



MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION
Official Minutes

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**MINUTES OF THE SPECIAL HIGHWAYS AND TRANSPORTATION
COMMISSION MEETING HELD IN JEFFERSON CITY, MISSOURI,
WEDNESDAY, JANUARY 7, 2026**

A special meeting of the Missouri Highways and Transportation Commission was held on Wednesday, January 7, 2026, at the Missouri Department of Transportation, 105 W. Capitol Avenue, Jefferson City, Missouri, and was available via live stream. Warren K. Erdman, Chairman, called the meeting to order at 1:00 p.m. The following Commissioners were present: W. Dustin Boatwright, P.E., Gregg C. Smith, Daniel J. Hegeman, Francis G. Slay, and Ann Marie Baker.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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Ed Hassinger, Director of the Missouri Department of Transportation; Terri Parker, Chief Counsel; and Jennifer Jorgensen, Secretary to the Commission, were present on Wednesday, January 7, 2026.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specs, sealed bids, or negotiated contracts.

Upon motion duly made and seconded to convene in closed session, the Chairman called for a voice vote of the members. The vote was as follows:

Commissioner Erdman, Aye
Commissioner Boatwright, Aye
Commissioner Smith, Aye
Commissioner Hegeman, Aye
Commissioner Slay, Aye
Commissioner Baker, Aye

The Commission met in closed session on Wednesday, January 7, 2026, at 2:00 p.m. and adjourned at 4:15 p.m.

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-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

COMMISSION WORKSHOP – FINANCIAL FORECAST UPDATE

The Commission held a workshop to learn more about how the department determines the amount of funds available to use in the development of the Statewide Transportation Improvement Program (STIP). Brenda Morris, Chief Financial Officer, reviewed the financial forecast and explained that it is the foundation that is used to develop the department’s budget that includes targets for the 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. The current financial forecast is an estimate that covers fiscal years 2027 through 2031. Ms. Morris stated the forecast is for road and bridge expenditures and does not include multimodal estimates.

Ms. Morris noted this forecast has some unique items; the base forecast are items that are normal and then there are several significant one-time sources of funding that have been provided to the department for very specific purposes for revenues. Examples of one-time sources of funding include Governor’s Transportation Cost Share Program, Focus on Bridges Program, Improve I-70 Program, Forward 44 Program, and funding for other General Assembly Designated and Funded projects.

She also reported on Senate Bill 262, which was passed by the General Assembly in Fiscal Year 2021 and signed into law by the Governor in July 2021, and increases the motor fuel tax by 12.5 cents over five years, 2.5 cents per year. The last increase occurred July 1, 2025. The overall impact comparing last year’s forecast to this year’s forecast is \$11 million less for Senate Bill 262 motor fuel taxes, which is primarily because the gallons sold in fiscal year 2025 was less than predicted.

Ms. Morris noted that motor vehicle sales taxes in fiscal year 2025 were \$9.9 million more than projected. While there has been a decline in fiscal year 2026, the assumption is that people will continue to purchase vehicles. The assumption of a 3 percent increase used in the previous year is the same assumption used in the current forecast. The overall impact is \$56.6 million more in the current forecast compared to last year's forecast.

State revenue projections include the previously mentioned revenue sources along with interest on monies deposited with the State Treasurer and miscellaneous revenues, which include proceeds from the sale of excess property or equipment, as well as reimbursement from entities with joint projects with the department. For example, the MoDOT cost share program is one of these revenue sources. While the department is earning more interest in this forecast than last year's forecast, the overall difference between last year's forecast and this year's forecast of miscellaneous state revenues is \$3.4 million less.

Ms. Morris stated the financial forecast does have several planned debt issuances. Keep in mind that each issuance will be considered individually and will only be done if the situation warrants it. Bond issuances have been included for Amendment 3, Improve I-70, and Forward 44. A bond issuance was conducted for Improve I-70 in November 2025 for a total of \$517 million. There will be another bond issuance in fiscal year 2028 in the amount of \$493 million. In fiscal year 2027, there will be a bond issuance for Forward 44 in the amount of \$364 million. Amendment 3 bond issuances will be conducted in fiscal year 2026, 2028, 2030, and 2032 to use revenues from the State Road Bond Fund and ensure funds are not sitting idle. Staff will work with the department's financial advisors to figure out the best timing. The Commission and staff further discussed bond issuances, schedules, and certification process to transfer funds from the State Road Bond Fund into the State Road Fund.

Doug Hood, Financial Services Director, reviewed the disbursement assumptions. Mr. Hood noted the base forecast includes all revenues and disbursement except the Improve I-70, Forward 44, and the

General Assembly Designated and Funded Projects. He noted disbursements include the items approved by the Commission as part of the Fiscal Year 2027 budget request and highlighted a few items including:

- \$7.9 million increase to continue implementing the market plan and provide tenure and performance pay increases (Personal Services (PS) and Fringe Benefits (FB));
- \$5.3 million to hire an additional 100 maintenance employees in Safety and Operations (PS and FB) to meet customer expectations;
- 2.0 percent annual cost of living adjustment starting in 2028, which must be reviewed and approved by the Commission annually;
- Retirement contributions of 37.0 percent of personal services in 2026 and 33.0 percent of personal services in 2027 and beyond; and
- 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.

Overall, disbursements increased \$5.9 million in this forecast compared to last year's forecast. Starting in 2028, there will be an annual growth rate of 2.5 percent to account for inflation, which is about \$11.2 million per year.

Mr. Hood presented information related to inflation; contractor payments; debt service payments; the operating budget, which includes all the State Road Fund personal service, fringe benefits, and expense and equipment; disbursements to other state agencies; and General Assembly Designated and Funded projects.

The Commission thanked Ms. Morris and Mr. Hood for their presentation.

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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