

Overview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee Budget



Fiscal Services Division
Holly M. Lyons, Division Director

Transportation: Mary Beth Mellick 1-8223
Infrastructure & Capitals: Dave Reynolds 1-6934

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The Subcommittee reviews budgets and provides funding recommendations for the following budget areas:

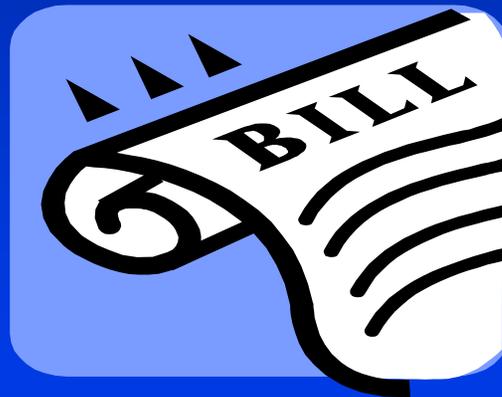
- ◆ **Department of Transportation**
- ◆ **State agencies requesting funding for infrastructure and capital projects**



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The Subcommittee typically passes two appropriations bills:

- ◆ **Transportation Appropriations Bill**
- ◆ **Infrastructure Appropriations Bill**



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Department of Transportation



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Road Use Tax Fund Revenues



- ◆ **Motor Vehicle Use Tax**
- ◆ **Motor Vehicle Fuel Taxes**
- ◆ **Motor Vehicle Registration & Title Fees**
- ◆ **Driver's License Fees**
- ◆ **Other Sources:**
 - ❖ **Underground Storage Tank Fees**
 - ❖ **Interest**
 - ❖ **Miscellaneous**

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Constitutional Mandate

- ◆ **Motor Vehicle Fuel Taxes**
- ◆ **Motor Vehicle Registration & Title Fees**
- ◆ **Driver's License Fees**

- ◆ **Motor Vehicle Use Tax**

Constitutionally mandated to be spent for the construction, maintenance, and supervision of the State's public highways.

Not constitutionally mandated.

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Road Use Tax Fund Off-the-Top Allocations

- ◆ A portion of Road Use Tax Fund revenue is appropriated either through standing appropriations established in the Code of Iowa or through the appropriations process. These Off-the-Top Allocations are used to fund various programs, equipment purchases, facility improvements, and department operations.



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Examples of Off-the-Top Allocations

◆ Standing Appropriations

- ❖ RISE (Revitalize Iowa's Sound Economy)
- ❖ Park & Institutional Roads
- ❖ Highway Safety Projects
- ❖ City/County Bridge Fund
- ❖ County Treasurers

◆ Annual Appropriations

- ❖ DOT Operating Appropriations
- ❖ Driver's License Equipment Lease
- ❖ County Treasurers
- ❖ 511 Travel/Weather Information System
- ❖ Transportation Maps

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Road Use Tax Fund Distributions

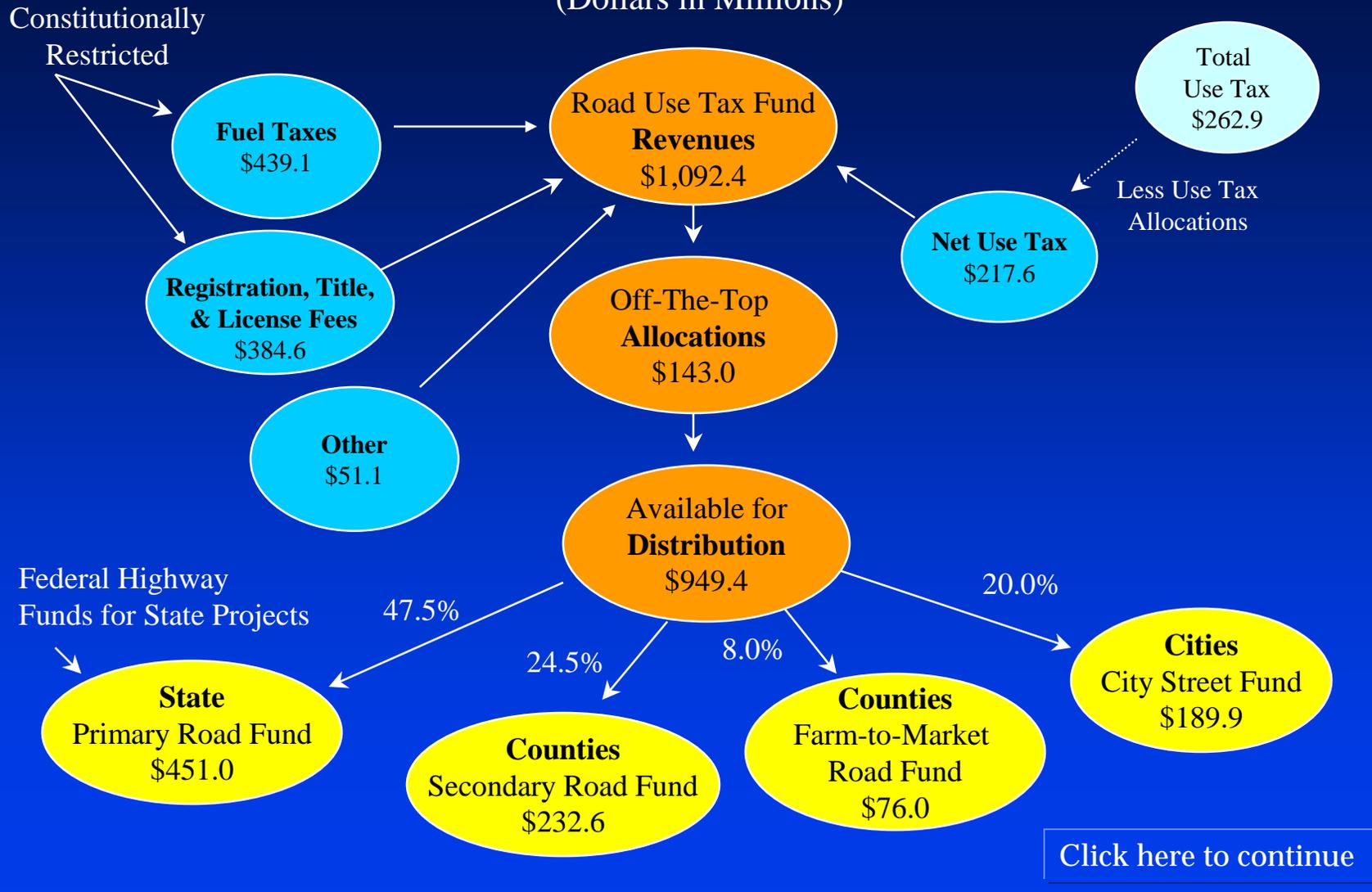


- ◆ After Off-the-Top Allocations are funded, the remaining Road Use Tax Fund dollars are distributed to the following funds for construction and maintenance of roads.
 - ❖ **Primary Road Fund** (State): 47.5%
 - ❖ **Secondary Road Fund** (Counties): 24.5%
 - ❖ **Farm-to-Market Road Fund** (Counties): 8.0%
 - ❖ **City Street Fund** (Cities): 20.0%

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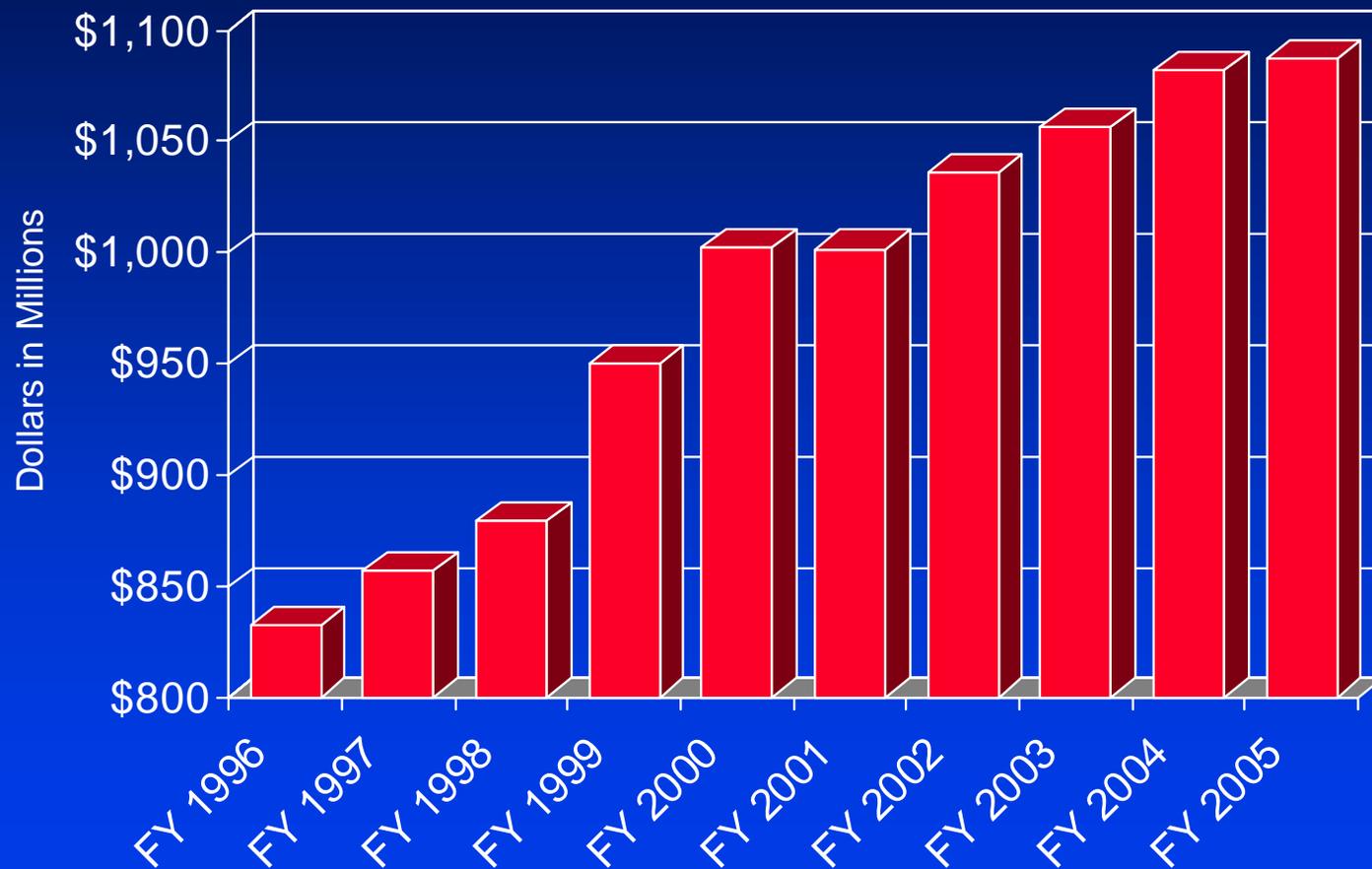
Estimated FY 2006 Revenues & Allocations

(Dollars in Millions)



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Road Use Tax Fund Revenues 10-Year Annual Percent Change



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Department of Transportation

FY 2007 Requests and Recommendations

(in millions)

	Estimated FY 2006	FY 2007 Department Request	FY 2007 Gov's Recomm.	Gov's Rec. vs. FY 2006	Gov's Rec. vs. Dept. Req.
Road Use Tax Fund	\$ 52.7	\$ 45.7	\$ 45.7	\$ -7.0	\$ 0.0
Primary Road Fund	249.6	259.5	259.5	9.9	0.0
General Fund	0.0	3.0	0.0	0.0	-3.0
Total	<u>\$ 302.3</u>	<u>\$ 308.2</u>	<u>\$ 305.2</u>	<u>\$ 2.9</u>	<u>\$ -3.0</u>

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Department of Transportation FY 2007 Governor's Recommendations

Significant Increases

- ◆ An increase of \$4.1 million for the Highway Division.
- ◆ An increase of \$796,000 for County Treasurer Issuance.
- ◆ An increase of \$285,000 for Workers' Compensation.

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Department of Transportation FY 2007 Governor's Recommendations

New Recommendations

- ◆ \$2.3 million for Inventory and Equipment Replacement.
- ◆ \$1.0 million for implementation of an International Registration Plan/International Fuel Tax Administration System.
- ◆ \$500,000 for implementation of a Vehicle Data Warehouse.
- ◆ \$200,000 for ADA improvements.
- ◆ \$200,000 to pave the south parking lot at the DOT Complex in Ames.
- ◆ \$100,000 for an elevator upgrade at the DOT Complex in Ames.

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Infrastructure & Capitals



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◆ **Infrastructure Appropriations Bill** – This Bill has also included appropriations for environmental programs, technology projects, and debt service on certain bonds. The following funding sources have been used to fund infrastructure projects.

- ❖ Rebuild Iowa Infrastructure Fund (RIIF)
- ❖ Environment First Fund
- ❖ Vertical Infrastructure Fund
- ❖ Restricted Capitals Fund (Tax-Exempt Bonds - Tobacco)
- ❖ Restricted Capitals Fund 2 (Tax-Exempt Bonds – Refunded Tobacco Bonds)
- ❖ Endowment for Iowa’s Health Account

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Rebuild Iowa Infrastructure Fund

(Dollars in Millions)

	Actual FY 2005	Estimated FY 2006	Estimated FY 2007	Gov. Rec. FY 2007
Resources				
Balance Forward	\$ 14.8	\$ 30.1	\$ 12.8	\$ 12.8
Revenue				
Wagering Taxes and Fees	70.4	73.9	95.8	95.8
Riverboat Assessment	15.8	16.2	0.0	0.0
Table Game License Fees	13.0	0.0	0.0	0.0
Riverboat License Fees	8.0	8.0	8.0	8.0
Endowment for Iowa's Health Account	11.0	0.0	0.0	0.0
Interest	4.6	7.1	7.1	7.1
Marine Fuel Tax	2.1	2.3	2.7	2.3
Total Resources	\$ 139.7	\$ 137.6	\$ 126.4	\$ 126.0
Appropriations				
Environment First Fund	35.0	35.0	35.0	35.0
Vertical Infrastructure Fund	15.0	15.0	15.0	15.0
Other Enacted Appropriations	59.6	74.8	30.0	12.0
New Recommendations	0.0	0.0	0.0	62.3
Net Appropriations	\$ 109.6	\$ 124.8	\$ 80.0	\$ 124.3
Available for Appropriation	0.0	0.0	46.4	0.0
Ending Balance	\$ 30.1	\$ 12.8	\$ 0.0	\$ 1.7

Numbers may not equal totals due to rounding.

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Environment First Fund

(Dollars in Millions)

	Actual FY 2005	Estimated FY 2006	Estimated FY 2007	Gov. Rec. FY 2007
Revenue				
Balance Forward	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
RIF Appropriation	35.0	35.0	35.0	35.0
Receipts Adjustment	0.0	0.0	0.0	0.0
Total	<u>\$ 35.0</u>	<u>\$ 35.0</u>	<u>\$ 35.0</u>	<u>\$ 35.0</u>
Appropriations				
Department of Agriculture	\$ 14.0	\$ 14.0	\$ 0.0	\$ 14.0
Department of Natural Resources	20.5	20.5	0.0	20.5
Department of Economic Development	0.5	0.5	0.0	0.5
Total Appropriations	<u>\$ 35.0</u>	<u>\$ 35.0</u>	<u>\$ 0.0</u>	<u>\$ 35.0</u>
Available for Appropriation	0.0	0.0	35.0	0.0
Ending Balance	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

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Vertical Infrastructure Fund

(Dollars in Millions)

	Estimated FY 2006	Estimated FY 2007	Gov. Rec. FY 2007
Resources			
RIF Appropriation	\$ 15.0	\$ 15.0	\$ 15.0
Total Available Resources	<u>\$ 15.0</u>	<u>\$ 15.0</u>	<u>\$ 15.0</u>
Appropriations			
Enacted-Major Maintenance	\$ 15.0	10.0	10.0
Recommended	0.0	0.0	5.0
Total Appropriations	<u>\$ 15.0</u>	<u>\$ 10.0</u>	<u>\$ 15.0</u>
Available for Appropriation	0.0	5.0	0.0
Ending Balance	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>

Note: This fund was established in FY2006.

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Restricted Capital Fund

(Dollars in Millions)

	<u>Actual</u> <u>FY 2005</u>	<u>Estimated</u> <u>FY 2006</u>	<u>Estimated</u> <u>FY 2007</u>	<u>Gov. Rec.</u> <u>FY 2007</u>
Resources				
Balance Forward	\$ 114.9	\$ 55.8	\$ 18.4	\$ 18.4
Interest	7.6	3.6	0.5	0.5
Reimbursements	0.5	0.0	0.0	0.0
TSA Operations & Enf. Acct Exp.	-0.5	-0.2	0.0	0.0
Total Available Resources	<u>122.6</u>	<u>59.2</u>	<u>18.9</u>	<u>18.9</u>
Appropriations				
Enacted	\$ 68.0	\$ 40.8	\$ 0.0	\$ 0.0
Recommended	0.0	0.0	0.0	18.4
Total Appropriations	<u>68.0</u>	<u>40.8</u>	<u>0.0</u>	<u>18.4</u>
Reversions	-1.2	0.0	0.0	0.0
Available for Appropriation	<u>0.0</u>	<u>0.0</u>	18.9	0.0
Ending Balance	<u>\$ 55.8</u>	<u>\$ 18.4</u>	<u>\$ 0.0</u>	<u>\$ 0.5</u>

Numbers may not equal totals due to rounding.

TSA=To bacco Settlement Authority

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Endowment for Iowa's Health-Restricted Capitals Fund
 (Dollars in Millions)

	Estimated FY 2006	Estimated FY 2007	Gov. Rec. FY 2007
Resources			
Balance Forward	\$ 0.0	\$ 0.0	\$ 0.0
Tax-Exempt Bond Proceeds	100.5	100.5	100.5
Interest	2.0	2.0	2.0
Total Available Resources	<u>\$ 102.5</u>	<u>\$ 102.5</u>	<u>\$ 102.5</u>
Appropriations			
Recommended	\$ 0.0	\$ 0.0	\$ 56.4
Total Appropriations	<u>\$ 0.0</u>	<u>\$ 0.0</u>	<u>\$ 56.4</u>
Available for Appropriation	0.0	104.5	0.0
Ending Balance	<u><u>\$ 102.5</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 46.1</u></u>

Numbers may not equal totals due to rounding.

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Endowment for Iowa's Health Account

(Dollars in Millions)

	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>Estimated FY 2007</u>	<u>Gov. Rec. FY 2007</u>
Resources				
Balance Forward	\$ 27.2	\$ 38.3	\$ 108.9	\$ 108.9
Wagering Tax Allocation	70.0	70.0	70.0	70.0
General Fund Appropriation (Statutory)	29.8	29.6	17.8	17.8
Taxable Bond Proceeds	0.0	50.2	0.0	0.0
Master Settlement Payments	14.9	15.4	0.0	0.0
Interest Earned	1.0	1.0	1.5	1.5
General Fund Deappropriation	-29.8	-29.6		-17.8
Total	<u>\$ 113.1</u>	<u>\$ 174.9</u>	<u>\$ 198.2</u>	<u>\$ 180.4</u>
Appropriations/Transfers				
Healthy Iowans Tobacco Trust (Statutory)	\$ 57.5	\$ 58.4	\$ 59.3	\$ 59.3
Healthy Iowans Tobacco Trust (Non-Statutory)	6.3	7.6	0.0	0.0
Transfer to RIF	11.0	0.0	0.0	0.0
Treasurer - Watershed Protection	0.0	0.0	0.0	10.0
Regents - Bioscience	0.0	0.0	0.0	10.0
Total	<u>\$ 74.8</u>	<u>\$ 66.0</u>	<u>\$ 59.3</u>	<u>\$ 79.3</u>
Ending Balance	<u><u>\$ 38.3</u></u>	<u><u>\$ 108.9</u></u>	<u><u>\$ 138.9</u></u>	<u><u>\$ 101.1</u></u>

Numbers may not equal totals due to rounding.

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Tax-Exempt Bond Proceeds Requirements

- ◆ The funds are to be used for qualified capital projects in accordance with Internal Revenue Code regulations, which includes: depreciable assets such as construction and renovation of facilities, and equipment purchases.
- ◆ Unqualified expenditures would include operational expenses and routine facility maintenance.
- ◆ The funds can no longer be used to pay debt service on the Prison Infrastructure bonds or the Regents bonds.
- ◆ The bond proceeds received in FY 2002 are required to be expended by the end of FY 2007.
- ◆ The bond proceeds from the 2005 refunding are required to be expended by the end of FY 2011.

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**Total Infrastructure-Related Funds available for
Appropriation in FY 2007**

(Dollars in Millions)

Rebuild Iowa Infrastructure Fund	\$	46.4
Environment First Fund		35.0
Vertical Infrastructure		5.0
Restricted Capitals Fund		18.9
Endw. for IA's Health- Restricted Capitals Fund		104.5
Total	\$	<u>209.8</u>

Note: Does not include funds that may be available from the Endowment for Iowa's Health Account.

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Subcommittee Appropriation Summary

(Dollars in Millions)

	Estimated FY 2006	Dept. Req. FY 2007	Gov. Rec. FY 2007
DEPARTMENT OF TRANSPORTATION			
General Fund	\$ 0.0	\$ 3.0	\$ 0.0
Road Use Tax Fund	52.7	45.7	45.7
Primary Road Fund	249.6	259.5	259.5
Total	\$ 302.3	\$ 308.2	\$ 305.2
INFRASTRUCTURE AND CAPITALS			
Rebuild Iowa Infrastructure Fund	\$ 74.8	\$ 269.9	\$ 74.3
Restricted Capital Fund	43.8	11.6	21.6
Environment First Fund	35.0	47.9	35.0
Vertical Infrastructure Fund	15.0	15.9	15.0
Restricted Capitals Fund 2	0.0	0.0	56.4
Endowment for Iowa's Health Account	0.0	0.0	20.0
Other	5.2	5.0	0.0
Total	\$ 173.8	\$ 350.3	\$ 222.3
GRAND TOTAL	\$ 476.1	\$ 658.5	\$ 527.5

The sum of the numbers may not equal totals due to rounding.

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