



View from the Chair

Missouri Highways and Transportation Commission

Long-term federal bill is most welcomed but does not fix the problem

December 9, 2015



Dear Reader,

On Friday, the U.S. Senate passed and the President signed into law the first long-term transportation bill in over ten years. The FAST Act (Fixing America's Surface Transportation) calls for spending \$305 billion over the next five years for surface transportation. You have undoubtedly heard cheers from both sides of the aisle. As a result of the euphoria surrounding this event, I have been asked about what it means for Missouri.

The biggest reason to cheer is that MoDOT now has some degree of certainty for at least the next five years regarding the federal money for which it is eligible. Over the last 10 years, Missouri and the other states have suffered through multiple continuing resolutions necessary to keep the highway fund solvent and avoid placing the states in default on their obligations. With the expiration of each continuing resolution, there was a risk that Congress might not pass another, meaning there would be no – or at least reduced – funding to states. This makes it very difficult to do the long-range planning essential to a successful transportation program. The FAST Act secures federal funding for the next five years. In this respect, it is a huge improvement over the status quo. But it does not solve the transportation woes for Missouri.

In addition to federal funds, Missouri needs \$160 million in new state revenues if it wants to adequately maintain and improve the existing highway system, continue making systematic safety improvements and begin addressing the backlog of 641 critical-condition bridges that need to be rebuilt or replaced.

The recent developments at the federal level do not change the need for \$160 million annually in new state revenues. Although Congress acted to complete a multi-year transportation bill, it does not rescue Missouri. The FAST Act does not appreciably increase funding for Missouri, and its funding sources are not recurring or stable – they are one-time tools which will have to be

revisited in a few years, and new sources will need to be found. The FAST Act is a start to addressing our funding need, and we need to start somewhere. However, we cannot rely on the federal government to address our most pressing needs. These can only be tackled with new funding at the state level.

Legislation has been pre-filed in the Missouri Legislature that would raise the state's 17-cent-per-gallon fuel tax, which hasn't changed since 1996. The legislation would generate about \$80 million per year of new revenue. Thirty percent would go to cities and counties for their road and bridge needs. The remaining \$56 million would come to the state of Missouri. These monies are constitutionally protected and cannot be diverted by the General Assembly for any purpose. Since the money is dedicated to roads and bridges, it also provides nothing for any other mode of transportation.

We also need to keep all of this in perspective: neither the funding from the FAST Act nor an additional \$56 million in state revenue does anything for rebuilding I-70 – or any of the other interstates after that. And it doesn't address many of the billions of dollars worth of projects identified by the General Assembly's Blue Ribbon Panel or the project list Missourians told us was important to them during our "On the Move" initiative. Those projects would relieve congestion in our urban areas, provide safety improvements for roads in our rural areas and promote economic growth throughout the state.

At least at the federal level we have a guaranteed revenue source for the next five years – and that is worth celebrating. But we need to keep any celebration in perspective since there is much work yet to be done.

The real work for funding transportation remains in the hands of Missourians. The time is now.

Let's get going,

Stephen R. Miller
Chairman

P.S. – On a personal note, the Commission last week bid farewell to Vice Chair Joe Carmichael. Joe announced at our meeting in Springfield that Governor Nixon had appointed him to the board of MOSERS, the pension fund for most state employees. Joe joined the Commission in March, 2009, just a few months before me. For almost seven years, Missourians have benefited from his tireless efforts, wisdom and insights. During that time, Joe guided MoDOT through a five-year downsizing that saved \$600 million dollars; improved the investment performance of MPERS, the retirement system for MoDOT and the Highway Patrol; worked to restructure the medical benefits to save money and secure benefits; and advocated for transportation investment. He led by polite persuasion – by insight, never insult; by humor, never humiliation; by compassion, never combativeness; by kindness, never crudeness. His was a style of leadership that is in short demand these days. Joe, we will miss you greatly.

In Joe's place, Governor Nixon has appointed John Briscoe, a lawyer from New London, near Hannibal. John has had a long, distinguished career and we are pleased to welcome him aboard – along with our new director, Patrick McKenna, whose first official day on the job was Monday.

And a final thanks to Roberta Broeker, MoDOT chief financial officer, who so ably led MoDOT as interim director for the last six months during our national search. I know RB will be happy to be back to just one job as she continues her responsibilities as CFO.

If you would like to communicate with the Commission, you can always reach us at MHTC@modot.mo.gov. If you would like to read previous issues of the "View," you can find them on the MoDOT website: <http://www.modot.org/ViewFromTheChair/index.htm>

Please forward this e-mail to anyone interested in Missouri transportation news.
[Unsubscribe](#) | [Subscribe](#)