

ACEC-MO Position Paper on Missouri Transportation Funding

According to the Missouri Department of Transportation's (MoDOT) Report to the Joint Committee on Transportation Oversight, dated November 1, 2011, the roads in Missouri are as safe as they have been in more than 60 years. Traffic fatalities are down 35 percent since 2005. Eighty-six percent of major roads have been determined to be in "good condition" and 90 percent of state residents polled trust MoDOT to maintain this stellar record.

We can't betray that trust. We can't let the condition of our roads and bridges deteriorate and we can't allow them to become more congested as demand continues to increase. We also can't jeopardize the safety of drivers and their families as they travel these roads and bridges.

The truth is, however, we are allowing this to occur. Despite the demonstrated commitment and leadership in advancing innovative cost saving approaches by MoDOT and its transportation partners, and despite having an abundance of transportation expertise in Missouri to continue to make improvements on our state's roadway system, it will all come undone without proper funding.

The Situation

Funding for highway construction in Missouri recently has been cut nearly in half, from an average of \$1.2 billion over the past five years to approximately \$650 million for the current year. MoDOT, is slashing its operational budget to free up hundreds of millions of dollars in order to provide the necessary matching funds to receive allotted federal money. Such stop-gap measures aren't sustainable if state transportation funding remains at current levels. By the 2017 fiscal year, Missouri stands to lose more than \$450 million in federal highway money due to its inability to provide their portion of the 80/20 match – a crisis in the making.

This loss assumes that federal funding remains consistent, an assumption that few in the industry would make. Meanwhile, Missouri's fuel tax is the fifth lowest motor fuel tax in the nation and has not changed since 1997. While this austerity is appreciated by consumers at the pumps, it is taking a toll when they reach the open road.

Doing "more with less" has been MoDOT's motivating mantra over the past decade, translating into practical approaches to design and construction that have achieved significant savings. While MoDOT's performance is a national model for efficiency, the state risks losing this momentum because of drastic funding cuts.

MoDOT's success in recent years has been supported in part by the American Recovery and Reinvestment Act (ARRA) federal stimulus funds, as well as Amendment 3 state bond financing. Neither of these sources provides a long-term solution. Stimulus funds have been exhausted and continued bonding creates a debt structure that is not conducive to maintaining a healthy financial position. MoDOT's ability to plan adequately for sustainable infrastructure improvements also is hampered severely.

Building Awareness

It is important that the general public and its elected officials are conscious of the value of transportation and the benefits gained from appropriate investment. Given the current situation it is critical that they are made aware of the consequences that come from not immediately addressing much needed funding and policy renewal issues.

Missouri's standard of living and competitiveness are tightly connected to good surface transportation. Studies have shown that businesses and workers from all walks of life will feel the impact from a failing

infrastructure. Businesses will see a rise in shipping costs, which will then be offset by higher consumer prices for goods and services. Individuals will experience a loss of productivity due to longer commute times on congested roads. Improperly maintained roads will result in more wear and tear on vehicles, shortening their useful lives. Congestion also contributes to excess air pollution and excess consumption of non-renewable fuel.

Surface transportation is a major contributor to economic development and job creation. Given the widespread loss of manufacturing and construction jobs in the state, it is essential that we properly invest in a proven means for economic development.

As highway dollars diminish in Missouri, so do several once-thriving industries that contribute greatly to the state's economy and provide jobs to tens of thousands of workers. Contractors, material providers, and yes, engineering consultants, will continue to see a drop in revenues that will threaten their existence. Many will be forced to liquidate assets, while others may be forced out of business. In a time when citizens continue to cite job creation as their number- one priority, investing in transportation funding is one of the most viable methods.

Not only are we weakened domestically, but Missouri's and our entire nation's ability to compete in the international marketplace will be greatly threatened as costs rise and productivity declines.

The biggest threat of all will come as roads and bridges continue to deteriorate and congestion continues to clog heavily traveled roads. The costs then will be measured in human lives, not in dollars and cents. It is a fact that traffic fatalities rise as infrastructure declines. Obviously, no one wants to see that happen. But what investment are we willing to make to ensure that our roads are as safe as they possibly can be?

The state's Safe & Sound Bridge Improvement Program is a major accomplishment and it is an example of what can be done with adequate funding. But this program and others like it cannot continue without a secure and reliable revenue stream.

Deferring Investment Not an Option

The cost to repair roads and bridges grows exponentially for every year that they are neglected. Future generations will bear a much larger burden if we don't provide adequate investments in our transportation infrastructure today. As troubling as our current financial situation is, it will be much, much worse for our children when they reach adulthood and take on the responsibilities of maintaining a transportation system that has deteriorated even further. Deferring investment is a penny-wise, but pound-foolish solution, the ramifications of which are already being felt.

Over the years, people have become accustomed to paying more for the items they consume - from milk and eggs, to communications and education, to cars and homes. Yet even as roadways have multiplied and the number of drivers has increased sharply, the tax rate for supporting our transportation system has remained relatively stagnant and incapable of addressing the need. We must trust that the public will understand the need for sustainable transportation funding solutions. It is our job to make sure they are aware of the benefits and the consequences of inaction. The ACEC and its Missouri Member Organization stand committed to this mission.

Our country and our state are facing many challenges including the need to invest in our deteriorating infrastructure. Funding must be prioritized based on the return that can be expected. Transportation is a safe and cost-effective investment that creates jobs.