

# Transportation Investment in Missouri – Act Now!

#### THE CHALLENGE:

Missouri is facing a big problem with transportation funding. Unless something is done now, it will only get worse. MoDOT is responsible for maintaining 34,000 miles of roads on the state system, but with limited dollars available will soon be able to only make capital investments on approximately 8,000 miles to keep them in today's condition. The remaining 26,000 miles will only receive limited routine maintenance and in 10 years, only 27 percent of those roads will be in good condition. The 26 percent that are in poor condition today will more resemble gravel than paved roads.

Without additional funding, MoDOT will only be able to focus on potholes and patching. Roadways will increasingly look like a patchwork of repairs, and motorists' rides will get rougher.

## THE SOLUTION: 2+2+2 = NOW

A bill has been introduced that proposes a 2-cent-per-gallon fuel tax increase for the next three years. This type of funding solution, commonly referred to as 2+2+2+indexing, is the most feasible plan to solve the most urgent of Missouri's transportation funding problems.

#### WHAT DOES THIS SOLUTION DO?

- Missouri's 325 System would be avoided, so MoDOT would be able to keep all of the state's highways and bridges in the condition they're in today.
- Missouri would be able to match all federal funds.
- MoDOT's popular cost-share program would return.
- Progress could be made on safety improvements, such as shoulders on two-lane roads.
- Limited major projects and planning studies would be possible.
- Cities and counties would see an increase in their road and bridge budgets.

## **HOW MUCH WILL IT COST?**

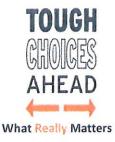
The average driver can expect a monthly increase that is about the cost of a gallon of milk.

#### WHEN DOES THIS NEED TO HAPPEN?

Starting in 2017, Missouri's funding will dip well below the levels needed to maintain the system in its current condition. Additionally, Missouri will be at risk to lose federal funds. Research shows that Missourians want transportation issues addressed.

The time to act is now!





## What do we need?

Missouri needs enough money to take care of our roads and bridges, enhance safety, create jobs and promote economic development.

Federal transportation funds account for more than 40 percent of MoDOT's budget. These funds are generated by federal fuel taxes paid in Missouri (and general revenue that is used to fill the Highway Trust Fund deficit) that flow back to the state in a match arrangement – each dollar in state funds spent on transportation improvements is matched by \$4 in federal funds.

But beginning in 2017, MoDOT will be unable to match all of the federal highway funds available to Missouri. This means those dollars could potentially be redistributed to other states and lost to Missouri. By 2018 there will be \$400 million per year in potentially lost federal funds that Missouri will be unable to use for maintenance and improvement of roads and bridges. An additional \$100 million in state revenue is needed to fully match \$400 million in federal transportation funds.

The average Missouri licensed driver spends \$23 per month to support the state and local highway system through state fuel taxes, vehicle fees and vehicle sales taxes. A monthly increase for the average driver that's about the cost of a gallon of milk would generate enough new state revenue to enable MoDOT to maintain the state's roads and bridges in today's condition, match all available federal funds, resume the cost-share program, make progress on safety improvements, enable limited major projects and planning studies and provide additional transportation money to cities and counties.

What we pay for transportation is a bargain when you consider the typical household spends ...



 \$160/month for electricity and natural gas



 \$161/month for telephone and cellular service



 \$124/month for cable, satellite, radio and internet access

\$47/month for state fuel taxes and fees

## \$325 million

Amount available for contractor awards on Missouri's roads and bridges beginning in 2017.

## **NEEDED:**

## \$160 million in new state funds to MoDOT

## Allows us to ...

- Match ALL Federal funds.
- Take care of the entire state system in its current condition.
- Reinstate the Cost-Share Program.
- Complete limited planning studies (to meet future needs).



## **Acting Now vs. Acting Later**



Waiting for a transportation funding solution is not an option. Even after a solution is chosen, implementing the process will take time.

