



View from the Chair

Missouri Highways and Transportation Commission

Peering Over the Cliff: Facing the Challenges

January 9, 2015



Dear «GreetingLine»

For years now, we've talked about the fiscal "cliff" we would face if transportation funding was not increased. Our "On the Move" campaign was intended to educate Missourians on transportation needs and identify their priorities. But let's face it; voters did not support the three-quarter cent sales tax that would have provided additional funding. Now, we must focus on planning to live within the budget we have been given.

Missouri has the seventh largest highway system in the nation, yet we rank 46th in revenue spent per mile. For instance, Missouri spends less than \$15,000 per mile while our neighboring states of Kansas and Illinois spend over \$70,000 per mile. The harsh reality is that beginning in 2017 – 18 months from now – we anticipate having only \$325 million available for transportation contractor awards. In contrast, even if we eliminate all the improvements which Missourians have indicated they desire and which are intended to spur economic growth, increase safety and relieve congestion, it still takes approximately \$485 million to merely maintain our 34,000 miles of roads and 10,400 bridges.

Tough choices lie ahead. In 2011, we faced another tough choice when we decided to downsize MoDOT, eliminating 1,200 jobs (20 percent of the workforce); closing three district offices and more than 120 additional facilities; and selling more than 750 pieces of equipment. This was a very difficult process but it allowed MoDOT to put more than \$600 million back on to our roads, and helped get the system in the condition it is in today.

We have reduced the size of MoDOT. This problem cannot be solved by further cuts to the

organization. Now, we must look at reducing the services on our system. There is no other way to address the anticipated \$160 million annual short fall. In downsizing MoDOT, the Commission sought to equitably and fairly spread the pain across the entire system based on rational, defensible principles founded on objective criteria.

To meet its obligation to live within a \$325 million construction budget, the Commission directed MoDOT to undertake a similar process with the entire highway system: create a rational, principled methodology that will spread the pain as equitably as possible across the state while still preserving essential functionality. No portion of our state would be spared or favored over another. Budget cuts will be apportioned as fairly as possible across all sectors: urban and rural; East and West; North and South.

For months, MoDOT staff has worked diligently to plan for what MoDOT has never done before. At the January 14th Commission meeting in Jefferson City, MoDOT's Director will present to the Commission a recommendation on how to address this new budget reality. The Commission will deliberate on the proposal until its February 4th meeting when it comes up for a formal vote. If adopted, the changes will be implemented July 1, 2016.

The Commission desires to give Missourians as much advance notice as possible to prepare for the changes ahead. No surprises. The cliff is here, and we must be ready.

If you would like to communicate with the Commission, you can always reach us at MHTC@modot.mo.gov.

Onward!

Stephen R. Miller
Chairman

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