

Missouri Department of Transportation  
*Patrick K. McKenna, Director*

1.888.ASK MODOT (275.6636)

April 14, 2020

Dear Missouri Congressman/Senator:

We are writing to follow up on the [request made by the American Association of State Highway and Transportation Officials \(AASHTO\)](#) on April 6, 2020, to **provide \$49.95 billion as an immediate revenue backstop for state DOTs in Phase 4 of COVID-19 response.**

This crucial action will prevent major disruptions in state DOTs' collective ability to operate and maintain our Nation's transportation system during this unprecedented emergency. And, it will also prevent cancellations and delays of projects, as well as potential job losses both in the state DOT workforce and the private sector around the country.

Compared to \$111 billion in state transportation revenues in FY 2019 according to the National Association of State Budget Officers (State Expenditure Report [PDF Page 123](#)), preliminary projections from AASHTO show an estimated 30 percent decline on average for the next 18 months. In addition, [most recent data](#) from INRIX shows that personal travel dropped 47 percent nationally through the week ending April 3, 2020, and may worsen in the coming weeks.

AASHTO's \$49.95 billion request is composed of \$16.7 billion for the remainder of FY 2020 based on an estimated 30 percent state revenue cut prorated over six months and \$33.3 billion for all of FY 2021 based on an estimated 30 percent state revenue cut for a full year.

Given the urgent nature of states' needs in the coming weeks and months, we request these backstop funds to be essentially treated as state revenues that would otherwise have been collected for a wide range of state DOT activities without the COVID-19 pandemic. This broad funding eligibility would recognize the fact that state transportation revenues are used for any and all transportation activities undertaken by state DOTs.

For Missouri, we are currently estimating a 30 percent decline in state transportation revenues in the coming 18 months – a decline of approximately \$925 million. It is estimated that the AASHTO \$49.95 billion request would cover most of the Missouri transportation revenue loss. Absent Congressional action with this federal assistance there is deep and substantial impact to critical functions and transportation improvements in Missouri:



*Our mission is to provide a world-class transportation system that is safe, innovative, reliable and dedicated to a prosperous Missouri.*

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--State Impact to Transportation Expenditures, which include:

- Capital expenditures including capital projects and construction – Under the 30 percent revenue reduction scenario, approximately \$2.1 billion in federal funds would go unmatched by the loss of \$530 million in state funds for a total estimated construction awards reduction from an estimated \$4.9 billion (SFY 2021-2025) to \$2.3 billion. That is a reduction of approximately \$2.6 billion in contractor awards including no new awards in 2021 – 2023. Under this scenario, no funds would be available for consultant design work or to purchase right of way. **To put this into perspective, that would equate to approximately 400 bridges and 20,000 lane miles of Missouri roadways NOT being repaired that are in our current plan;**

The remaining estimated revenue loss of approximately \$395 million would have to come from the following areas:

- Operational expenditures - The majority of the department's \$614 million of annual operational expenditures (FY 2019) are for system operations, planning, safety, technology and innovation, information systems, traffic and congestion management, and fleet services. The level of service for activities like pavement repair, snow and ice removal and mowing would need to be reduced in order to redirect money to match federal funds. In addition, the department could be faced with difficult choices if an emergency arises such as flooding, due to not having sufficient resources to respond, and;
- Other state agencies – In Missouri, highway user fees of motor fuel tax and a portion of the motor vehicle and driver's licensing fees, by constitutional provision fund not only transportation, but also two other state agencies, the Missouri State Highway Patrol and the Department of Revenue. The Missouri State Highway Patrol expenditures are limited by the appropriations made by the legislature. In fiscal year 2019, the Missouri State Highway Patrol expenditures totaled \$239 million. The Department of Revenue expenditures are capped at 3 percent of the highway user fees collected and has been totaling approximately \$21 million a year.

--Jobs impact both state and private sector – The impacts to jobs has not been quantified at this time, but it goes without saying that both state and private sector jobs could be impacted.

--Project impact in terms of delays and cancellations – Missouri has already acted to reduce the April letting by approximately \$46 million, and delayed construction agreements on the Governor's General Revenue cost share program and the MHTC cost share program until FY 2021. Additional consideration is being given to whether future lettings should be reduced or cancelled. Procurement review has been implemented to reduce or defer expenditures where possible without jeopardizing employee or public safety.

Thank you for your bold leadership during this unprecedented crisis and for your consideration of our request for the next COVID-19-related legislation.

Sincerely,

Patrick K. McKenna  
Director