

# Transportation, Infrastructure, and Capitals Appropriations Subcommittee

Presentation by LSA Fiscal Services Division  
January 19, 2016

# Road Use Tax Fund (RUTF)

- The RUTF is dedicated to supporting state, county and local roads.
- Fund revenues include:
  - ◆ Motor vehicle fuel taxes
  - ◆ Motor vehicle and motor carrier registration fees
    - After fees reach \$392.0 million, the remaining amount collected for the fiscal year is transferred to the TIME-21 Fund
  - ◆ Fee for new registration
    - 5.0% tax on vehicle purchase - replaced motor vehicle use tax - now constitutionally protected
  - ◆ Other - including interest, underground storage tank fees, permits, special plates, balance from Statutory Allocations Fund
- SF 257 Update (Fuel Tax Increase)
  - ◆ An increase of \$79.2 million in FY 2015
  - ◆ An increase of \$81.0 million in YTD FY 2016

# Road Use Tax Fund

## Off-the-Top Allocations and Appropriations

### Examples

- Statutory Allocations (§ 312.2)
  - ◆ Primary Road Fund – Commercial & Industrial Network
  - ◆ Revitalize Iowa's Sound Economy (RISE)
  - ◆ Park and Institutional Roads
  - ◆ Highway Safety Projects
  - ◆ Living Roadway Trust Fund
  - ◆ City/County Bridge Funds
  - ◆ County Treasurers Equipment
  - ◆ Driver License Personal Delivery of Service
- Annual Appropriations
  - ◆ DOT Motor Vehicle Division
  - ◆ Driver's License Costs (Lease)
  - ◆ 511 Travel/Weather Information Systems
  - ◆ State Auditor Reimbursement
  - ◆ DAS Utility Services
  - ◆ DIA – Driver License Revocation Hearings
  - ◆ Workers Compensation
  - ◆ Unemployment Compensation
  - ◆ MVD Field Facility Maintenance

# Road Use Tax Fund Distributions

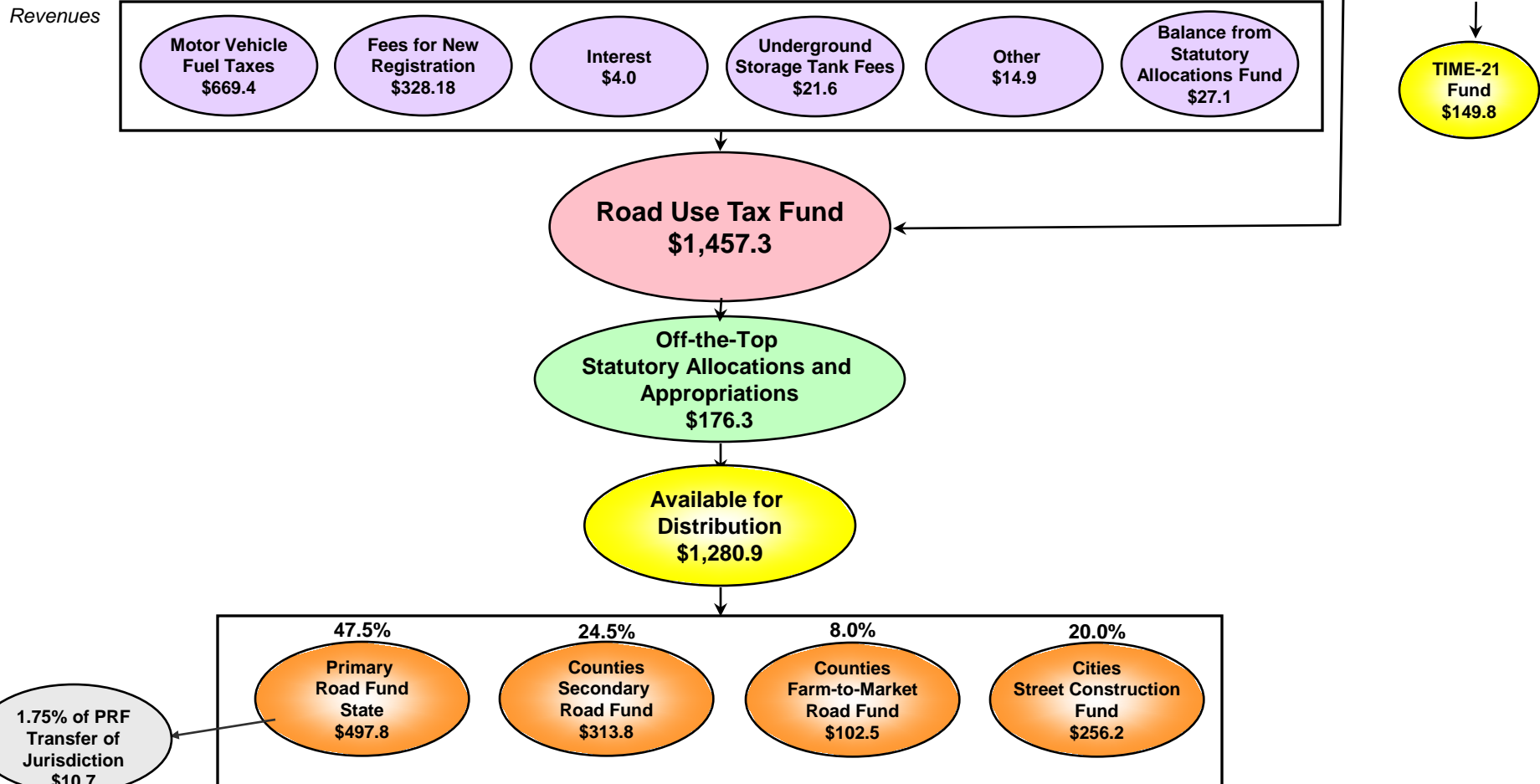
In accordance with Iowa Code section 312.2

- After the Off-the-Top Allocations and Appropriations – RUTF funds disbursed as follows:
  - ◆ Primary Road Fund (State) - 47.5%
    - 1.75% of this distribution goes to the Transfer of Jurisdiction Fund
  - ◆ Secondary Road Fund (Counties) - 24.5%
  - ◆ Farm-to-Market Road Fund (Counties) - 8.0%
  - ◆ Street Construction Fund (Cities) - 20.0%

# Road Use Tax Fund Revenues and Allocations

## Estimated FY 2016 (dollars in millions)

Motor Vehicle Registration Fees \$541.8 million	
\$392.0 Million	Fees in Excess of \$392.0 million

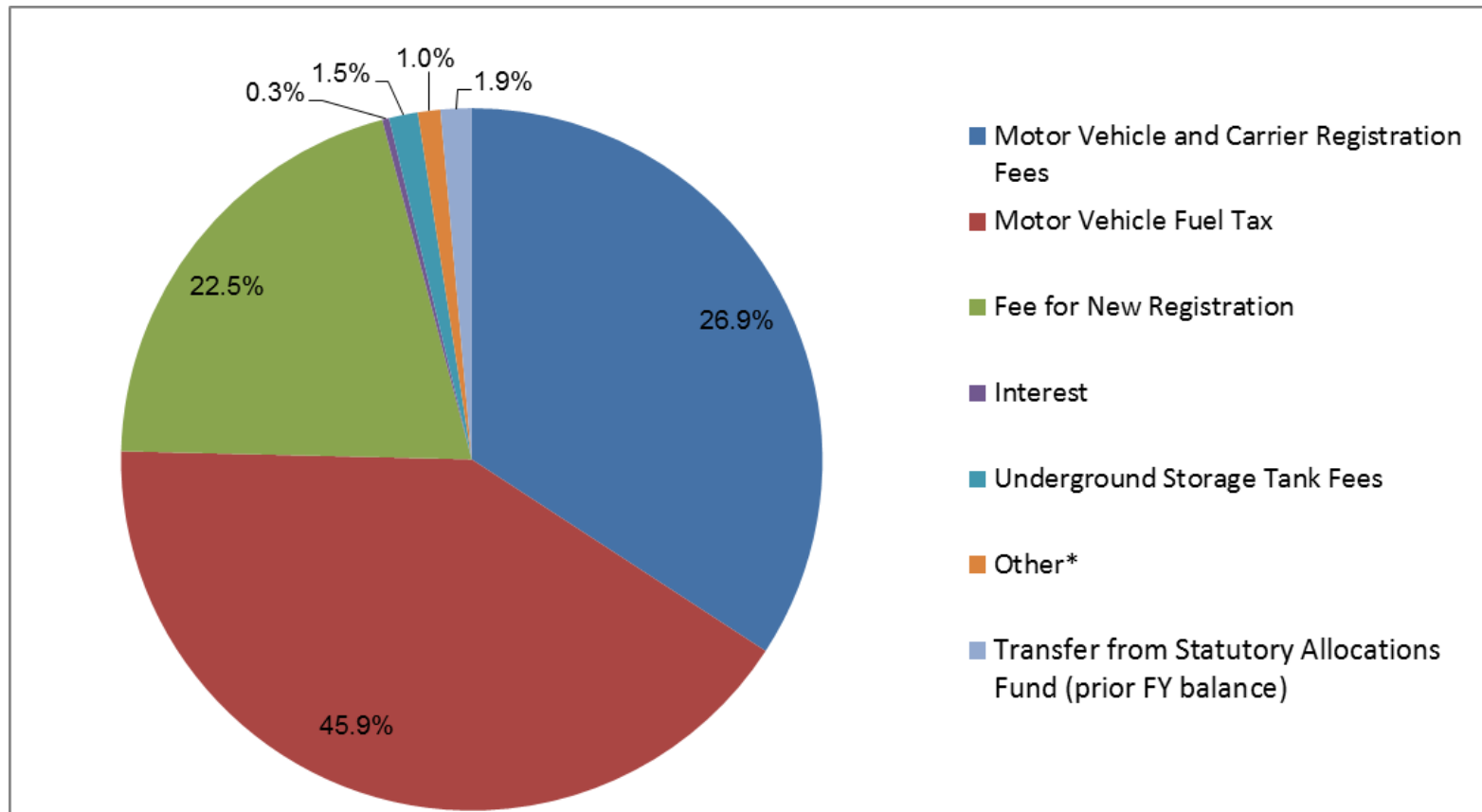


Note: Numbers may not total due to rounding.

# Road Use Tax Fund Revenues

## Estimated FY 2016

### \$1.457 billion



# Other Road Funds

These funds are not appropriated – they are disbursed by statutory formula and allocations

- **TIME-21 Fund (Iowa Code chapter 312A)**

- ◆ Per Section 312.2(17)(a) – receives registration fee revenue in excess of \$392.0 million, and increases from trailer registration fees and title and salvage title fees
- ◆ Statutory formula disbursement – 60.0% Primary Road Fund (State), 20.0% Secondary Road Fund (counties), and 20.0% Street Construction Fund (cities)
- ◆ Sunsets FY 2028, when these revenues will deposit in the RUTF and will flow through the formula provided in Section 312.2(1)

- **Statutory Allocations Fund (Iowa Code section 321.145)**

- ◆ Per 2008 Iowa Acts, Chapter 1113 – receives driver's license fees, nonoperator identification card fees, trailer registration fees, title and salvage title fees, title surcharge fees, use tax, and car rental tax
- ◆ Statutory allocations – Underground Storage Tank Loan Fund, public transit assistance, Motorcycle Rider Education Fund, Special Plates Fund, balance to RUTF

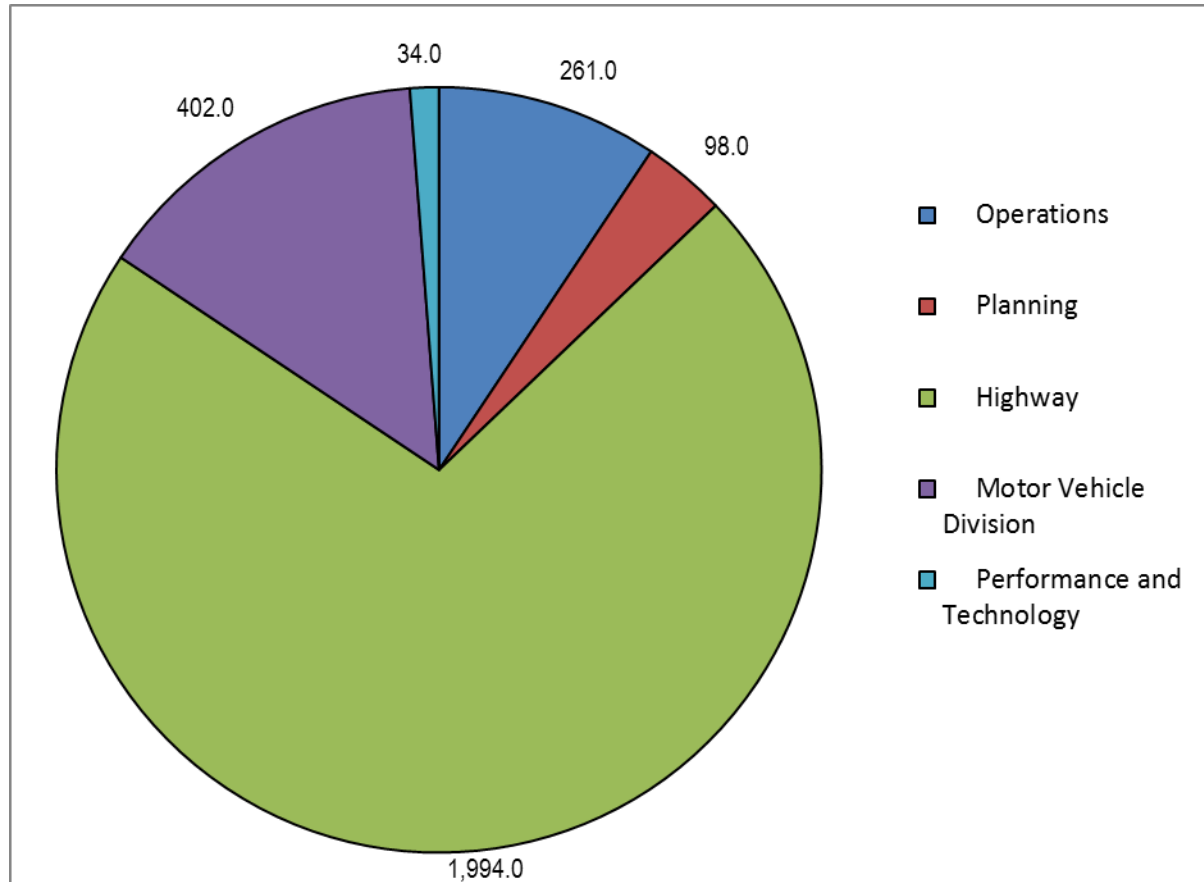
- **Transfer of Jurisdiction (Iowa Code section 313.4(6))**

- ◆ Receives 1.75% of Primary Road Fund's RUTF distribution
- ◆ Divided between all counties and cities - 90.0% to counties and 10.0% to cities

# FY 2016 DOT Governor's Budget Recommendations

- The Governor recommend \$376.1 million, an increase of \$10.9 million compared to estimated FY 2016.
- The recommendation includes \$50.8 million from the RUTF and \$325.3 million from the PRF.
- Recommended increases for operations appropriations include:
  - ◆ An increase of \$12.6 million between nine operation appropriations.
  - ◆ Operations appropriation cover salaries, administration and support.
  - ◆ The majority of this increase will fund salaries within the DOT.
- Recommended increases for special purpose appropriations include:
  - ◆ Auditor Reimbursement – An increase of \$68,000 to reimburse the State Auditor.
  - ◆ DAS Utility Services – An increase of \$58,000 to pay for human resources, IT and general services of state government.
  - ◆ Workers Compensation – An increase of \$362,000 in workers compensation payments to the DAS.
  - ◆ Indirect Cost Recoveries – An increase of \$100,000 to reimburse the General Fund for costs incurred supporting the DOT.
  - ◆ Transportation Maps – An increase of \$242,000 to print 1.8 million maps over a two year period.
- Recommended changes for capital appropriations include:
  - ◆ Mount Pleasant and Fairfield Combined - Construction of the Combined garage Facility will take place in Fairfield at the current site of the Fairfield garage.

# FTE Positions Authorized in HF 637 FY 2016 Transportation Appropriations Act



- HF 637 authorized 2,798.0 FTE positions for FY 2016

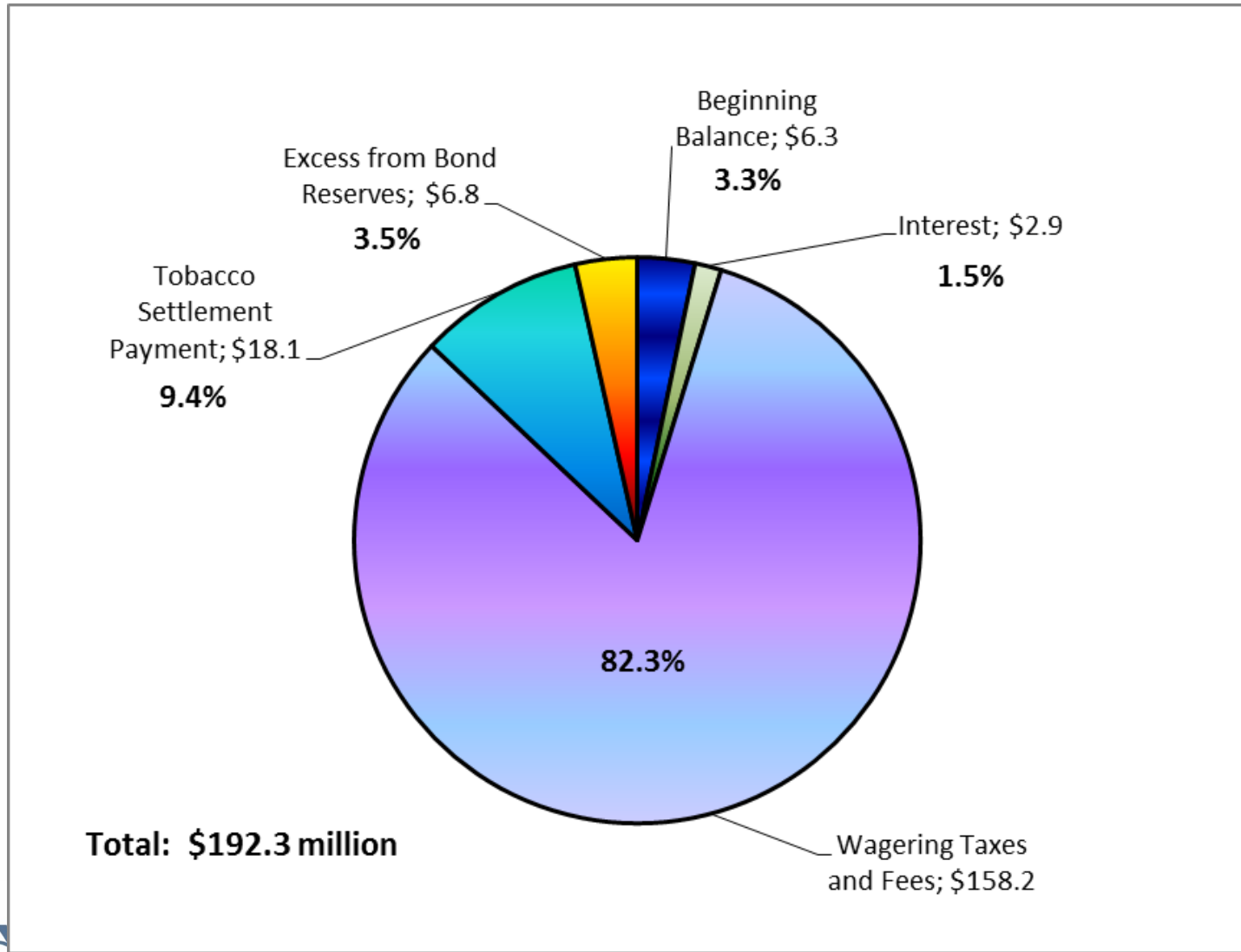
# Infrastructure Funding Sources

2016 Legislative Session

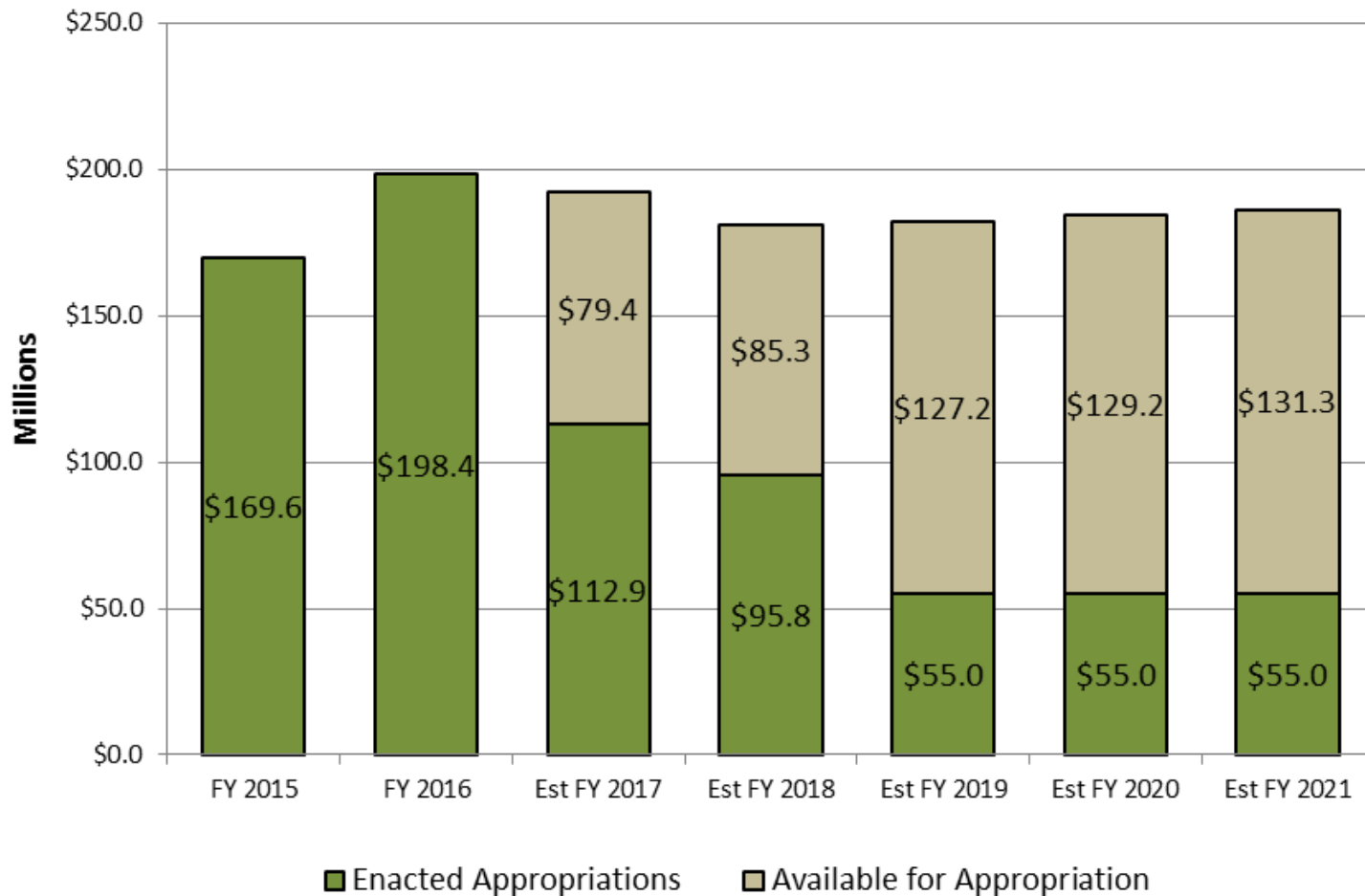
- ◆ Rebuild Iowa Infrastructure Fund (RIIF)
- ◆ State Bond Repayment Fund (SBRF)
- ◆ Technology Reinvestment Fund (TRF)

# Rebuild Iowa Infrastructure Fund Resources

## Estimated FY 2017



## Rebuild Iowa Infrastructure Fund



# Infrastructure

## Previously Enacted Appropriations for FY 2017

### Board of Regents

- \$29.0 million for the University of Iowa Pharmacy Building
- \$19.5 million for the Iowa State University Biosciences Building
- \$15.9 million for the University of Northern Iowa Schindler Education Building
- \$1.0 million for the Iowa State University Student Innovation Center

### Iowa Finance Authority

- \$3.0 million State Housing Trust Fund (Standing Appropriation)

### Veterans Home

- \$500,000 for Loftus Hall ADA Improvements
- \$2.0 million for Sheeler and Loftus Renovation

### Department of Management

- \$42.0 million for the Environment First Fund (Standing Appropriation)

## Rebuild Iowa Infrastructure Fund

(Dollars in Millions)

	Est. FY 2016	Gov Rec FY 2017
<b>Beginning Balance</b>	\$ 21.6	\$ 5.3
<b>Revenue</b>		
Interest	1.9	1.9
Wagering Taxes	155.2	158.2
Tobacco Settlement Payment	18.2	18.2
Revenue Bonds Fund (Wagering Tax)	3.0	3.0
Federal Subsidy Holdback Fund (Wagering Tax)	3.8	3.8
Subtotal	\$ 182.1	\$ 185.0
<b>Total Resources</b>	\$ 203.7	\$ 190.3
<b>Dispositions</b>		
Enacted Appropriations	198.4	112.9
Gov Rec - Pharmacy Bldg Funding Shift	0.0	(6.0)
Gov Rec - New Appropriations		83.1
<b>Total Appropriations</b>	\$ 198.4	\$ 190.0
Reversions	-	-
<b>Ending Balance</b>	\$ 5.3	\$ 0.3

The numbers may not equal totals due to rounded.

# Infrastructure Projects

## Department of Administrative Services

- Major Maintenance: \$6.0 million

## Department of Agriculture and Land Stewardship

- Water Quality Initiative: \$5.2 million
- Renewable Fuels: \$2.4 million

## Department of Cultural Affairs

- Historical Building Renovation: \$65.0 million over 5 years
  - FY 2017: \$7.8 million
  - FY 2018: \$27.0 million
  - FY 2019: \$15.3 million
  - FY 2020: \$10.5 million
  - FY 2021: \$4.5 million

# Infrastructure Projects

## Judicial Branch

- Polk County Court House: \$9.6 million over 3 years
  - FY 2017: \$6.7 million
  - FY 2018: \$1.1 million
  - FY 2019: \$1.8 million

## Department of Natural Resources

- Lake Restoration: \$9.6 million
- State Park Infrastructure: \$3.0 million
- Iowa Park Foundation: \$2.0 million

# Infrastructure Projects

## Board of Regents

- Tuition Replacement: \$32.4 million total
  - \$28.9 million from the State Bond Repayment Fund
  - \$3.5 million from the RIIF
- University of Iowa Pharmacy Building: Shifts \$6.0 million from FY 2017 to FY 2018

## State Fair Authority

- Northwest Events Area: Total project cost is \$10.0 million
  - FY 2017: \$1.0 million (Gov Rec)
  - FY 2018: \$3.5 million
  - FY 2019: \$5.5 million

# Technology Projects

The Governor notwithstanding the \$17.5 million appropriation from the General Fund to the Technology Reinvestment Fund for FY 2017.

The Governor is recommending a total of \$14.8 million for Technology Projects from RIIF for FY 2017.

## **Office of Chief Information Officer**

- Broadband: \$2.0 million

## **Department of Public Safety**

- Communications Platform Network Contract: \$4.4 million

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