

MoDOT's Direction For the Next 5 Years

MoDOT will maintain customer satisfaction with a declining construction program.

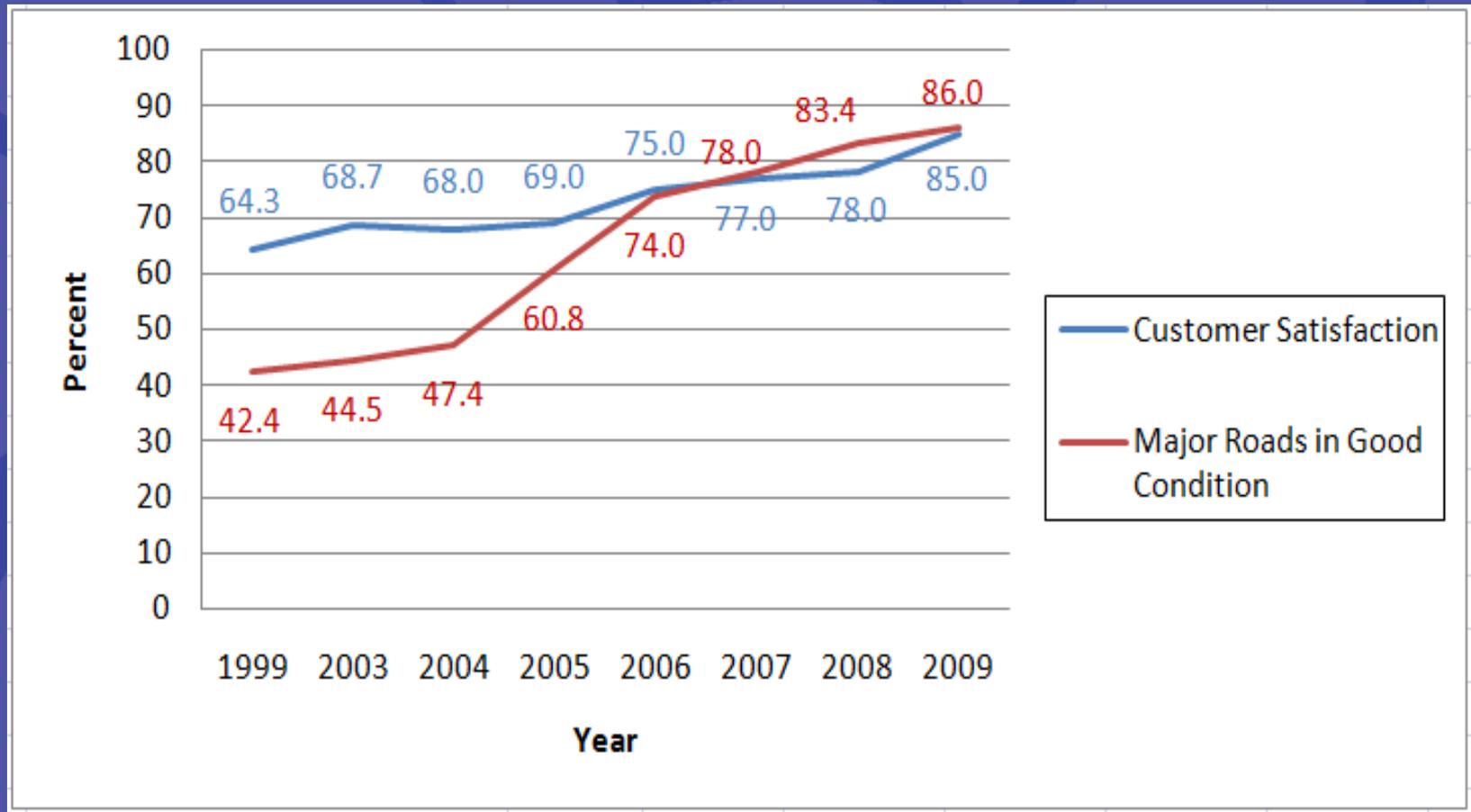
March 10, 2010

Where are we now?

Report Card and Road Rally Results:

- More Missourians are satisfied with the job MoDOT is doing - overall satisfaction was at 85%, up 7% from last year
- Missourians are happier with the overall condition of major routes than in 2000, but the satisfaction with the minor routes has decreased
- 89% of Missourians indicated that they trust MoDOT to keep its commitments to the public

Customer Satisfaction and Major Road Condition



MoDOT Progress

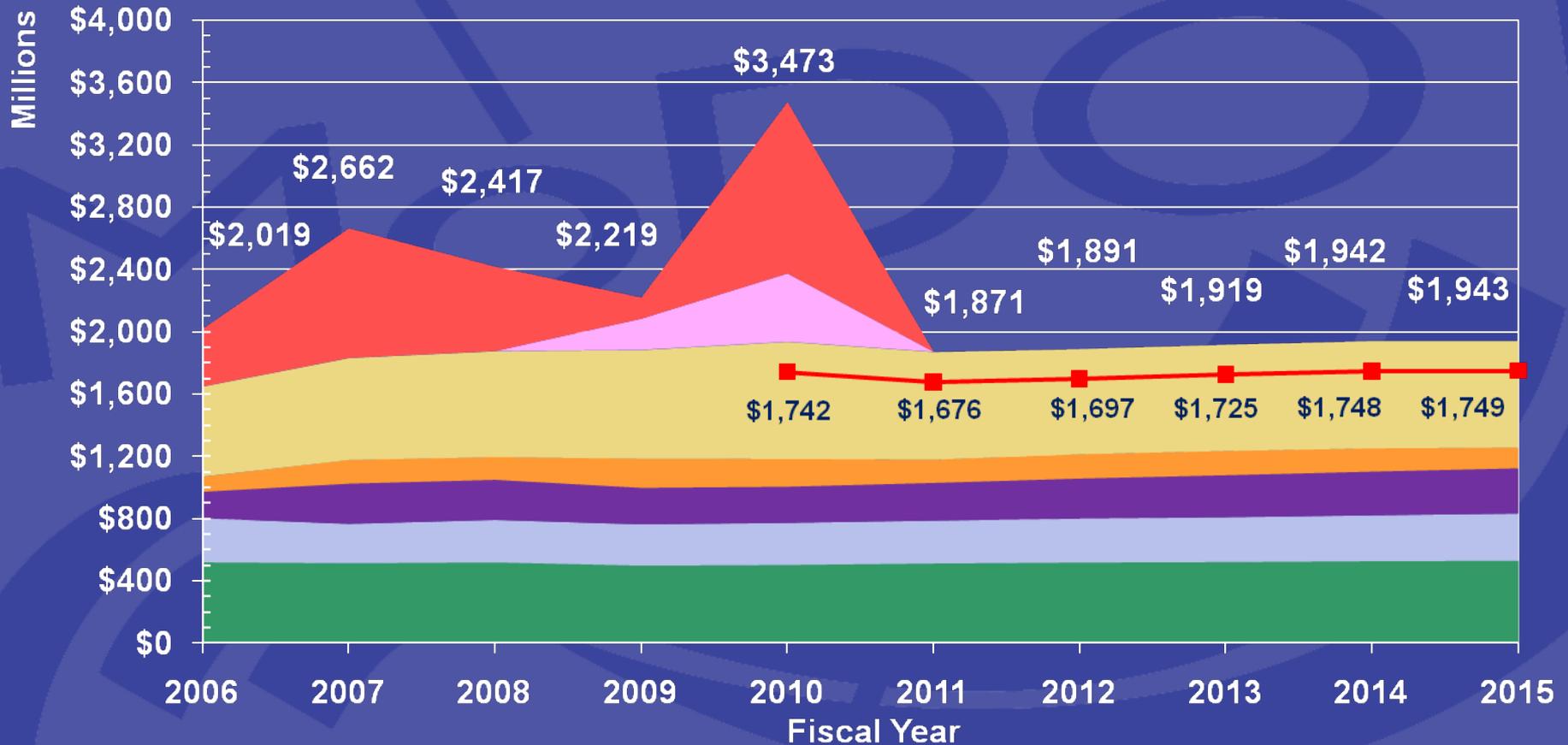
- Continuing to reduce fatalities for the fourth consecutive year
- Completing the New I-64 early and \$11 million under budget
- Keeping kcICON project on schedule
- Completing 121 Safe and Sound bridges
- Earning accolades from other DOTs for our performance management system

Strategic Advance

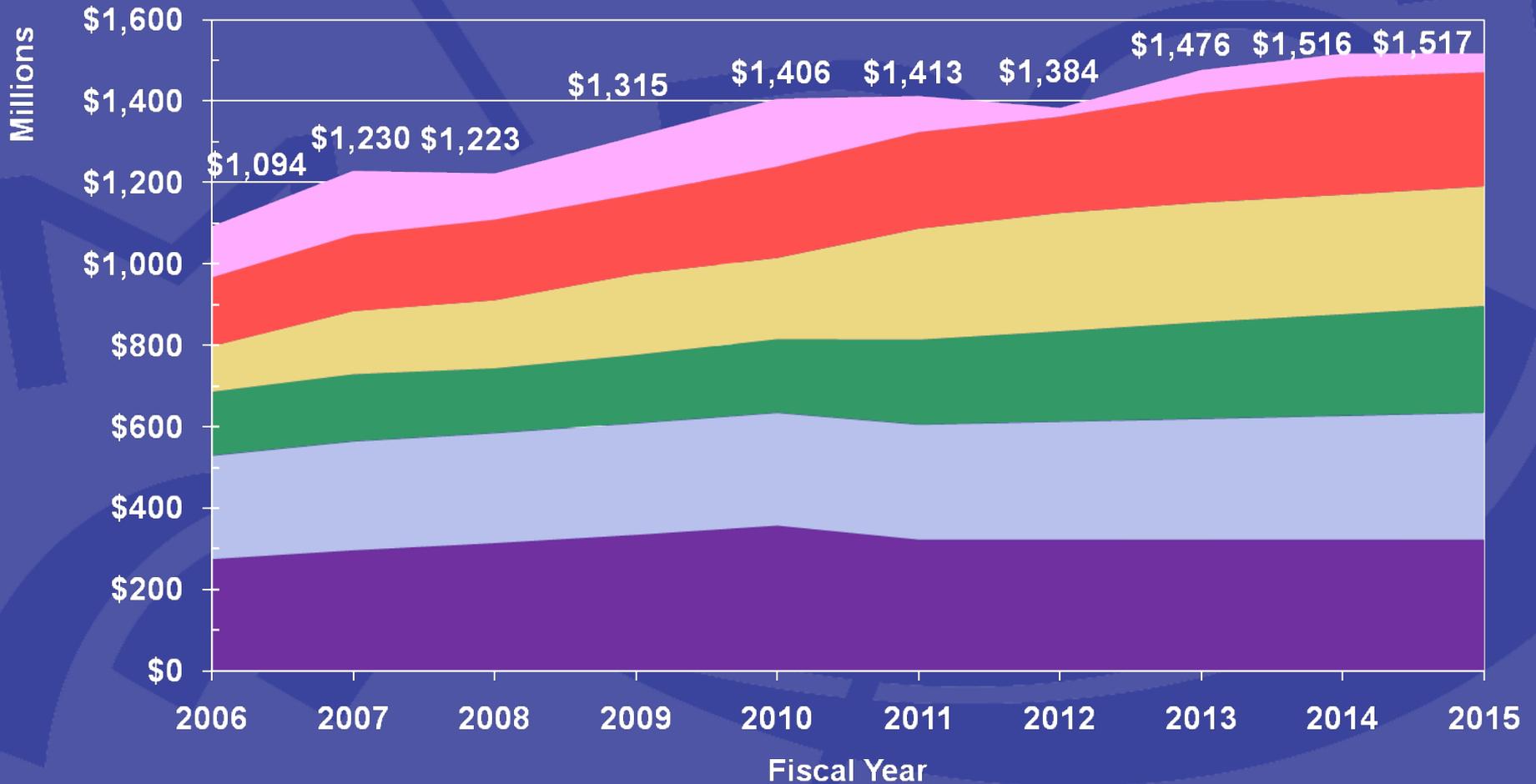
Nine Tangible Results were most critical in delivering 85% customer satisfaction!

- Fast Projects That Are of Great Value
- Smooth and Unrestricted Roads and Bridges
- Safe Transportation System
- Best Value for Every Dollar Spent
- Accurate, Timely, Understandable and Proactive Transportation Information
- Customer Involvement in Transportation Decision-Making
- Roadway Visibility
- Uninterrupted Traffic Flow
- Personal, Fast, Courteous and Understandable Response to Customer Requests

State Revenue and Federal Obligation Limitation



Costs to Operate



Significant Revenue Risks

- Total Revenue available until Reauthorization is an “UNKNOWN”
- Reauthorization is UNLIKELY to take place for a minimum of 12 months
- Any significant increase in Federal funds creates state match issues
- Advance Construction is how we match federal funds on a current basis

MoDOT Must ...

- Keep our infrastructure in good condition through FY 2015
- Deliver the nine Tangible Results that have played the most significant role in increasing customer satisfaction
- With a declining construction program

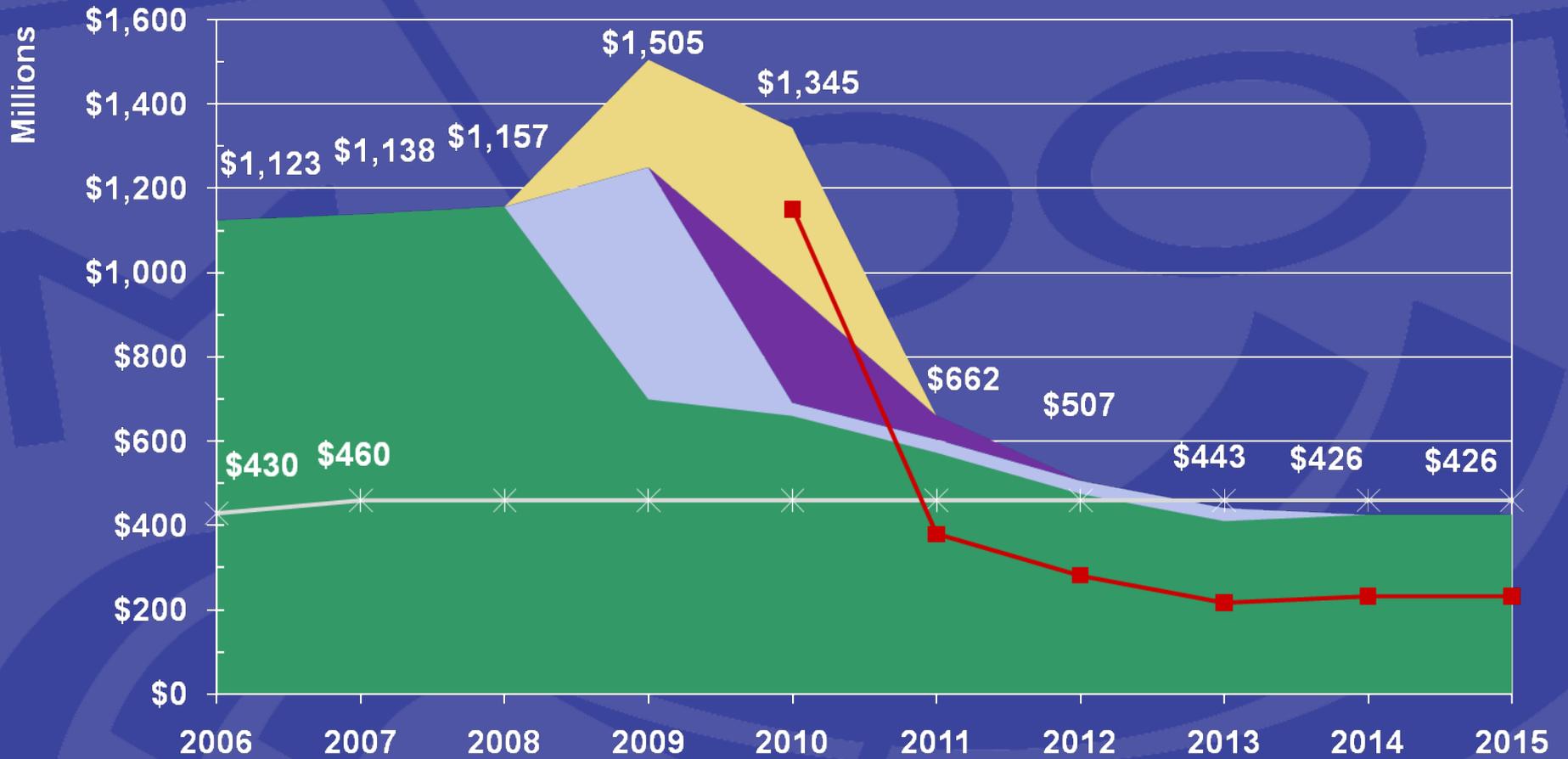
Significant Challenges

- Keeping Good Roads in Good Condition
- Improving Minor Roads
- Holding Our Own for Bridges on Major and Minor Roads
- Deteriorating Major Bridges
- Rapidly Escalating Employee Benefit Costs

Commission Commitments

- Deliver all MHTC commitments in the current STIP
- Follow the MHTC Approved Funding Distribution Formula

Construction Program Cliff



Construction Awards*

Mississippi River Bridge

TCOS**

Safe and Sound

ARRA

Construction Awards at \$30 billion program level

*2010-2014 Awards based on FY09 financial forecast (Excludes engineering, payments and right-of-way)

**MHTC Taking Care of the System (TCOS) Funding Distribution (Includes Engineering)

**Current Direction
Can't Continue...**

**We Must Significantly
Change Our Direction
and Implement Cost
Saving Strategies**

Immediate Cost Savings

Reduce Workforce to:

- ◆ Below 6,000 Salaried Positions by June 30, 2012
- ◆ Below 5,900 Salaried Positions by June 30, 2013
- ◆ Limit use of Temporary Employees
- ◆ Targeted Cost Savings: \$80.5 million over 5 years
- ◆ Hiring Freeze on 75% of MoDOT Vacancies
- ◆ Get the Right People in the Right Positions
- ◆ Release Poor Performers
- ◆ Reduce MoDOT Offices/Buildings

Immediate Cost Savings

Changing How We Do Business

- ◆ Reduce Fleet Expenditures
- ◆ Reduce Capital Improvement Expenditures
- ◆ Reduce Information Technology Expenditures
- ◆ Reduce Administrative Expenditures
- ◆ Reduce Materials Inventory
- ◆ Eliminate Contingency Funds

Immediate Cost Savings, cont.

- ◆ Reduce Mowing
- ◆ Reduce Litter Pickup
- ◆ Replace Fewer Signs
- ◆ Find a Cheaper Approach to Striping
- ◆ Reduce the Use of Consultants
- ◆ Shorter Term Pavement Treatments

Targeted Cost Savings: \$121.8 million over 5 years

Focus on what we NEED to do, not want to do

Concentrate Resources On

- Keeping Major Roads Good
- Improving Minor Roads
- Holding Our Own for Bridges

Difficult Times Lead To Difficult Choices

MoDOT will to the best of our ability:

- Keep our infrastructure in good condition through FY 2015
- Deliver the nine Tangible Results that have played the most significant role in increasing customer satisfaction
- With existing revenues

Difficult Times Lead To Difficult Choices

MoDOT will lose the ability to:

- Make Significant Safety Improvements
- Address Congestion
- Assist and Support Economic Development
- Use Longer Term Treatments
- Deliver Corridor Improvements
- Deal with Major Bridges

It's About Meeting Our Mission ...

**But, these cost saving
strategies will only get
MoDOT through FY15 –
No longer!**

The background is a solid blue color. In the center, the text "MADDO" is written in a large, light blue, sans-serif font, appearing as a watermark. Below this, there are several abstract, overlapping geometric shapes in a slightly darker shade of blue, including lines and curved forms that suggest a stylized logo or architectural elements.

**Questions?
Thank You!**