

## THE STOUFFER REPORT

Senator Bill Stouffer Senate District 21 For the Week of: Aug. 27, 2007 Capitol Building, Room 332 Jefferson City, MO 65101 Contact: Aaron Baker (573) 751-1507

## Special Session Legislation — How to Fund the Safe and Sound Bridge Improvement Project

With the second week of special session complete, I would like to address the other issue that brought lawmakers back to Jefferson City. <u>House Bill 2</u>, legislation that I sponsored in the Senate, will allow the Missouri Department of Transportation (MoDOT) to get a head start on a plan to replace or repair 802 bridges in the state.

This morning, when I turned on my computer, I found this legislation highlighted on the homepage of *Fox News*, touting it as model legislation for the rest of the nation. Indeed, this will be the largest and most effective transportation investment in Rural Missouri in decades.

MoDOT's <u>Safe and Sound Bridge Improvement Project</u> was included in a large transportation bill last session. That transportation bill never made it to the governor's desk. However, I felt this project needed the Legislature's attention. I approached the governor right after the conclusion of regular session in May and asked him to consider the Safe and Sound Project for special session.

The tragic bridge collapse in Minnesota should remind Missourians of the importance of our state's transportation infrastructure. If our state does not keep up with our current transportation needs, we could see devastating results. The Safe and Sound Project is designed to bring 802 bridges up to good or better condition in a 5-year period, while at the same time, keeping them at that level for 25 years after the projects are completed. The total cost of the program is expected to be between \$400-600 million. A portion of our work during special session was to find an affordable option to get the Safe and Sound Project out of the starting gate.

State law only allowed contractors to be bonded for the full \$400-600 million over a 30-year period. However, since the surety bond market wouldn't allow that large of a bond for that

amount of time to be taken, MoDOT needed the Legislature to change the law so a fraction of the total project costs could be bonded to get the project completed.

For example, when MoDOT seeks a bid, they have a bond for that bid (usually 5 percent of that contract). Instead of having 5 percent of \$600 million, MoDOT would have to have \$5 million when they submit their bid. On the performance end of it, instead of having a \$600 million bond that lasts over 30 years, the state would allow MoDOT to use 25 percent or \$200 million (whichever is less) over the construction phase, which is the first 5 years of the contract.

The main purpose of surety bonding is to protect the taxpayer, by ensuring the construction project (in this case the Safe and Sound Project) is completed. Since MoDOT would not make payments to the contractor until all the construction is completed, the financing structure of the Safe and Sound Project provides taxpayers with a 25-year guarantee on the work that is being done.

The Safe and Sound Project does not answer the overall funding problem for MoDOT. The project only takes care of 802 bridges. Right now, we have more than 1,000 bridges that fall into the category of being deficient. However, I want to stress that this does not mean that these bridges are not safe to use. Missouri has an extensive bridge inspection program. Inspections are currently underway on bridges with deck truss spans similar to the bridge in Minneapolis and these inspections will soon be completed.

These recent events do bring attention to the dire need to fully fund our state's transportation infrastructure. I think most legislators see the value of the Safe and Sound Program. We have to do something to keep these bridges in shape, and I believe this program will do that.

The governor called the special session to address this major transportation issue and, as I mentioned in my last column, to tackle a revised economic development package (<u>House Bill 1</u>). Both the transportation and economic development measures were passed by the Senate and move to the governor for his signature.

For a list of bridges IN YOUR COUNTY, visit <a href="http://www.modot.mo.gov/safeandsound">http://www.modot.mo.gov/safeandsound</a>. If you have questions or comments about the MoDOT's Safe and Sound Bridge Improvement Project, special session, or any other issue, please call my office toll free (866) 768-3987 or send me an e-mail at <a href="mailto:bstouffer@senate.mo.gov">bstouffer@senate.mo.gov</a>.

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