



Missouri Highways and Transportation Commission Policies

Category: STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
Subcategory: Funding Allocation

STIP FUNDING ALLOCATION

After soliciting significant public involvement into its funding allocation process in 2003, the Commission approved a policy for distribution of funds available for road and bridge improvements. This decision is the financial basis upon which the Five-Year Statewide Transportation Improvement Program is prepared.

Of the total funds available for road and bridge improvements in the Statewide Transportation Improvement Program (STIP), allocation will be in keeping with the following process:

Step 1: Deduct federally sub-allocated pass-through funds designated for specific purposes, including the following:

- Off-System Bridge Replacement and Rehabilitation Program (BRO) - Maintain replacement and rehabilitation funding for bridges not on the state road system, as mandated in the current federal transportation act.
- Surface Transportation Block Grant Program - Large Urban (STBG-U) – Large Cities – Maintain funding for Kansas City, St. Louis, and Springfield, as mandated in the current federal transportation act.
- Congestion Mitigation and Air Quality (CMAQ) Program - Distribute Missouri's estimated minimum guarantee of CMAQ funds to St. Louis and Kansas City based upon population. Distribute remaining CMAQ funds to the area(s) not meeting federal air quality requirements. This distribution will use the same demographics included in apportioning the federal CMAQ funds to Missouri.
- Carbon Reduction Program – Large Urban (CRP-U) – Funding for projects that reduce transportation emissions.
- Transportation Alternatives Program – Allocate all funds to the local program for a competitive process.
- Recreational Trails Program – This program provides funding for developing and maintaining motorized and non-motorized recreational trails as mandated in the current federal transportation act. This program is administered by the Department of Natural Resources.

Step 2: Deduct funding for non-highway transportation agencies (aviation, railways, transit, freight and waterways) appropriated by the state legislature for the designated purposes and federal funds. This funding cannot be used for roads and bridges.

Step 3: Deduct the financing cost for projects accelerated through bond financing, including debt service relative to Amendment 3. Excludes GARVEE bonds.

Step 4: Deduct engineering budget.

Step 5: Deduct specific funding sources, such as federal Open Container safety funds, federal Transportation Alternatives (statewide) funds, and other uniquely distributed funds.

Step 6: Deduct \$45 million annually until 2028, then beginning in 2028 and thereafter, deduct \$30 million annually for cost-sharing projects statewide.

Step 7: Deduct funding contributed by partnering agencies. Includes project funding from cities, counties, or other state agencies, and federal earmarked funds.

Step 8: Deduct project savings and adjustments. Includes project cost savings or overruns.

Step 9: Deduct \$25 million per year for an Asset Management Deficit Program.

Of the remaining funds available for road and bridge improvements:

Step 1: Fiscal Year 2023 through Fiscal Year 2027, allocate \$58 million for Safety Projects. Distribute \$27 million based on a three-year average of the number of fatalities and serious injuries on the state highway system. Allocate \$31 million for statewide safety initiatives.

Beginning in Fiscal Year 2028, distribute all available Highway Safety Improvement Program (HSIP) funds to the districts, less any statewide initiatives, for Safety Projects based on a three-year average of the number of fatalities and serious injuries on the state highway system.

Step 2: Allocate funds to Asset Management. The Asset Management allocation amount is based on needs identified in MoDOT's Asset Management Plan and will be reviewed and updated, if necessary, annually. These amounts will include inflation consistent with MoDOT's Asset Management Plan. The allocation is distributed as follows:

- Major Bridges (bridges 1000 feet or greater in length)
- Asset Management – Remaining asset management total distributed based on formulas that average:
 - Percent of total Vehicles Miles Traveled (VMT) on the National Highway System and remaining arterials.
 - Percent of square feet of typical state bridge deck (bridges less than 1000 feet in length) on the total state system.
 - Percent of total lane miles of National Highway System and remaining arterials.

Step 3: Allocate remaining funds to System Improvements. Funds must be first used to meet asset management goals, and then remaining funds may be used for other priorities.

Distribution based on the average of:

- Percent of total population.

- Percent of total employment.
- Percent of total VMT on the National Highway System and remaining arterials.

Effective Date: December 4, 2024
 Supersedes Policy Dated: June 2, 2022
 Last Reaffirmed:
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Related Commission Minutes: January 10, 2003; June 2, 2004; February 7, 2006; February 4, 2011; March 1, 2012; November 7, 2013 – Comprehensive Policy Review; February 3, 2016, July 7, 2016, January 4, 2017, January 4, 2018; February 6, 2019; March 3, 2021, January 5, 2022, June 2, 2022.

(February 4, 2011- Increased base level funding for cost share from \$30M to \$35M and added a variable amount component with savings generated from debt service associated with refinanced bonds and with redirected internal operating budget cost savings).

(March 1, 2012 – Beginning in Fiscal Year 2013, increased base level funding for cost share from \$35M to \$45M and added a variable amount generated from prior project savings for Fiscal Years 2013 through 2015.)

(February 3, 2016 Beginning in fiscal year 2017, increase funding for the safety category from \$25 million to \$35 million annually, with \$3 million allocated to statewide safety initiatives and the remaining \$32 million distributed to districts. Eliminate the major projects and emerging needs funding category and allow all remaining funds to be distributed in the flexible funding category. Revise the Transportation Alternatives funding from 75 percent allocated for local programs and 25 percent allocated for MoDOT statewide usage, to 50 percent for local programs and 50 percent for MoDOT statewide usage.)

(July 7, 2016 Eliminated the sub-allocation of federal funds for the STP-U and BRM programs. These programs are no longer required by federal law. Technical correction to the Transportation Alternatives Program to better reflect the February 3, 2016 changes.)

(January 4, 2017 Created an Asset Management Deficit Program at \$10 million per year, starting in Fiscal Year 2018. Re-activated the suspended Cost Share Program at \$10 million starting in Fiscal Year 2018, \$15 million in Fiscal Year 2019, and increasing to \$25 million in Fiscal Year 2020 and thereafter.)

(January 4, 2018 Increased Cost Share Program funding to \$30 million in fiscal year 2021, \$35 million in 2022, \$40 million in 2023, \$45 million in 2024 and annually thereafter. Updated distribution method for Safety Projects by distributing \$32 million in fiscal year 2019 and 2020 based on three-year average crash rate and distributing \$32 million in fiscal year 2021 and every year thereafter based on a three-year average of the number of fatalities and serious injuries on the state highway system.)

(February 6, 2019 – creates a deduction for engineering, reduces the safety projects by the amount of engineering that was part of the original allocation construction funding for safety remains the same, changes the term accident to crash, creates the Asset Management Category that will replace the TCOS category in FY 2022, creates the System Improvement Category that will replace the Flexible Funds category in FY2022.)

(March 3, 2021 – removed the sunset on the asset management deficit program.)

(January 5, 2022 – increased asset management deficit funding to \$25 million annually, increased safety funding to \$58 million annually, increased Large Urban Surface Transportation Program funding to \$73 million per year, increased the percentage allocated to local programs under the Transportation Alternatives Program to 59 percent, clean up to remove references to past fiscal years funding that is no longer applicable.)

(June 2, 2022 – changed the TAP allocation so all funds go to the local program for a competitive process; removed the dollar amounts listed for BRO, STP-U, and Recreational Trails programs and referenced as mandated in the current

federal transportation act; removed Rail/Highway Crossing, Highway Planning & Research, and Metropolitan Planning programs from the listed allocations because those programs are not allocated through the STIP, but rather are administered by the department.)

(December 4, 2024 – changed terminology for Large Urban Surface Transportation Program (STP-U) to the updated Surface Transportation Block Grant Program (STBG-U), added the new Carbon Reduction Program – Large Urban (CRP-U), added freight to the non-highway transportation agencies, clean up language to remove references to past fiscal years funding that is no longer applicable and outdated language, changed cost share program to allocate \$30 million annually. Beginning in Fiscal Year 2028, distribute all available Highway Safety Improvement Program (HSIP) funds to the districts.)