A photograph of three construction workers in safety gear (hard hats and high-visibility vests) standing on a dirt area at a construction site. They are looking towards a large concrete bridge structure under construction. The sky is overcast with a bright sun breaking through the clouds, creating a dramatic lighting effect. The workers are wearing hard hats and high-visibility vests. One vest is red with yellow reflective stripes, and another is yellow with orange reflective stripes. The bridge structure consists of concrete pillars and a large overpass.

Transportation, Infrastructure, & Capitals

BUDGET PRESENTATION
FY2026



Presentation Topics

OVERVIEW
OF THE IOWA DOT

FUNDING 101
FOR THE IOWA DOT

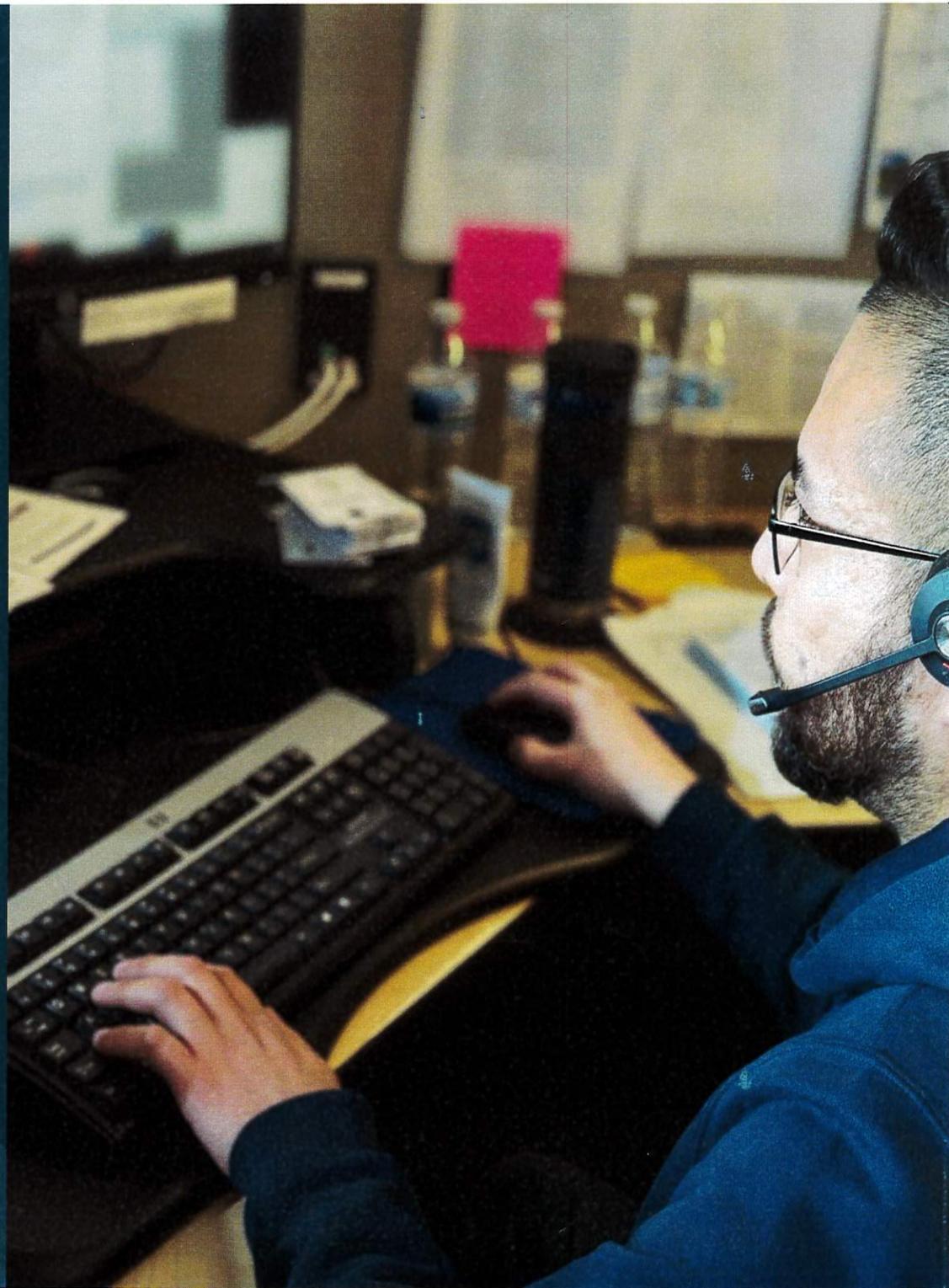
ACCOMPLISHMENTS
IN CY2024

GOVERNOR'S RECOMMENDATION
PRF/RUTF Funds
MVD System Modernization
RIIF Funds



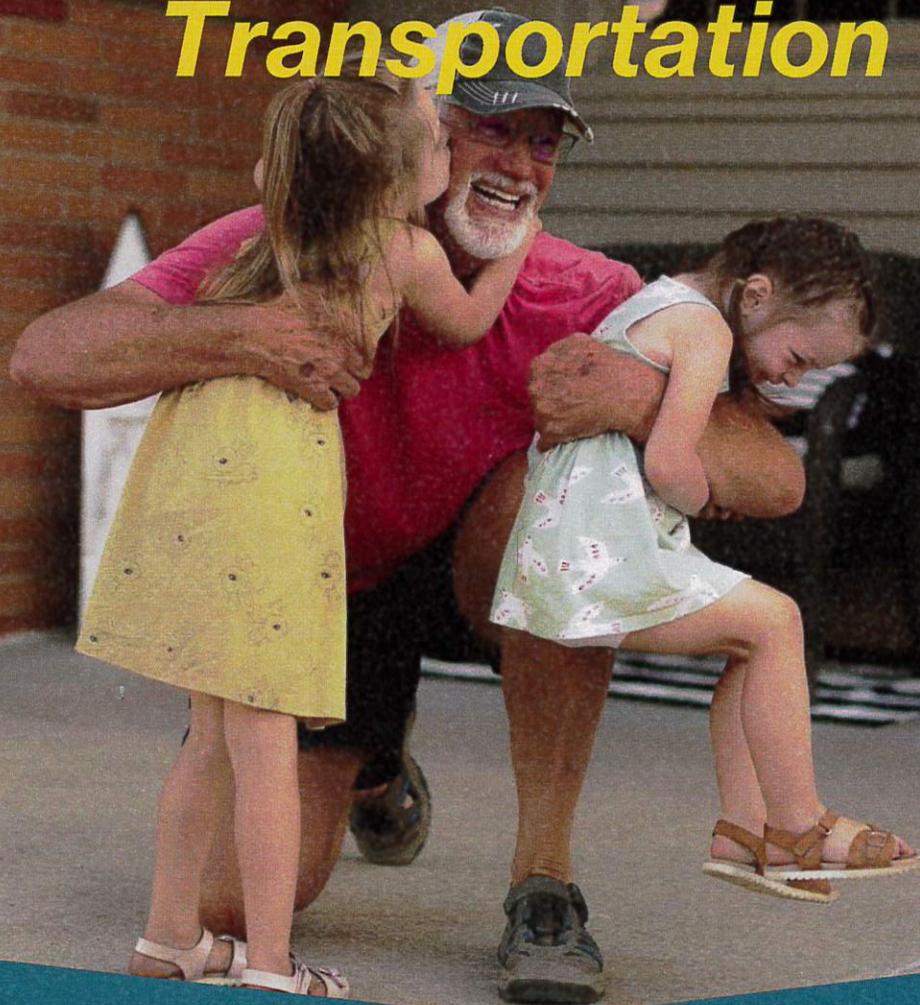
IOWA | DOT

Iowa DOT Overview

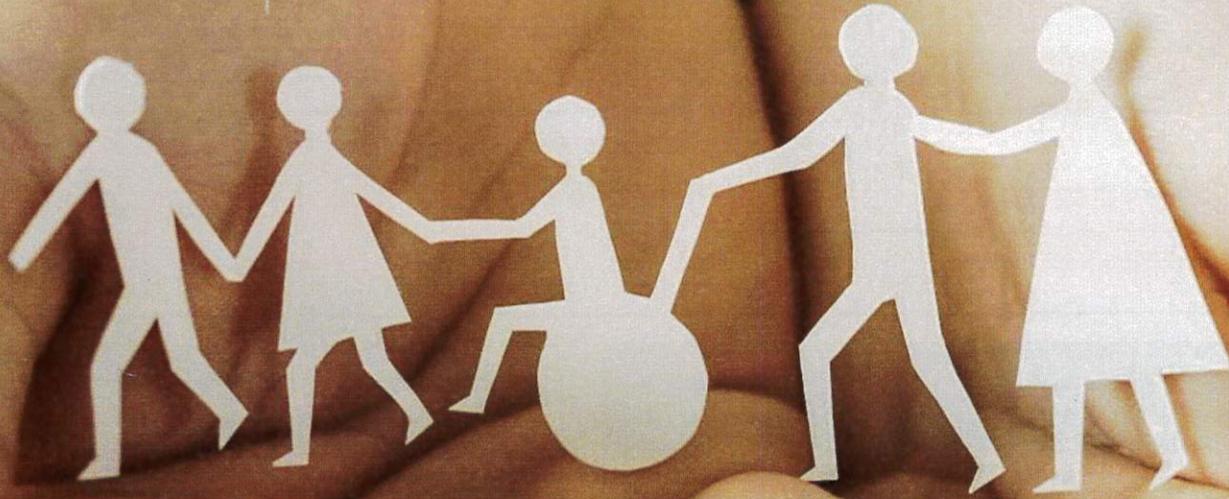


OUR MISSION

Making Lives Better Through Transportation



OUR CORE VALUES



Safety First



People Matter



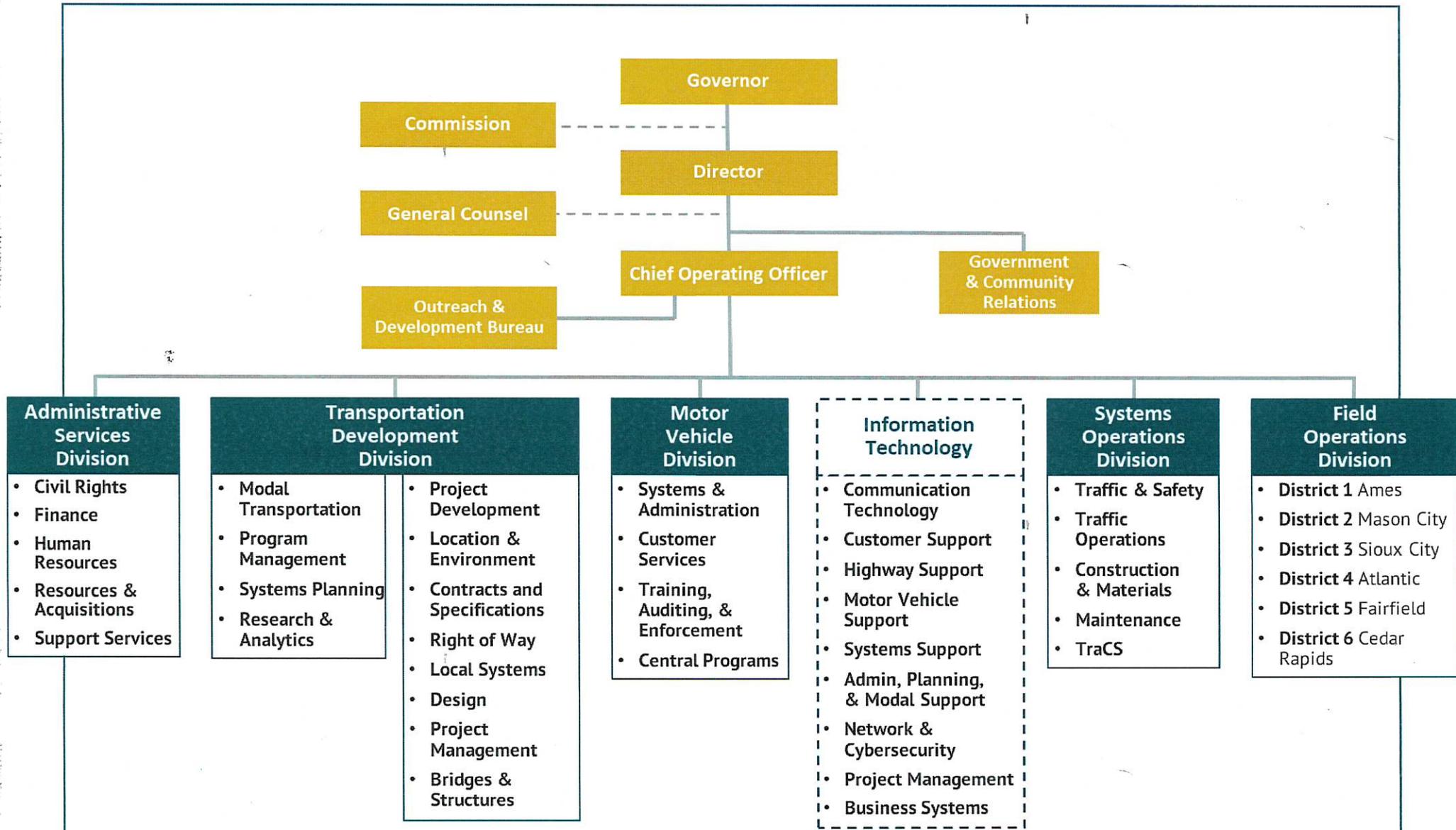
Customer Focused



Servant Leadership



Integrity Without Exception



Scope Of Operations

Roadway System



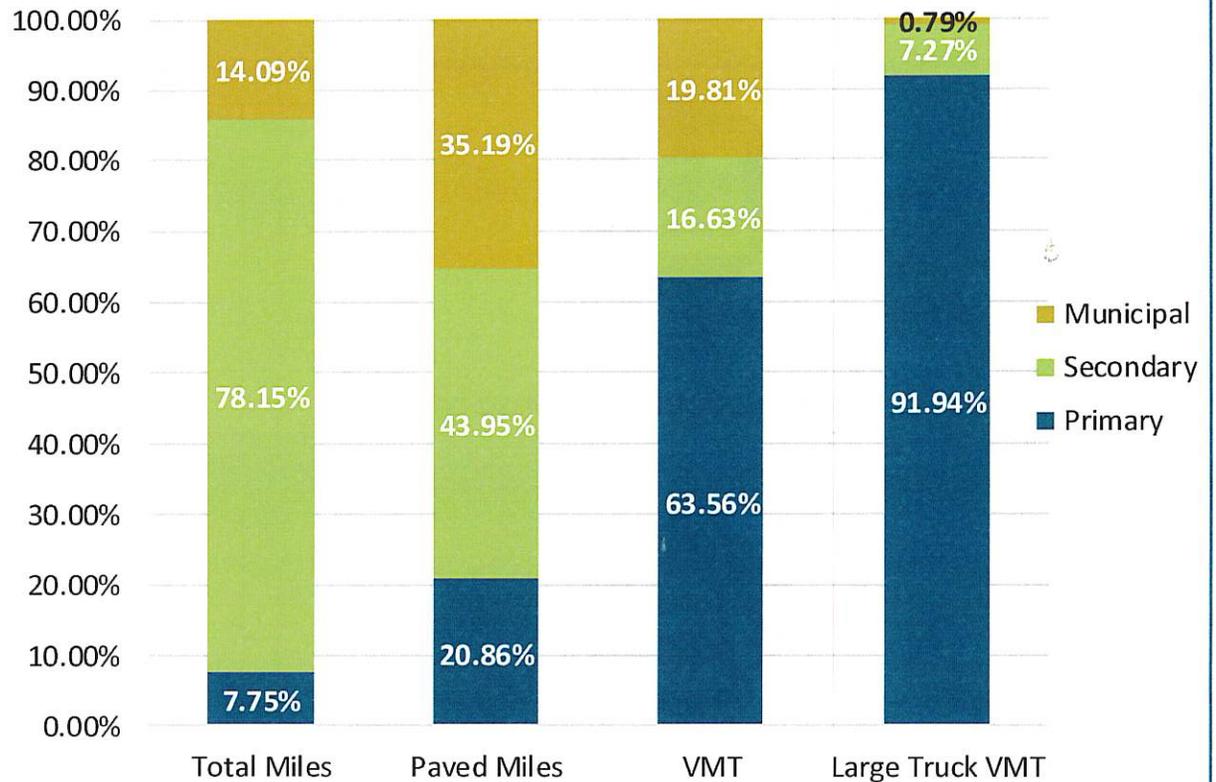
PRIMARY SYSTEM

DOT's Responsibility



SECONDARY SYSTEM

City/County Responsibility



Primary Areas Of Focus



Winter Maintenance



Construction



Traffic Incident Management



System Operations

Scope of Operations

Air, Rail, Transit, & Water



Air

Grants, Planning, & Inspections Services



Transit

Grants & Technical Assistance



Rail

Grants, Inspections & Safety Programs



Water

Policy Activities & Access investments

Scope of Operations

Drivers & Vehicles



2.7 M

Driver's license &
ID customers



4.8 M

Registered vehicles



156,657

Oversize/overweight loads
permitted & routed/year

IOWA | DOT

DOT Funding 101

For the Iowa DOT



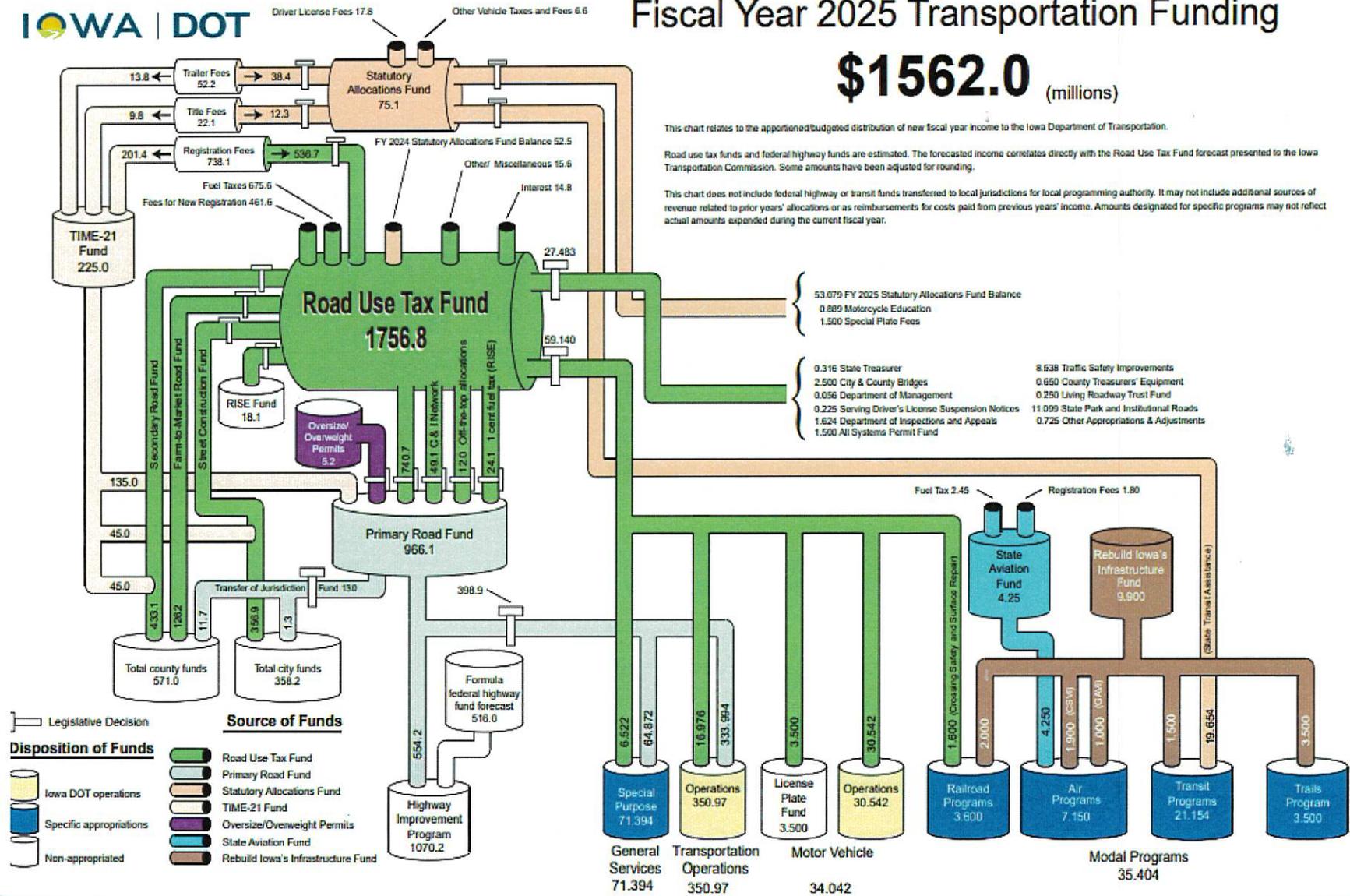
Fiscal Year 2025 Transportation Funding

\$1562.0 (millions)

This chart relates to the apportioned/budgeted distribution of new fiscal year income to the Iowa Department of Transportation.

Road use tax funds and federal highway funds are estimated. The forecasted income correlates directly with the Road Use Tax Fund forecast presented to the Iowa Transportation Commission. Some amounts have been adjusted for rounding.

This chart does not include federal highway or transit funds transferred to local jurisdictions for local programming authority. It may not include additional sources of revenue related to prior years' allocations or as reimbursements for costs paid from previous years' income. Amounts designated for specific programs may not reflect actual amounts expended during the current fiscal year.



State Road Funding

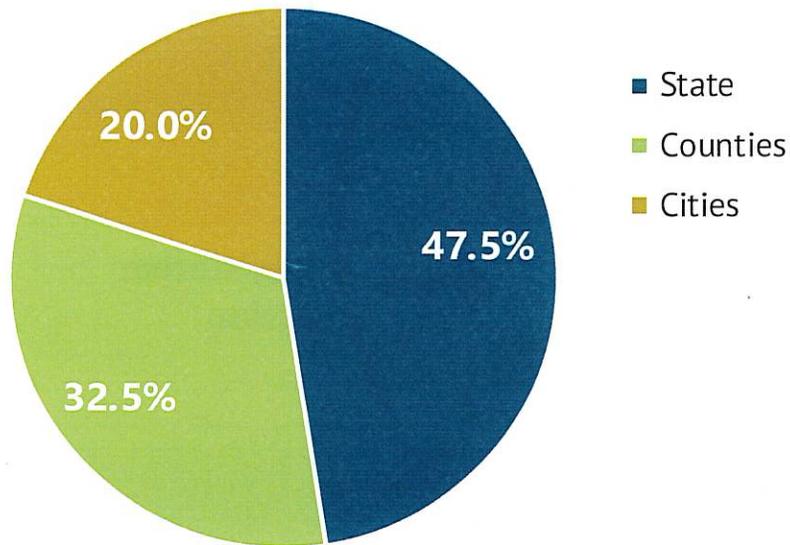
(Combined RUTF/Time-21)

Funding Source	FY 2025 (estimated)	Percent of Total	State Constitution Requires Funds be Used for Roads?
Fuel Tax	\$675.6 million	34 percent	Yes
Annual Registration Fee	\$738.1 million	38 percent	Yes
Fee for New Registration	\$461.6 million	23 percent	Yes
Other*	\$106.6 million	5 percent	No
Total	\$1.982 billion		

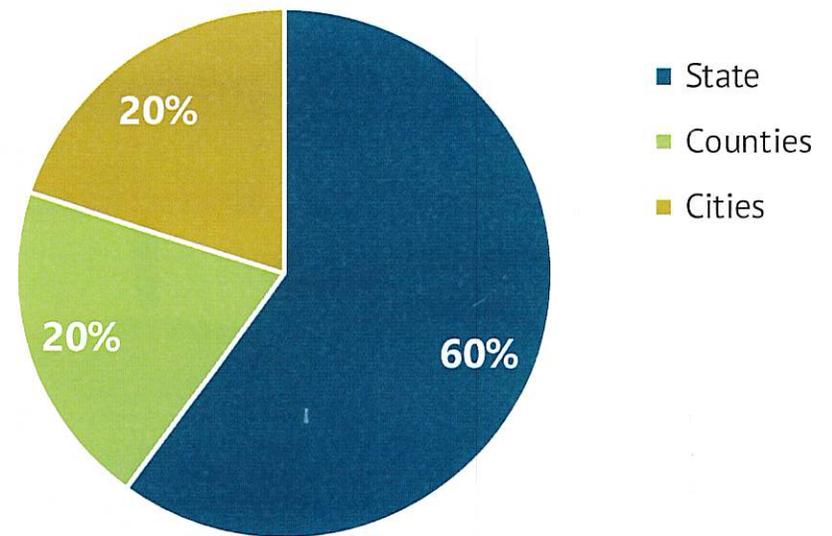
* Driver's License Fees, Trailer Registration Fees, Title Fees, etc.

State Road Fund Distribution

ROAD USE TAX FUND
(FY 2025 - \$1.756 billion)

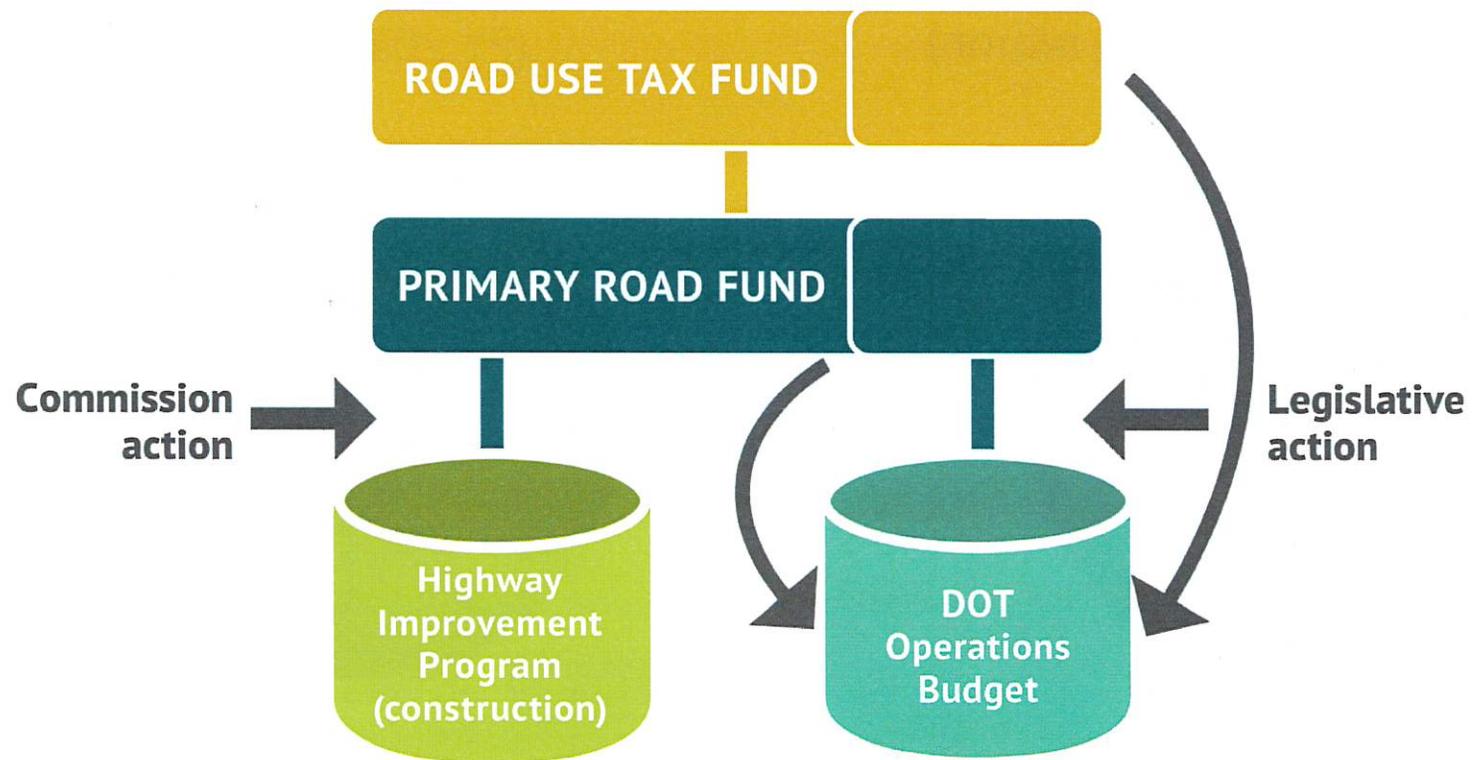


TIME-21
(FY 2025 - \$225 million)



How We're Funded

DOT Construction Vs. Operations Funding

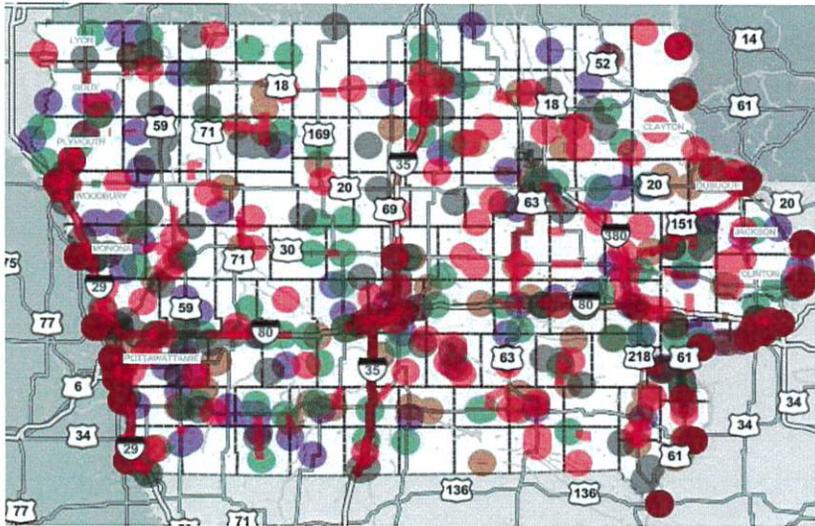


IOWA | DOT

Accomplishments in 2024



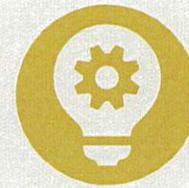
5-Year Primary Highway Program



\$4.5B

IN HIGHWAY INVESTMENTS

Largest 5-year program to date



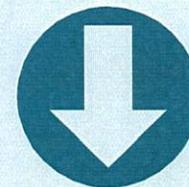
\$3.9B

Dedicated to modernization and enhanced safety features.



60%

Invested in rural areas.



Reduced the number of poor bridges on the primary system from

256 to 23

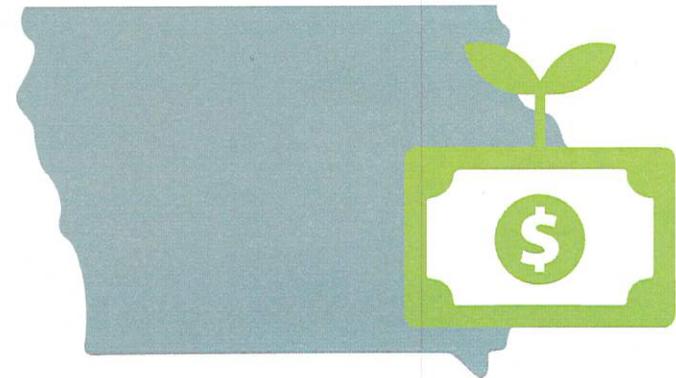
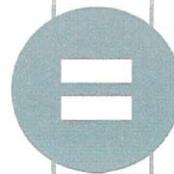
in 2006

in 2024

Highway Projects FY 2024



777
Highway Projects
Completed
in FY2024



More than
\$1.2 Billion
Invested In Iowa
Transportation

Disaster Response

- Iowa had a record number of tornadoes (125) in 2024.
- 22 river gauges set new records in NW Iowa.



View from helicopter of IA 60 near Sheldon

Flood Impacts

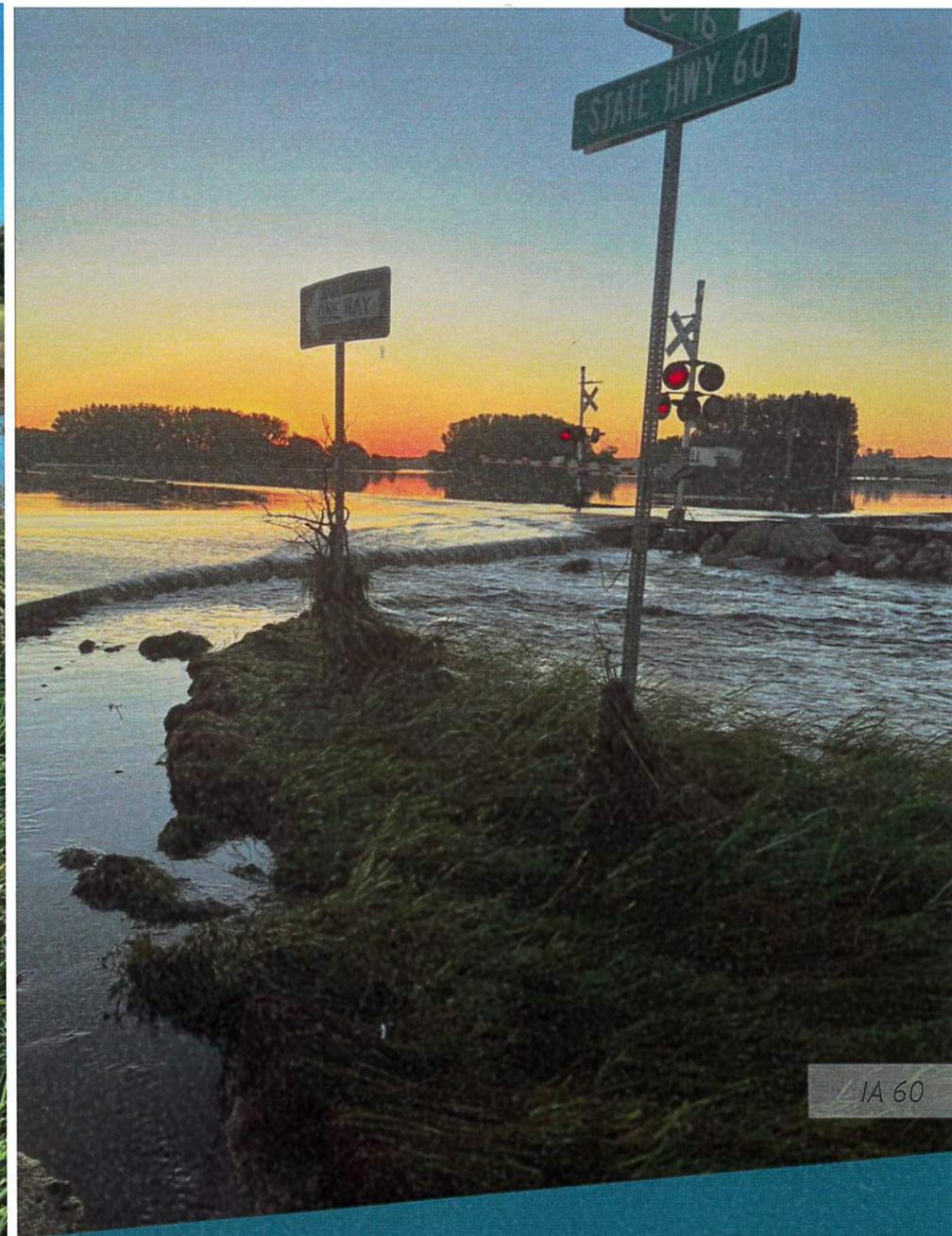
**73 primary highway
& bridge closures**
between Jun 21 and July 9



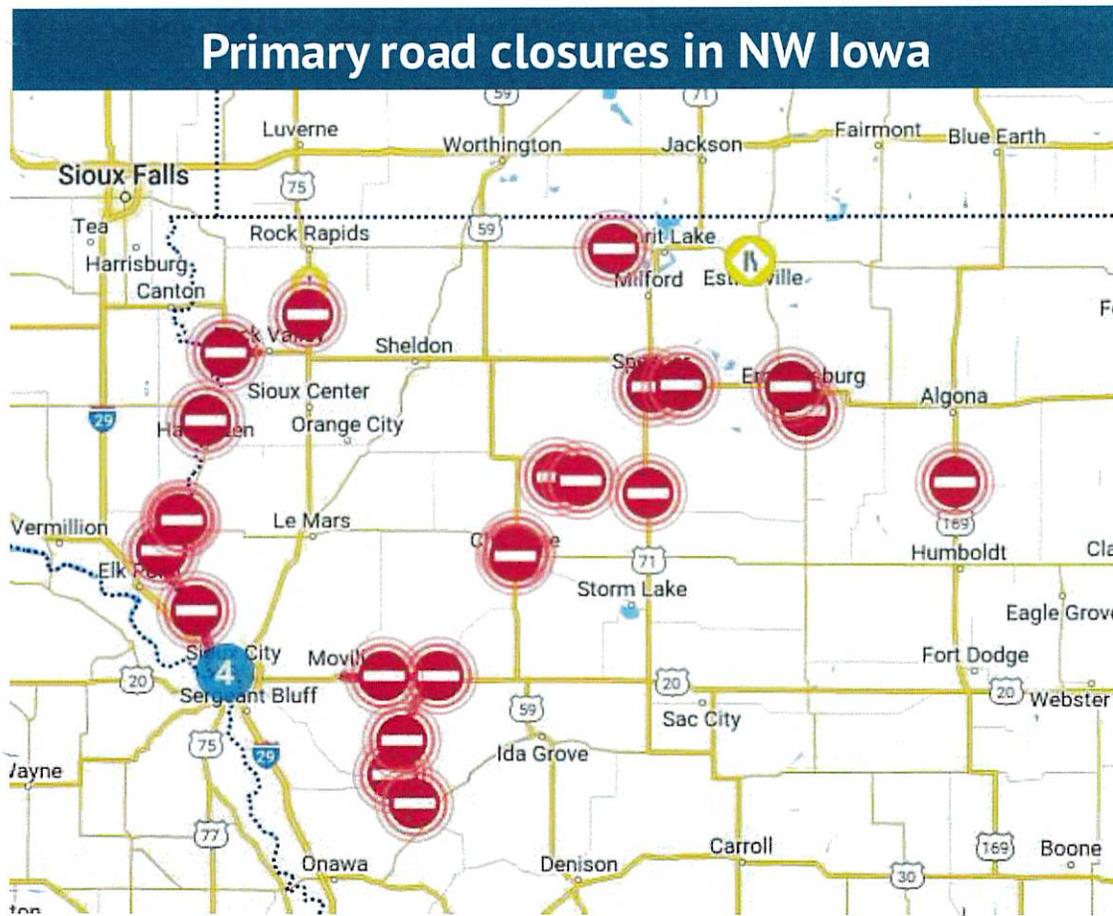
IA 3



US 18



NW Iowa Road Closures – 73 closures total



Our Main Focus

- Restoring mobility while keeping people safe.
- Coordinating with agencies and communities.





Our Response

Spencer Mission

- Thousands of damaged structures
- 81 DOT staff
- 96 pieces of equipment
- 2,658 loads of debris including 1,479 appliances



Our Response

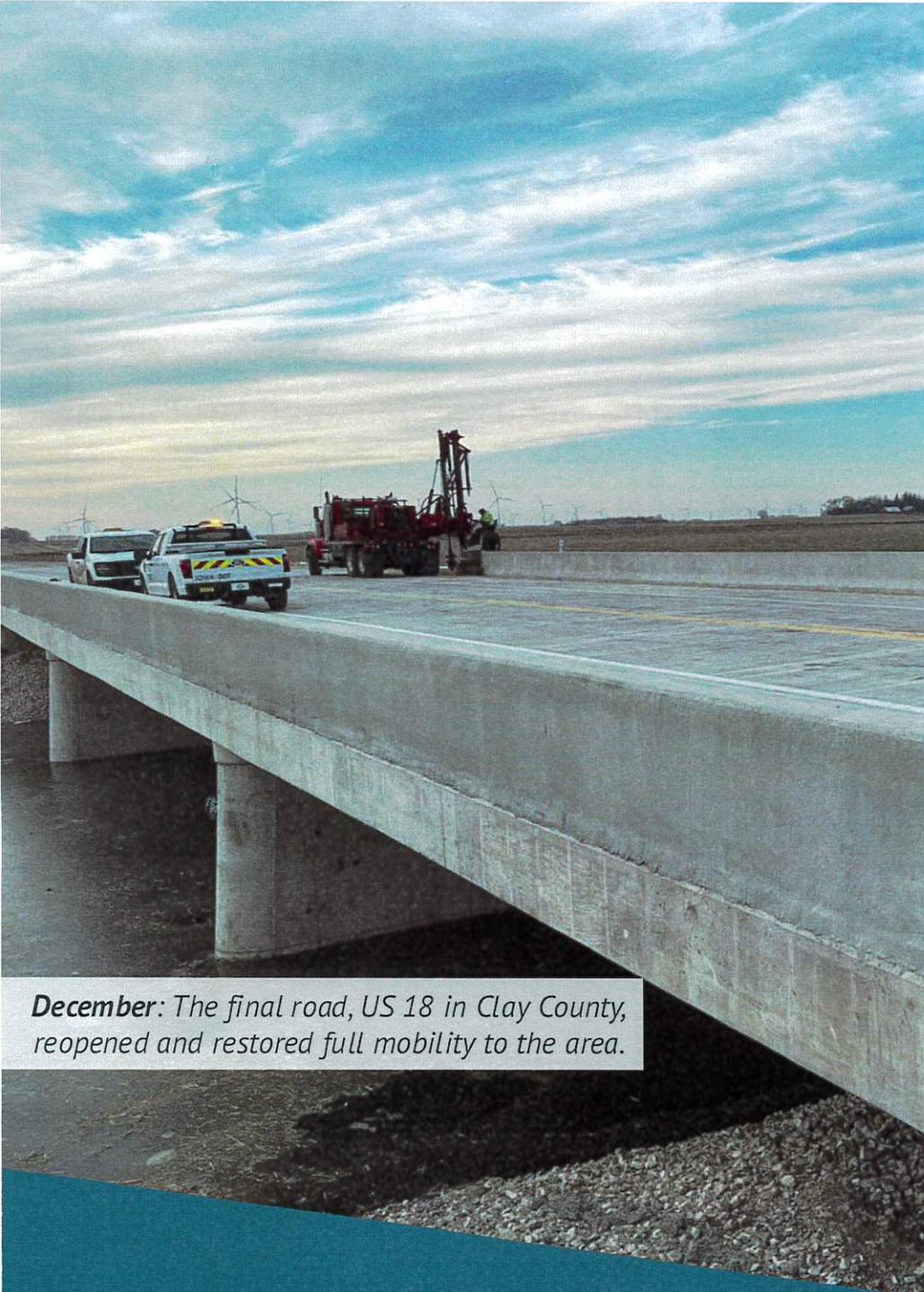
Road/Bridge Inspections & Replacements

73 primary highway & bridge closures

- Road/bridge inspection crews deployed immediately.
- Repairs began when safely feasible.
- **September:** All but one of these roads were back open.
- We completely demolished and rebuilt a bridge on US 18 in just four months.

MVD Support

- Temporary DL/ID issuance station was set up in Spencer and served more than 100 customers.

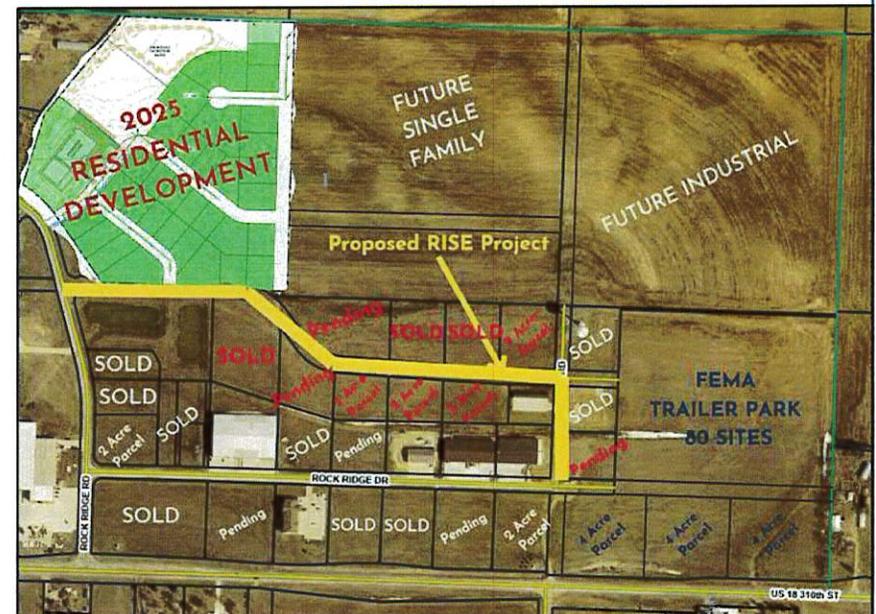


December: The final road, US 18 in Clay County, reopened and restored full mobility to the area.

Our Response

Transportation Programming

- The Transportation Commission created a new “Business Relocation & Job Retention” category of RISE funding.
- The Transportation Commission accelerated reconstruction of the IA 3 bridge in Cherokee.
- The Transportation Commission authorized emergency funding for replacement of the US 18 bridge.



Added County Road Closures to 511

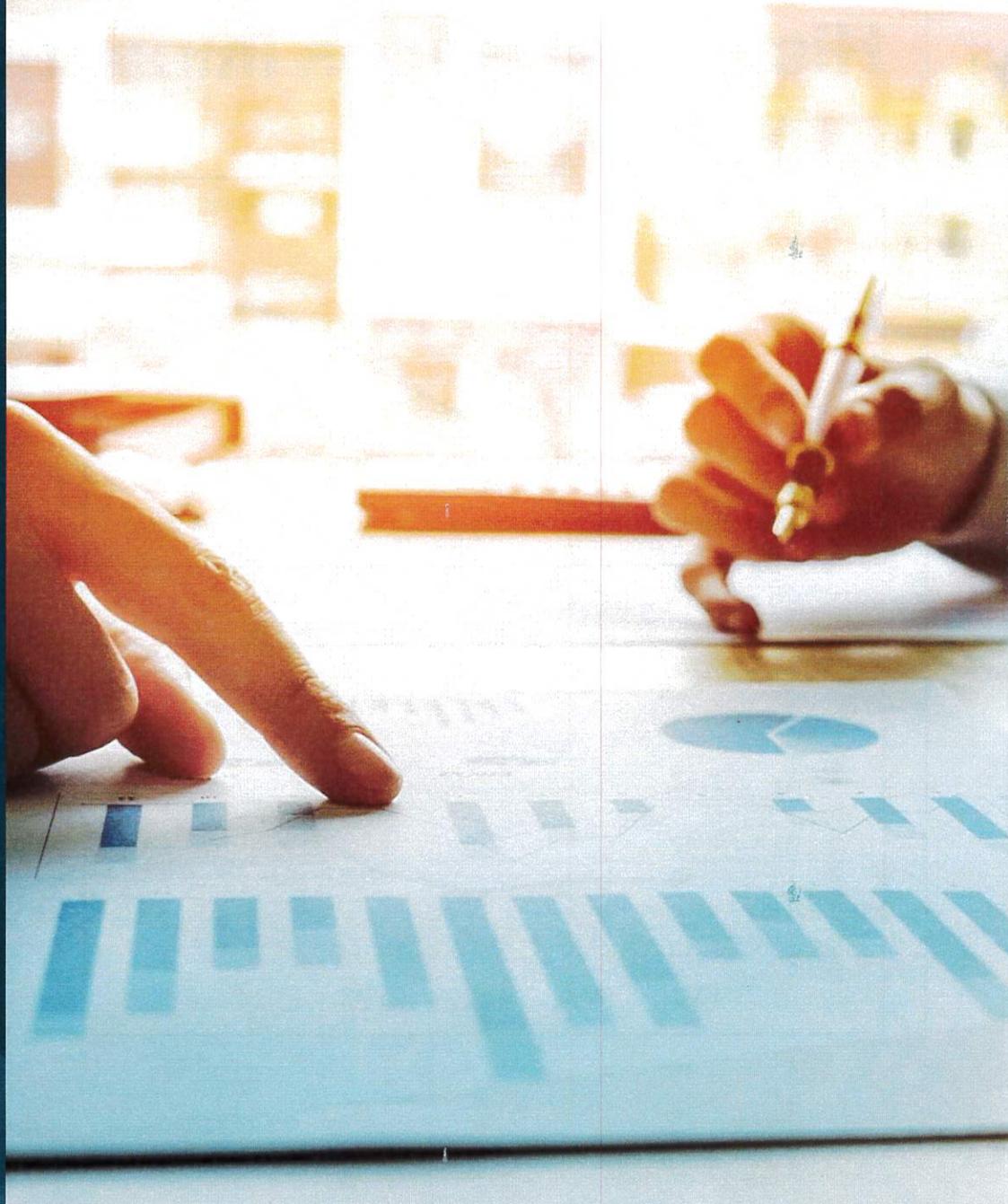
The screenshot displays the Iowa DOT 511 website interface. At the top, there is a search bar and navigation links for 'Your 511', 'List View', and 'Help'. Below the search bar, a 'What Are You Looking For?' section features icons for Incidents, Construction, Cameras, Incidents & County Closures (highlighted with a red box), and My 511. A 'Critical Information' section shows a road closure on US 61 Business in Davenport. The main map area shows a statewide view of Iowa with numerous blue road closure markers. A detailed pop-up window for 'Log Ave: Road Closed' in Lyon County is shown, providing event details such as 'Weather - Closed', 'Start Date: 6/21/2024, 12:00:00 AM', and 'County Contact: 712-472-8230'. A red arrow points to the 'County Closures' checkbox in the 'Layers' panel, and a yellow arrow points from the map to the detailed event window.

- We partnered with Iowa County Engineers Association Service Bureau (ICEASB) to add County Road closures to 511 using their existing data feed.

IOWA | DOT

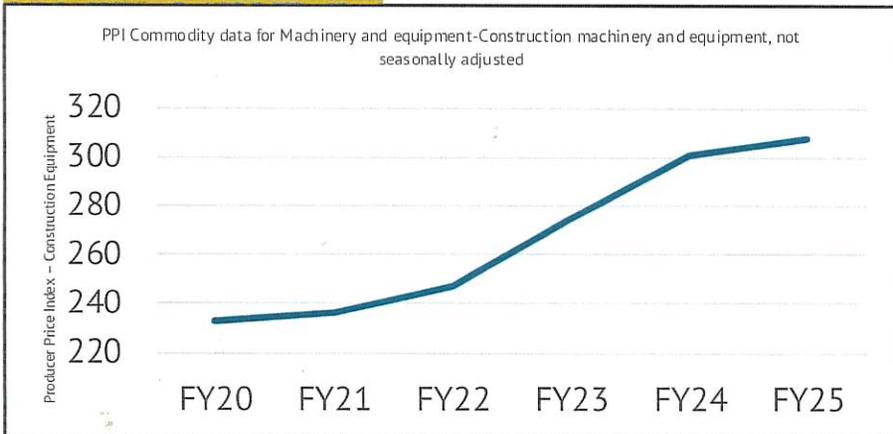
Governor's Recommendation

Agency RUTF/PRF
Operational Funding

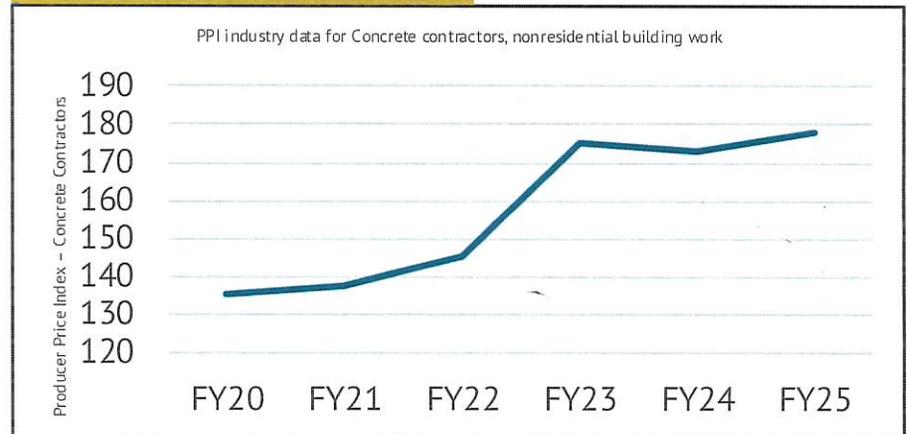


Historical Prices Impacting the DOT

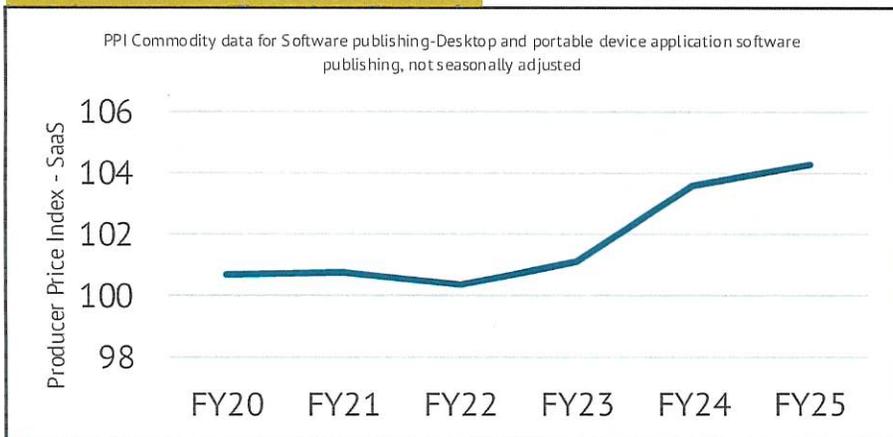
Equipment



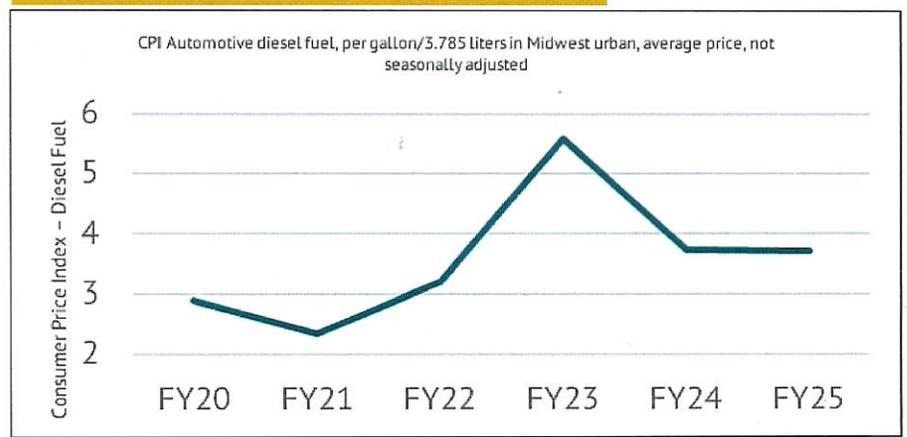
Concrete Contractors



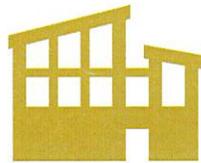
IT Cost - SaaS



Diesel Fuel



Critical Challenges



Facilities



Equipment



Funding
Alignment



Technology

Waterloo Garage

The DOT has 100 maintenance facilities statewide. These facilities house the equipment and staff that plow and maintain the primary system.

Why a New Facility is Needed:

- Today's larger equipment has outgrown older DOT maintenance facilities and challenges our ability to safely conduct vehicle maintenance and operations.
- Waterloo facility will include 38 maintenance bays, 6 wash bays, cold storage, brine storage, and demolition of existing facility.
- Existing site and salt storage will be used.



Requesting
\$18.9M



Equipment Replacement and Safety

Requesting
\$10.2M

- To maintain the state's roadways adequately and safely, the Iowa DOT has established a strategic replacement cycle for our equipment.
- Replacement equipment is purchased with 3 funding streams:
 1. Depreciation payments
 2. Equipment Sales
 3. Annual appropriation for inflation



2025 TRUCK REPLACEMENT PURCHASE PRICE
\$225,930

▲
71.0%
PRICE
INCREASE



2013 TRUCK REPLACEMENT PURCHASE PRICE
\$132,090

Safety Equipment

This equipment aims to reduce the risk of life-threatening injuries

Arrow Boards

- Improvement to Arrow Boards to provide automated data to public and remote activation

Attenuators

- Expansion of audible warning systems used on truck mounted attenuators and improvements to meet MASH standards

Patching Trucks

- Reducing exposure of maintenance staff to vehicle traffic while performing pavement repairs

Total cost of this equipment is \$865,560 and is included in the Equipment Special Purpose ask.



Sustainable Funding Alignment

Shift \$1.6 million for DL and ID production

- Special purpose --> Statutory allocation
- Mirrors license plate pay-as-you-go funding

Shift \$2.9 million for facility maintenance

- Operations -->Capital
- Net \$0 impact to agency budget

Shift \$1 million for waste management

- Special Purpose --> Operations
- Net \$0 impact to agency budget

Total Spending
Impact
\$0

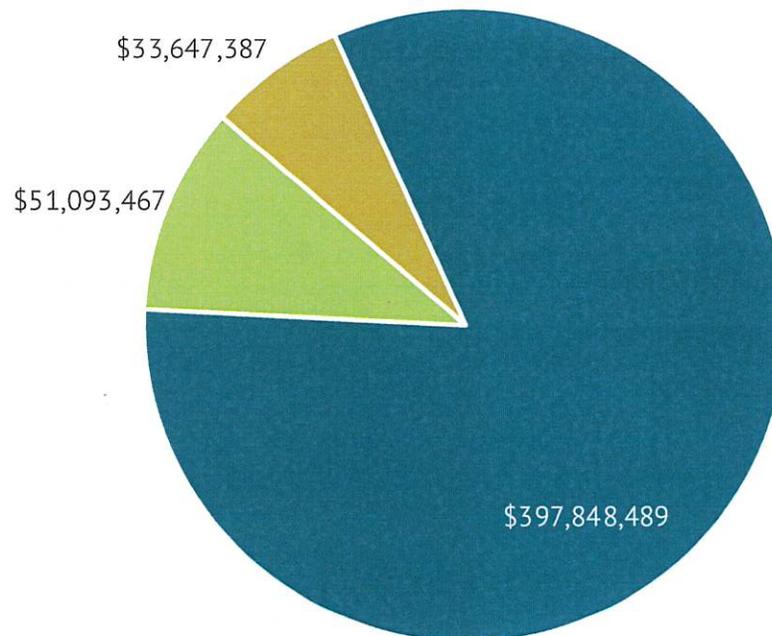


Iowa DOT FY26 Governor's Recommendation

Iowa DOT FY26 Operations Budget

\$482,589,343*

■ FY26 Operations ■ FY26 Special Purpose ■ FY26 Capital



**Excludes MVD Systems Modernization capital request*

Budget Summary (000 Omitted)

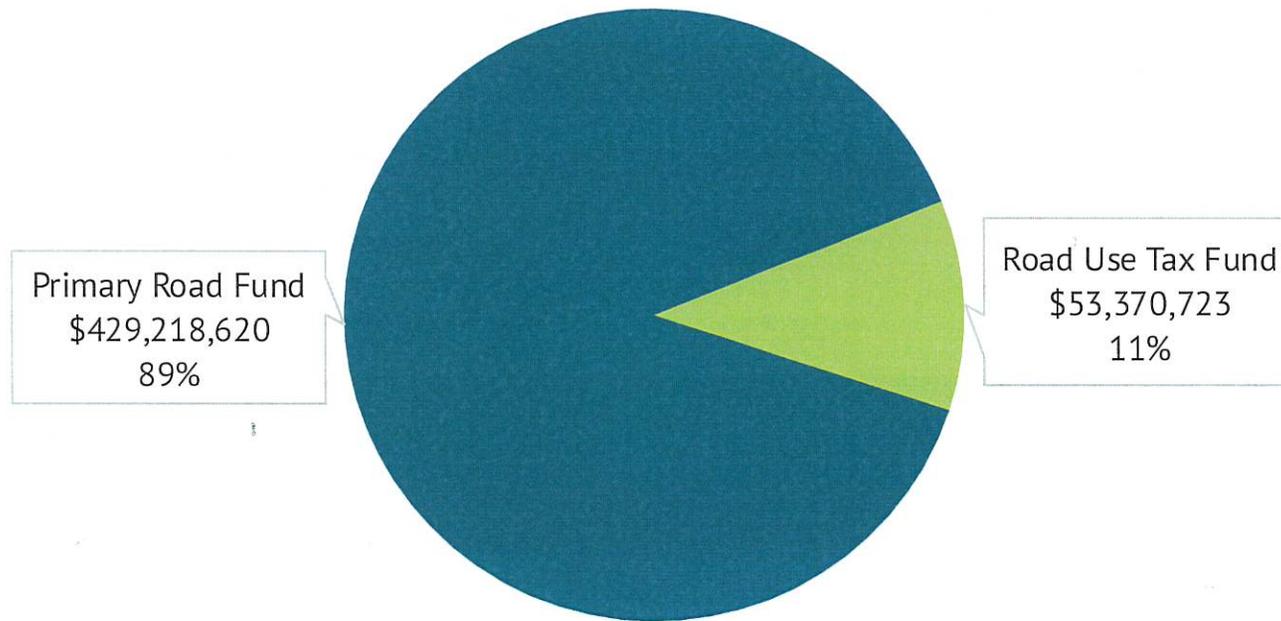
Operations

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation*
Agency Operations	\$398,662	(\$814)	\$397,848
Special Purpose	\$43,104	\$7,989	\$51,093
Capital Projects*	\$28,290	\$5,357	\$33,647
Total	\$470,056	\$12,532	\$482,589
FTEs	2,657	-	2,657

*Excludes MVD systems modernization

Funding Sources

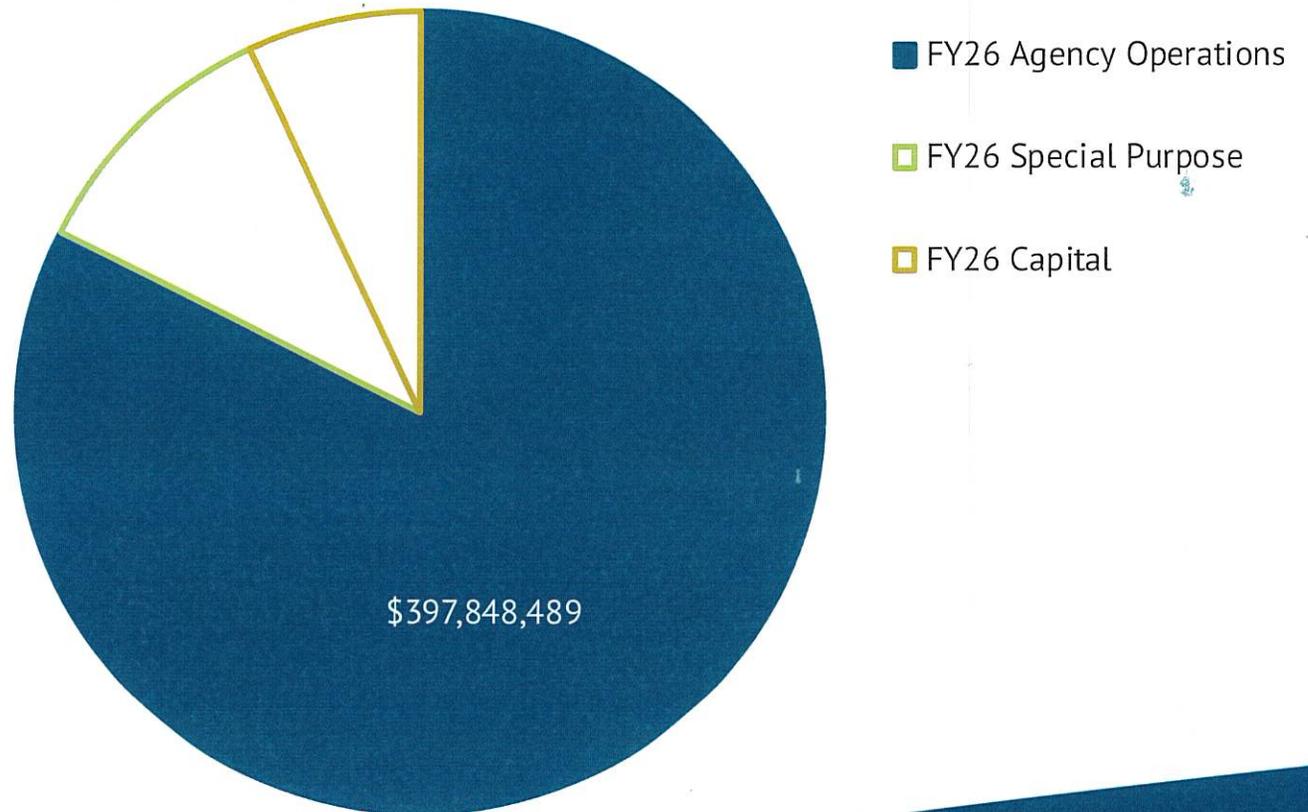
\$482,589,343*



**Excludes MVD systems modernization*

Iowa DOT FY26 Agency Operations Governor's Recommendation

\$397,848,489



Agency Operations Budget (\$000 Omitted)

Budget Unit/Division	FY 2025 Budget		Adjustments		FY 2026 Governor's Recommendation	
	FTE	\$	FTE	\$	FTE	\$
Transportation Operations	2,363	\$365,951	-	(\$814)	2,363	\$365,137
Motor Vehicle	294	\$32,711	-	-	294	\$32,711
Total Agency Operations	2,657	\$398,662	-	(\$814)	2,657	\$397,848

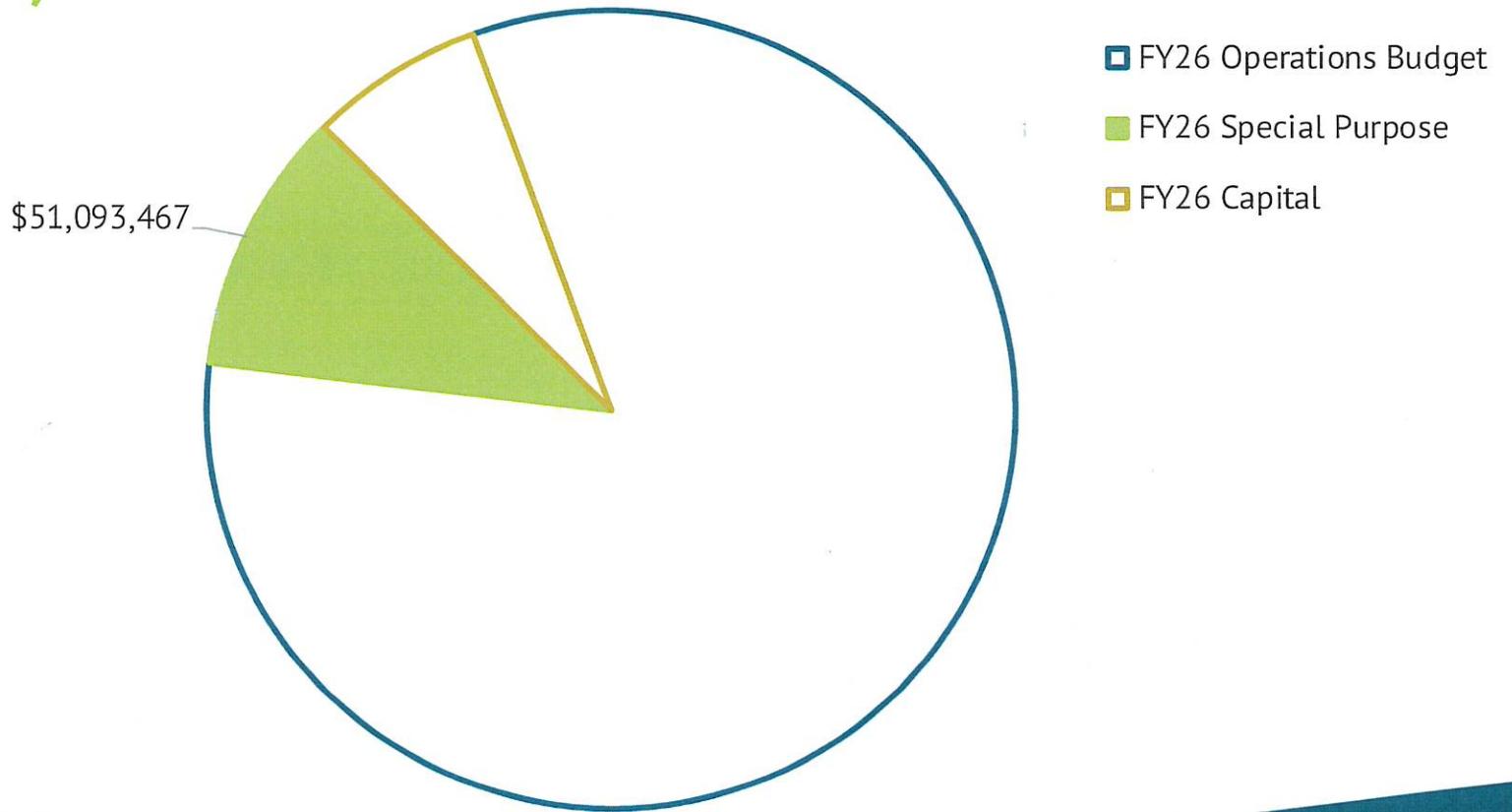
Agency Operations Budget

(\$000 Omitted)

Division	FY 2025 Budget		Adjustments		FY 2026 Request	
	FTE	\$	FTE	\$	FTE	\$
Director and Commissioner	39	\$6,289	-	-	39	\$6,289
Administrative Services	98	\$24,667	-	(\$2,850)	98	\$21,817
Information Technology	140	\$23,544	-	-	140	\$23,544
System Operations	159	\$19,466	-	\$1,000	159	\$20,466
Transportation Development	427	\$54,933	-	-	427	\$54,933
Field Operations	1,500	\$165,864	-	-	1,500	\$165,864
Equipment/Software/SLIP	-	\$71,188	-	\$1,036	-	\$72,224
Motor Vehicle	294	\$32,711	-	-	294	\$32,711
Total Agency Operations	2,657	\$398,662	-	(\$814)	2,657	\$397,848

Iowa DOT FY26 Special Purpose Governor's Recommendation

\$51,093,467

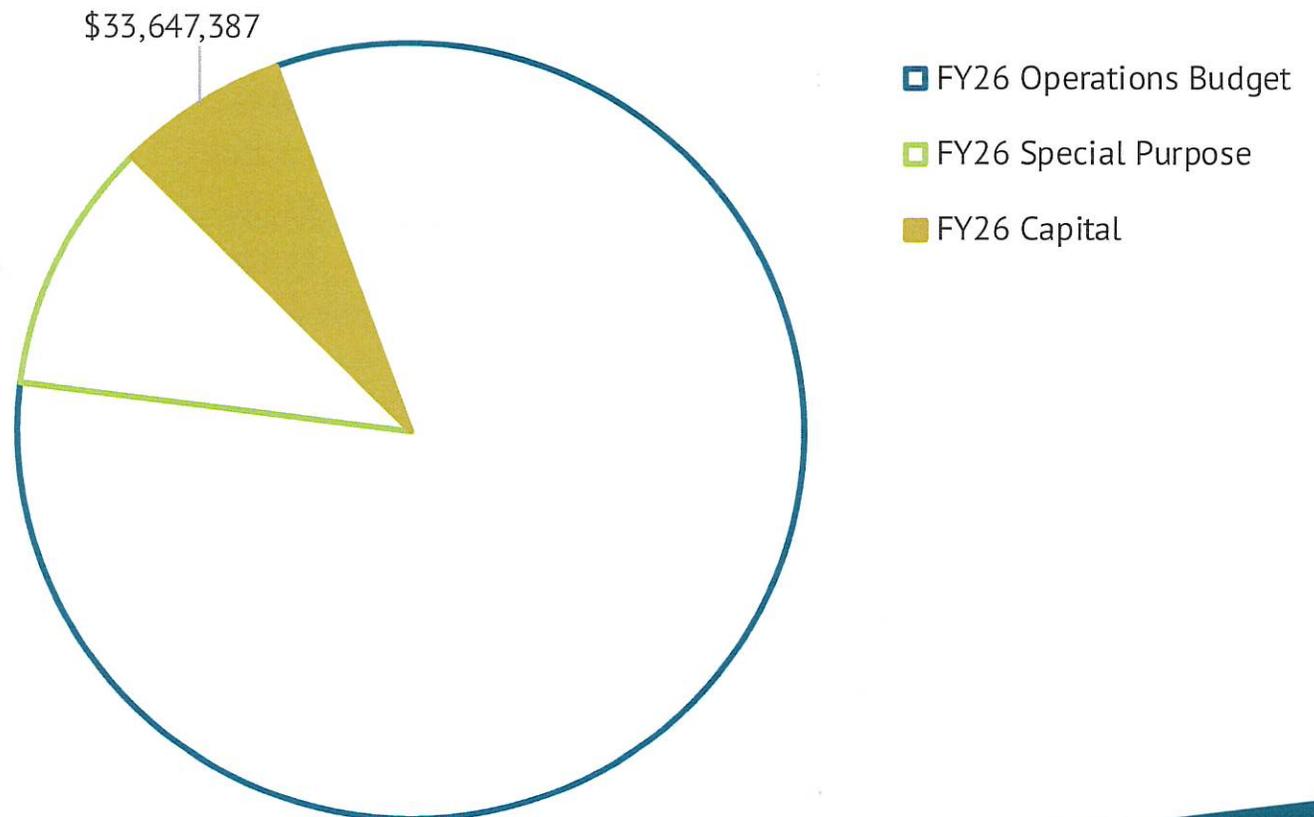


Special Purpose Budget (\$000 Omitted)

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation
Replacement Equipment	\$29,626	\$10,156	\$39,782
Workers' Compensation	\$3,575	\$305	\$3,880
Unemployment Compensation	\$145	-	\$145
DAS/IT Utility Service	\$3,255	\$323	\$3,578
Waste Management	\$1,000	(\$1,000)	-
Drivers' License	\$1,600	(\$1,600)	-
TraCS/MACH	\$300	-	\$300
County Treasurer Support	\$1,406	-	\$1,406
Mississippi River Parkway Commission	\$40	-	\$40
Transportation Maps	\$195	(\$195)	-
Indirect Cost Allocation	\$750	-	\$750
Statewide Interoperable Communications System	\$442	-	\$442
State Auditor Reimbursement	\$770	-	\$770
Total Special Purpose	\$43,104	\$7,989	\$51,093

Iowa DOT FY26 Capital Governor's Recommendation

\$33,647,387*



**Excludes MVD Systems Modernization capital request*

Capital Budget (\$000 Omitted)

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation
Facility Major Maintenance & Enhancements	\$6,300	-	\$6,300
Facility Routine Maintenance & Prevention	\$5,200	\$2,850	\$8,050
MVD Field Facilities Maintenance	\$400	-	\$400
Electronic Record Management	\$2,100	(\$2,100)	-
New Albia Facility	\$7,291	(\$7,291)	-
New Jefferson Facility	\$6,999	(\$6,999)	-
New Waterloo Facility	-	\$18,897	\$18,897
Total Capital*	\$28,290	\$5,357	\$33,647

**Excluding MVD Systems Modernization capital request*

Agency Line-Item Recap (000 omitted)

Item	FY 2026 Governor's Recommendation
Agency Operations	(\$814)
Replace Albia Garage	(\$7,291)
Replace Jefferson Garage	(\$6,999)
Replace Waterloo Garage	\$18,897
Driver's License Production Fund	(\$1,600)
Facility Routine Maintenance and Prevention	\$2,850
Transportation Maps	(\$195)
Replace Equipment	\$10,156
DAS/OCIO Utility	\$323
Waste Management	(\$1,000)
Workers' Compensation	\$305
Electronic Records Management	(2,100)
Total*	\$12,532

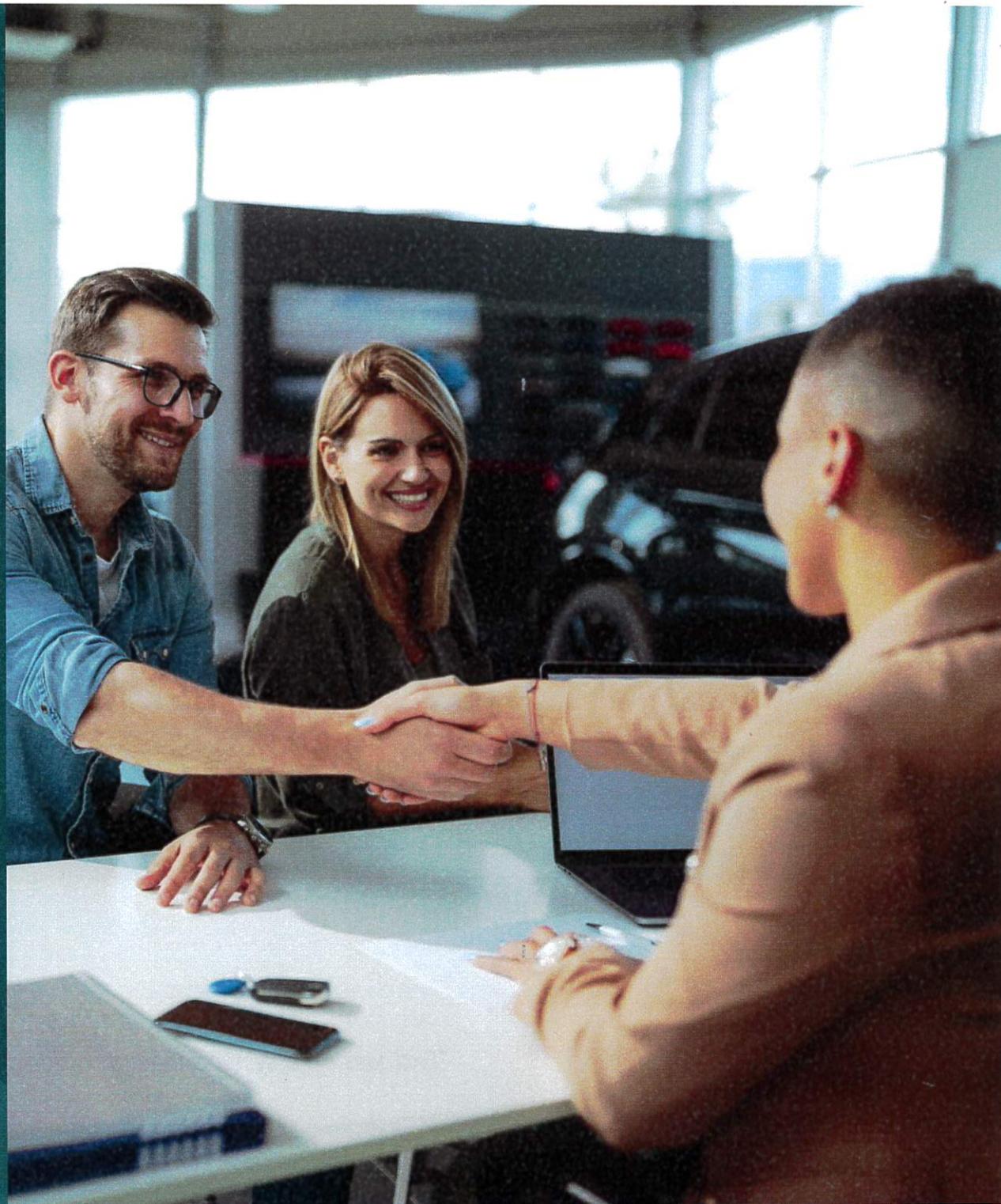
**Excludes MVD systems modernization capital request*

Budget Summary (000 Omitted)

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation*
Agency Operations	\$398,662	(\$814)	\$397,848
Special Purpose	\$43,104	\$7,989	\$51,093
Capital Projects*	\$28,290	\$5,357	\$33,647
Total	\$470,056	\$12,532	\$482,589
FTEs	2,657	-	2,657

*Excludes MVD systems modernization capital request

ARTS Modernization



What is ARTS & What Does it Do?



Vehicle titling & registration



Driver's license & ID cards



Persons w/ disabilities
product issuance



License plate management



Car dealership licensing



Intrastate motor
carrier authority

30 million

driver and
vehicle records

1.5 million

transactions/week

15,800

active users (internal
/external)

\$1.2B

annual state
transportation
revenue

\$40M

annual fees collected
by county treasurers
for their
general funds

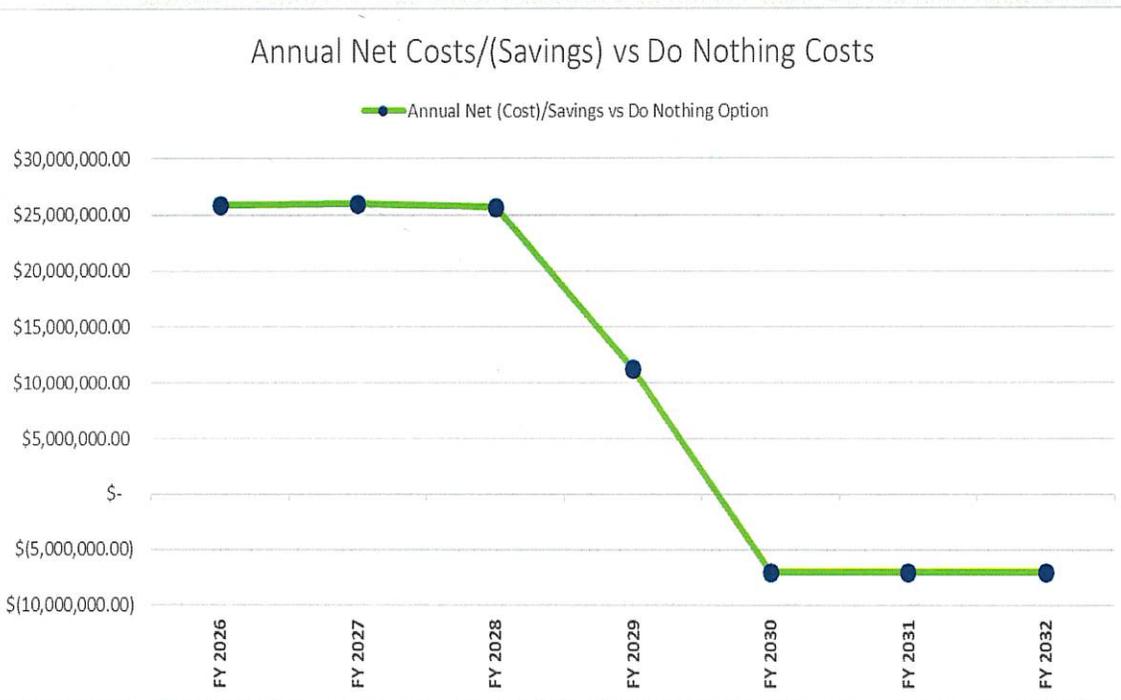
Why Modernize?

- **Combining multiple systems onto one platform**
- Outdated and complex
- Inefficient
- Challenging to innovate and improve service
- Lack of revenue enforcement/financial tools
- Difficult to meet stakeholder needs
- Many functions not currently available

Return on Investment

Initial costs = **Approx. \$20M/year (3 years)**

Annual maintenance = **Approx. \$5.5M/year**



- Annual Net Cost Savings vs Do Nothing option reached FY29-FY30 upon go live of new system

ANNUAL COST SAVINGS	
Improved registration fee collection	\$6M/year
Reduction of IT staff costs	\$2M/year
Consolidation of software	\$2M/year
Increased online services	\$1.3M/year
CDL skills test fee and employer/insurance reporting	\$235k/year
County treasurer software savings	\$1M/year
= \$12.5M annual savings	

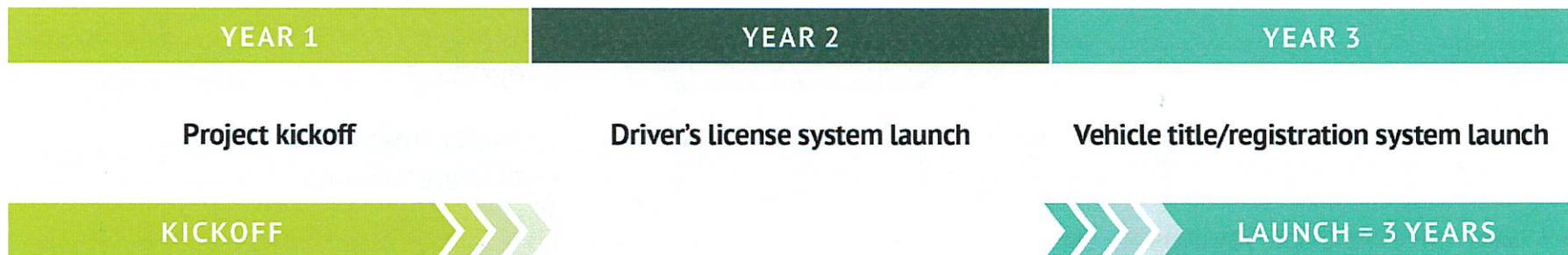
Funding & Timeline – 3 years

Funding Schedule



*Annual Operations and Maintenance costs/fees

Implementation Timeline



MVD System Modernization Recommendation

(000 Omitted)

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation*
Agency Operations	\$398,662	(\$814)	\$397,848
Special Purpose	\$43,104	\$7,989	\$51,093
Capital Projects	\$28,290	\$5,357	\$33,647
Total Status Quo Operations	\$470,056	\$12,532	\$482,589
MVD Systems Modernization	-	\$20,000*	\$20,000
Grand Total	\$470,056	\$32,532	\$502,589
FTEs	2,657	-	2,657

*\$20 Million per year for 3 years

IOWA | DOT

Governor's Recommendation

DOT RIIF Funding



RIIF Funding: Modal Program Appropriations

(\$000 Omitted)

Item	FY 2025 Budget	Adjustments	FY 2026 Governor's Recommendation
Commercial Service Vertical Infrastructure	\$1,900	-	\$1,900
General Aviation Vertical Infrastructure	\$1,000	-	\$1,000
State Recreational Trails	\$3,500	(\$1,000)	\$2,500
Public Transit Infrastructure	\$1,500	-	\$1,500
Railroad Revolving Loan and Grant Program	\$2,000	-	\$2,000
Total	\$9,900	(\$1,000)	\$8,900

IOWA | DOT

Thank you!

Questions?



scott.marler@iowadot.us



(515) 239-1111