



View from the Chair

Missouri Highways and Transportation Commission

How did we get here?

December 31, 2015



Dear Reader,

The end of the year is a time for reflection and hopes for the future. I am often asked how Missouri has come to find itself in the midst of a transportation funding crisis. It is a story of both vision and short-sightedness.

In the 1920s, Missouri leaders had the foresight to recognize the dramatic impact and potential the emerging automobile would have to life in the state. Those leaders established a highway department to professionally manage the construction and maintenance of a system of state roads. Automobile transportation was so important that the Missouri constitution was amended to create an independent citizen commission that would govern the department, thereby removing transportation policy from the political process.

Those same leaders also determined that those who used the roads should pay for them and implemented a tax on fuel – almost ten years before the federal government – to fund the road system. And, to protect the taxes collected from diversion by the General Assembly for other purposes, they created constitutional protection for those monies by providing that appropriation by the General Assembly would not be required; that tax revenues are deemed appropriated for the roads at the time of collection.

Missouri is the only state with such a combination of constitutional protections for its highway system – an independent commission AND dedicated funding – that's how important our forbearers saw our highway system. It was brilliant, bold and insightful.

This early vision was so successful in helping Missouri emerge as an agricultural and commercial powerhouse that in 1952, a new generation of Missouri leaders made the dramatic decision to take almost 12,000 miles of county lettered routes into the state system. Those leaders hoped to make use of the professional resources of the state department to complete the dream of creating a farm-to-market road system. As a result Missouri built one of the largest state highway systems

in the nation – one that is today larger than the systems of Iowa, Nebraska and Illinois – combined!

But vision has yielded to short sightedness. Missouri can no longer adequately maintain the system built through the taxes paid by our parents and grandparents – as evidenced by our 641 critical condition bridges – many of which are included in our total of 1,400 bridges that have weight restrictions. This generation wants something for nothing: how little can we invest to just barely get by. For some, paying a tax – even a user based fee like the fuel tax – is no longer seen as a patriotic investment in the common good but something that must be avoided at all cost.

It would be unfair to blame our current situation solely on our current leadership – or electorate – it has been long in the making. The last time the fee for using our roads was raised was in 1992. At that time, under the leadership of a republican governor, John Ashcroft, and a democratic general assembly, Missouri caught up on its highway investment which had lagged for years. Two-cent increases became effective in 1992, '94 and '96, increasing the state fuel tax from 11 cents to 17 cents. This provided enough money to care for the system but no provision was made for keeping pace with inflation or for emerging needs.

Taxes such as the sales tax or income tax, because they are a percentage, generate revenue that keeps pace with inflation by increasing as sales and income increase over time. The fuel tax, however, is fixed at 17 cents per gallon and generates no more revenue as the economy – and costs – increase. That's why those 17 cents today have a buying power of only eight cents, less than half of what it could purchase 20 years ago.

We would have found ourselves in this predicament long ago but for three events. First, in 2004 voters passed Amendment 3. This constitutional amendment raised no new revenues, but it prevented diversions from the State Road Fund that had occurred during previous decades, and allowed the re-captured revenues to be used to make debt payments on bonds that the Commission could issue to raise money to address highway needs.

Some \$2 billion in bonds were issued and the monies used to fund important projects that resurfaced highways all over the state, completed much-needed four-lane corridors and made other system-wide improvements. An additional \$928 million in federal GARVEE bonds funded major projects like the new Mississippi River Bridge in St. Louis and the Safe & Sound Bridge project which repaired or replaced 802 critical condition bridges from 2009 thru 2012. (Sound familiar?)

Second, as a result of the great recession of 2008, the federal government initiated the American Recovery and Reinvestment Act (ARRA) to stimulate the economy through infrastructure investment. As a result, Missouri received \$639 million in federal funds for improvements to Missouri's highway infrastructure.

Third, in March, 2010 the Commission initiated a program to eliminate almost 1,200 positions,

close 124 facilities, including three district offices, and sell almost 750 pieces of heavy highway equipment, all of which put \$605 million back on the roads.

Those three events kept us from reaching this day long ago. But now we are out of options. We cannot borrow, beg from the federal government nor cut our way out of the problem. Unless our current leaders act to provide a dependable, recurring and long-term funding source we are in danger of squandering our inheritance.

Now is our time to step up. This New Year – and a new legislative session – give this generation of leaders an opportunity to create their own legacy. What will it be?

May it be a Happy New Year!

Stephen R. Miller
Chairman

P.S. – The statewide flooding of the past several days remind us of the value of the transportation system in our daily lives. We take for granted how essential the system built by our parents and grandparents is to our daily lives until we are cut off, inconvenienced or imperiled. These last few days demonstrate the benefits of our past investments and the impact this system has on our lives every day. We pray for the safety of our friends and neighbors and thank you all for your patience as damage from these storms is assessed and fixed.

If you would like to communicate with the Commission, you can always reach us at MHTC@modot.mo.gov. If you would like to read previous issues of the "View," you can find them on the MoDOT website: <http://www.modot.org/ViewFromTheChair/index.htm>

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