Authority
\$750,000 for USS Iowa Battleship Deck renovations
Iowa Communications Network
\$2.0 million for JFHQ network redundancy
Iowa Law Enforcement Academy
\$15.0 million for a driving training facility
Judicial Branch
\$229,000 for furniture following the Linn County Courthouse renovation
Department of Natural Resources
\$800,000 for the Derelict Buildings Program
Board of Regents
\$4.7 million for a Public Policy Center at UNI
State Fair
\$2.5 million for a new Agriculture Facility

Infrastructure Appropriations

New TRF Appropriation Recommendations for FY 2026

\$8.9 million

In new TRF recommendations in
FY 2026

Technology Reinvestment Fund

Department of Corrections

\$3.0 million for technology projects

Iowa Economic Development Authority

\$5.4 million for an Enterprise Management System

Department of Management

\$1.4 million for the Criminal Justice Information System (CJIS)*

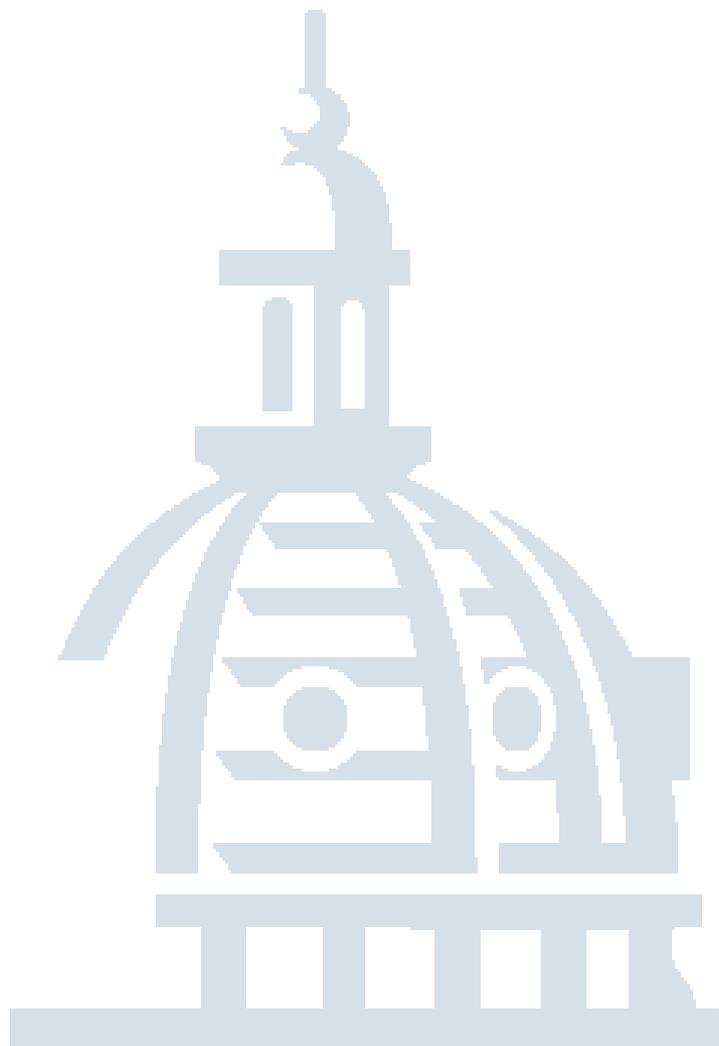
\$283,000 for the Justice Data Warehouse*

\$290,000 for the Justice Data Warehouse transition

Department of Public Defense

\$220,000 for technology projects

*These recommended projects are not new but are recommended under the Department of Management in FY 2026 instead of the Department of Health and Human Services.



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