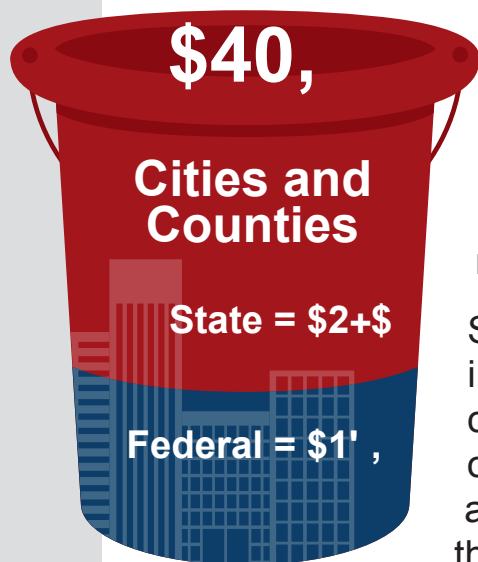


Where is the Money Invested?

Where is the Money Invested?

MoDOT does not receive the entire \$2.5 billion of transportation revenue, or the \$30 per month from the average Missouri driver. After allocations to cities, counties, other state agencies and the debt payment, MoDOT received \$1.4 billion of transportation revenues in fiscal year 2016 to invest in the state transportation system. That equates to about \$17 of the \$30 per month Missouri drivers are paying.



Cities and counties in Missouri receive a share of state and federal transportation revenues for projects of their choosing. In fiscal year 2016, that totaled **\$40, million** – \$270 million in state funds and \$138 million in federal funds.

State funds are distributed as specified in the state constitution². For fuel taxes, cities and counties receive 4.55 cents of the 17 cents per gallon rate, or about 27 percent. In fiscal year 2016, this totaled **\$186 million**. For registration and licensing fees, cities and counties received **\$29 million**, or about 9 percent. For motor vehicle sales tax, cities and counties received **\$5) million**, or about 14 percent.

Where is the money invested?

The distribution of federal funds to states and other agencies is prescribed by federal law through transportation funding acts. The majority of federal revenue is dedicated to reimburse a share of eligible costs, which is typically 80 percent.

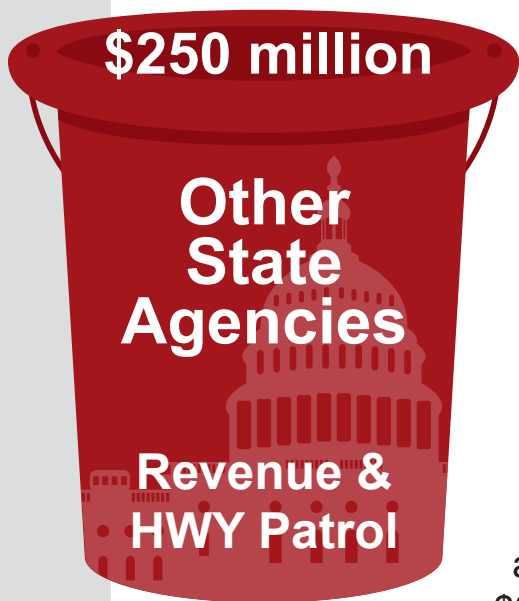
The federal transportation programs for cities and counties include:

- Off-System Bridge,
- Congestion Mitigation and Air Quality,
- Surface Transportation Block Grant Programs and
- Transportation Alternatives programs - these set-aside funds encompass a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity.

The majority of cities and counties also receive additional local tax revenues to build and maintain city streets and county roads. These amounts are not included in the totals discussed here.

The Missouri Constitution and state and federal laws determine how transportation funds are allocated to state and other agencies.

Where is the Money Invested?



Per the Missouri Constitution³, the Missouri State Highway Patrol (MSHP) and the Missouri Department of Revenue (DOR) also receive transportation revenue. In fiscal year 2016, the amount totaled \$250 million.

The Highway Patrol receives funding for administering and enforcing state motor vehicle laws and traffic regulations. The Missouri General Assembly determines the amount available to the MSHP each year – \$230 million was spent in fiscal year 2016.

The Department of Revenue receives funding for the cost to collect transportation taxes and fees. The cost of collection cannot exceed three percent of the particular tax or fee collected. In fiscal year 2016, the DOR received \$20 million.

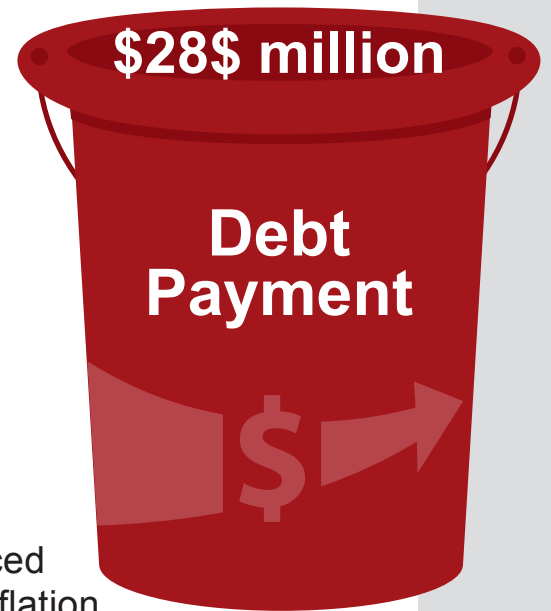
MoDOT, the Highway Patrol and the Department of Revenue are the only state agencies that may receive transportation dollars.

Where is the Money Invested?

From 2000-2010, MoDOT sold bonds that provided additional resources for highway improvements. Bonds are debt and similar to a home mortgage – this debt must be repaid over time. The total debt payment in fiscal year 2016 totaled \$280 million.

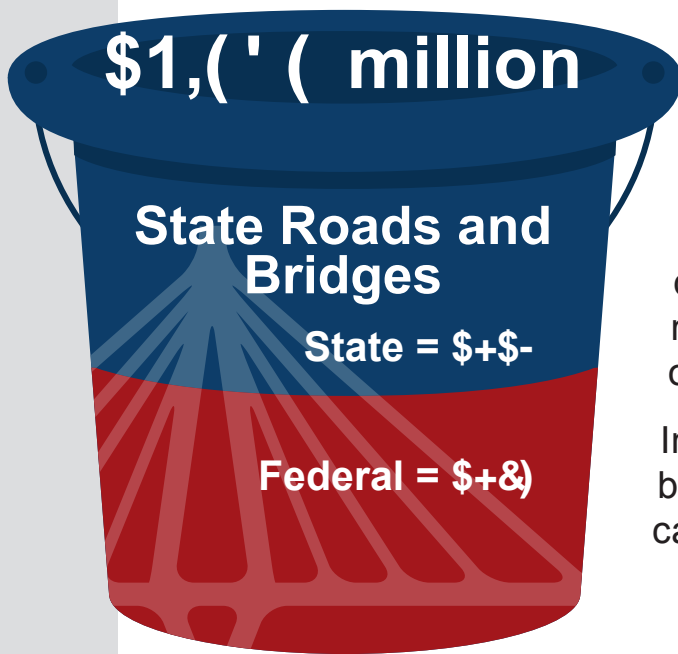
MoDOT has three kinds of bonds: senior bonds that were authorized by the Missouri General Assembly in 2000 and issued by the Missouri Highways and Transportation Commission from 2000-2003; Amendment 3 bonds that were authorized by Missouri voters in 2004; and federal GARVEE (Grant Anticipation Revenue Vehicle) bonds that financed specific projects. Borrowing advanced construction and allowed MoDOT to avoid inflation in labor and materials costs to give Missourians improvements that would not have been built for many years with pay-as-you-go funding. Without borrowing, some of those projects still would not be completed.

Senior bonds will be paid off by 2023, Amendment 3 bonds will be paid off by 2029 and GARVEE bonds will be paid off by 2033.



Bonding delivered critical projects years ahead of schedule and saved the cost of inflation.

Where is the Money Invested?



After distributions to cities and counties, other state agencies and the debt payment, just under 60 percent of transportation revenue is available for state roads and bridges. These are the funds that enable MoDOT to design, construct, operate and maintain a network of 33,873 miles of highways and 10,394 bridges.

Investments for state roads and bridges are summarized into five categories:

- Construction Program
- Maintenance
- Fleet, Facilities and Information Systems
- Administration
- Highway Safety Operating Costs

The Construction Program is the largest area of investment in MoDOT's budget, totaling \$, \$, **million** in fiscal year 2016. It includes payments to contractors (\$664 million) to build improvements, MoDOT engineering costs associated with administering and monitoring the construction program – including salaries, wages and fringe benefits (\$127 million), payments to engineering design consultants (\$8 million) and the cost of acquiring right of way (\$9 million).