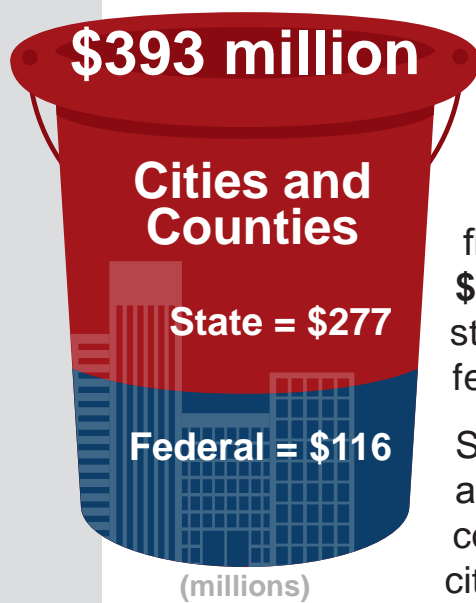


Where is the money INVESTED?

Where is the Money Invested?

MoDOT does not receive the entire \$2.6 billion of transportation revenue, or the \$30 per month from the average Missouri driver. After allocations to cities, counties, other state agencies and debt payment, MoDOT received \$1.6 billion of transportation revenues in fiscal year 2018 to invest in the state transportation system. That equates to about \$18 of the \$30 per month Missouri drivers are paying.

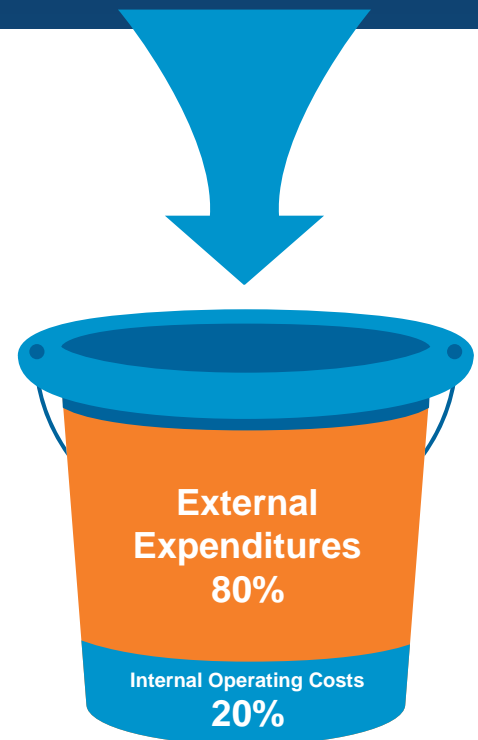


Cities and counties in Missouri receive a share of state and federal transportation revenues for projects of their choosing. In fiscal year 2018, that totaled **\$393 million** – \$277 million in state funds and \$116 million in federal funds.

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 2018, this totaled **\$188 million**. For vehicle registration and driver's licensing fees, cities and counties received **\$30 million**, or about 9 percent. For motor vehicle sales tax, cities and counties received **\$59 million**, or about 14 percent.

² Missouri Constitution – Article IV, Sections 30(a) and 30(b)

How much of MoDOT investment flows directly to the private sector?



The distribution of federal funds 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 funds encompass a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails and other community improvements.

The majority of cities and counties also receive additional local revenues – most often from additional sales and property taxes – 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 states, cities and counties.

Where is the money INVESTED?



Per the Missouri Constitution³, the Missouri Department of Revenue (DOR) and the Missouri State Highway Patrol (MSHP) also receive transportation revenue. In fiscal year 2018, the amount totaled \$261 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 – \$237 million was spent in fiscal year 2018.

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 2018, the DOR received \$20 million. Also in fiscal year 2018, \$4 million was spent on the bicentennial license plate reissuance.

³ Missouri Constitution – Article IV, Section 30(b)

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

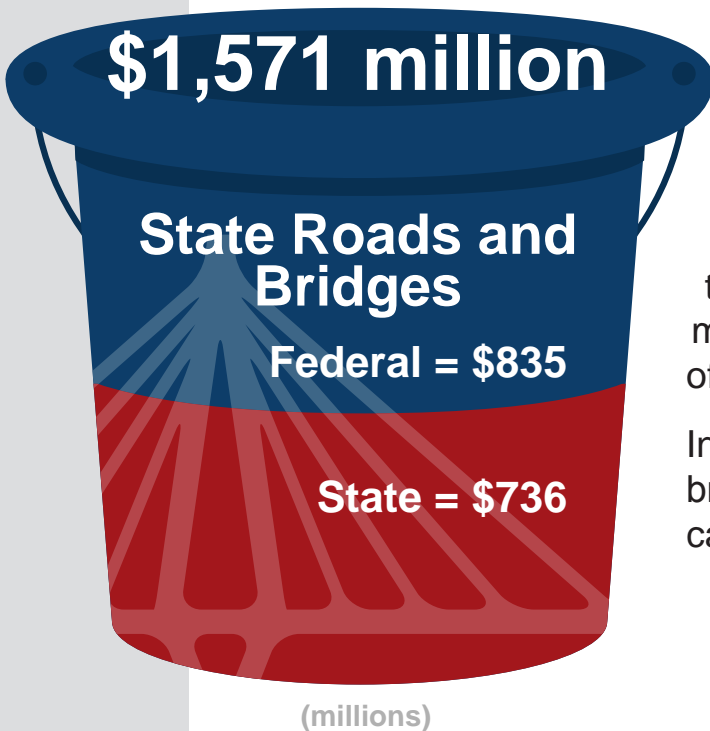
From 2000-2010, MoDOT sold bonds that provided additional resources for highway improvements. Bonds are debt and similar to a home mortgage – this debt must be repaid over time. The total debt payment in fiscal year 2018 totaled \$290 million.

MoDOT has three kinds of bonds: senior bonds that were authorized by the Missouri General Assembly in 2000; 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 Missouri to avoid inflation in labor and materials costs; however, borrowed money must be repaid and new borrowing should be enabled with dedicated and reliable additional revenue to cover repayment and maintain credit ratings.

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. The average interest rate on all outstanding debt combined is 2.86 percent.



Where is the money INVESTED?



After distributions to cities and counties, other state agencies and the debt payment, 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 33,859 miles of highways and 10,385 bridges.

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

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

The majority of MoDOT's expenditures are payments to vendors. The payments are for goods and services needed to build and maintain Missouri's transportation infrastructure. Whether it be payments to contractors, the purchase of equipment and supplies, design services or travel costs, these outward focused expenditures are an investment in Missouri's economy, and drive economic opportunity in the state.



The construction program is the largest area of investment in MoDOT's budget, totaling **\$956 million** in fiscal year 2018. It includes payments to contractors to build projects that maintain and improve the system (\$784 million), MoDOT engineering costs associated with administering and monitoring the construction program – including salaries, wages and fringe benefits (\$128 million), payments to engineering design consultants (\$40 million) and the cost of acquiring right of way (\$4 million).

The **maintenance** expenditures, totaling **\$463 million** in fiscal year 2018, pay for the services performed by MoDOT employees like plowing snow and mowing. But it also includes maintaining the pavements on the state's lower-volume routes, many of which are not eligible for federal reimbursement. It covers utilities, tools and materials needed in maintenance buildings across the state, bridge maintenance, signing, striping, sweeping, rumble stripes, lighting, etc. The maintenance budget also allows for traveler information and incident management services.

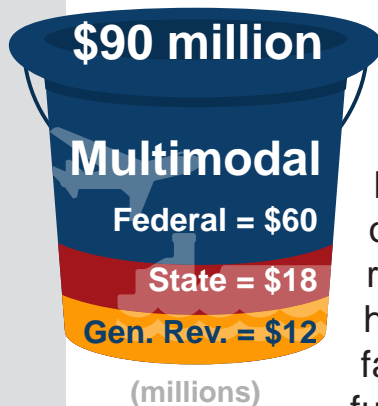
Fleet, facilities and information systems investments, totaling **\$79 million** in fiscal year 2018, cover the costs of purchasing MoDOT's fleet of trucks, constructing and maintaining MoDOT buildings and providing information technology that is needed for MoDOT to perform maintenance and engineering functions.

Where is the money INVESTED?

MoDOT's **administration** costs – the third lowest in the nation – were **\$52 million** in fiscal year 2018. That includes salaries, wages and fringe benefits to provide support services like human resources, accounting, legal, executive management, customer service, etc. Administration also includes medical insurance costs for MoDOT retirees.

Road and bridge investments include **\$16 million** for **highway safety** programs that reduce fatalities and serious injuries, which includes salaries, wages and fringe benefits.

In total, MoDOT invested **\$1.566 billion** on state roads and bridges in fiscal year 2018.



(millions)

Multimodal includes non-highway modes of transportation such as transit, aviation, railroads and waterways. The majority of transportation revenue is legally required to be spent on state roads and bridges, leaving only \$90 million, or about three percent of total revenue, available for multimodal needs. Unlike highways, MoDOT does not own multimodal facilities. Instead, MoDOT's role is to administer funding and provide an oversight role for

multimodal improvements. Many of the multimodal entities receive local tax revenue and direct federal funding, which are not included in these amounts.

MoDOT administered \$37 million of **aviation** funds in fiscal year 2018. Missouri has dedicated taxes on aviation fuel to fund improvements to public use airports in Missouri. MoDOT also administers federal funding to improve airfield pavement conditions and lighting systems, eliminate obstructions and for expansion projects.

In fiscal year 2018, MoDOT administered \$35 million of **transit** funds. The majority of these funds are from federal programs that support operating costs and bus purchases for transit agencies across the state. There is a small amount of state and General Revenue funding to support operating costs for transit agencies.

MoDOT administered \$13 million of **rail** funds in fiscal year 2018. These funds are used to support two programs – the Amtrak passenger rail service between St. Louis and Kansas City, and safety improvements at railroad crossings. The Amtrak funding is from General Revenue, and safety improvements at railroad crossings are from state and federal sources.

Waterways funding totaled \$2 million in fiscal year 2018. These funds provided operating and capital assistance to Missouri's river ports and ferry boat operators.

MoDOT also administers a \$1 million **freight** enhancement program that provides assistance to public, private or not-for-profit entities for non-highway capital projects that improve the efficient flow of freight in Missouri.

MoDOT administered \$1 million of Statewide Transportation Assistance Revolving (STAR) funds in fiscal year 2018. These funds provide loans to local entities for non-highway projects such as rail, waterways and air travel infrastructure.

Internal operating costs to administer the various multimodal programs totaled \$3 million, including salaries, wages and fringe benefits.

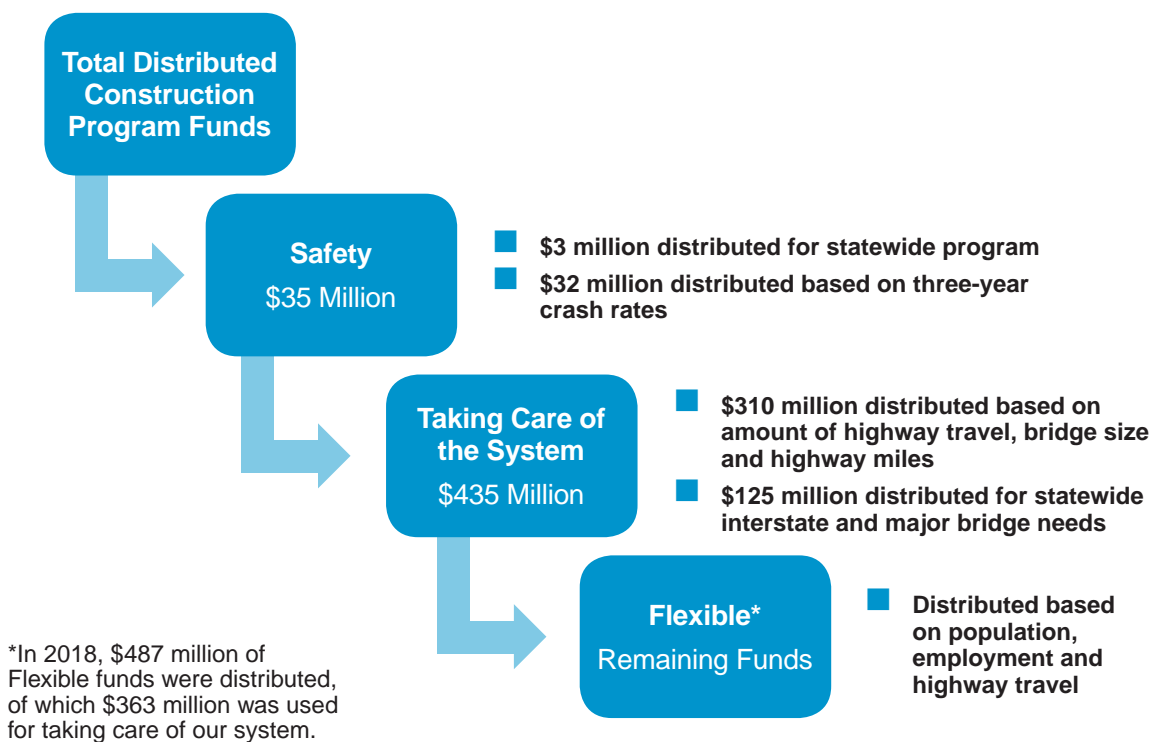
In fiscal year 2018, MoDOT administered \$92 million for multimodal needs. Since only \$90 million was available, MoDOT used \$2 million of cash balances dedicated by law to multimodal activities to provide these projects and services.

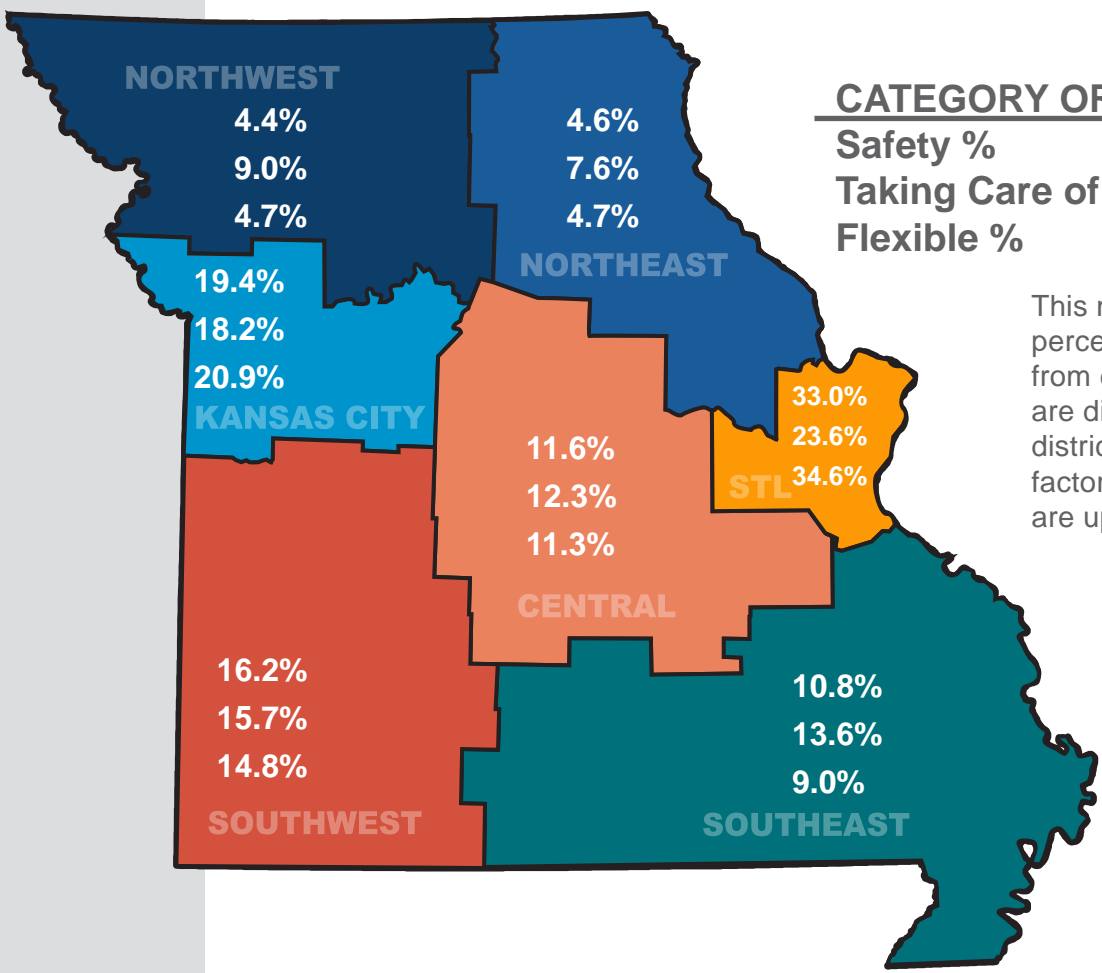
MoDOT Funding DISTRIBUTION

How is MoDOT's Funding Distributed Across the State?

Since 2003, the Missouri Highways and Transportation Commission has used a formula to distribute construction program funds for road and bridge improvements to each of its seven districts. This is the largest area of MoDOT's budget that provides funding for safety improvements, taking care of the system and flexible funds that districts can use to take care of the system or invest in major projects that relieve congestion and spur economic growth. In many districts, taking care of the system funds are not sufficient to maintain current system conditions. Districts use flexible funds to make up the difference.

Construction program funds are allocated annually to districts using the following formula:





CATEGORY ORDER:

- Safety %
- Taking Care of the System %
- Flexible %

This map shows the percentage of funds from each category that are distributed to each district, based on 2018 factors. Those factors are updated annually.

Once construction program funds are distributed to districts, MoDOT collaborates with regional planning groups to identify local priorities based on projected available funding. The regional transportation improvement plans are brought together to form the department's Statewide Transportation Improvement Program, which outlines five years of transportation improvements. As one year of the plan is accomplished, another year is added.

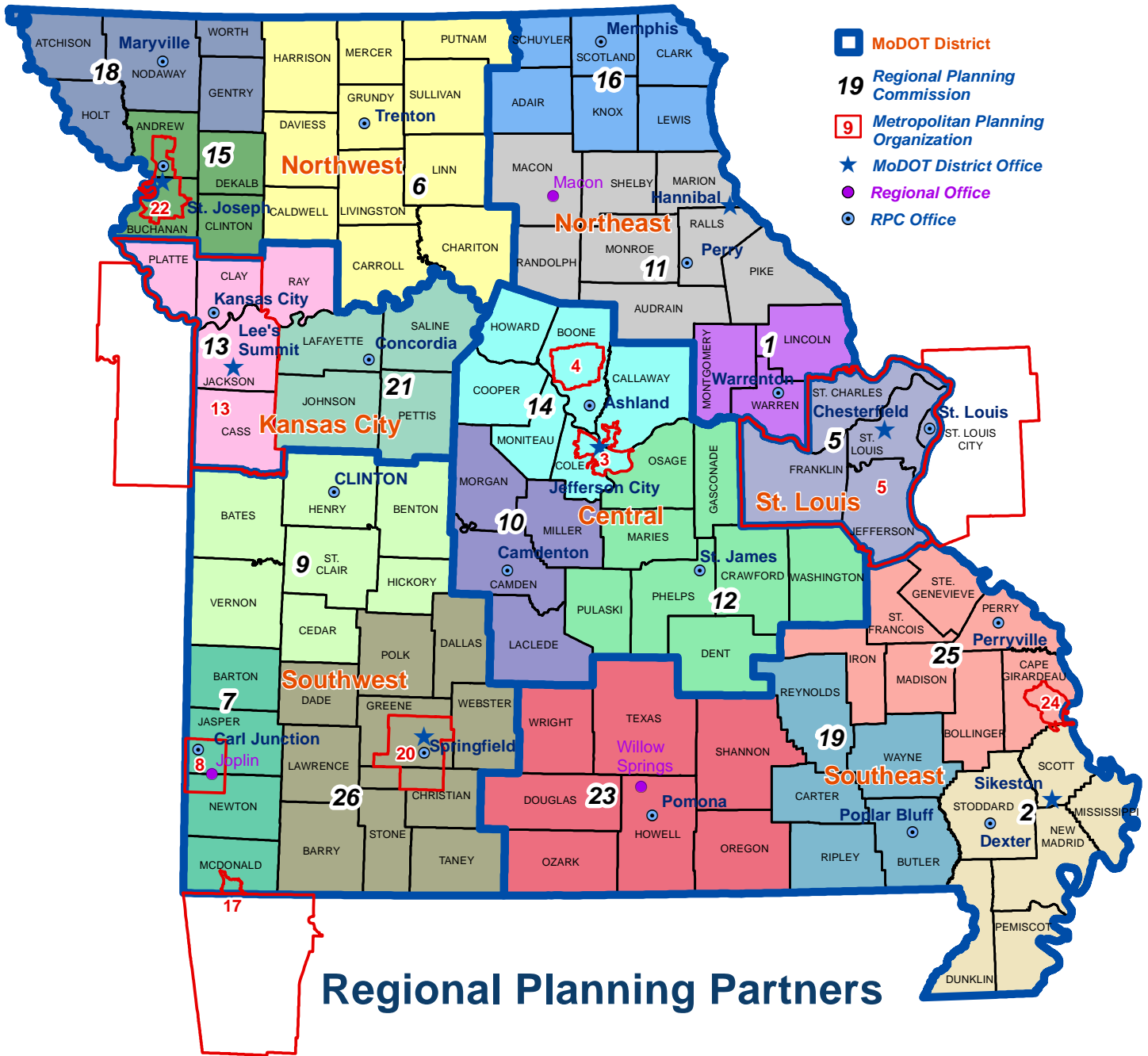
MoDOT Funding DISTRIBUTION

There are two types of regional planning groups in the state: urban areas have Metropolitan Planning Organizations, and rural areas have Regional Planning Commissions. Board members for each of these groups are typically city and county leadership, elected officials and local business owners.

The regional planning groups reach out to local citizens to identify transportation needs. MoDOT staff assists regions to prioritize those needs based on road and bridge conditions, traffic safety data and overall mobility. The prioritization process also includes balancing priorities with available funds.

MoDOT's planning framework involves local citizens from start to finish – an approach that has earned MoDOT recognition as a national leader in public involvement.

Funding for MoDOT operations consists of costs for staff and expenses for maintenance, fleet, facilities and information systems activities. The funding distribution for MoDOT staff costs is based on the number of personnel needed in each district to provide the services to the public, including snow removal, mowing right of way and maintaining roadsides. The budget for expenses, such as salt, paint and fuel, are distributed to districts based on the number of highway miles, highway travel and minor roads that are in poor condition.



Regional Planning Partners

1. Boonslick Regional Planning Commission	14. Mid-Missouri Regional Planning Commission
2. Bootheel Regional Planning & Economic Development Commission	15. Mo-Kan Regional Council
3. Capital Area Metropolitan Planning Organization	16. Northeast Missouri Regional Planning Commission
4. Columbia Area Transportation Study Organization	17. Northwest Arkansas Regional Planning Commission
5. East West Gateway Council of Governments	18. Northwest Missouri Regional Council of Governments
6. Green Hills Regional Planning Commission	19. Ozark Foothills Regional Planning Commission
7. Harry S. Truman Coordinating Council	20. Ozarks Transportation Organization
8. Joplin Area Transportation Study Organization	21. Pioneer Trails Regional Planning Commission
9. Kaysinger Basin Regional Planning Commission	22. St. Joseph Area Transportation Study Organization
10. Lake of the Ozarks Council of Local Governments	23. South Central Ozark Council of Governments
11. Mark Twain Regional Council of Governments	24. Southeast Metropolitan Planning Organization
12. Meramec Regional Planning Commission	25. Southeast Missouri Regional Planning and Economic Development Commission
13. Mid America Regional Council	26. Southwest Missouri Council of Governments

MoDOT Funding DISTRIBUTION

When adding the construction program, operations, administration and highway safety programs together, the following amounts were spent in districts for fiscal year 2018:

(\$ Millions)

District	Construction Program	Operations*	Admin**	HWY Safety Programs	Total
Northwest	\$55	\$58	\$2	-	\$115
Northeast	\$86	\$53	\$2	-	\$141
Kansas City	\$204	\$57	\$3	3	\$267
Central	\$109	\$68	\$2	-	\$179
St. Louis	\$256	\$65	\$3	3	\$327
Southwest	\$125	\$80	\$2	1	\$208
Southeast	\$84	\$82	\$2	-	\$168
Statewide***	\$37	\$79	\$36	\$9	\$161
Total	\$956	\$542	\$52	\$16	\$1,566

*Includes \$463 million of maintenance expenditures and \$79 million of fleet, facilities and information system expenditures.

**According to the Reason Foundation, MoDOT's administrative costs are 3rd lowest in the nation for state departments of transportation.

***Statewide administrative costs include \$17 million for medical insurance costs for MoDOT retirees.

Since spending can fluctuate from year to year, the table below provides the amounts based on the three-year average from fiscal years 2016 through 2018:

(\$ Millions)

District	Construction Program	Operations	Admin	HWY Safety Programs	Total
Northwest	\$42	\$59	\$2	-	\$103
Northeast	\$54	\$51	\$2	-	\$107
Kansas City	\$189	\$54	\$3	3	\$249
Central	\$98	\$66	\$2	-	\$166
St. Louis	\$209	\$62	\$3	3	\$277
Southwest	\$130	\$79	\$2	1	\$212
Southeast	\$93	\$80	\$2	-	\$175
Statewide	\$37	\$74	\$36	\$11	\$158
Total	\$852	\$525	\$52	\$18	\$1,447