

April 13, 2020

The Honorable Charles Grassley, United States Senate  
The Honorable Joni Ernst, United States Senate  
The Honorable Abby Finkenauer, United States House of Representatives  
The Honorable David Loebsack, United States House of Representatives  
The Honorable Cynthia Axne, United States House of Representatives  
The Honorable Steve King, United States House of Representatives

Subject: COVID-19 Impacts on State Road Funding

Dear Iowa Congressional Delegation:

On behalf of the Iowa Department of Transportation (DOT), I want to express my deep appreciation for your support of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act has provided over \$107 million of funding to Iowa's 35 public transit agencies assuring their ability to withstand the immediate impacts of COVID-19 and continue to provide critical mobility services for Iowans now and into the future. The CARES Act also provided vital funding to support Iowa's eight commercial service airports and other airports in Iowa.

With respect to highways, the Iowa DOT projects significant shortfalls to state road funding due to COVID-19. The purpose of this letter is to illustrate the highway funding challenges currently faced by the state, counties, and cities, as well as to seek your consideration for assistance in the next COVID-19 related legislation.

### State Road Funding Shortfall

With Iowans largely staying home, there has been a dramatic reduction in travel on Iowa's roadways and in vehicle sales. In fact, we have been tracking travel changes on a daily basis ([iowadot.gov/maps/Data/AUTOMATIC-TRAFFIC-RECORDER-REPORTS](http://iowadot.gov/maps/Data/AUTOMATIC-TRAFFIC-RECORDER-REPORTS)), and you can see that traffic has decreased over 40 percent. The decrease in traffic and vehicle sales directly results in a reduction in state road funding for Iowa DOT and all cities and counties in Iowa. We are estimating at least a 25 percent reduction in revenue which corresponds to a loss of approximately \$35 million per month. While we are not delaying roadway projects at this time, we may need to change this approach in the absence of adequate road funding and, depending on how long this continues, stop work on ongoing projects across the state. This funding reduction could also impact important maintenance activities on Iowa's public road system.

These impacts would affect state, city, and county roads across the entire state. In addition to causing delays in repairing and improving Iowa's public road system, this would result in loss of work for road and bridge builders at a time when keeping Iowans employed is a priority for us all.

In their April 6<sup>th</sup> letter to Congress, the American Association of State Highway and Transportation Officials (AASHTO) urged Congressional leaders to take two steps related to surface transportation infrastructure in the next COVID-19 legislation. First, provide \$49.95 billion of flexible federal funding as a backstop to offset the loss in state road funding across the nation. Second, increase infrastructure funding to address a backlog of needs but more importantly, as a tool to stimulate the economy through increased investment.

We support AASHTO's request for a funding backstop because Iowa's need is urgent. Based on the projected loss of \$35 million per month in Iowa's state road funding, Iowa DOT anticipates about two months before state, city, and county road projects must be delayed or stopped altogether. If a nationally comprehensive solution is not possible right away, providing at least a few months of backfill of state road funding losses by the middle of May will allow road and bridge construction projects in Iowa to continue in earnest. This need is urgent, leading us to request funding consideration in Phase 4 of any potential COVID-19 legislative responses.

Additionally, we request these backfill funds to be essentially treated as state revenues that would otherwise have been collected for a wide range of activities without the COVID-19 pandemic. This broad funding eligibility would recognize the fact that state road funding is used for various transportation activities at state, city, and county levels across Iowa with immediate impact.

### **Increased Infrastructure Funding**

Iowa DOT strongly supports reauthorization of federal surface transportation funding for at least another six years and at double the current funding levels. We also support passage of the next Water Resources Development Act, which will aid in connecting Iowa's agricultural products to export markets via the Upper Mississippi River lock and dam system. Increased investment in the lock and dam system not only provides a direct stimulus to the economy, but also sustains and enhances Iowa's international competitiveness for agricultural exports.

Increased infrastructure funding would not only address a backlog of transportation needs, but more importantly, increased investment would stimulate the economy and support many jobs across the state. Iowa DOT, along with cities and counties across Iowa, have repeatedly demonstrated the ability to quickly put transportation funding to work in an efficient manner. I am confident Iowa can quickly deliver infrastructure improvements if there are increased investments in transportation.

Thank you again for your support for the CARES Act and your ongoing work to assure the vitality of the nation's transportation system in response to this pandemic and for the economic revitalization that will need to follow. We look forward to continuing to work with you on these important efforts.

Sincerely,



Scott C. Marler, Director

cc: Stephanie Groen, Director, State of Iowa Office of State-Federal Relations