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105 West Capitol
Jefferson City, Missouri 65101

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(573) 751-3704

Missouri Highways and Transportation Commission Tentative Agenda

**Department of Transportation Building
105 West Capitol Avenue
Jefferson City, MO**

January 7, 2026

Open Meeting 1:00 p.m.

This meeting will be available to watch live stream at www.modot.org/mhtc/live.

1.	<u>Non-Action Item – Commission Workshop: Financial Forecast Update.</u> <i>Brenda Morris, Chief Financial Officer, and Doug Hood, Financial Services Director</i>	<u>Est. Time</u> 1:00 – 2:30
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ADJOURN.

Closed Meeting 2:45 p.m.

VOTE TO CLOSE MEETING.

Competitive Bidding Specs, Sealed Bids, or Negotiated Contracts
Personnel administration regarding particular employees
Legal actions or attorney-client privileged communications

Section 610.021(11), (12) RSMo
Section 610.021(3), (13) RSMo
Section 610.021(1) RSMo



Workshop

FINANCIAL FORECAST UPDATE

-- Presented by Brenda Morris, Chief Financial Officer, 573-751-2803, and Doug Hood, Financial Services Director, 573-526-3955.

ISSUE: MoDOT prepares an annual financial forecast to estimate future revenues and disbursements. The forecast is the basis for MoDOT's budget, and the funding targets provided to planning partners and MoDOT staff to select projects for the Statewide Transportation Improvement Program (STIP).

The financial forecast estimates the various components of state revenue, including the state motor fuel tax, motor vehicle sales taxes, motor vehicle and drivers' licensing fees, and federal funds from the federal motor fuel tax, and other sources as provided by Congress and the Missouri legislature.

RECOMMEND that the Commission:

- This item is for information only. No action is required.

DEPARTMENT VIEW:

- Detailed financial projections and assumptions for state fiscal years 2026 through 2032 are shown on Attachments 1 and 2. Contractor awards are projected to be \$2.4 billion in 2026, \$2.7 billion in 2027, \$2.2 billion in 2028, \$1.5 billion in 2029, \$1.4 billion in 2030, and beyond.
- Based on current financial projections, MoDOT will be able to match all anticipated federal funds in the forecast period.

OTHER VIEWS:

- Citizens, contractors, consultants, planning partners, and cities and counties are interested in transportation funding and Missouri's ability to adequately maintain and improve transportation infrastructure.

MHTC POLICY:

- Statewide Transportation Improvement Program – Funding Allocation.

OTHER PERTINENT INFORMATION:

- Fiscal year 2025 highway user fees from the state motor fuel tax, motor vehicle sales tax, and motor vehicle and drivers' licensing fees were \$3.8 million (0.2 percent) more than projected. Projections of user fee revenues are in part based on growth trends from prior years.
 - The state motor fuel tax assumption (excludes SB 262) is -0.20 percent decline for 2026 and beyond as vehicles with greater fuel economy and the use of alternative fuels will off-set increases in vehicle miles traveled.
 - The assumptions for the state motor fuel taxes and decal fees for SB 262 are based on fiscal year 2025 gallons with a -0.20 percent decline for 2026 and beyond. The assumption for refunds is 0.5 percent for 2026 and beyond.
 - The motor vehicle sales tax growth assumption is 3.0 percent for 2026 and

subsequent years.

- The motor vehicle and drivers' licensing fees starts with the historical four-year average with a 1.0 percent increase for 2026 and beyond.
- Because of the changes in these revenue assumptions, state revenues from these sources for 2026-2031 are projected to be \$66.5 million less than the forecast prepared last year. The decrease is mostly attributable to the decline in motor fuel tax and motor vehicle and drivers' licensing fees.
- The financial forecast includes \$57.1 million from the Budget Stabilization Fund for the Governor's Transportation Cost Share Program approved in fiscal year 2023. This funding allowed MoDOT to work collaboratively with the Department of Economic Development to create a Transportation Cost Share Program focusing on projects that create economic benefits. This program is separate from MoDOT's Cost Share Program.
- The financial forecast includes \$45.2 million of General Revenue for annual debt service payments for two years for the Focus on Bridges Program with the final debt service payment being made in fiscal year 2027. The debt service pays for the \$301.0 million of Commission State Road Bonds for this program.
- The financial forecast includes for the Improve I-70 Program, \$1.2 billion of cash (deposited into the Office of Administration I-70 Project Fund) and \$1.0 billion of bond proceeds. In addition, the forecast includes \$136.0 million of General Revenue for the annual debt service payments associated with the bonds sold in fiscal year 2024, 2026, and 2028 for this program.
- The financial forecast includes for the Forward 44 Program, \$201.0 million of cash (deposited into the Office of Administration I-44 Project Fund) and \$363.8 million of bond proceeds. In addition, the forecast includes \$44.0 million of General Revenue for the annual debt service payments associated with the bonds to be sold in fiscal year 2027 for this program.
- The financial forecast includes \$302.2 million for other General Assembly Designated and Funded projects which include the following projects: Low Volume Roads, US 67 in Butler County, I-70 Interchange in Warren County, US 65 from Buffalo to Warsaw, I-49 and US 58 in Cass County, Platte County road replacement, I-44 Environmental Study, I-55 Outer Service Road in Jefferson County, Jefferson Avenue Community Footbridge in Springfield, US 65 and Route B in Sedalia, US 63 in Columbia, LeCompte Road, Highway BB Engineering Study in Cameron, and Kirbyville School District.
- The financial forecast includes Amendment 3 bond issuances of \$654.4 million in 2026, \$579.6 million in 2028, \$507.8 million in 2030, and \$465.1 million in 2032. These issuances are needed to fully utilize the revenue being deposited into the State Road Bond Fund.
- The financial forecast includes the estimated federal apportionments from the Infrastructure Investment and Jobs Act (IIJA) approved by Congress. IIJA expires on September 30, 2026. Estimated federal apportionments beyond IIJA are held constant with no increases.
- The financial forecast includes the MoDOT Cost Share Program funds of \$45.0 million for 2026 and 2027 and \$30.0 million for 2028 and beyond.
- For the 2026-2032 period, the forecast relies on deficit spending. The average deficit spending is \$116.8 million per year. On June 30, 2025, the combined balance of the State

Road Fund, State Road Bond Fund, and State Highways and Transportation Department Fund was \$1,564.8 million. Deficit spending will reduce the balance amount from an estimated \$1,714.9 million on July 1, 2026, the beginning of state fiscal year 2027, to \$747.5 million on June 30, 2032, the end of state fiscal year 2032. Of the \$747.5 million projected to be in the state treasury at that time, \$687.5 million is the projected State Road Fund balance.

- The financial forecast includes the following personal services and fringe benefits budget increases:
 - \$11.0 million to continue implementing the market plan and to provide tenure pay increases.
 - \$8.4 million to hire an additional 100 maintenance employees in Safety and Operations.
 - A 2.0 percent annual cost of living adjustment in 2028 and beyond. Raises are contingent each year on Commission action depending on action taken by the legislature.
 - The retirement contributions are 37.0 percent in 2026 and 33.0 percent in 2027 and beyond per the actuarial report.
 - Medical benefits include a \$1.9 million increase for retirees and \$900,000 for the additional employees in 2027 for the Commission's portion of the expense. Medical benefits for 2028 and beyond include a 9.0 percent annual growth rate in the Commission's portion of the expense.
- The expense and equipment portion of the budget includes increases of \$1.4 million for asphalt and concrete repairs on roadways; \$1.5 million for several items including support tasks for the World Cup, roadside management activities, and safety measures; and \$3.0 million for inflationary costs associated with fleet. Expense and equipment for 2028 and beyond includes a 2.5 percent annual growth rate for inflation.
- The forecast includes only road and bridge revenues and disbursements. The available funding for other modes totals \$427.1 million per year. The funds are passed through to local governments and providers and, when required, most of the matching funds are provided by the entities receiving the funds.

SOURCE OF FUNDING: Not applicable.

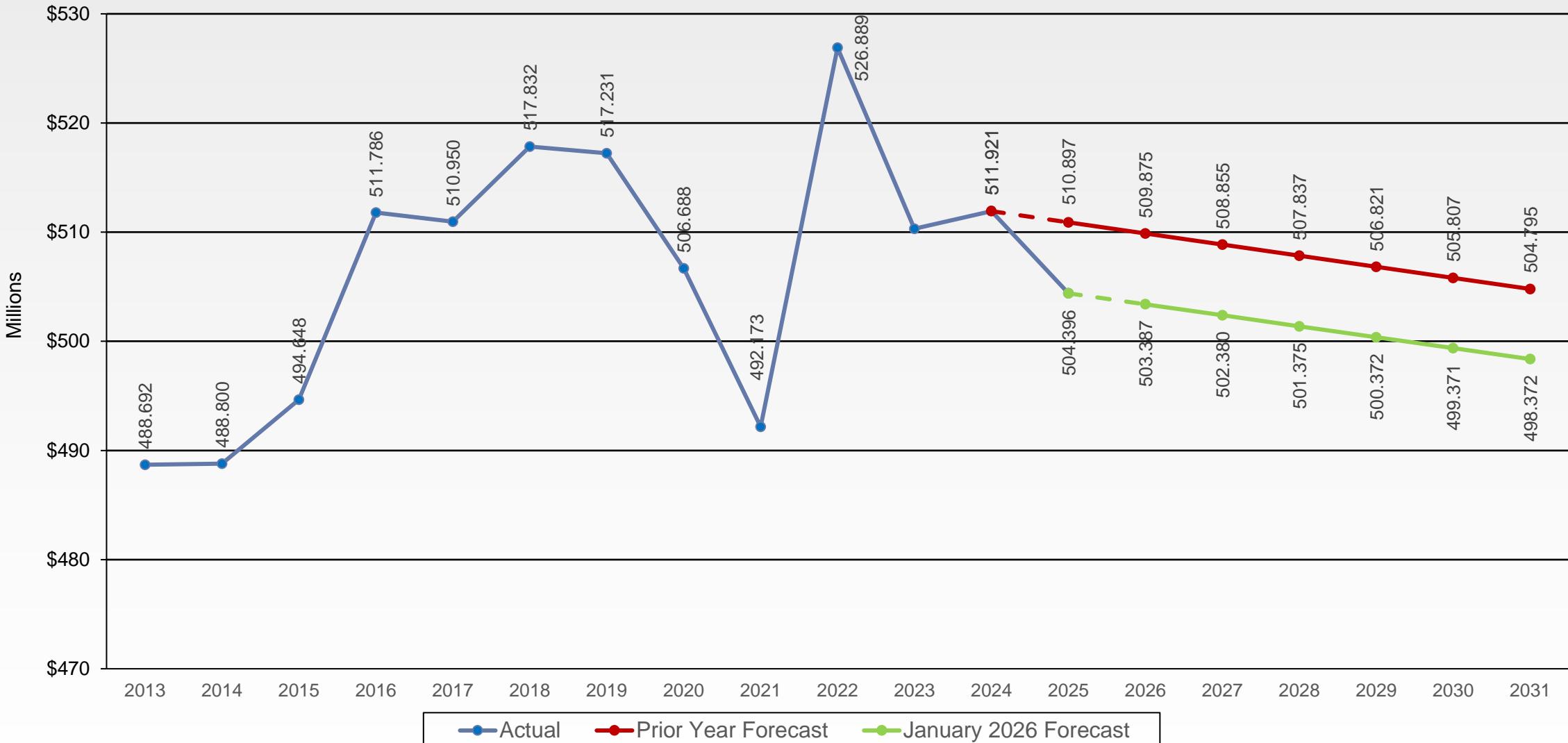


Financial Forecast Update

MHTC Workshop
Missouri Department of Transportation
January 7, 2026

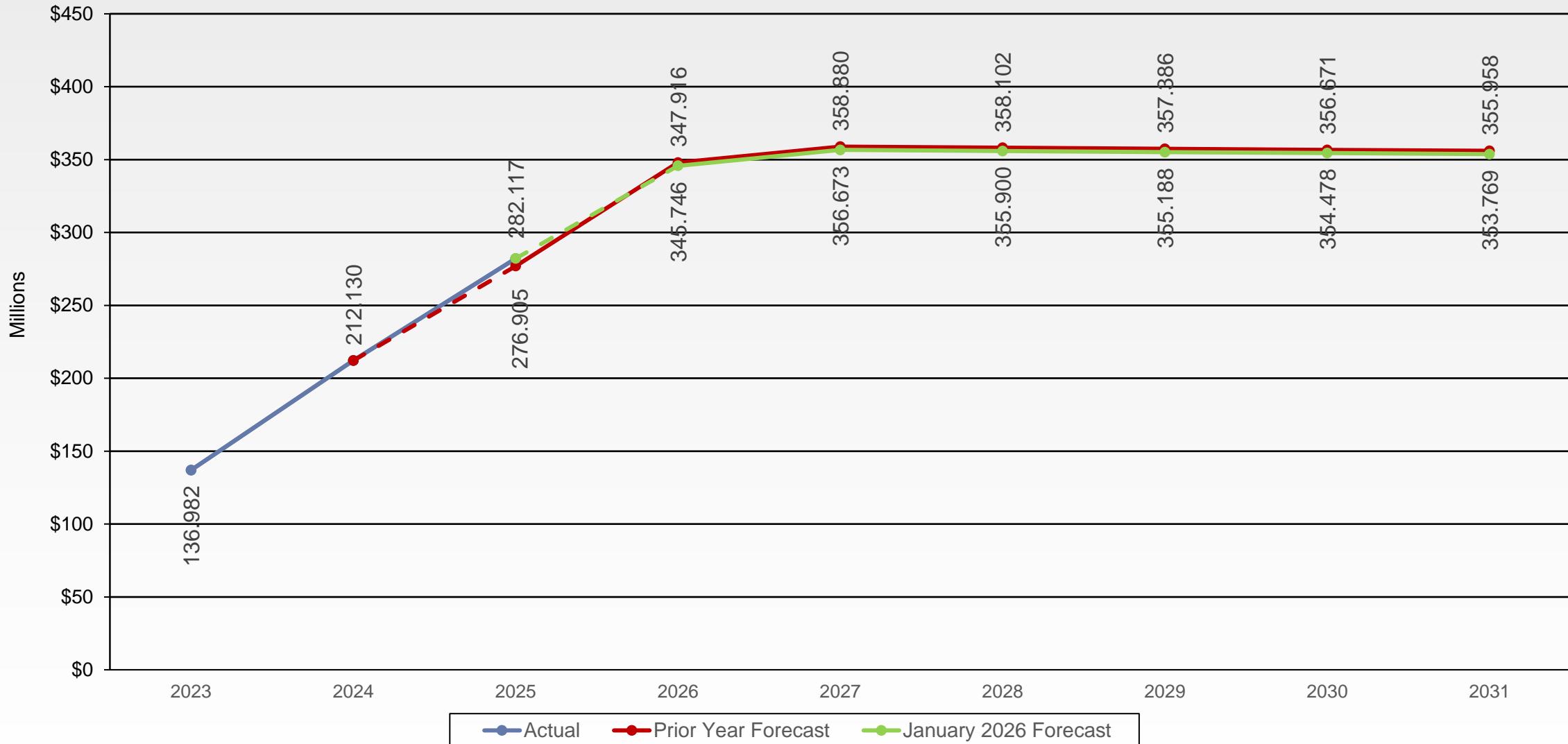


Motor Fuel Taxes (Excludes SB-262)



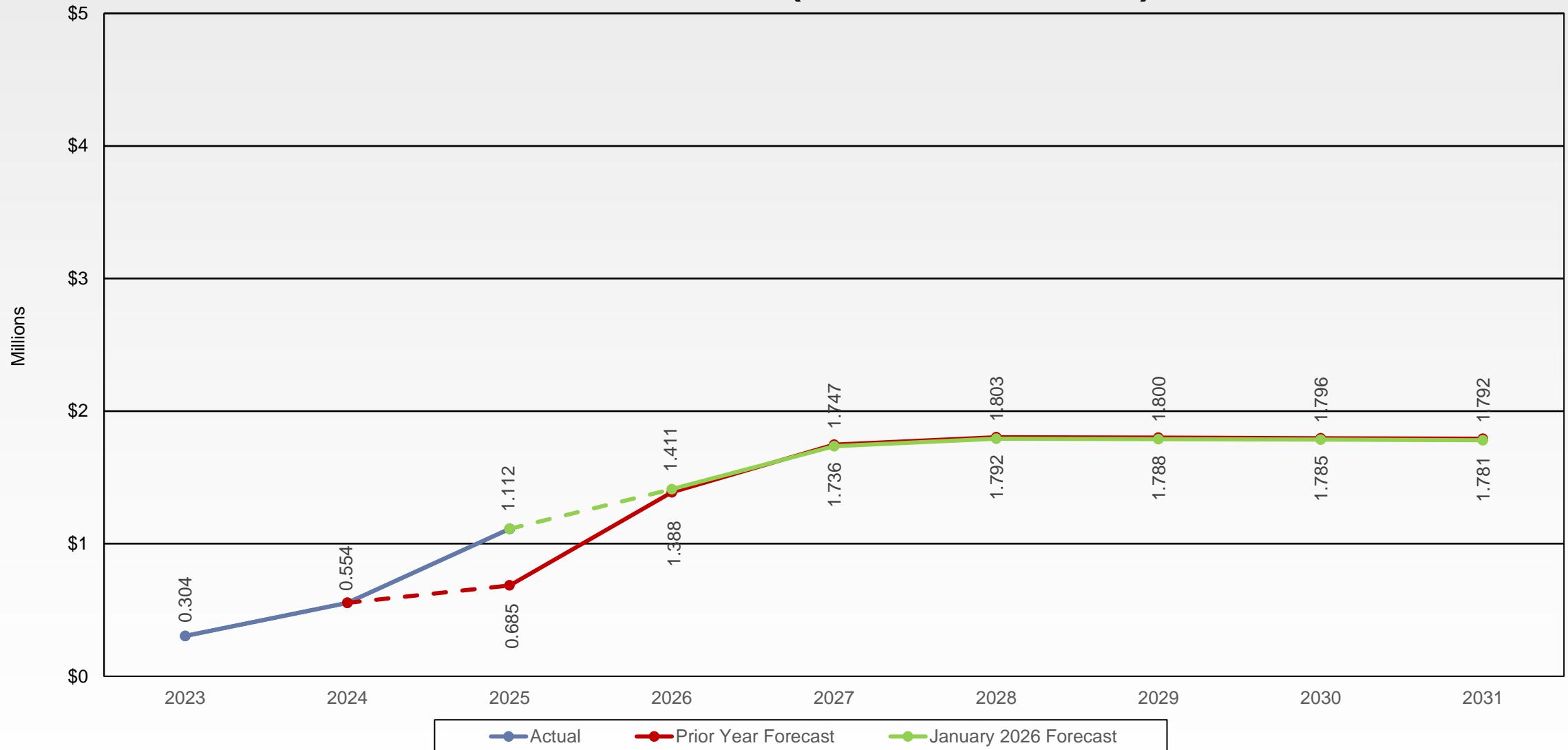


Motor Fuel Taxes (SB-262)



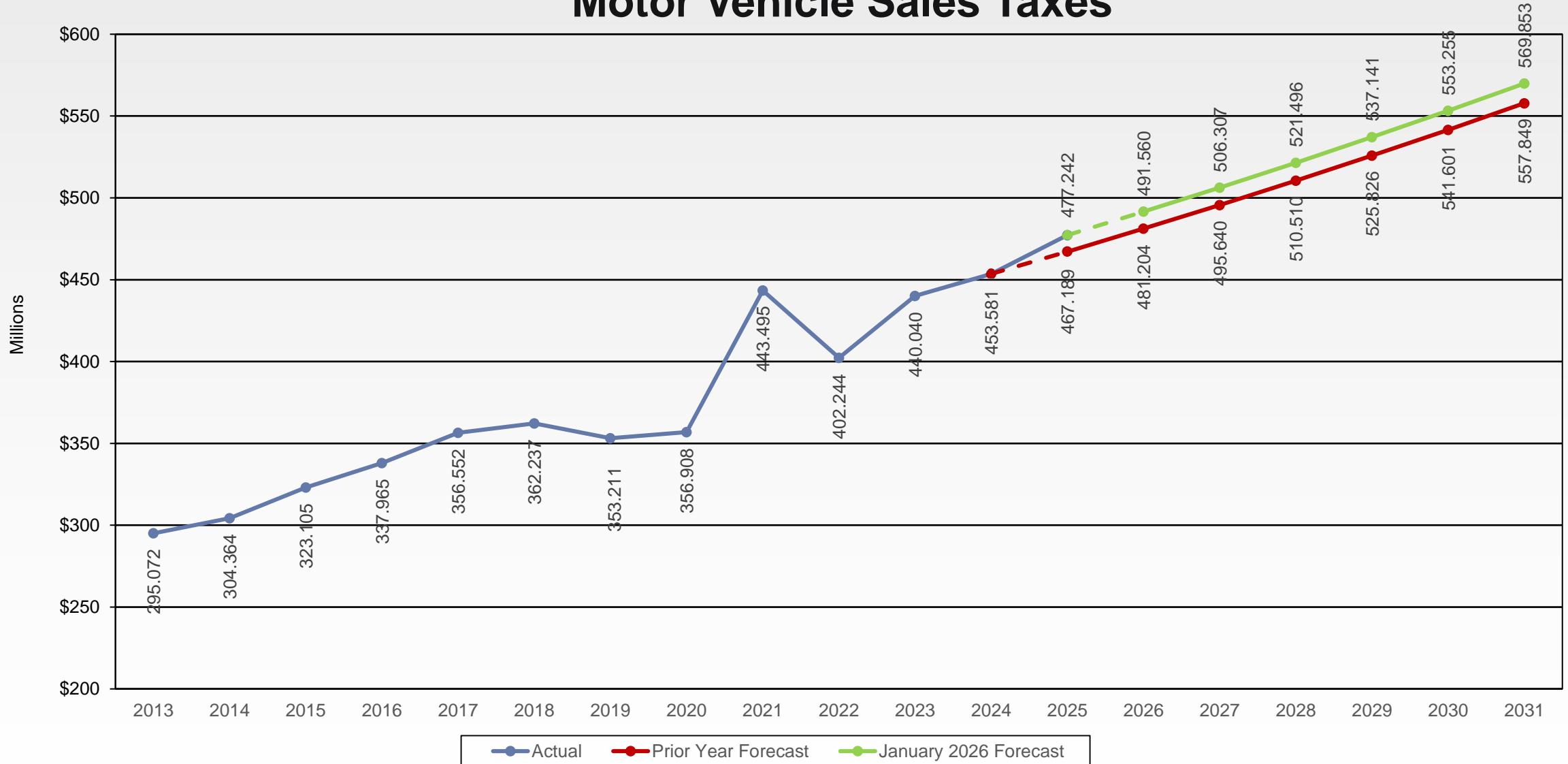


Motor Fuel Taxes (SB-262 Refunds)

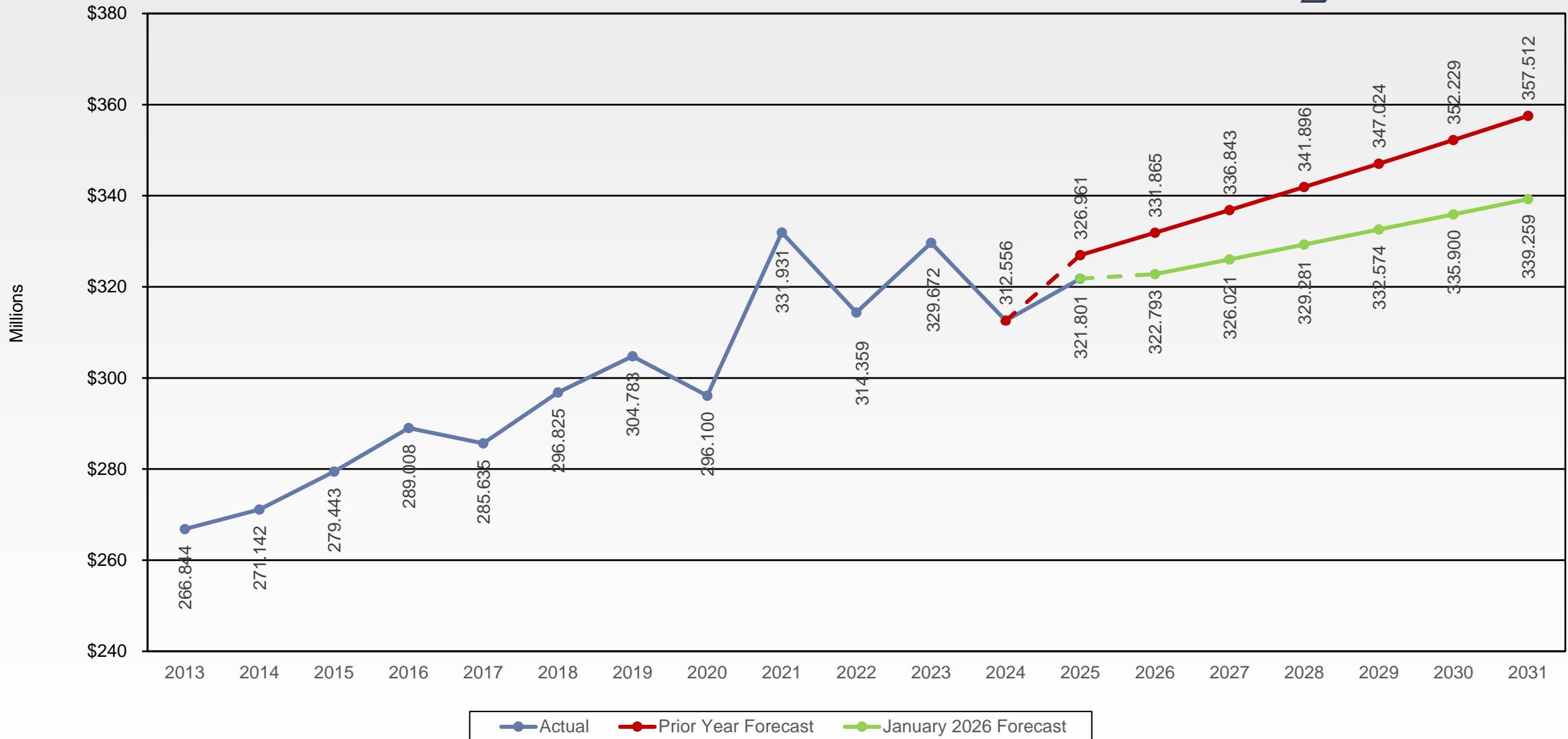




Motor Vehicle Sales Taxes

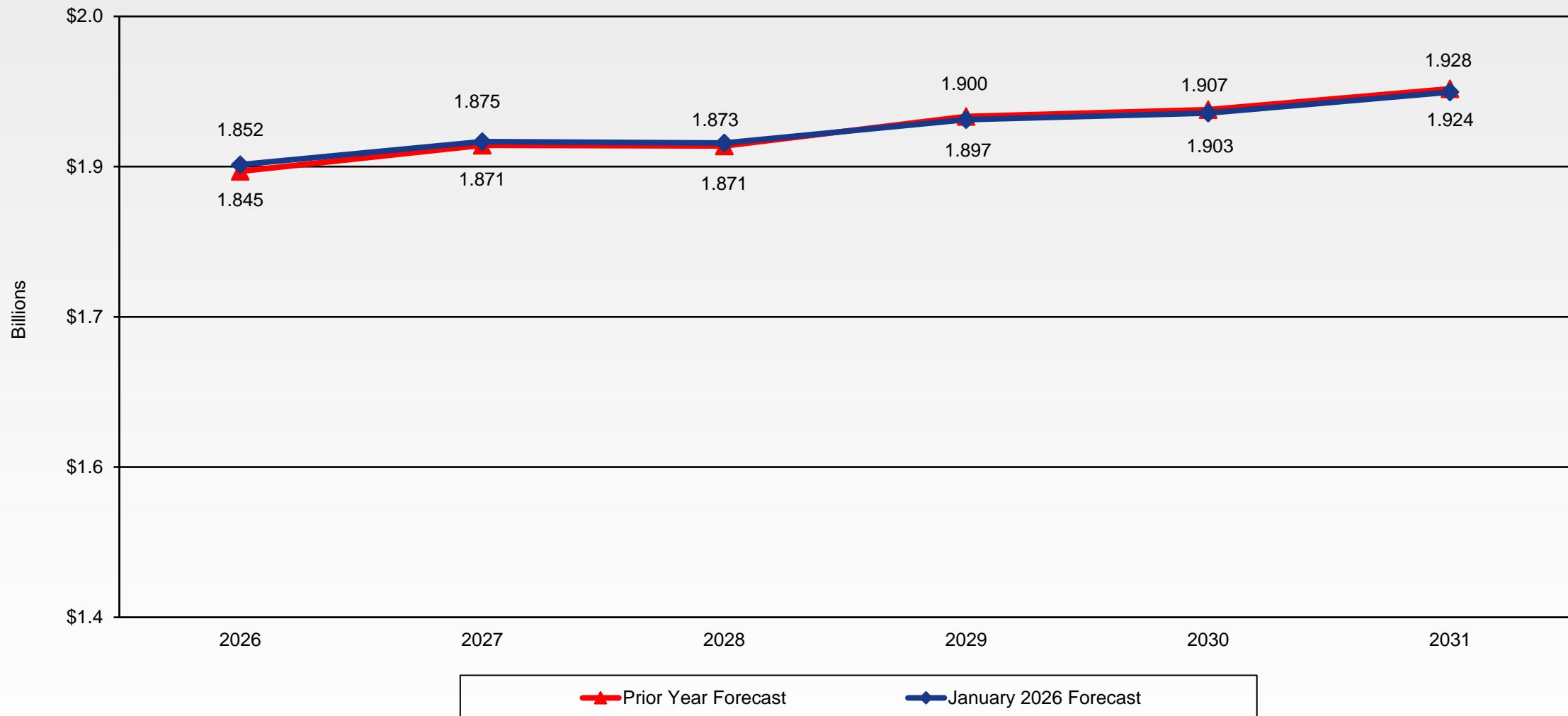


Motor Vehicle & Drivers Fees



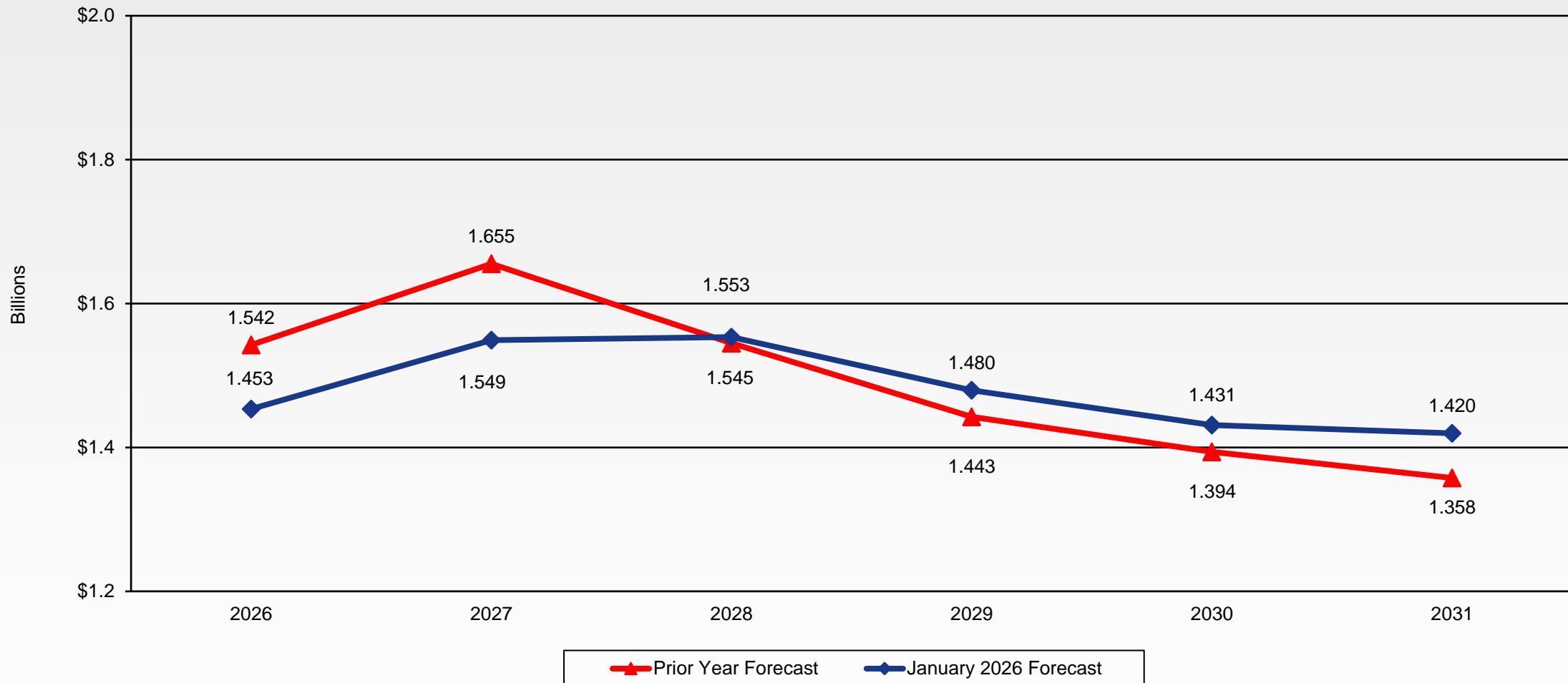


Financial Forecast – State Revenue



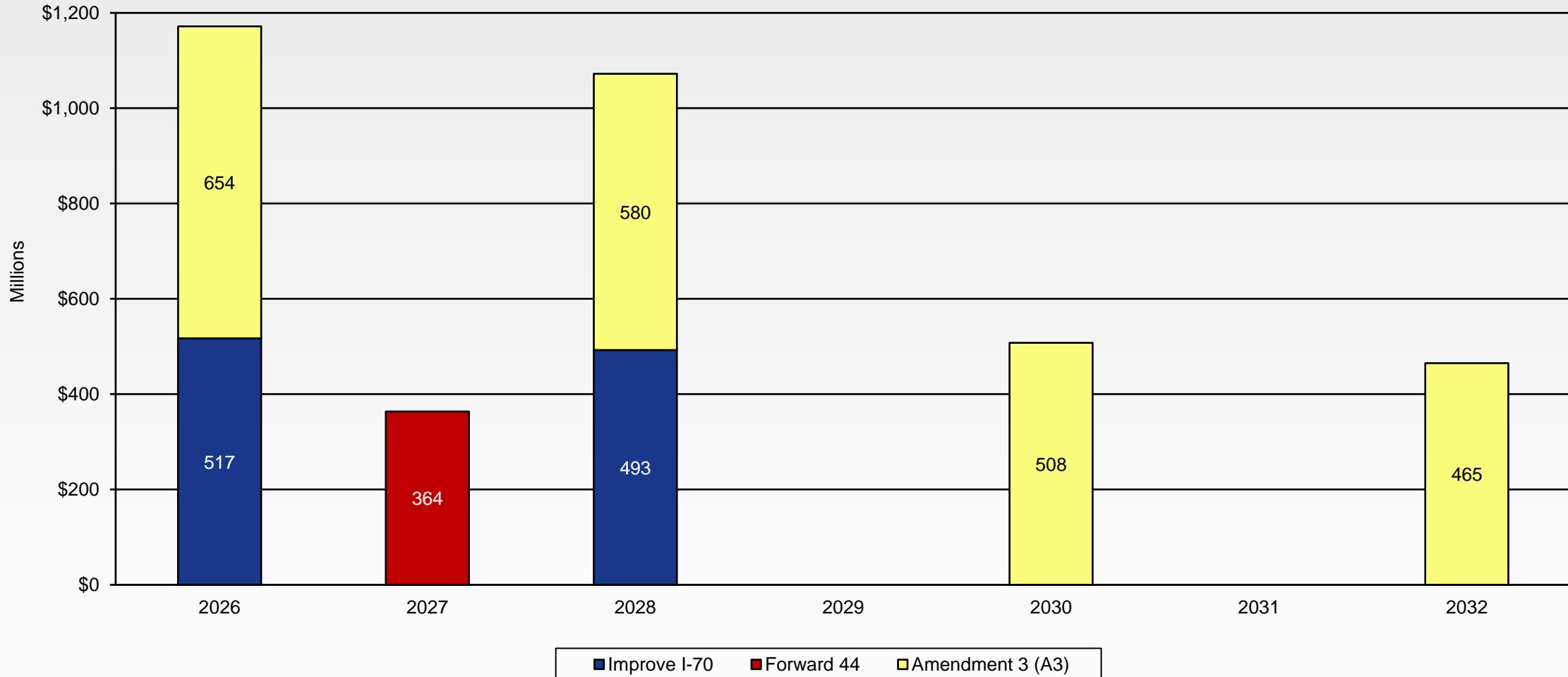


Financial Forecast – Federal Revenue



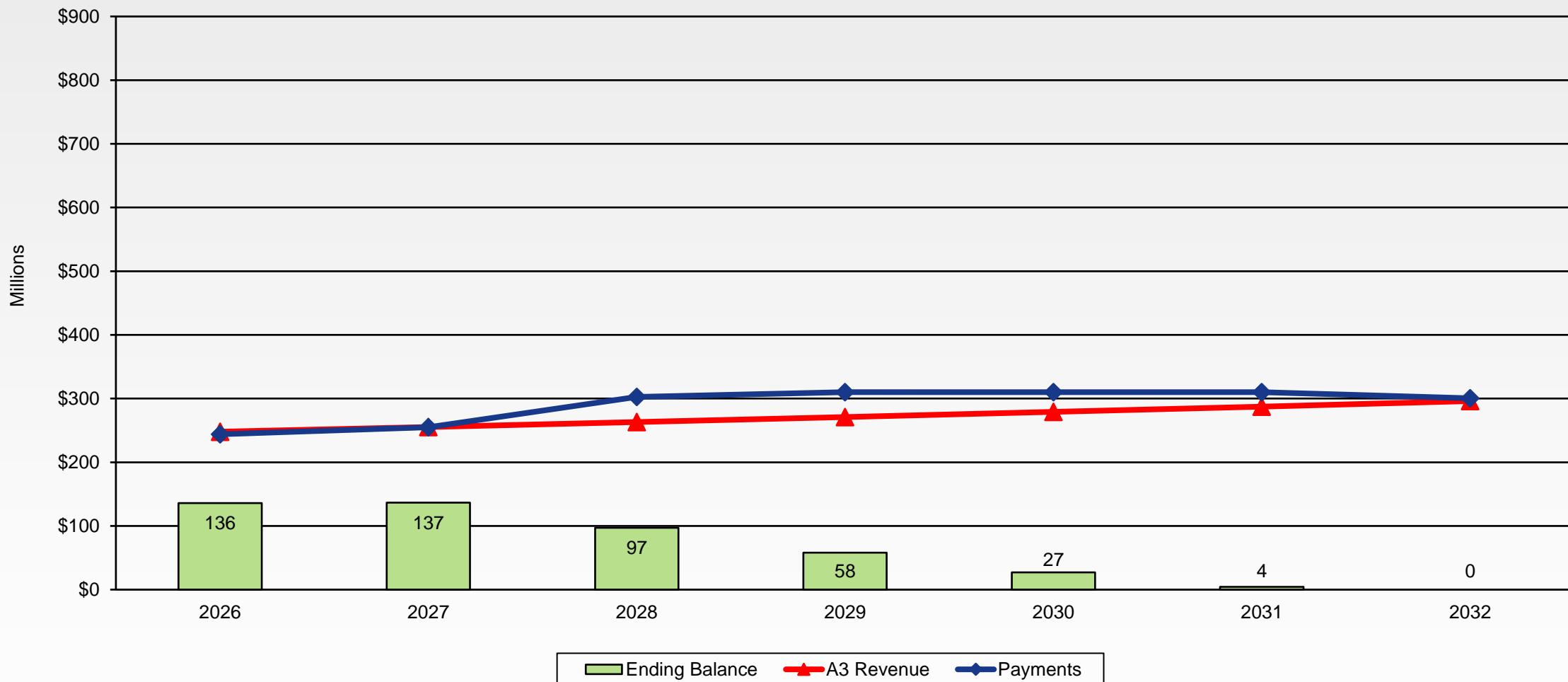


Bond Issuances



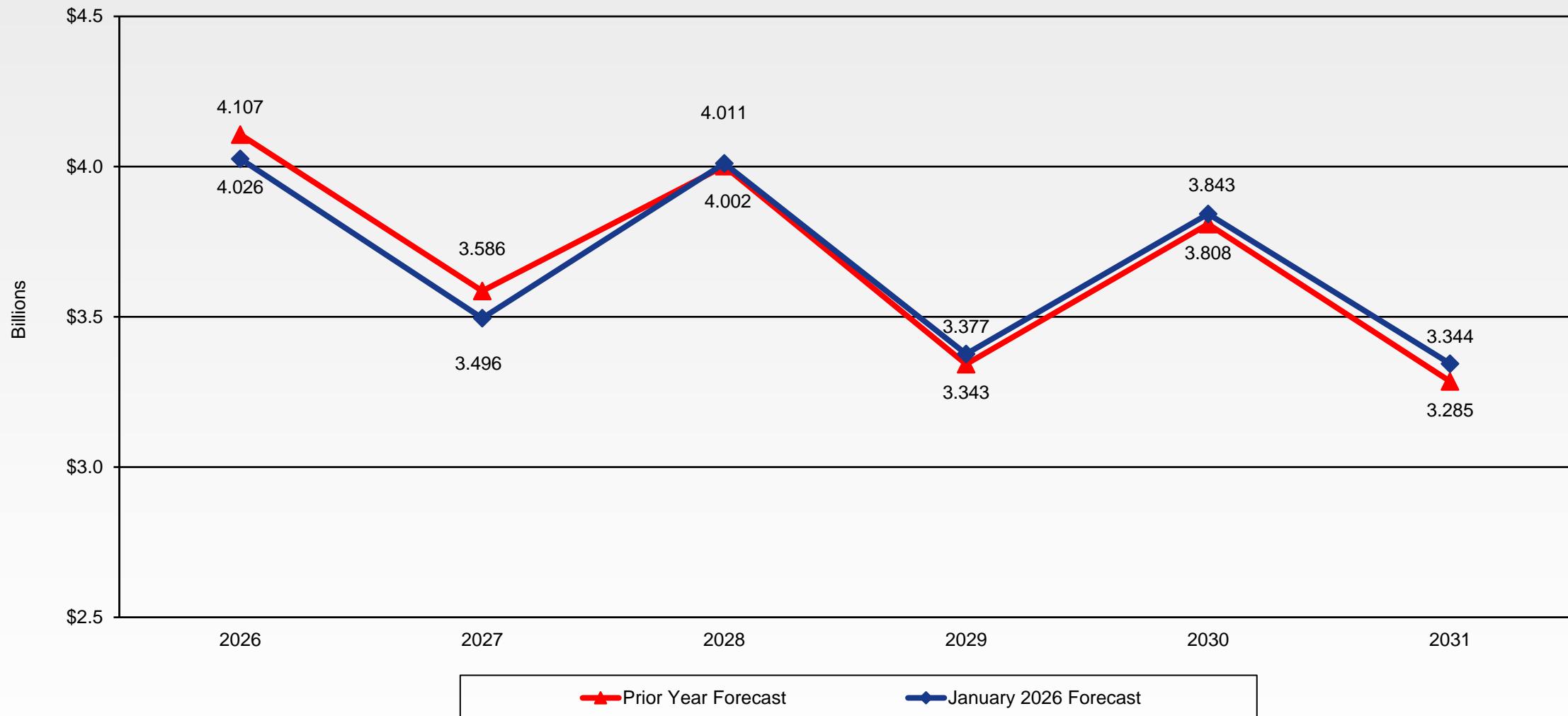


State Road Bond Fund (forecast)



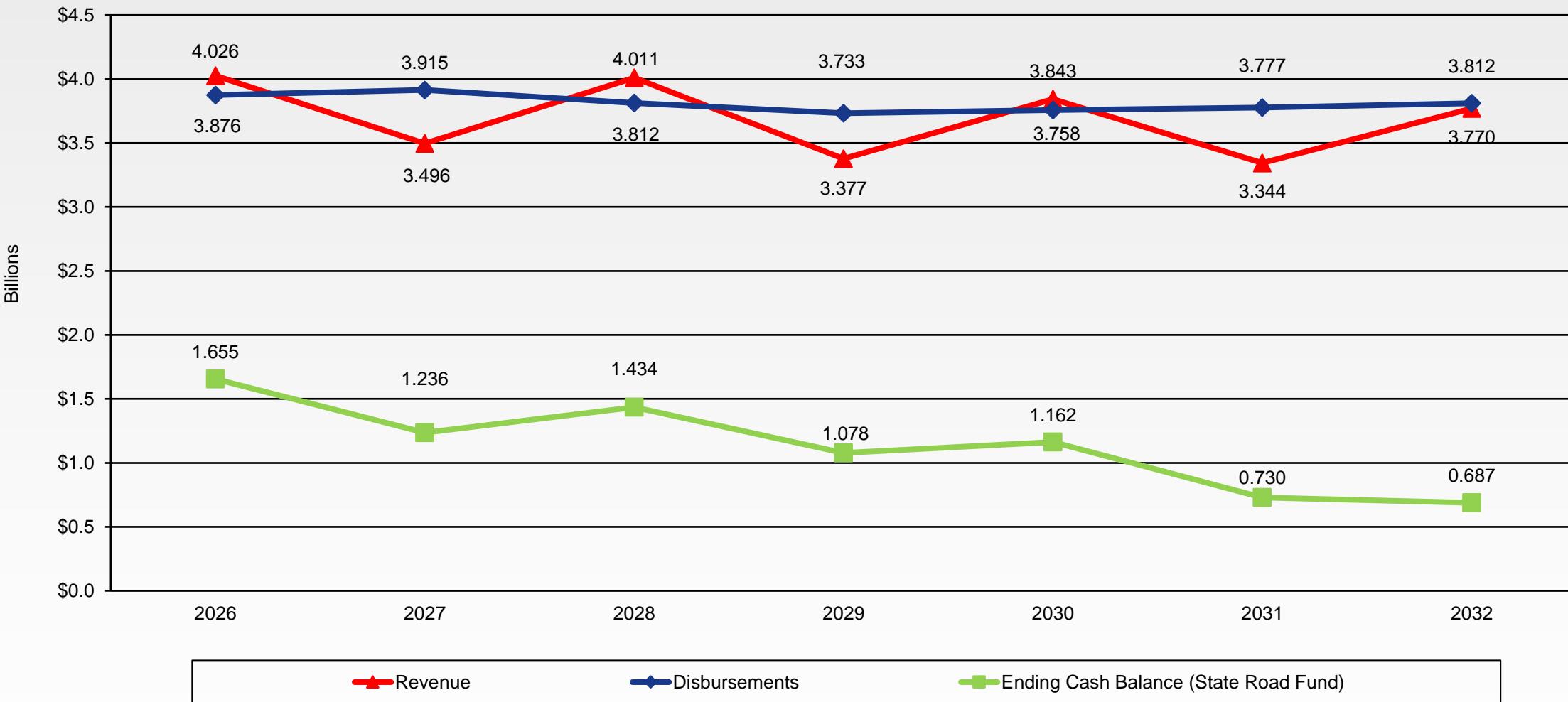


Financial Forecast – Total Revenue

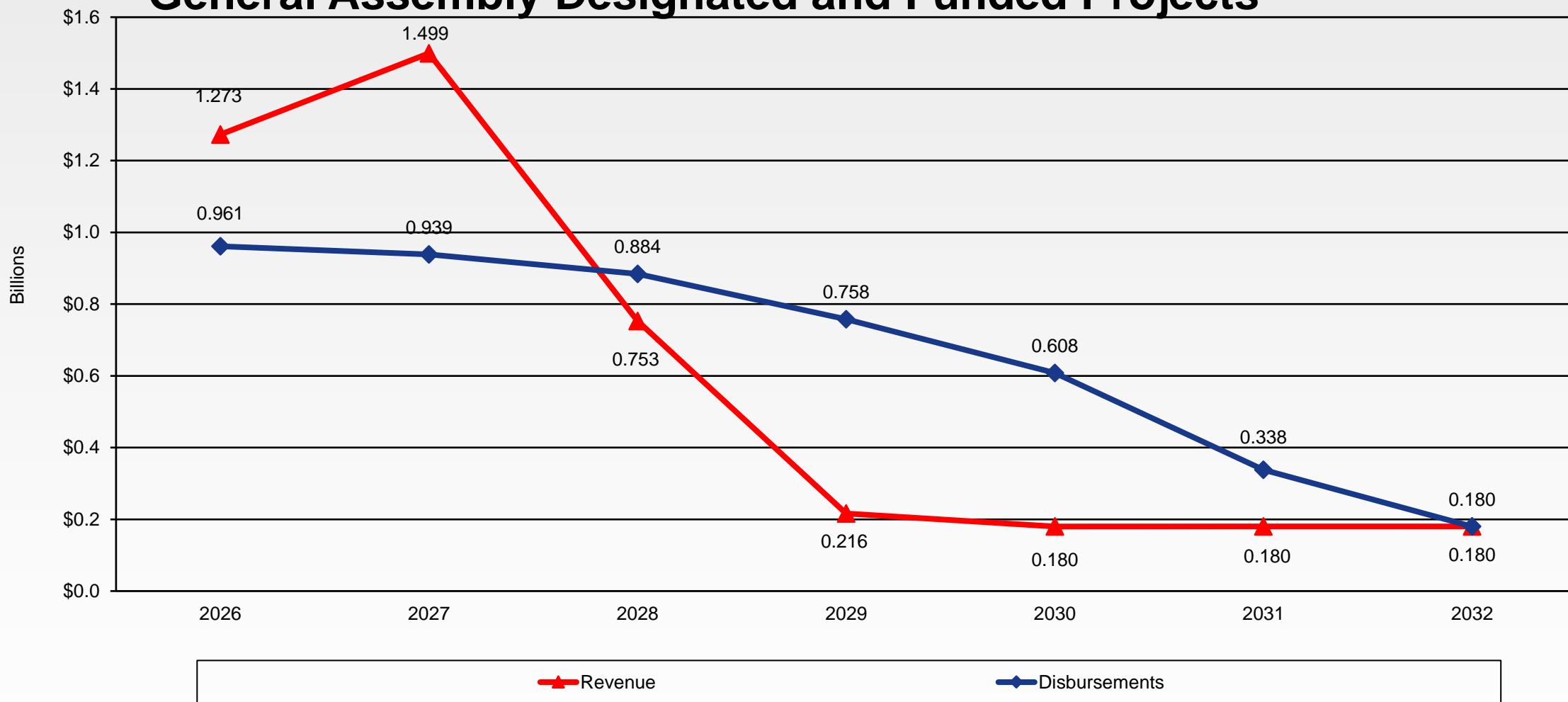




Financial Forecast

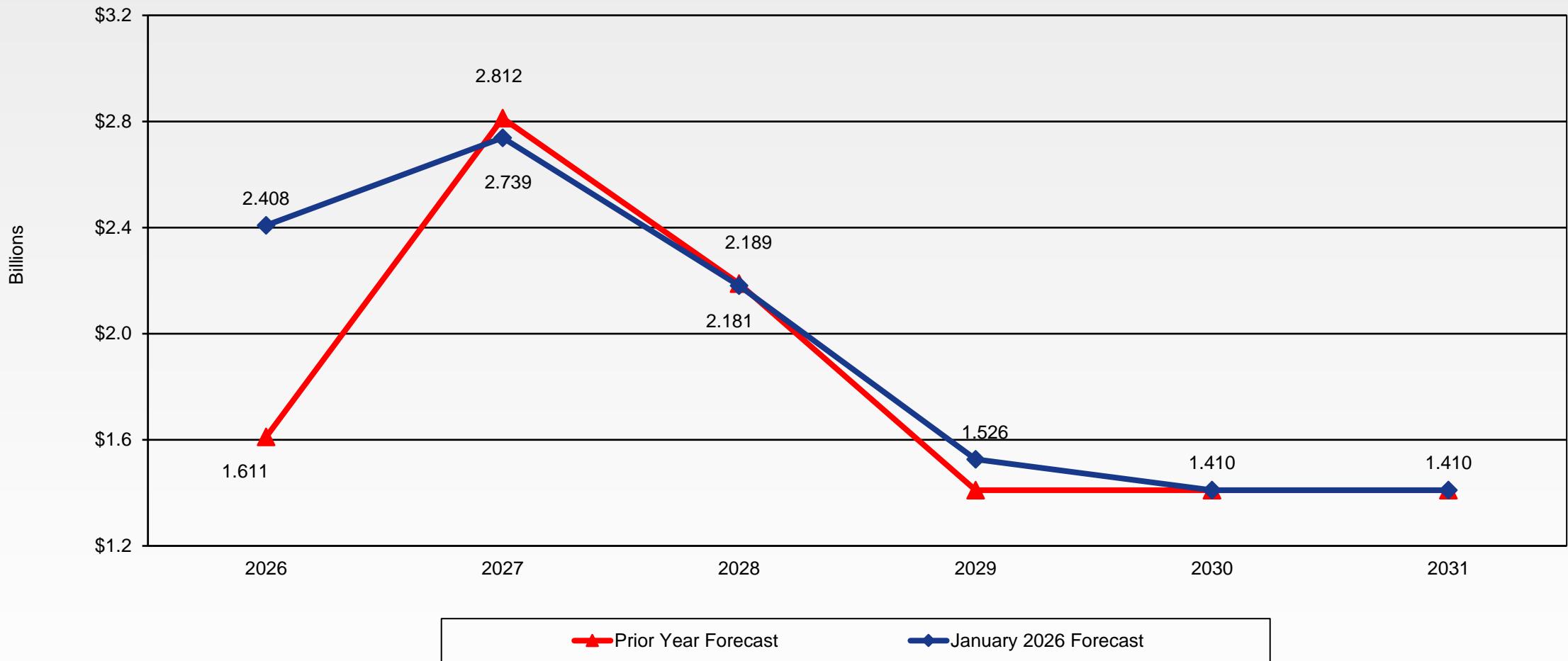


Improve I-70, Forward 44, and General Assembly Designated and Funded Projects



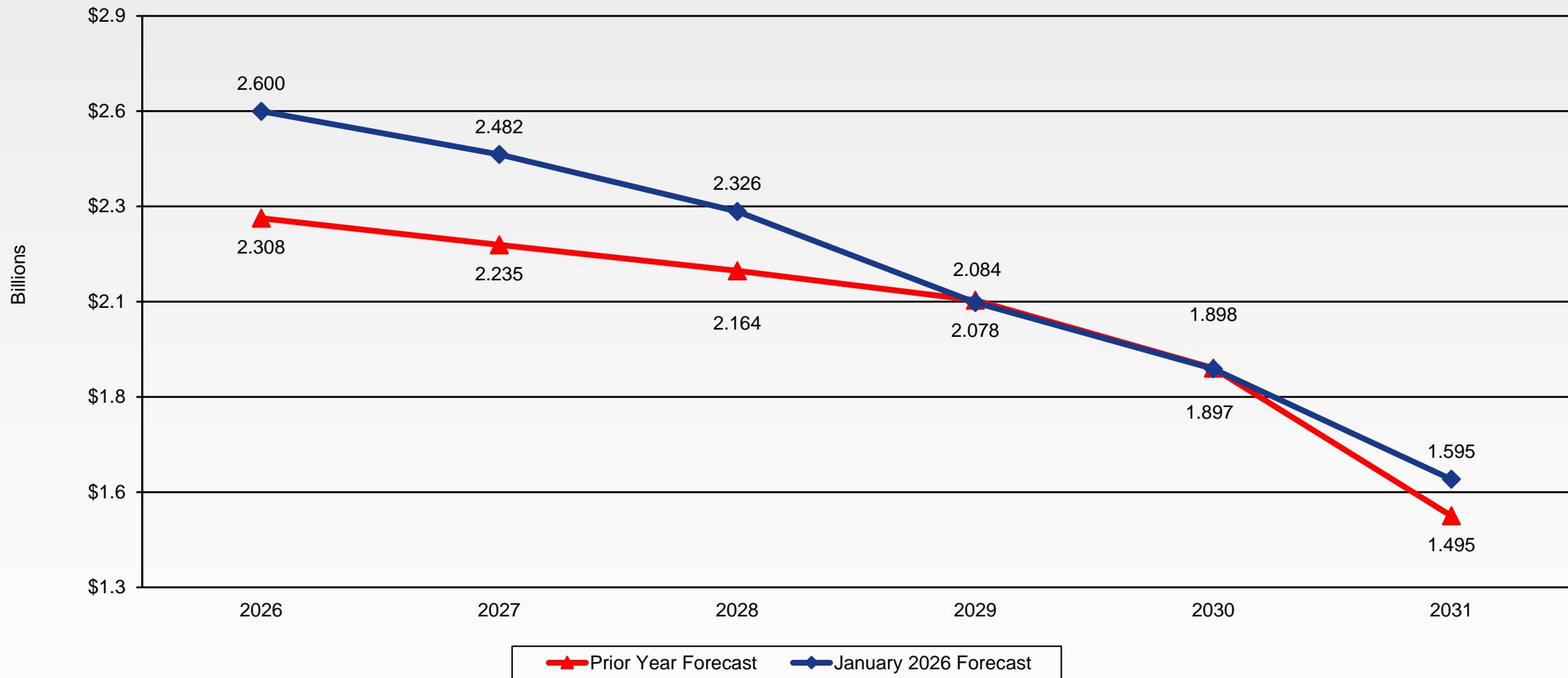


Contractor Awards

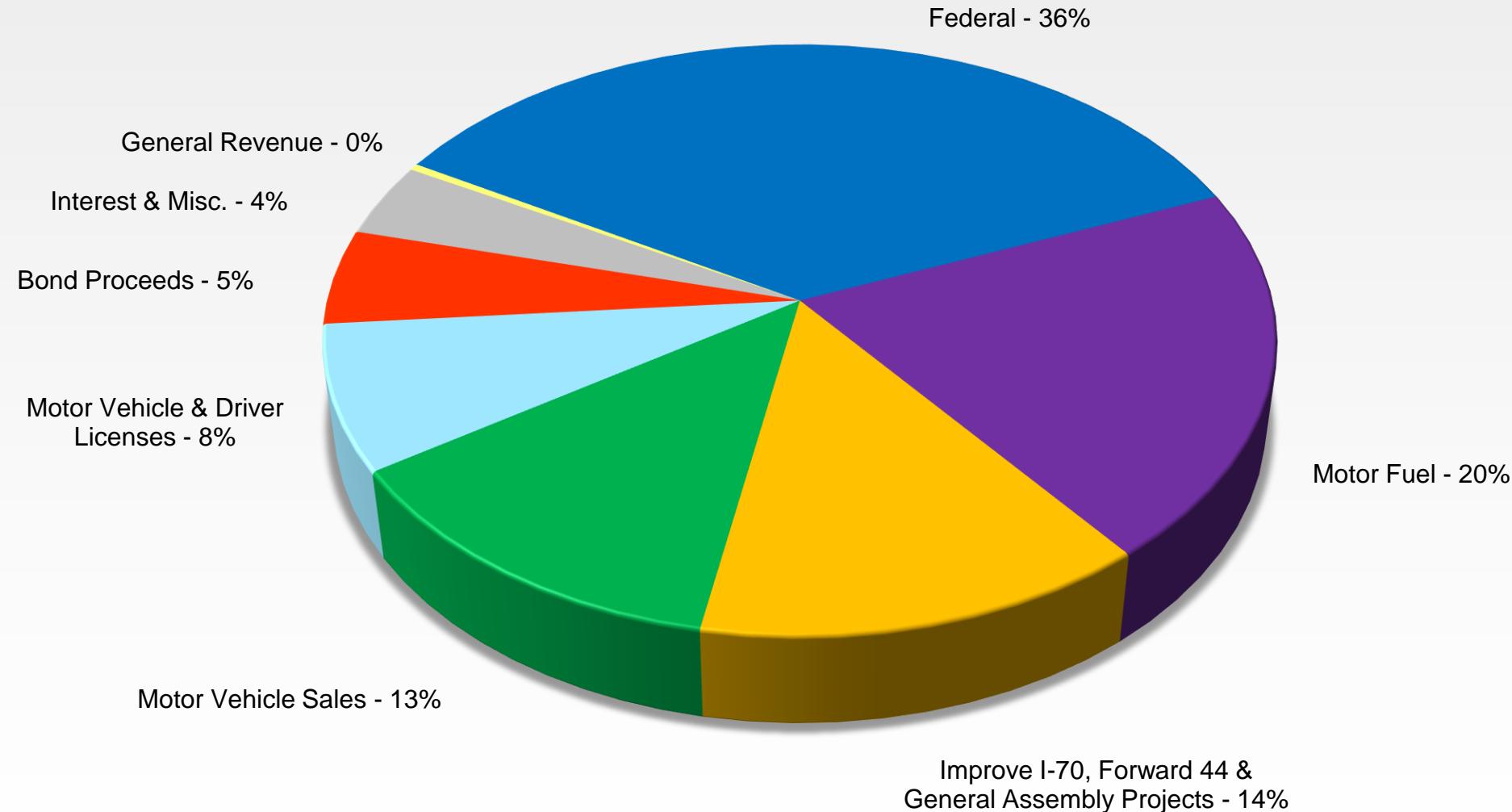




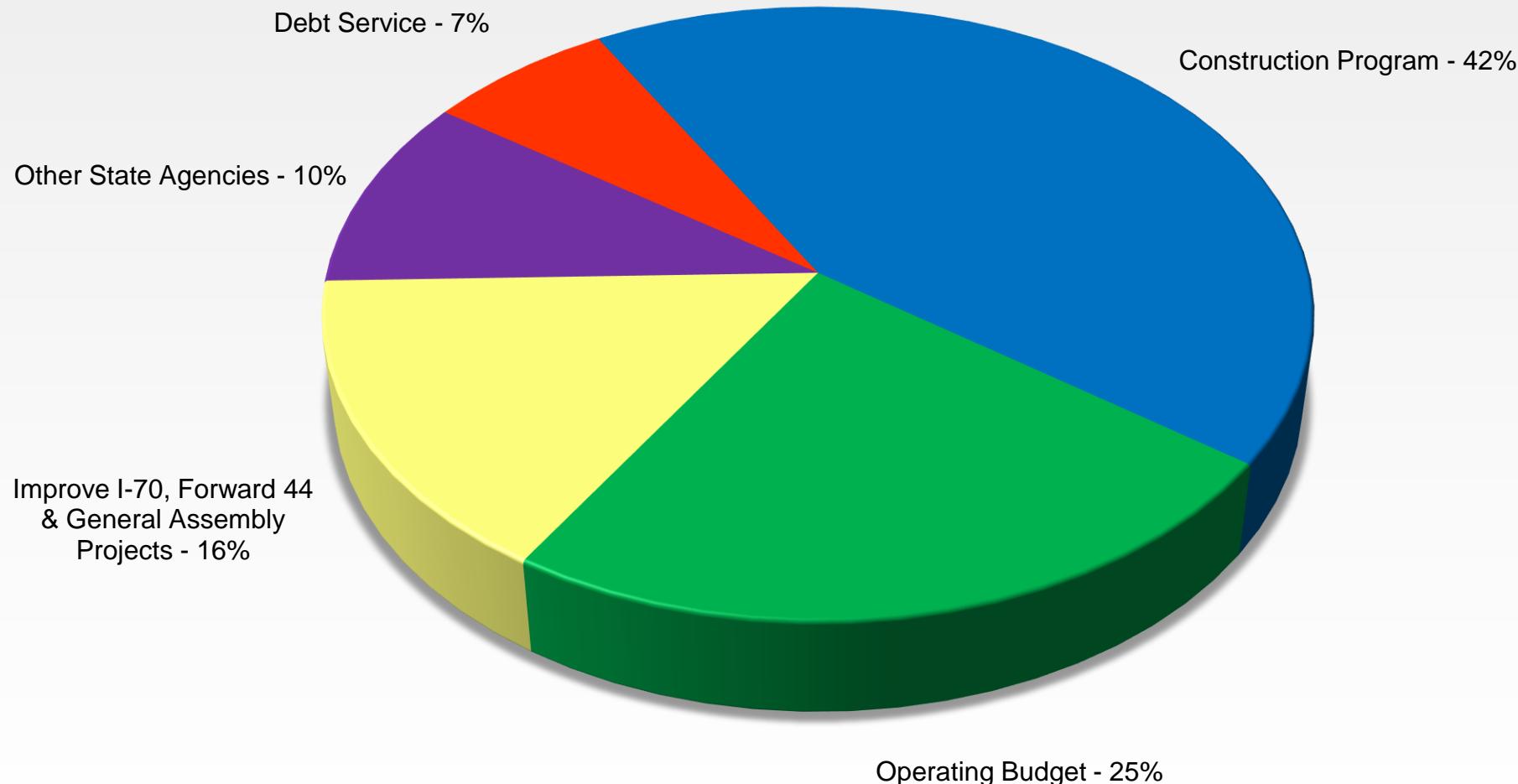
Contractor Payments



Financial Forecast 2027-2031 – Revenue



Financial Forecast 2027-2031 – Disbursements



2027-2031 STIP Financial Forecast Assumptions

Revenues

- Motor Fuel Taxes (excludes SB 262)
 - Annual decline of -0.20 percent for 2026 and beyond
 - Assumes greater fuel economy (Corporate Average Fuel Economy - CAFE standards) will off-set increases in vehicle miles traveled
 - Based on historical data and fuel consumption projections from the U.S. Energy Information Administration's Annual Energy Outlook 2025 (AEO 2025) for the region
- Motor Fuel Taxes and Decal Fees (SB 262)
 - Based on 2025 gallons with a decline of -0.20 percent for 2026 and beyond
 - Refunds of 0.5 percent for 2026 and beyond
- Motor Vehicle Sales Taxes
 - Annual growth rate of 3.0 percent for 2026 and beyond
 - Based on historical data and projections from the AEO 2025
- Motor Vehicle and Driver Licensing Fees
 - Annual growth rate of 1.0 percent for 2026 and beyond
 - Based on the 4-year average historical data, population over the age of 16 projections from the AEO 2025, and driver licensing renewal data from the Department of Revenue
- Interest and Miscellaneous
 - Interest projections are based on monthly cash balances with a 3.12 percent earnings rate
 - Miscellaneous revenue is based on average annual receipts of \$40.0 million for incidentals and other fees, plus reimbursements for partnering projects
- Federal Reimbursements
 - Based on Infrastructure Investment and Jobs Act (IIJA) Federal-aid Highway Apportioned Programs and General Fund Supplemental Appropriations for Bridge Replacement, Rehabilitation, Preservation, Protection & Construction, and National Electric Vehicle Formula Programs
 - \$1,357.6 million for 2026 and beyond
 - Highway Infrastructure Bridge Program allocation of \$296.6 million
 - Assumptions:
 - Local public agencies will utilize annual allocations and \$29.0 million of carry-over balances
 - Preventative maintenance reimbursements of \$90.0 million, annually
 - Preliminary engineering (in-house) reimbursements of \$20.0 million, annually
 - Construction engineering (in-house) reimbursements of \$55.0 million, annually
 - Statewide planning and research (in-house) reimbursements of \$25.0 million, annually
- General Revenue, Budget Stabilization, and Other Funds
 - \$45.2 million (General Revenue) for the Governor's Focus on Bridges Program annual debt service payments for two years ending in fiscal year 2027

Revenues (cont'd)

- \$57.1 million (Budget Stabilization) for the Governor's Transportation Cost Share Program (Round 2) approved by the General Assembly in 2022
- \$1.2 billion (State Road I-70 Project Fund) for the Improve I-70 Program
- \$136.0 million (General Revenue) for the Improve I-70 Program annual debt service payments
- \$201.0 million (State Road I-44 Project Fund) for the Forward 44 Program
- \$44.0 million (General Revenue) for the Forward 44 Program annual debt service payments
- \$91.0 million (Budget Stabilization and General Revenue) for Low Volume Roads
- \$58.5 million (General Revenue) for US 67 in Butler County
- \$35.7 million (Budget Stabilization) for I-70 Interchange in Warren County
- \$38.0 million (Budget Stabilization) for US 65 from Buffalo to Warsaw
- \$19.9 million (General Revenue) for I-49 and US 58 in Cass County
- \$17.0 million (General Revenue) for Platte County
- \$13.1 million (General Revenue) for I-44 Environmental Study
- \$9.5 million (General Revenue) for I-55 Outer Service Road in Jefferson County
- \$6.3 million (General Revenue) for Jefferson Avenue Community Footbridge in Springfield
- \$4.7 million (General Revenue) for US 65 and Route B in Sedalia
- \$4.1 million (General Revenue) for US 63 in Columbia
- \$3.4 million (Budget Stabilization) for LeCompte Road
- \$0.9 million (General Revenue) for Highway BB Engineering Study in Cameron
- \$0.1 million (General Revenue) for Kirbyville School District
- Bond Proceeds
 - Amendment 3 bond issuances of \$654.4 million in 2026, \$579.6 million in 2028, \$507.8 million in 2030, and \$465.1 million in 2032 to fully utilize the revenue in the State Road Bond Fund
 - Improve I-70 Program bond issuances of \$517.3 million in 2026 and \$492.5 million in 2028
 - Forward 44 Program bond issuance of \$363.8 million in 2027

Disbursements

- Operating Budget
 - Personal services include the appropriation spending authority of \$334.5 million for 2026. The 2027 personal services include increases of \$7.9 million to continue implementing the market plan and to provide tenure increases; and \$5.3 million to hire an additional 100 maintenance employees in Safety & Operations.
 - Annual cost of living adjustments of 2.0 percent starting in 2028.
 - Retirement contributions of 37.0 percent of personal services in 2026 and 33.0 percent of personal services in 2027 and beyond
 - Medical benefits include the appropriation spending authority of \$80.2 million for 2026. The 2027 medical benefits include a \$1.9 million increase for retiree benefits and \$900,000 related to the additional employees. Medical benefits for 2028 and beyond include a 9.0 percent annual growth rate.

Disbursements (cont'd)

- Other fringe benefits for 2026 include 7.72 percent of personal services for social security and Medicare, \$9.4 million for workers' compensation, and \$3.5 million for the Governor's deferred compensation match program. The 2027 other fringe benefits include 7.72 percent of personal services for social security and Medicare, \$9.4 million for workers' compensation, \$168,000 for workers' compensation for additional employees, and \$3.5 million for the Governor's deferred compensation match program. Other fringe benefits for 2028 and beyond include 7.72 percent of personal services for social security and Medicare, \$9.4 million for workers' compensation, and \$168,000 for workers' compensation for additional employees.
- Expense and equipment for 2027 include the appropriation spending authority of \$431.5 million plus requested increases of \$1.4 million for asphalt and concrete repairs on roadways, \$1.5 million for several items including support tasks for the World Cup, roadside management activities and safety measures, and \$3.0 million for inflationary costs associated with fleet. Expense and equipment for 2028 and beyond include an annual growth rate of 2.5 percent for inflation.
- Program Delivery
 - Contractor Awards
 - \$2,408.2 million for 2026
 - \$2,738.6 million for 2027
 - \$2,181.3 million for 2028
 - \$1,526.0 million for 2029
 - \$1,410.0 million for 2030 and beyond
 - Design/Bridge Consultant Engineering (DBC)
 - \$110.0 million for 2026 and beyond
 - Right of Way Acquisitions
 - \$30.0 million for 2026 and beyond
 - Debt service
 - Based on current annual debt service payments
 - Governor's Focus on Bridges Program of \$45.2 million annually for two years ending in fiscal year 2027
 - Improve I-70 Program of \$136.0 million annually
 - Forward 44 Program \$44.0 million annually
 - MTFC loan payments for the Rocheport Bridge and Mineola Hill INFRA Grant project of \$9.2 million annually for five years ending in fiscal year 2030
 - Amendment 3 debt service payments
 - \$119.3 million for 2027
 - \$166.9 million for 2028
 - \$174.7 million for 2029
 - \$203.7 million for 2030 and beyond
- Other State Agencies (Highway Patrol and Department of Revenue)
 - Based on historical data
 - Highway Patrol (93 percent) and Department of Revenue (7 percent) is 78.0 percent of 2026 appropriation spending authority
 - Annual growth rate of 5.7 percent for 2027 and beyond



January 7, 2026
Financial Forecast
(In Thousands)

	State Fiscal Year						
	2026	2027	2028	2029	2030	2031	2032
Beginning Cash Balance	1,564,805	1,714,923	1,295,769	1,494,038	1,137,627	1,222,233	789,744
Motor Fuel Taxes (Excludes SB-262)	503,387	502,380	501,375	500,372	499,371	498,372	497,375
Motor Fuel Taxes and Decal Fees (SB-262)	345,746	356,673	355,900	355,188	354,478	353,769	353,061
Motor Vehicle Sales Taxes (Excludes Amendment 3)	243,620	250,929	258,457	266,211	274,197	282,423	290,896
Motor Vehicle Sales Taxes (Amendment 3)	247,940	255,378	263,039	270,930	279,058	287,430	296,053
Motor Vehicle & Driver Licensing Fees	322,793	326,021	329,281	332,574	335,900	339,259	342,652
Interest	53,465	53,506	40,428	46,614	35,494	38,134	24,640
Miscellaneous	135,000	130,000	125,000	125,000	125,000	125,000	125,000
Total State Revenue	1,851,951	1,874,887	1,873,480	1,896,889	1,903,498	1,924,387	1,929,677
Budget Stabilization for Gov. Transp. Cost Share	20,997	31,838	4,233	0	0	0	0
General Revenue for Focus on Bridges Debt Service	45,234	40,042	0	0	0	0	0
Bond Proceeds for Amendment 3	654,429	0	579,630	0	507,809	0	465,112
Federal Reimbursements	1,453,404	1,549,077	1,553,400	1,479,617	1,431,265	1,419,684	1,374,766
Total Revenue	4,026,015	3,495,844	4,010,743	3,376,506	3,842,572	3,344,071	3,769,555
Operating Budget ⁽¹⁾	1,009,674	1,023,755	1,048,536	1,077,968	1,108,620	1,140,571	1,173,906
Local Public Agency Program	235,672	279,872	250,172	235,672	235,672	235,672	235,672
Gov. Transp. Cost Share - Local	17,574	27,344	3,484	0	0	0	0
Gov. Transp. Cost Share - Let by Others	9,621	4,494	749	0	0	0	0
Design/Bridge Consultant Engineering	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Right-of-Way Acquisitions	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Utilities and Other Payments	5,094	5,094	5,094	5,094	5,094	5,094	5,094
Contractor Payments	1,774,673	1,723,145	1,622,470	1,500,000	1,468,500	1,437,000	1,410,000
Subtotal Construction Program	2,182,634	2,179,949	2,021,969	1,880,766	1,849,266	1,817,766	1,790,766
Debt Service	298,407	304,157	311,625	319,309	319,278	310,015	309,970
Subtotal Program Delivery - Program	2,481,041	2,484,106	2,333,594	2,200,075	2,168,544	2,127,781	2,100,736
Other State Agencies	385,182	407,137	430,344	454,874	480,802	508,208	537,176
Total Disbursements	3,875,897	3,914,998	3,812,474	3,732,917	3,757,966	3,776,560	3,811,818
(Deficit)	150,118	(419,154)	198,269	(356,411)	84,606	(432,489)	(42,263)
Ending Cash Balance	1,714,923	1,295,769	1,494,038	1,137,627	1,222,233	789,744	747,481
Less: State Road Bond Fund	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Less: State Hwys. & Transp. Dept. Fund	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Ending Cash Balance - State Road Fund	1,654,923	1,235,769	1,434,038	1,077,627	1,162,233	729,744	687,481
Contractor Awards	1,410,000	1,500,000	1,500,000	1,500,000	1,410,000	1,410,000	1,410,000
Improve I-70 Project:							
Beginning Cash Balance	347,238	570,931	893,799	802,677	391,062	72,987	-
Cash	259,200	955,493	-	-	-	-	-
General Revenue for Debt Service	135,996	135,997	135,995	135,996	135,997	135,999	136,000
Bond Proceeds	517,293	-	492,503	-	-	-	-
Total Revenue	912,489	1,091,490	628,498	135,996	135,997	135,999	136,000
Contractor Payments	552,800	632,625	583,625	411,615	318,075	72,987	-
Debt Service Payments- 4494/0320	135,996	135,997	135,995	135,996	135,997	135,999	136,000
Total Disbursements	688,796	768,622	719,620	547,611	454,072	208,986	136,000
Ending Cash Balance	570,931	893,799	802,677	391,062	72,987	-	-
Contractor Awards	759,200	955,500	509,800	-	-	-	-
Forward 44 Project:							
Beginning Cash Balance	12,658	100,805	365,270	325,000	195,000	85,000	-
Cash	141,313	-	59,730	-	-	-	-
General Revenue for Debt Service	-	44,000	44,000	44,000	44,000	44,000	44,000
Bond Proceeds	-	363,750	-	-	-	-	-
Total Revenue	141,313	407,750	103,730	44,000	44,000	44,000	44,000
Contractor Payments	53,166	99,285	100,000	130,000	110,000	85,000	-
Debt Service Payments	-	44,000	44,000	44,000	44,000	44,000	44,000
Total Disbursements	53,166	143,285	144,000	174,000	154,000	129,000	44,000
Ending Cash Balance	100,805	365,270	325,000	195,000	85,000	-	-
Contractor Awards	141,160	282,320	141,160	-	-	-	-
General Assembly Designated and Funded Projects:							
General Revenue/Budget Stabilization	219,238	26,728	20,334	35,945	-	-	-
Contractor Payments	219,238	26,728	20,334	35,945	-	-	-
Ending Cash Balance	-	-	-	-	-	-	-
Contractor Awards	97,838	828	30,334	26,000	-	-	-
Total Contractor Awards	2,408,198	2,738,648	2,181,294	1,526,000	1,410,000	1,410,000	1,410,000

⁽¹⁾ Personal Services, Fringe Benefits and Expense & Equipment for Administration; Safety and Operations; Program Delivery; and Information Systems; and Multimodal. (State Road Fund, only)