

Downward trend in funding has serious consequences for Missouri's transportation system.

This is a critical time for the future of transportation in Missouri.

The Missouri Department of Transportation's latest financial forecast shows a plummeting construction budget. It was \$1.3 billion five years ago – now it's about \$700 million – and it will drop to about \$325 million for 2017-18-19. MoDOT has known about the funding decline for years and prepared for this reality. The department has taken dramatic steps to reduce costs and form a leaner, more efficient agency, but we can't cut ourselves to a solution for this transportation funding problem.

The reasons why transportation funding is disappearing.

When the budget drops to \$325 million in 2017, it will be the lowest construction budget for MoDOT since 1992. Coincidentally, that's the last time fuel taxes were raised. The numbers are falling for several reasons.

- **The cost of doing business:** Asphalt, concrete, and steel prices are double and triple what they were in 1992. Inflation has decreased MoDOT's purchasing power by more than 50 percent. What was 17 cents of purchasing power in 1992 is now about 8 cents and decreasing each year. Employee healthcare and retirement costs continue to increase.
- **Fuel taxes:** MoDOT's primary revenue stream – fuel taxes – continues to dwindle as cars are more efficient and people drive less.
- **The federal highway trust fund:** At the federal level, the highway trust fund is insolvent, and it's unlikely any Congressional action will take place to restore it.
- **On the state level:** Falling funding at the state level means by 2020, MoDOT won't have enough state revenue to match whatever federal funds might be available. That means those unmatched federal funds will be directed to other states and lost to Missouri forever.

Take a look at the numbers.

It takes \$485 million to keep Missouri's existing transportation system in the condition it's in today. When Missouri had a \$1.3 billion yearly construction budget it meant MoDOT could make major improvements to the transportation system and included some big projects – I-64, Safe & Sound Bridge program, kclCON, four-lane corridors all over the state, economic development projects, and safety improvements that sent traffic fatalities falling to levels Missouri hadn't seen since the 1940s.

If Missouri faces a \$325 million construction budget and needs \$485 million just to keep the system functioning, that means MoDOT won't be able to sustain what it has. Deteriorating bridges that have been repaired or replaced in the past may need to close. It means no more system wide safety improvements like the cable barriers and rumble stripes. It will take every dollar MoDOT can find just to hold the system together.

Safety plays a big role.

Since 2005, traffic fatalities on Missouri roadways have fallen to the lowest totals since the late 1940s. Missourians want to keep all travelers safe, no matter the mode of transportation. Meeting a goal of zero fatalities means adding shoulders to rural roads, improving signs and adding rumble stripes and guard rail. It means investing in more bike lanes and improving intersections where roads and rails meet. It means providing safe and secure bus and transit stops. The stark reality of transportation funding means further improvements can't happen.

Missouri's transportation system and what the future holds.

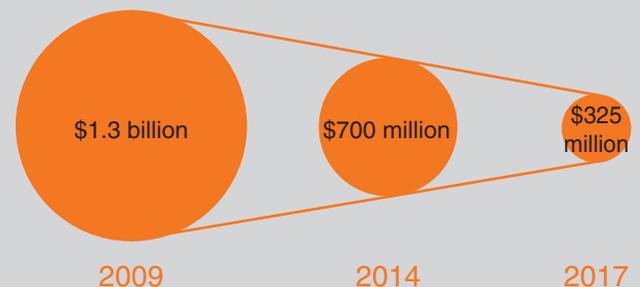
With almost 34,000 miles of highways and more than 10,000 bridges, Missouri has the nation's seventh largest state highway system. MoDOT is responsible for all modes of transportation, including rail, river, air and public transportation.

In 2013, the department engaged customers all over the state to learn their desires for the future of transportation in Missouri. Their input enabled MoDOT to draft the state's long range transportation plan, which focused on four goals: taking care of the system, investing in projects that create jobs, keeping all travelers safe and giving Missourians better choices.

The reality is Missourians will not get more from their transportation system. They will actually get less, and what they have will deteriorate.

Missouri is not alone in this situation. States across the nation are taking or contemplating similar actions.

The Stark Reality: Declining Revenue



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