



# View from the Chair

Missouri Highways and Transportation Commission

## Increased efficiency is always the goal – but it is not the solution

December 18, 2015



Dear Reader,

Every business should endeavor to be more efficient – MoDOT is no different. As Patrick McKenna takes over as director, the Commission has asked him to scrutinize all MoDOT operations and procedures. This is what CEOs do when they take over a new enterprise. They bring their prior experience and outsider's perspective; they take a fresh look at what may have become so routine and accepted it is no longer questioned by those within the organization. The Commission knows that MoDOT will benefit from a newcomer's perspective.

It has been suggested by some that Missouri's transportation funding crisis can be solved by simply squeezing more efficiencies out of MoDOT. Such suggestions ignore the fact that MoDOT has already done just that. In March of 2010, MoDOT embarked on a five-year effort to reduce its workforce by 20 percent (from 6,300 to just over 5,100 – a reduction of 1,200 employees); close 124 facilities (including three district offices which employed hundreds); and sell off almost 750 pieces of heavy equipment. The goal was to save \$512 million by March 2015 and put it back on Missouri's roads.

The successful implementation of MoDOT's right-sizing exercise, though, happened much faster than anticipated. The workforce goal was reached by early 2013, and the other goals were met by the fall of 2014. Not only was the \$512 million saved, but the accelerated pace boosted savings to \$605 million – every dollar of which went back into the program to provide infrastructure improvements that Missourians want and need. Without these measures, the current crisis would have occurred years earlier.

There are no more people to layoff, facilities to close or equipment to sell without impairing MoDOT's ability to adequately maintain Missouri's transportation system. Even if Director McKenna finds areas of improvements, it's likely any savings would be miniscule in comparison to the need.

For instance, if a \$1 million savings were achieved it would be a one-time savings which would pale in comparison to the \$160 million annual need or the \$1.6 billion necessary over the next ten years. That \$1 million savings would be equivalent to generating \$10 when one needs \$16,000 to buy a car. No one should pretend they will ever own a car if that is how they intend to invest in their own transportation needs.

We cannot cut our way to prosperity. To suggest otherwise is to ignore economic realities. Does that mean that MoDOT should strive any less to realize efficiencies where it can – absolutely not. But Missourians deserve a real plan – not a phantom one – a dependable and long-term plan that provides increased investment in transportation.

Let's get going,

Stephen R. Miller  
Chairman

If you would like to communicate with the Commission, you can always reach us at [MHTC@modot.mo.gov](mailto: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>

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