

# **Missouri Department of Transportation Funding Distribution - 2003**

**As adopted by  
Missouri Highways and Transportation Commission  
January 10, 2003**

On January 10, 2003, the Missouri Highways and Transportation Commission adopted an objective method to distribute transportation funds using factors reflecting system size and usage and where people live and work.

The distribution of funds has been the subject of debate for over a decade. The method for determining where and on what to spend limited transportation dollars has changed several times. Changes have been a result of both long-term project plans and political pressure centered around dividing funds between the urban and rural areas of the state.

This method goes beyond the narrow discussions of geography and allows for allocation of funding based on objective, transportation-related factors that are representative indicators of physical system needs.

Another aspect of the funding distribution method was the determination of the correct balance of funding – in today’s economic and political climate – between taking care of the system we have already built and adding new pieces to that system.

Historically, Missouri has focused heavily on building and expanding the roadway system. This direction was necessary as the vast network of roads and bridges was under development. But Missouri has come to a point where this direction has taken a toll on the statewide system. The condition of roads and bridges reflects this past emphasis on expansion – taking better care of this system is long overdue.

The funding distribution method sets aside a fixed amount of funds to take care of the system (TCOS). Past methods have had similar set-asides, but the amount dedicated has not been enough to stop the decline of the transportation system. The method now allocates enough money to stabilize the system in the present condition and to also begin making some modest improvements.

In addition to the TCOS category of funding, there are funds that can be used for major projects and emerging needs. These projects are generally more focused on expansion work or may have to do with meeting needs unique to a specific region.

There is also a flexible funding category, which allows for meeting additional TCOS needs or major projects and emerging needs.

Following is a description of how funds are to be distributed using the new funding distribution method. A flowchart illustrating the funding distribution method is shown in Figure 1. The resulting distribution process is shown in Table 1.

## Funding Distribution Overview

Numbers shown are in millions of dollars and are estimates based on three-year average funding projections for fiscal years '06, '07 and '08. The actual amounts will vary based on actual funding

**\$969 million**  
**Total Available Funds**  
(for transportation programming use only)

Begin with the total available funds. These are all funds available for transportation projects.

**\$119 million**  
**Suballocated Funds**

Deduct \$119 million in suballocated funding designated for specific purposes by the U.S. Congress. In the past, these funds were not a part of the distribution method. MoDOT is not “re-allocating” these funds; they are simply included in the formula so that all transportation dollars are accounted for.

**\$18 million**  
**Other Modes**

Deduct \$18 million for other modes such as transit, aviation, railways and waterways. These funds require appropriation by the state legislature and cannot be used on roads and bridges. Funding amounts are based on the appropriated amounts for fiscal year 2003 and are subject to change annually depending on the legislature’s budget decisions.

**\$20 million**  
**Economic Development  
and Cost-Sharing**

Deduct \$20 million for economic development and cost-sharing programs. These programs are a means to capture additional funds into the transportation system and boost economic growth in Missouri. This category is funded at \$5 million higher than in past years. In the event this amount is not adequate to accommodate high-priority project requests, staff will ask the Missouri Highways and Transportation Commission to increase the amount in this funding category.

**\$75 million**  
**Debt Service**

Deduct \$75 million to fund debt service on the \$900 million in bonding MoDOT committed to in fiscal years '01, '02 and '03. This is a 20-year commitment and will increase if additional bonding is used.

**\$737 million**  
**Remaining Available Construction Funds**

This leaves \$737 million in remaining available construction funds. These funds are the primary focus of the funding distribution method.

**Fixed - \$ 400 million**  
**Take Care of the System**

**Interstates = \$100M**  
\$100 million for statewide use on Interstate pavement and bridges

**Remaining TCOS = \$275M**  
distributed to districts for use on non-interstate NHS and Remaining Arterials based on a formula that averages:  
% of total vehicles miles traveled (VMT) on the National Highway System (NHS) & Remaining Arterials  
% of total sq. ft. of state bridge deck  
% of total lane miles of NHS and Remaining Arterials

**Safety = \$25M**  
distributed to districts based on a 3-year average accident rate

Subtract a fixed amount of \$400 million to take care of the system.

This amount is further divided as shown in the box to the left.

The \$100 million for interstates will be used on a statewide level to preserve interstate pavements and bridges and achieve a goal of 85-90 percent of the interstate system in good or better condition over the next 10 years.

The \$25 million for safety is set aside to address location-specific safety needs. Safety is one of MoDOT's top priorities. Nearly every project built has a goal of improving safety, whether it is the primary goal or a secondary one. Potentially all of MoDOT's available

funds each year have an impact on improving the safety of the transportation system. The remaining TCOS funds of \$275 million are for the rehabilitation and reconstruction of the non-interstate National Highway System (NHS) and remaining arterials, with a goal of eventually having 50-55 percent of the pavement on those routes in good or better condition.

Allocating \$400 million to take care of the system will stop system decline and start to show modest improvements in the system condition.

**\$100 Million (fixed)**  
**Flexible Funds**

Distributed based on a formula that averages:  
% of total population  
% of total employment  
% of total VMT on NHS and Remaining Arterials

Subtract a fixed amount of \$100 million in flexible funds. These funds can be used for either taking care of the system or major projects and emerging needs. Funds are distributed to districts according to factors listed in the box to the left.

**Remaining Funds - \$237 Million**  
**Major Projects and Emerging Needs**

Distributed based on a formula that averages:  
% of total population  
% of total employment  
% of total VMT on NHS and Remaining Arterials

Remaining funds are for major projects and emerging needs. These funds are estimated at \$237 million.

In this category, Transportation Management Areas (TMAs), which include Kansas City, St. Louis and Springfield, would receive their allocated

funding based on the distribution factors listed in the box at the left. The rest of the state would receive 50 percent of the remaining funds based on the same factors while the remainder would be for statewide rural major projects and would be allocated each year on a statewide basis. TMAs are not eligible for the statewide rural major projects funds.

MoDOT will revisit the funding distribution method in two years to adjust it as appropriate and will continue to review it periodically as directed by the Commission.

If MoDOT receives more funding, the funding distribution method can be adjusted to accommodate it. The Commission would have to establish the fixed amounts of funds for taking care of the system and for flexible funds. Once these decisions are made, remaining funds would be used for major projects and emerging needs.

## **Planning Framework**

The draft “Framework for Transportation Planning and Decision-Making” was written in conjunction with the process of developing and selecting a funding distribution method. The document needs significant work in order to be the national model for local and state transportation partnerships that it is anticipated to be. Further development of the overall planning process, including how it fits together with programming and project development, will take place over the next year.

This document will outline how MoDOT and its local transportation partners can work together to plan for the future and make decisions on which needs and which projects are the highest priorities. MoDOT’s General Headquarters (GHQ) Transportation Planning staff will work with district planning staff and regional transportation partners to develop a framework that will ensure consistency across the state while still allowing for flexibility to fit individual regions.

The framework will be completed in fall 2003. MoDOT staff will use the funding distribution method and the framework guidelines for programming the 2005-2009 Statewide Transportation Improvement Program (STIP).

## **Development of the 2004-2008 STIP – Transitioning**

District staff will work with local officials to develop a tentative 2004-2008 STIP for submission to GHQ Transportation Planning staff in March 2003. This program will be reviewed and revised for presentation to the Missouri Highways and Transportation Commission in May. Final approval is expected in July.

To honor previous commitments, the construction projects from previous STIPs will be completed in the 2004 – 2008 STIP. This STIP will also shift funds in construction years 2005 and 2006 to taking care of the system as MoDOT transitions to the new funding method. The construction program in 2007 and 2008 will fully reflect the new funding distribution decision.