

# Legislative Briefing



# Arkansas Highway Commission

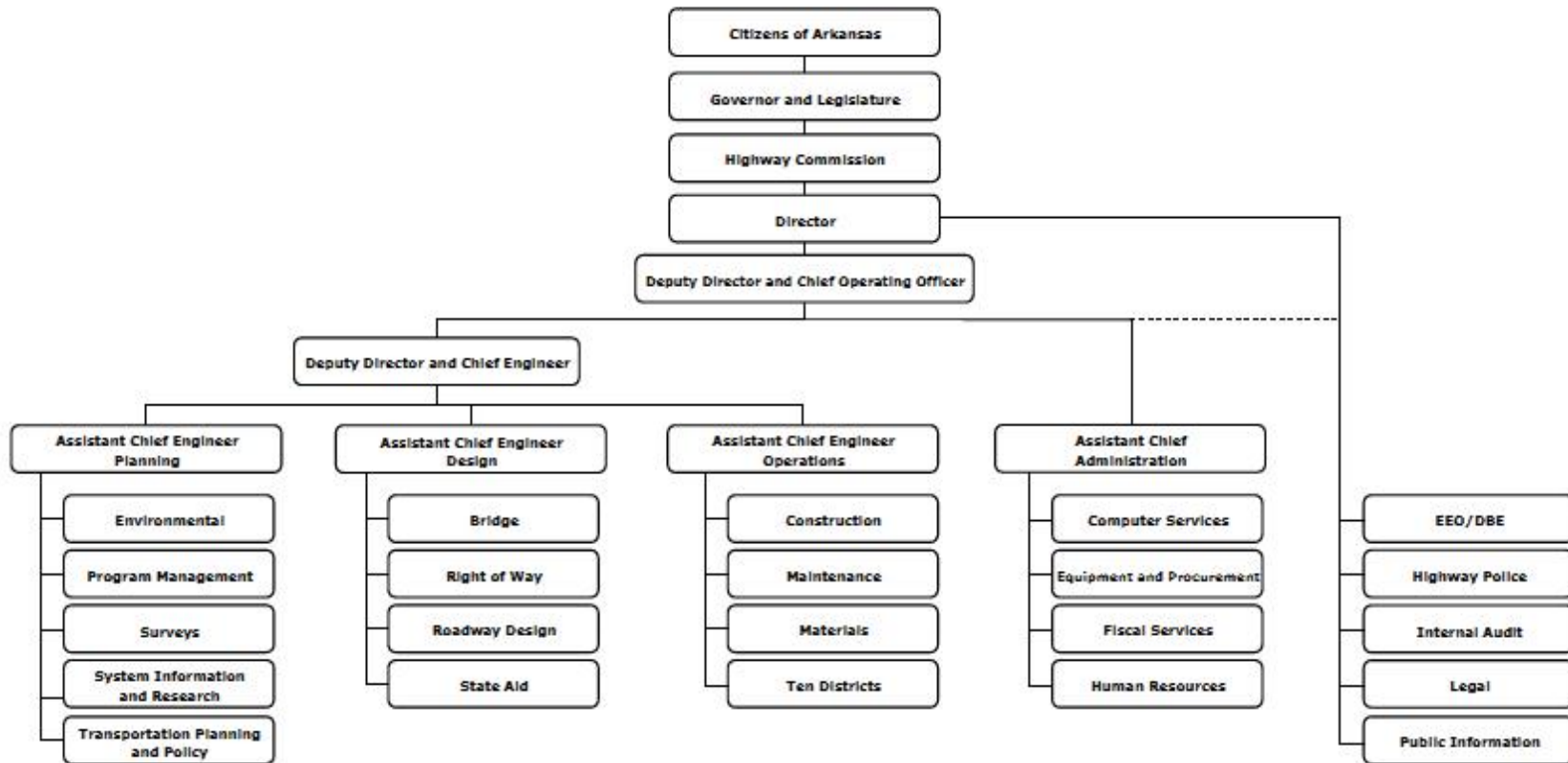


# Department Staff

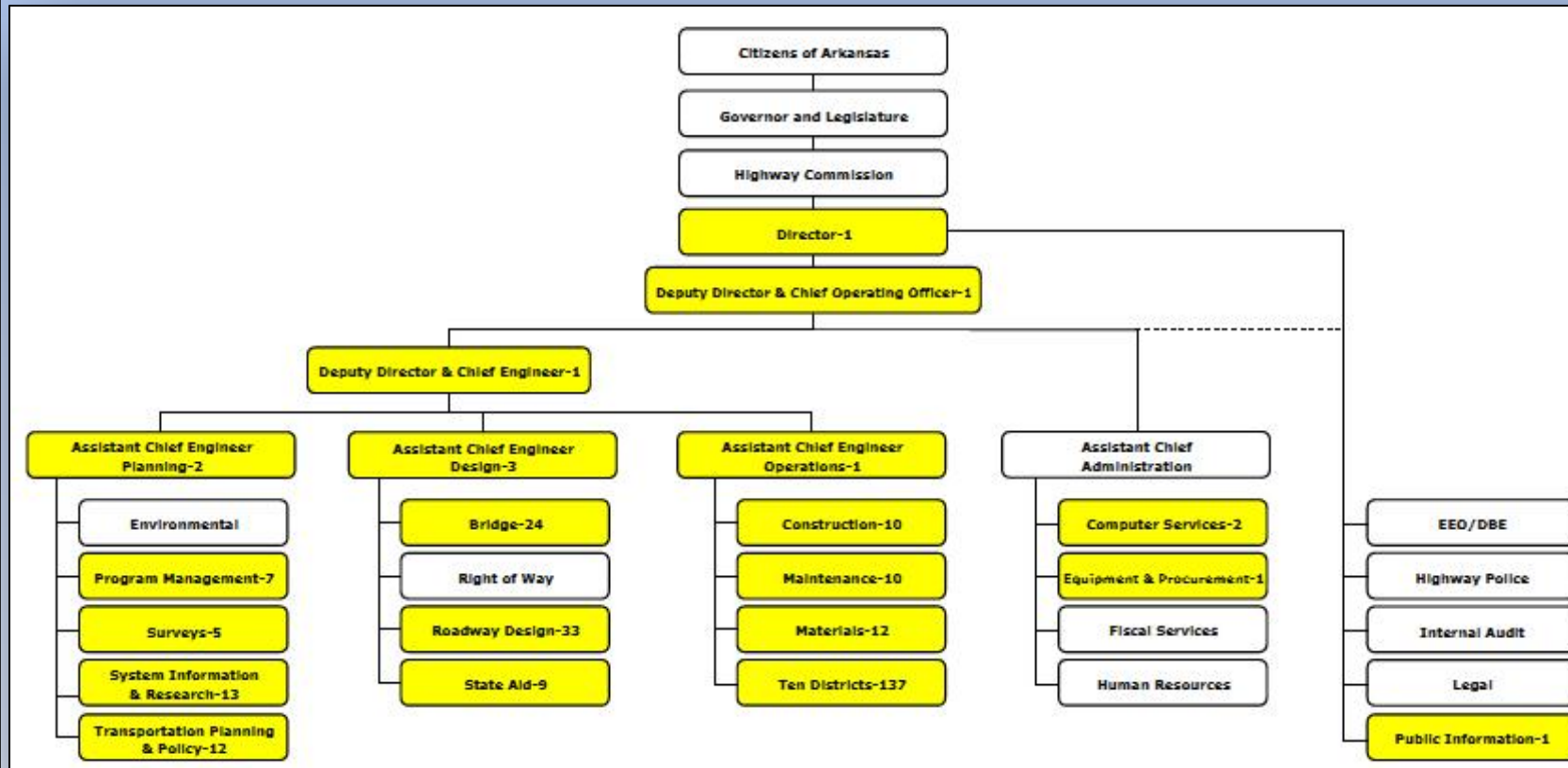
|                         |   |                                             |
|-------------------------|---|---------------------------------------------|
| <b>Scott E. Bennett</b> | - | Director of Highways and Transportation     |
| <b>Lorie H. Tudor</b>   | - | Deputy Director and Chief Operating Officer |
| <b>Emanuel Banks</b>    | - | Deputy Director and Chief Engineer          |
| <b>Kevin Thornton</b>   | - | Assistant Chief Engineer-Planning           |
| <b>Michael Fugett</b>   | - | Assistant Chief Engineer-Design             |
| <b>Tony Sullivan</b>    | - | Assistant Chief Engineer-Operations         |
| <b>Rita Looney</b>      | - | Chief Legal Counsel                         |
| <b>Larry Dickerson</b>  | - | Chief Fiscal Officer                        |
| <b>Mike Sebren</b>      | - | State Construction Engineer                 |
| <b>Joe Sartini</b>      | - | State Maintenance Engineer                  |
| <b>Crystal Woods</b>    | - | Division Head, Human Resources              |
| <b>Ron Burks</b>        | - | Chief, Highway Police                       |
| <b>Randy Ort</b>        | - | Public Information Officer                  |



# Organizational Chart



# Distribution of Engineers





# AHTD Quick Facts

- 3rd Largest State Agency (3,634 employees)
- Maintain 16,416 miles of highway and 7,335 bridges
- Central Offices in Little Rock; 10 Districts Statewide
- Mission: Provide a safe, efficient, aesthetically pleasing and environmentally sound intermodal transportation system for the user.



# Highway Districts



- District Headquarters



# Other Programs/Activities

State Aid Programs for Cities and Counties

Game & Fish Roads

State Park Roads

Institutional Roads

Airport Access Roads

Welcome Centers & Rest Areas

Arkansas Recreational Trails

Transportation Alternatives Program





# Other Programs/Activities

Arkansas Commercial Truck Safety and Education Program

Historic Bridge Program

Adopt-A-Highway Program

Litter Hotline

Public Transportation Programs

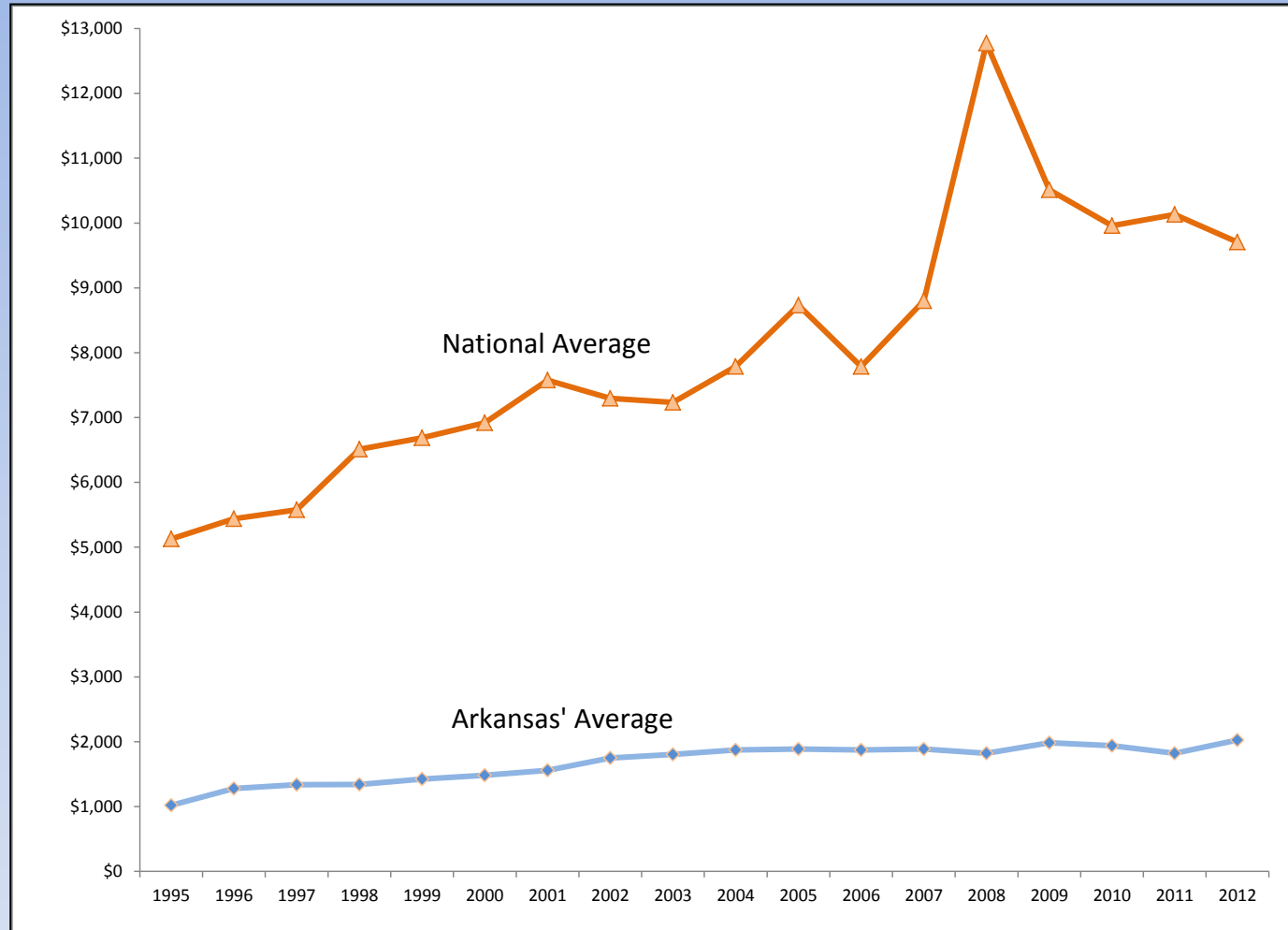
Wildflower Program

Research Grants to State Universities

Scholarships for Engineering Students



# AHTD Administrative Costs Per Mile



National Average = \$9,705/mile

Surrounding States' Average = \$4,905/mile

Arkansas = \$2,024/mile

Arkansas' Rank = 48<sup>th</sup>

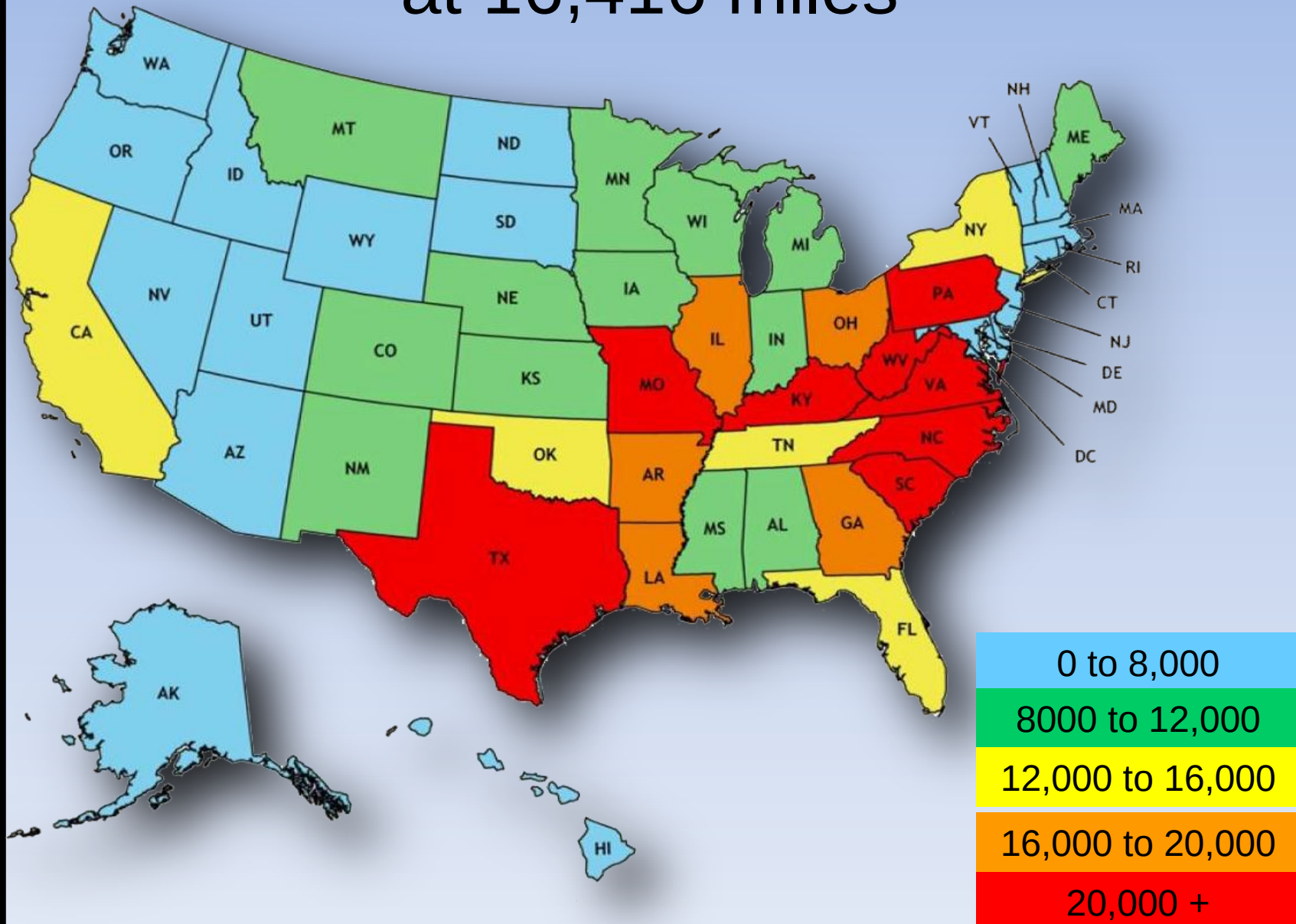


# Employment Levels

| Year | Employees |
|------|-----------|
| 2014 | 3,634     |
| 2002 | 3,801     |
| 1992 | 4,016     |
| 1982 | 3,770     |
| 1972 | 3,892     |
| 1965 | 3,620     |

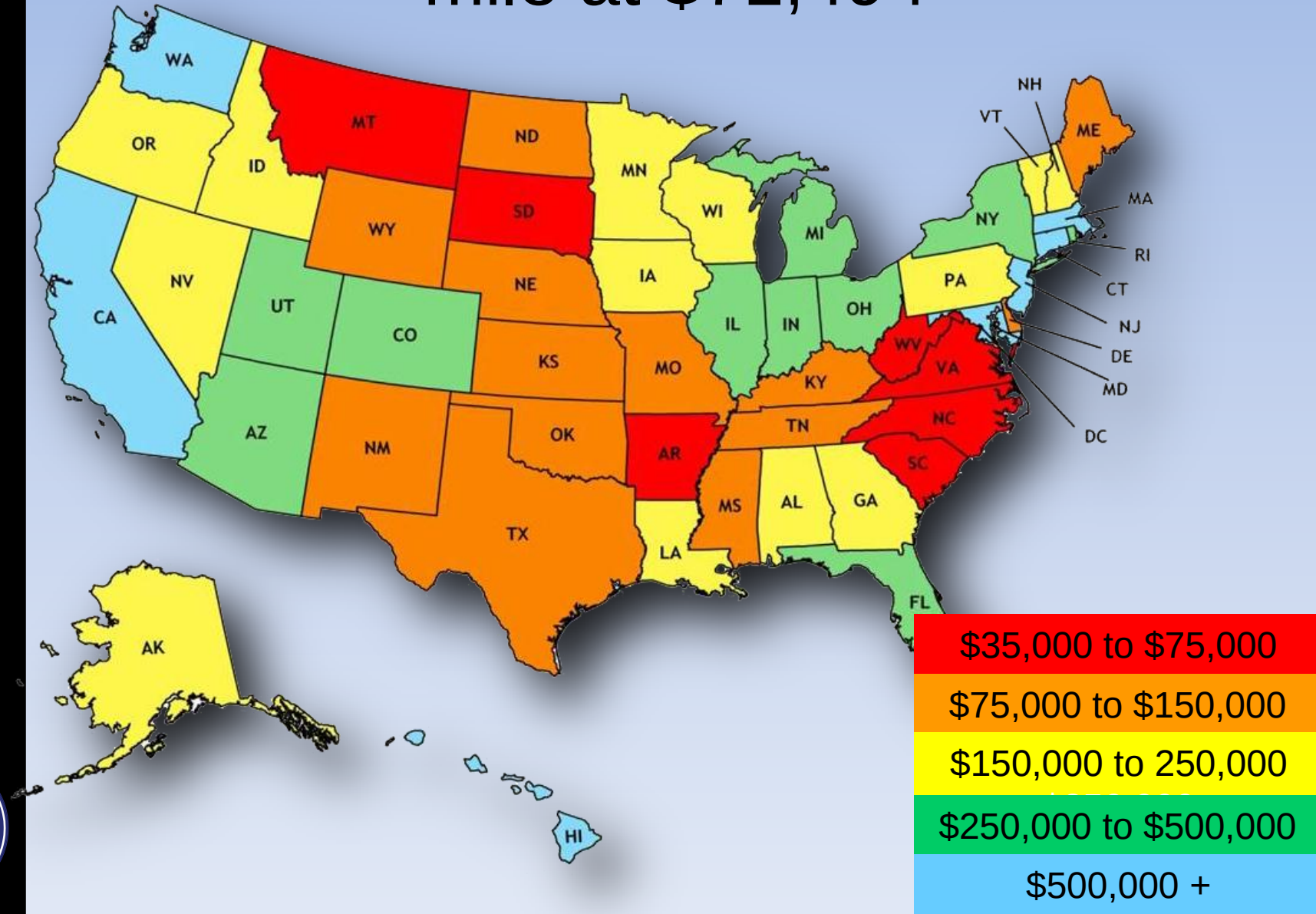


# Arkansas ranks 12<sup>th</sup> in number of miles at 16,416 miles





# Arkansas ranks 44<sup>th</sup> in revenue per mile at \$71,494

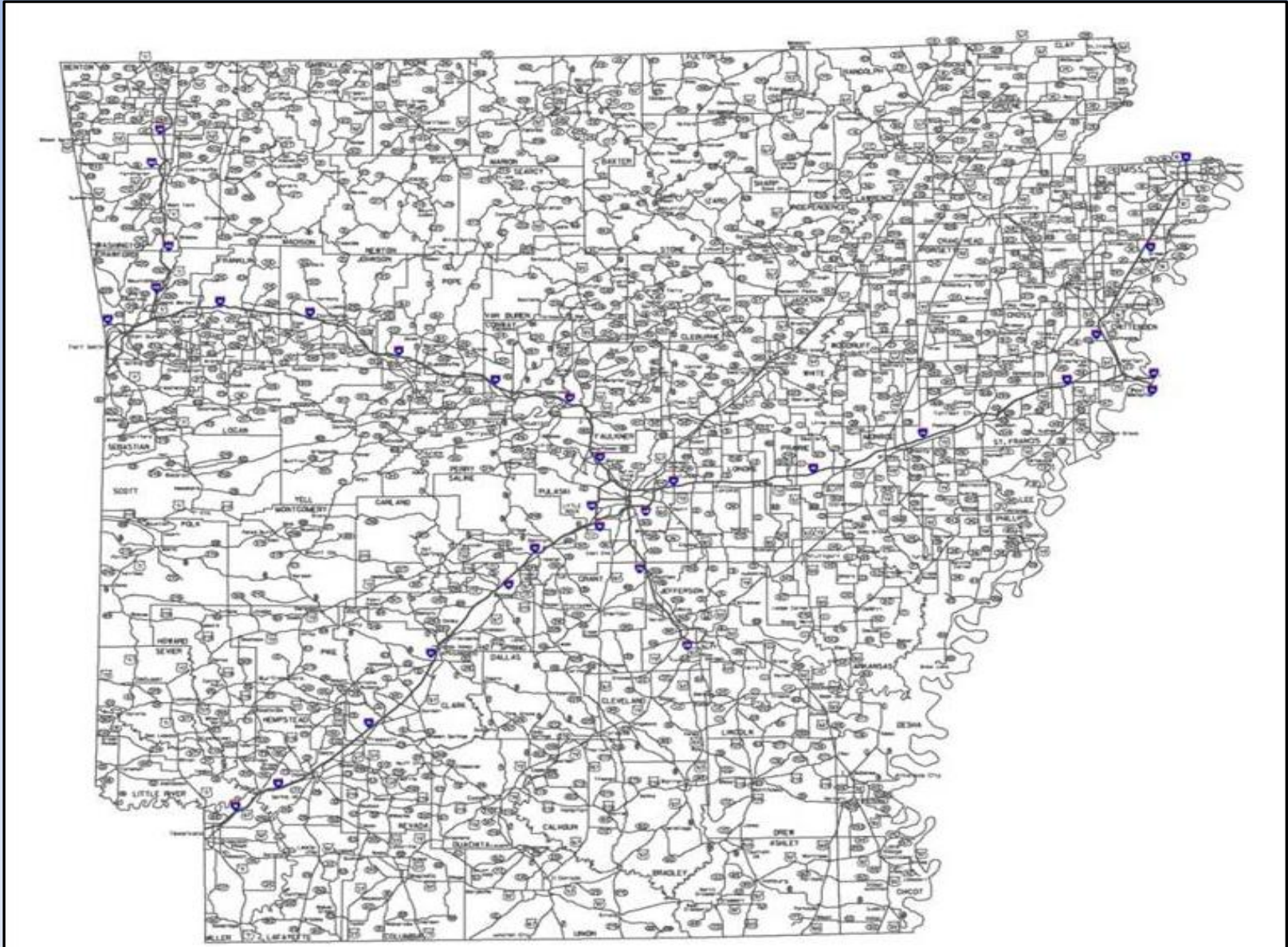


# State Highway Systems

| State           | Mileage       |
|-----------------|---------------|
| <b>Arkansas</b> | <b>16,416</b> |
| Illinois        | 16,161        |
| California      | 15,225        |
| New York        | 15,033        |
| Tennessee       | 13,793        |
| Florida         | 12,084        |

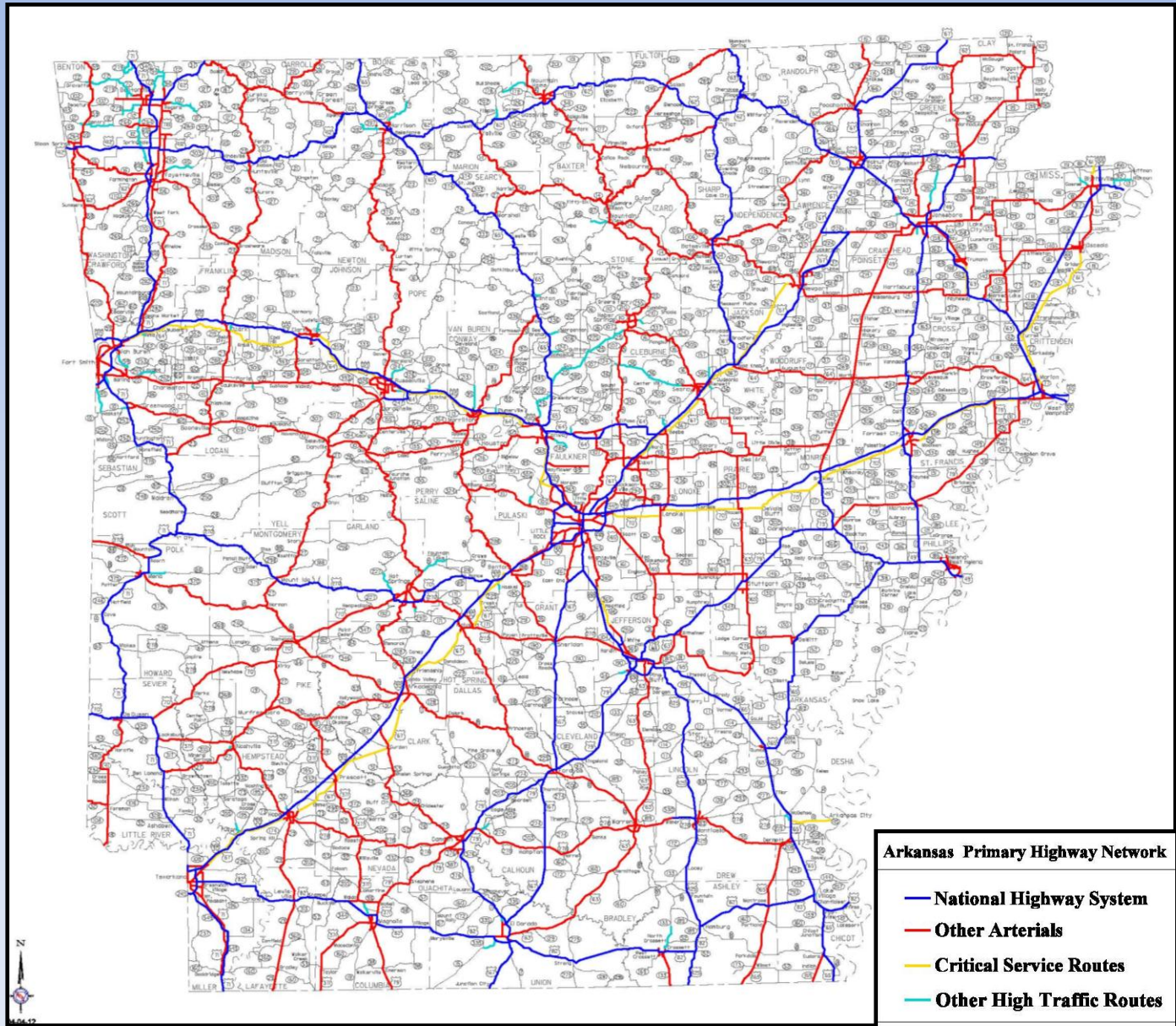


# State Highway System





# Arkansas Primary Highway Network







# Highway Conditions in Arkansas

## Interstate Highways - 2014

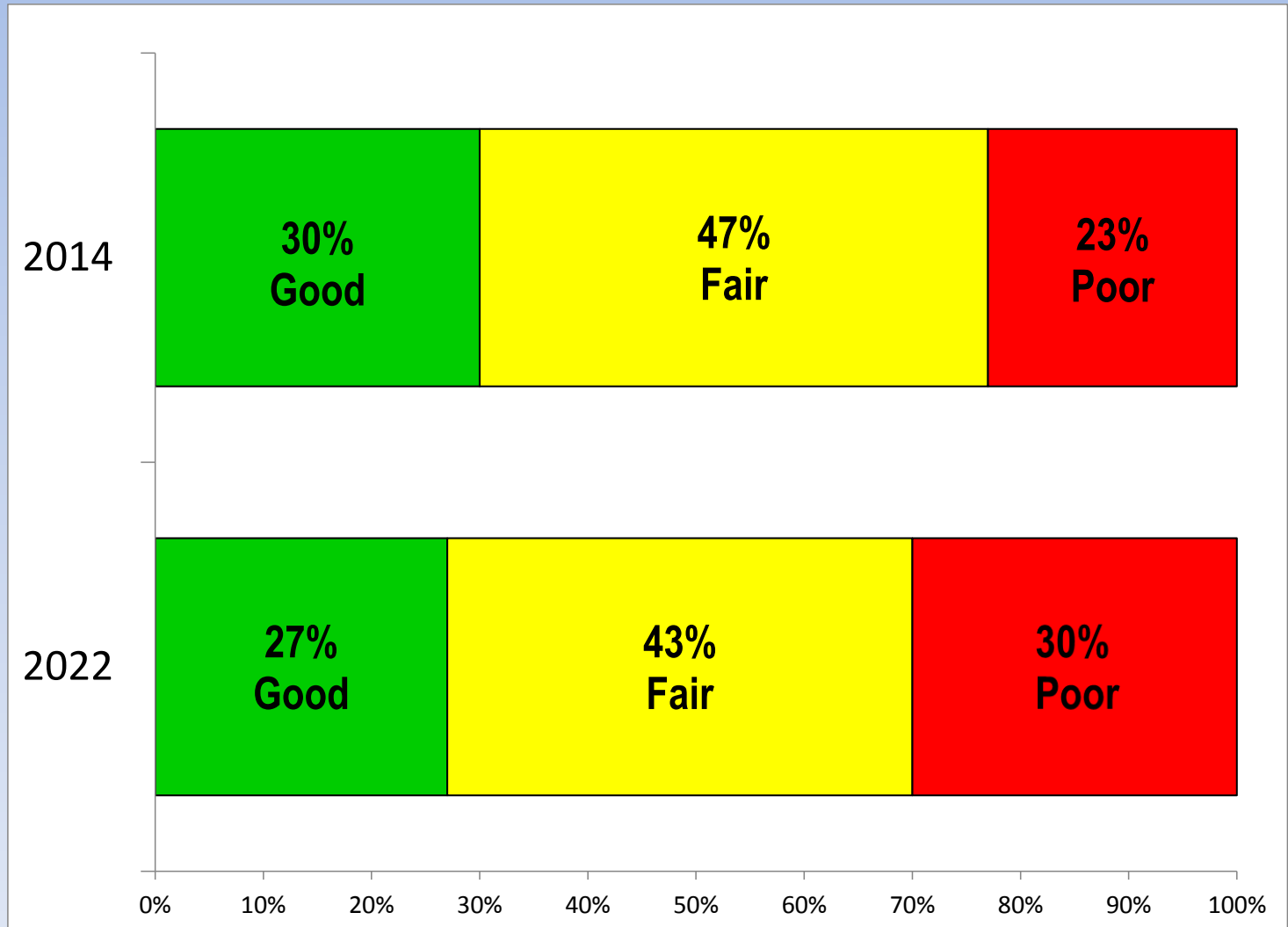


Assumes spending will continue at same level as historical spending for system preservation (including the 2011 Interstate Rehabilitation Program).

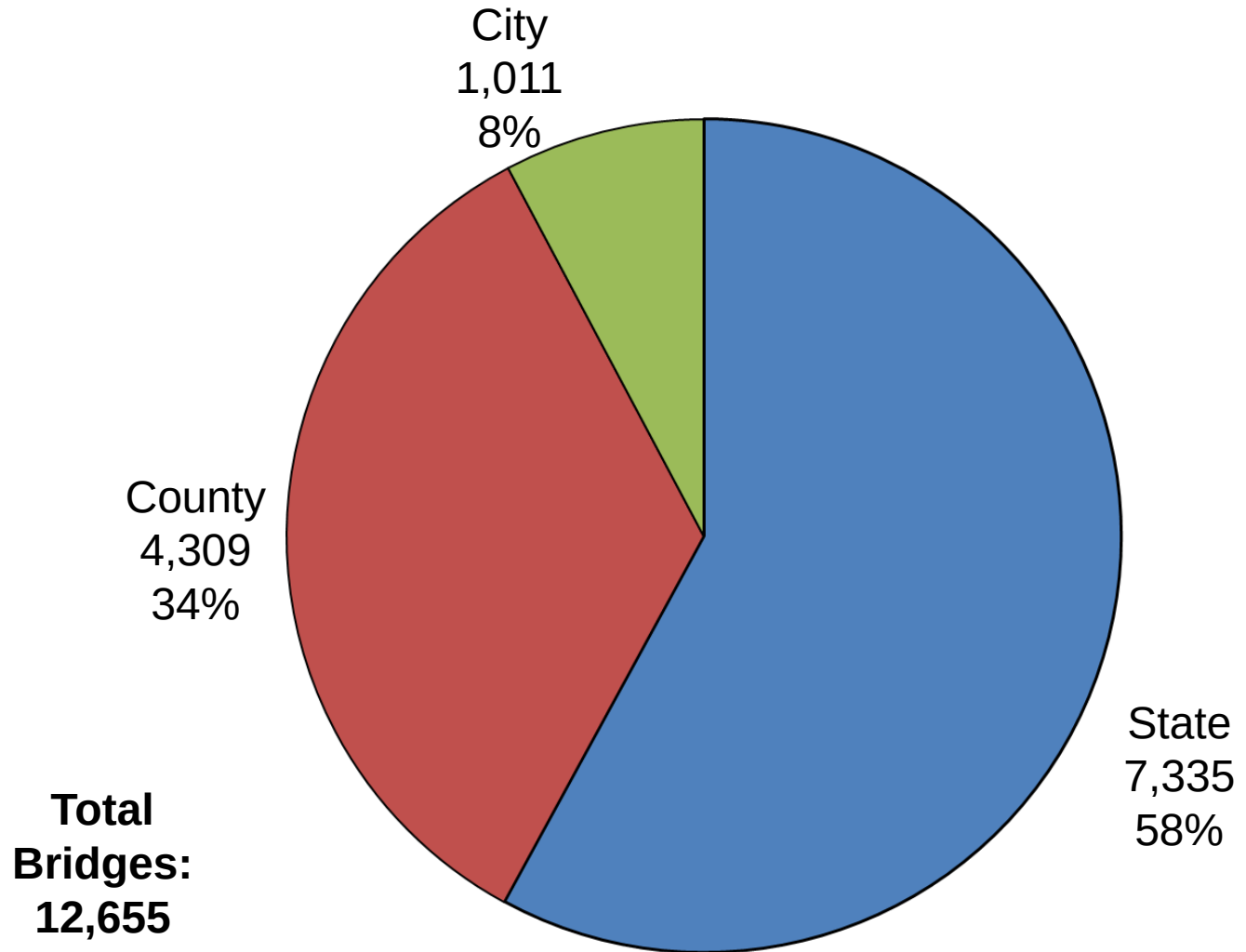


# Highway Conditions in Arkansas

## All Highways - 2014

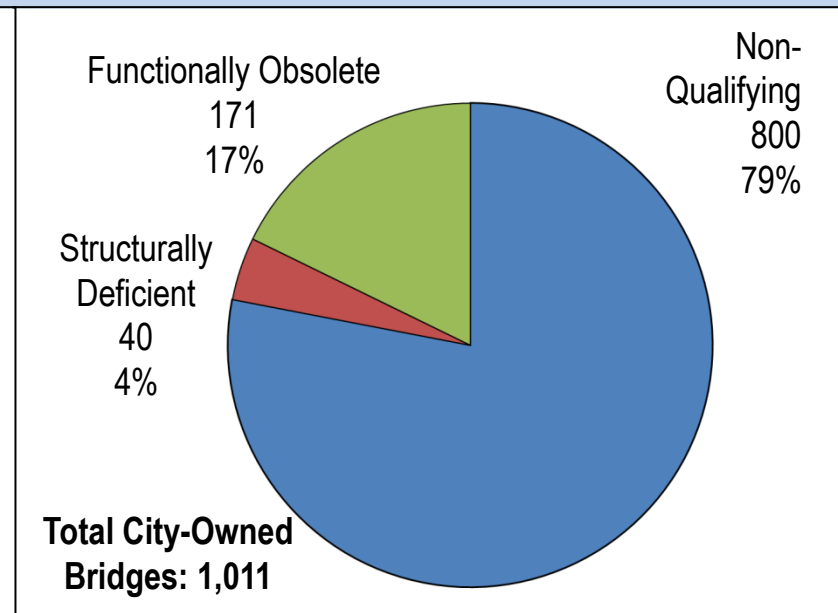
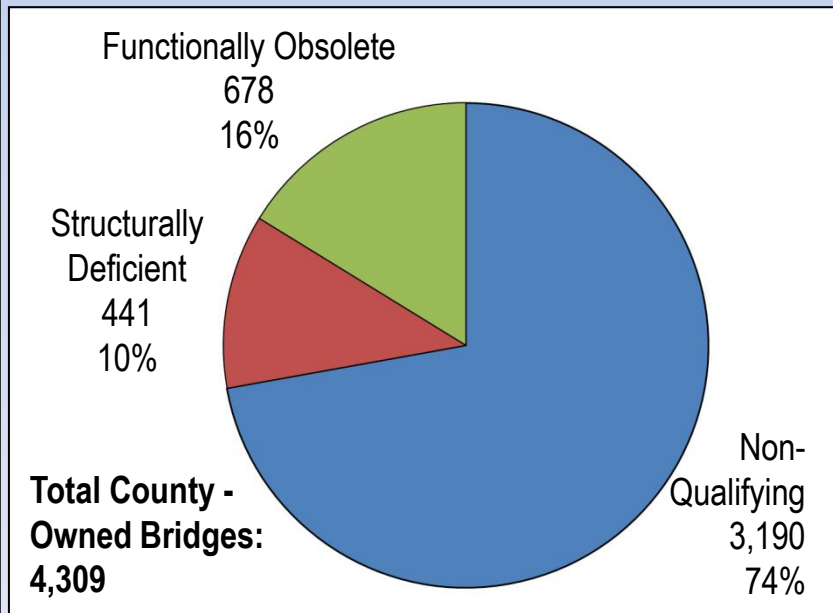
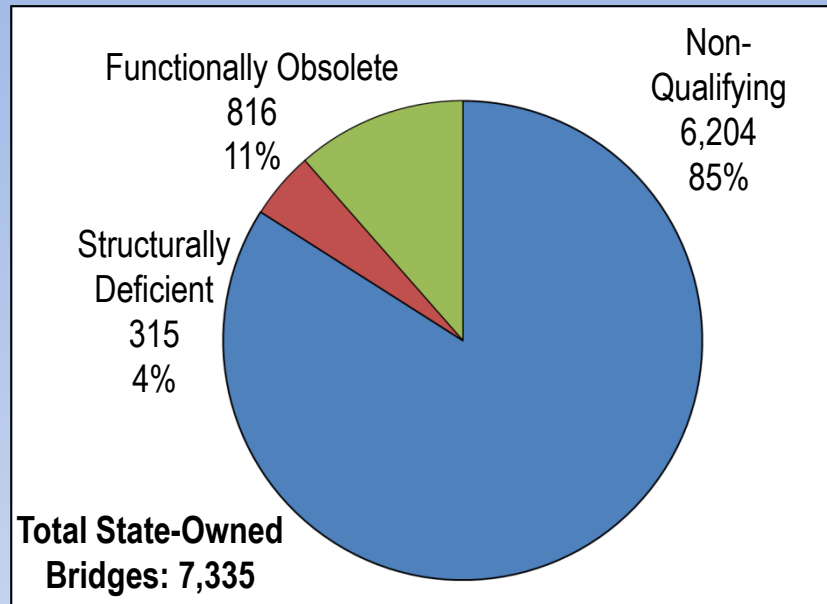


# Total Bridges in Arkansas





# Bridge Conditions in Arkansas



# Challenges

➤ **12<sup>th</sup>** largest system in the country

➤ **44<sup>rd</sup>** in highway revenue per mile.

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➤ **\$20.4 billion** in needs

➤ **\$3.6 billion** in available revenue



# Improvements vs. Revenues

## 10 Year Projection

| (x \$1 million)<br>(Revenue and Needs are in 2014 Dollars) |                    |
|------------------------------------------------------------|--------------------|
| <b>ESTIMATED FEDERAL-AID AND<br/>STATE REVENUE</b>         | <b>\$ 3,555</b>    |
| <b>NEEDS</b>                                               | <b>AMOUNT</b>      |
| PAVEMENT                                                   | \$ 3,060           |
| BRIDGES                                                    | \$ 1,102           |
| CAPACITY                                                   | \$ 2,880           |
| SAFETY                                                     | \$ 700             |
| EQUIPMENT                                                  | \$ 180             |
| FACILITIES                                                 | \$ 62              |
| ITS                                                        | \$ 27              |
| <b>SUB-TOTAL</b>                                           | <b>\$ 8,011</b>    |
| <b>CAPITAL IMPROVEMENT</b>                                 | <b>AMOUNT</b>      |
| FOUR LANE GRID SYSTEM                                      | \$ 11,300          |
| NEW LOCATION / NEW OR<br>MODIFIED INTERCHANGES             | \$ 820             |
| OTHER MAJOR WIDENING                                       | \$ 230             |
| <b>SUB-TOTAL</b>                                           | <b>\$ 12,350</b>   |
| <b>GRAND TOTAL</b>                                         | <b>\$ 20,361</b>   |
| <b>SHORTFALL</b>                                           | <b>\$ (16,806)</b> |



# Current Highway Funding Sources

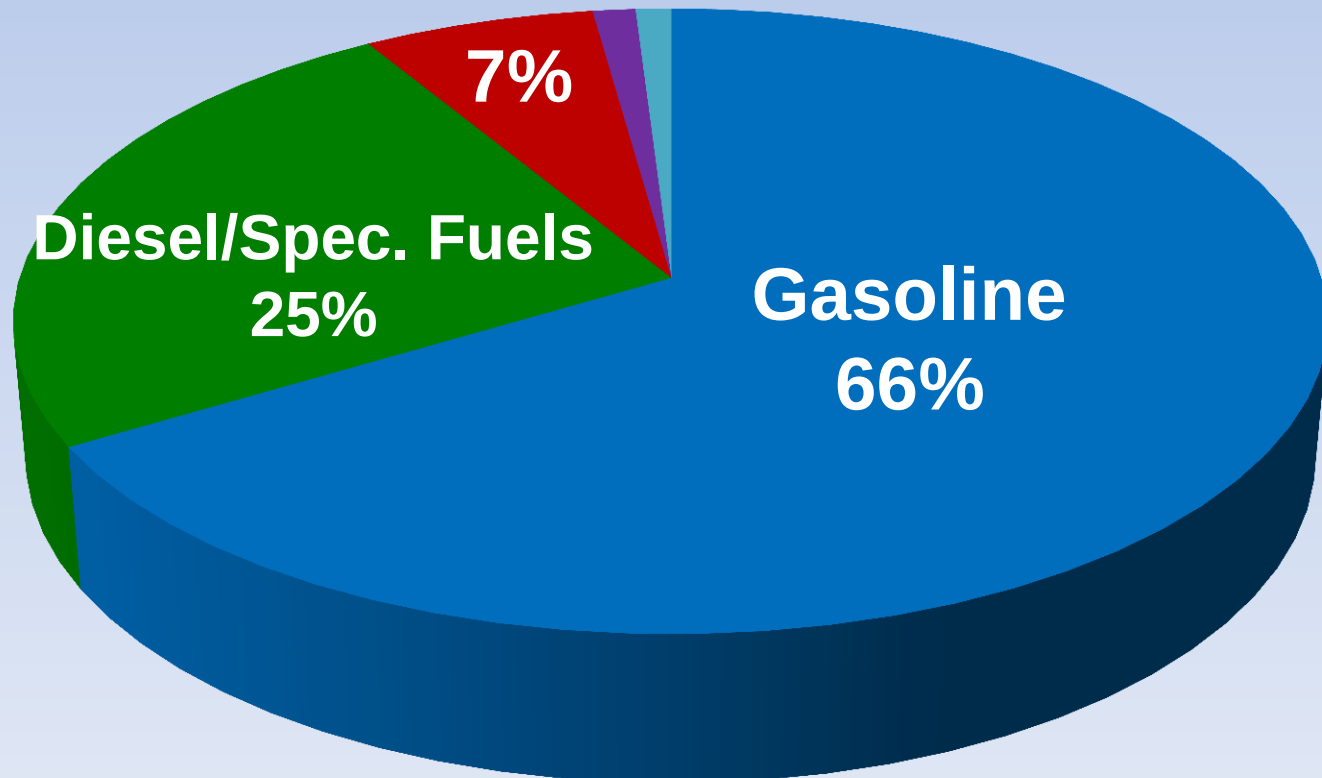
## Federal

Per-Gallon Motor Fuel Tax – 91%

**Truck/Bus/Trailer 7%**

**Tires 1.0%**

**Heavy Vehicle Tax 0.1%**





# Current Highway Funding Sources

## State

Per-Gallon Motor Fuel Taxes  
Vehicle Registration Fees  
License/Permit/Inspection Fees  
Severance Taxes  
Temporary Sales Tax Increase



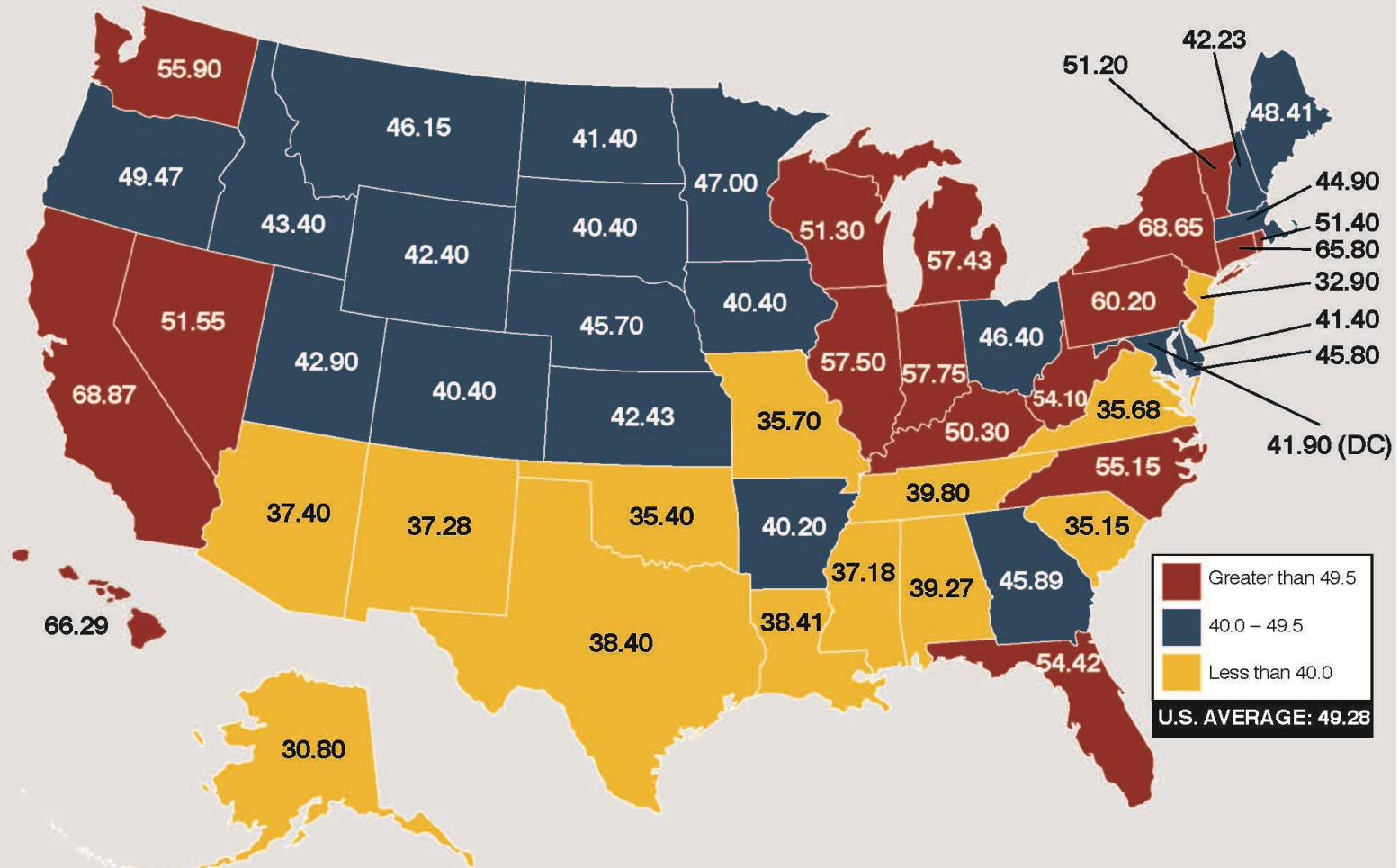
# State and Federal Gasoline Taxes



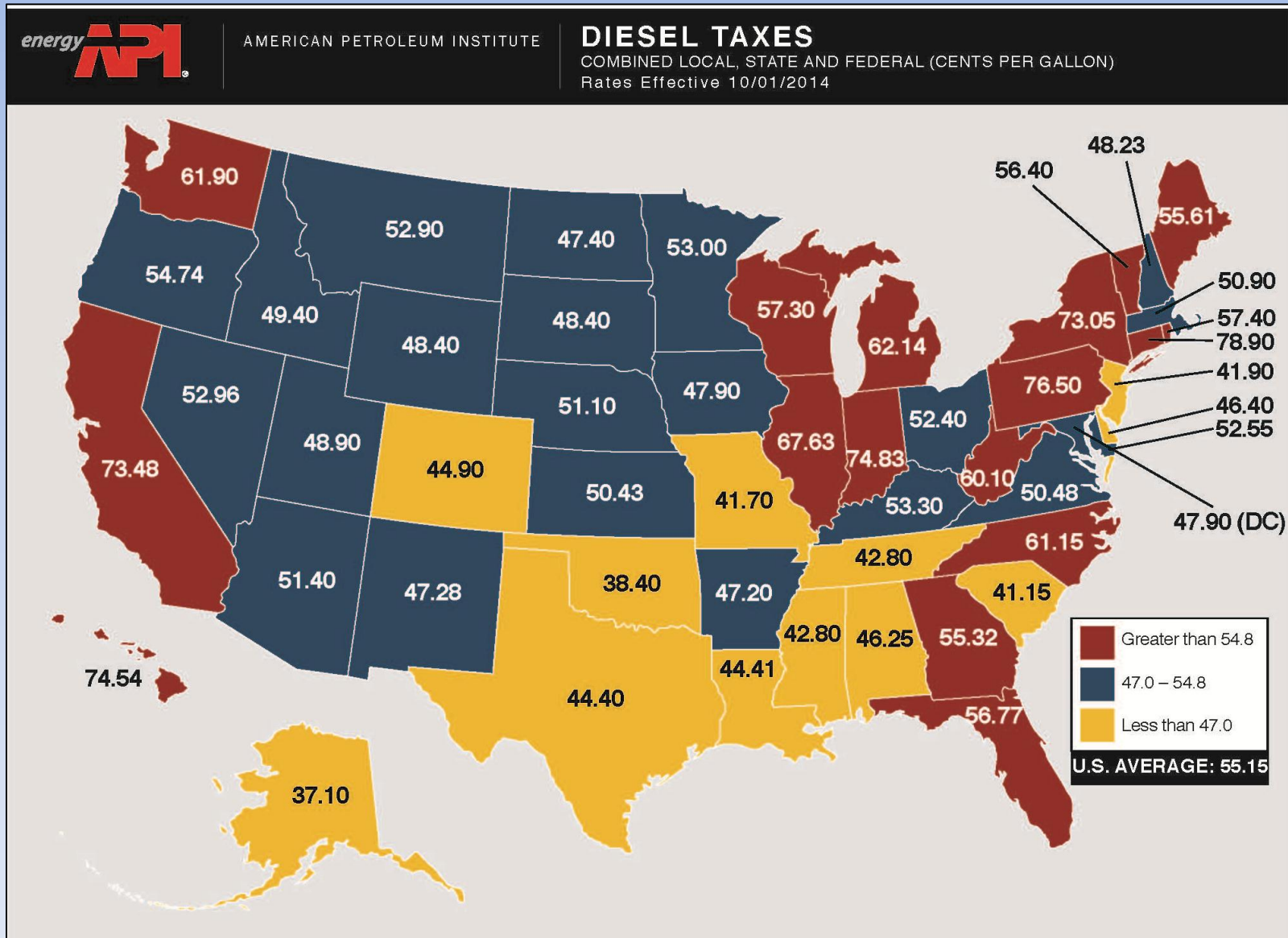
AMERICAN PETROLEUM INSTITUTE

## GASOLINE TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)  
Rates Effective 10/01/2014



# State and Federal Diesel Taxes





# Federal Legislation



- **Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21)**
  - Expired September 30, 2014

# **CRomnibus**

## **(Continuing Resolution/Omnibus Bill)**

**Highways      \$40.9 billion**

**Transit        \$ 2.2 billion**

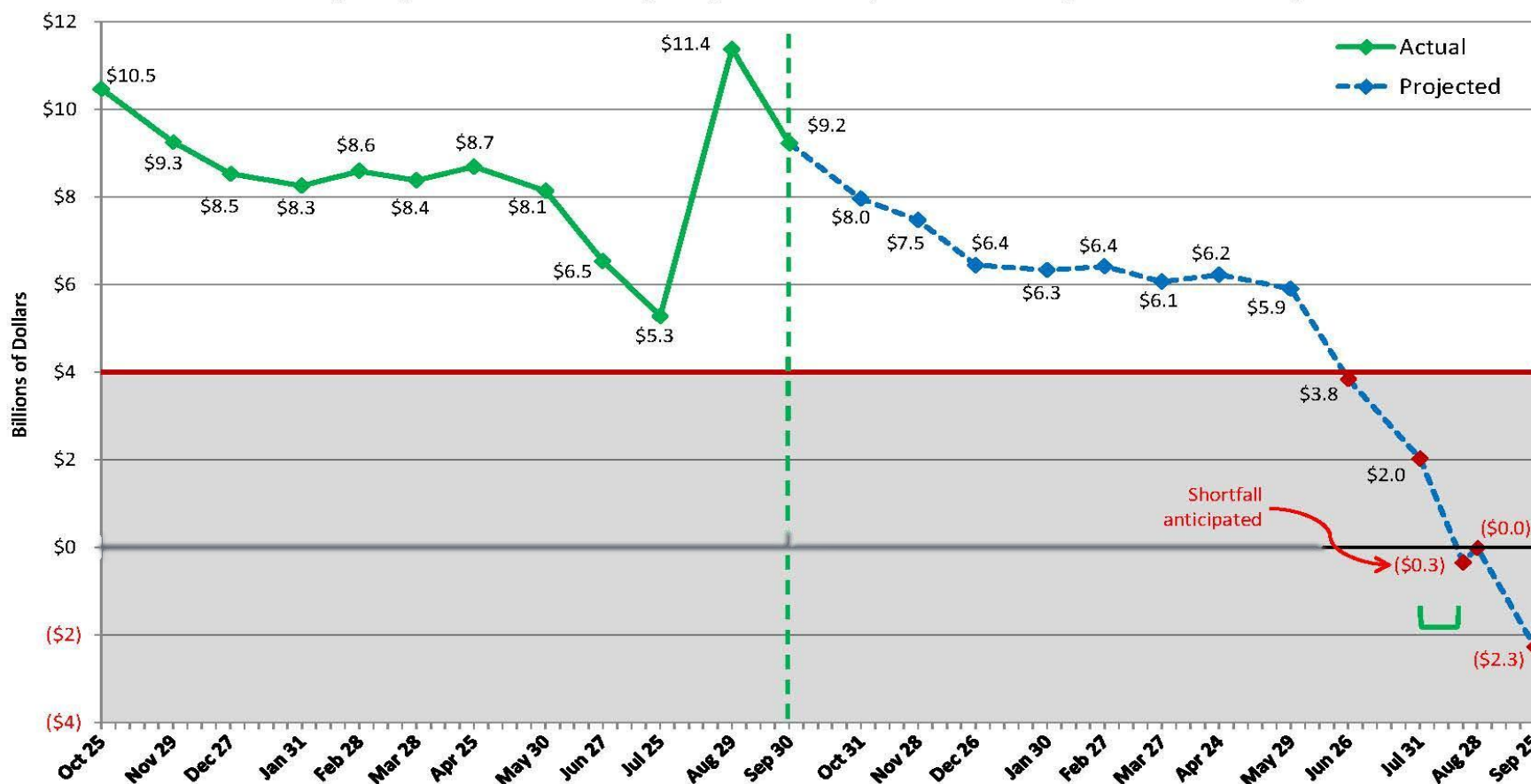
**Funds the Federal Government  
through**

**September 30, 2015**



# FY 2014 & FY 2015 Projected Estimates for End-of-Month Cash Balances (as of 9/30/14) <sup>1/ 2/ 3/ 4/</sup>

## Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



1/ Graph reflects actual data through 9/30/14 and end-of-month projections for FY 2015.

2/ Total receipt and outlay projections are based on FY 2015 Mid-Session Review assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

4/ The shaded area represents when the Highway Account balance drops below \$4 billion, at which point cash management procedures may become necessary.

Source: FHWA



# What is a STIP?

- Four-Year Improvement Program
- Lists Federally-Funded Transportation Projects Located Outside Metropolitan Planning Organization (MPO) Boundaries
- Financially Constrained

| R    | COUNTY       | RTE | TERMINI                             |
|------|--------------|-----|-------------------------------------|
| 01   | Miller       | 030 | Texas State Line-Hwy. 108 (S)       |
| 0310 | Miller       | 030 | Hwy. 108-Hwy. 67 (S)                |
| 0302 | Miller       | 030 | Hwy. 67-West of Red River (S)       |
| 0303 | Miller       | 030 | Red River-East & West (F)           |
| 0305 | Hempstead    | 030 | Hwy. 67-Sheppard (F)                |
| 0306 | Hempstead    | 030 | Sheppard-Hwy. 278 (S)               |
| 0702 | Clark        | 030 | Hwy. 26-Caddo River (F)             |
| 0602 | Saline       | 030 | Hwy. 70-West (West Bound Lanes) (S) |
| 0403 | Craw & Frank | 040 | Dyer-Cravens Creek (S)              |





# What is a STIP?

- Includes MPO's TIPs
- Submitted for Public Comment
- Approved by Highway Commission
- Identifies Federal Funding Categories for Planned Projects

**STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) FINANCIAL SUMMARY REPORT FOR FISCAL YEAR 2013**  
(x \$1 million)

**ESTIMATED STATE REVENUES**

|                                               | 2013           | 2014           |
|-----------------------------------------------|----------------|----------------|
| MOTOR FUEL & REGISTRATION FEES                |                |                |
| 4c DIESEL TAX - IRP                           | 367.5          | 376.5          |
| NATURAL GAS SEVERANCE TAX                     | 17.5           | 17.5           |
|                                               | 25.0           | 30.0           |
| <b>REVENUES</b>                               | <b>410.0</b>   | <b>424.0</b>   |
| <b>EXPENDITURES <sup>(1)</sup></b>            | <b>(285.1)</b> | <b>(298.7)</b> |
| <b>STATE FUNDS REMAINING FOR CONSTRUCTION</b> | <b>124.9</b>   | <b>125.3</b>   |

(1) INCLUDES FUNDS TO BE USED FOR MAINTENANCE AND OPERATIONS OF EXISTING SYSTEM

**FHWA FEDERAL FUNDING ALLOCATION**

| FUNDING CATEGORIES:                 | 2013        |           | 2014        |           | APPORTIONED |
|-------------------------------------|-------------|-----------|-------------|-----------|-------------|
|                                     | APPORTIONED | SCHEDULED | APPORTIONED | SCHEDULED |             |
| INTERSTATE MAINTENANCE              | 142.4       | 123.9     | 97.0        | 103.7     | 98.0        |
| 2011 INT REHAB BOND PROGRAM         | 225.0       | 222.2     | 200.0       | 204.3     | 150.0       |
| NATIONAL HIGHWAY SYSTEM             | 108.6       | 104.9     | 110.8       | 105.7     | 113.0       |
| SURFACE TRANSPORTATION              | 186.3       | 153.8     | 189.5       | 181.6     | 192.0       |
| CONGESTION MITIGATION & AIR QUALITY | 12.2        | 11.8      | 12.5        | 22.2      | 12.7        |
| HIGHWAY SAFETY                      | 22.9        | 22.7      | 23.3        | 26.6      | 23.8        |







**Blue Ribbon**  
Committee  
on Highway Finance  
[BlueRibbonHighways.com](http://BlueRibbonHighways.com)

## **FINAL REPORT**

**December 1, 2010**

Presented to:

The Honorable Mike Beebe, Governor  
House Interim Committee on Public Transportation  
Senate Interim Committee on Transportation, Technology and Legislative Affairs  
House Interim Committee on Revenue and Taxation  
Senate Interim Committee on Revenue and Taxation  
Arkansas Legislative Council  
Arkansas State Highway Commission  
Association of Arkansas Counties  
Arkansas Municipal League



# Revenue Proposals



- Reissue GARVEE Bonds for a New Interstate Rehabilitation Program
- Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program
- State Aid Program for Cities
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries



# Interstate Rehabilitation Program

**1999**

50 Projects | 360 Total Miles | \$1.0 Billion

Interstate Condition Improved From 21% 'Good' to 72%

**2011**

Passed With 81% of Vote

75 +/- Projects | 455 Total Miles | \$1.2 Billion

First Contracts Awarded in November 2012



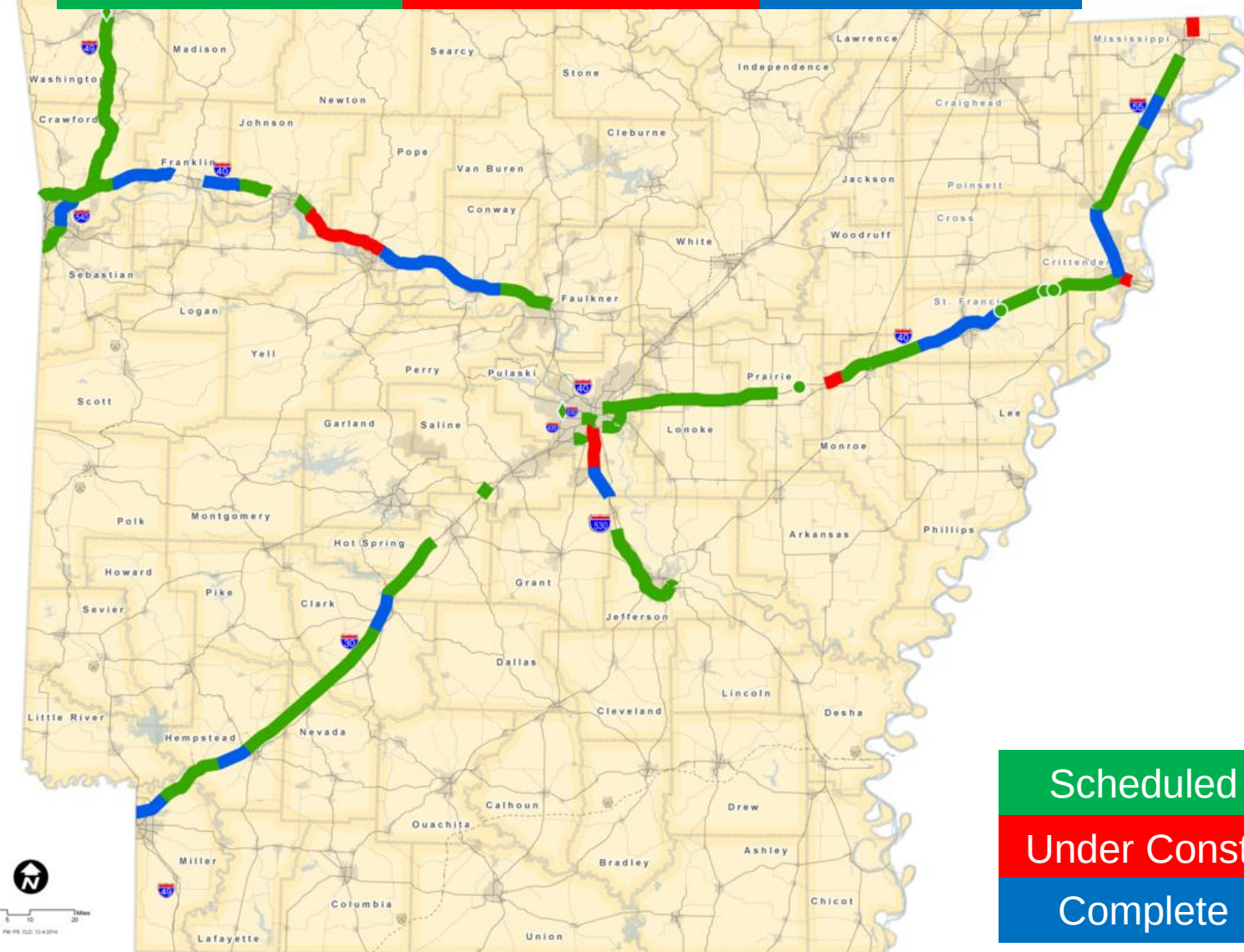


# Interstate Rehabilitation Program

**Scheduled: 57**  
Miles: 283  
Amount: \$750 m

**Construction: 7**  
Miles: 40  
Amount: \$205 m

**Complete: 15**  
Miles: 135  
Amount: \$268 m



**Scheduled**  
**Under Const.**  
**Complete**





# Revenue Proposals

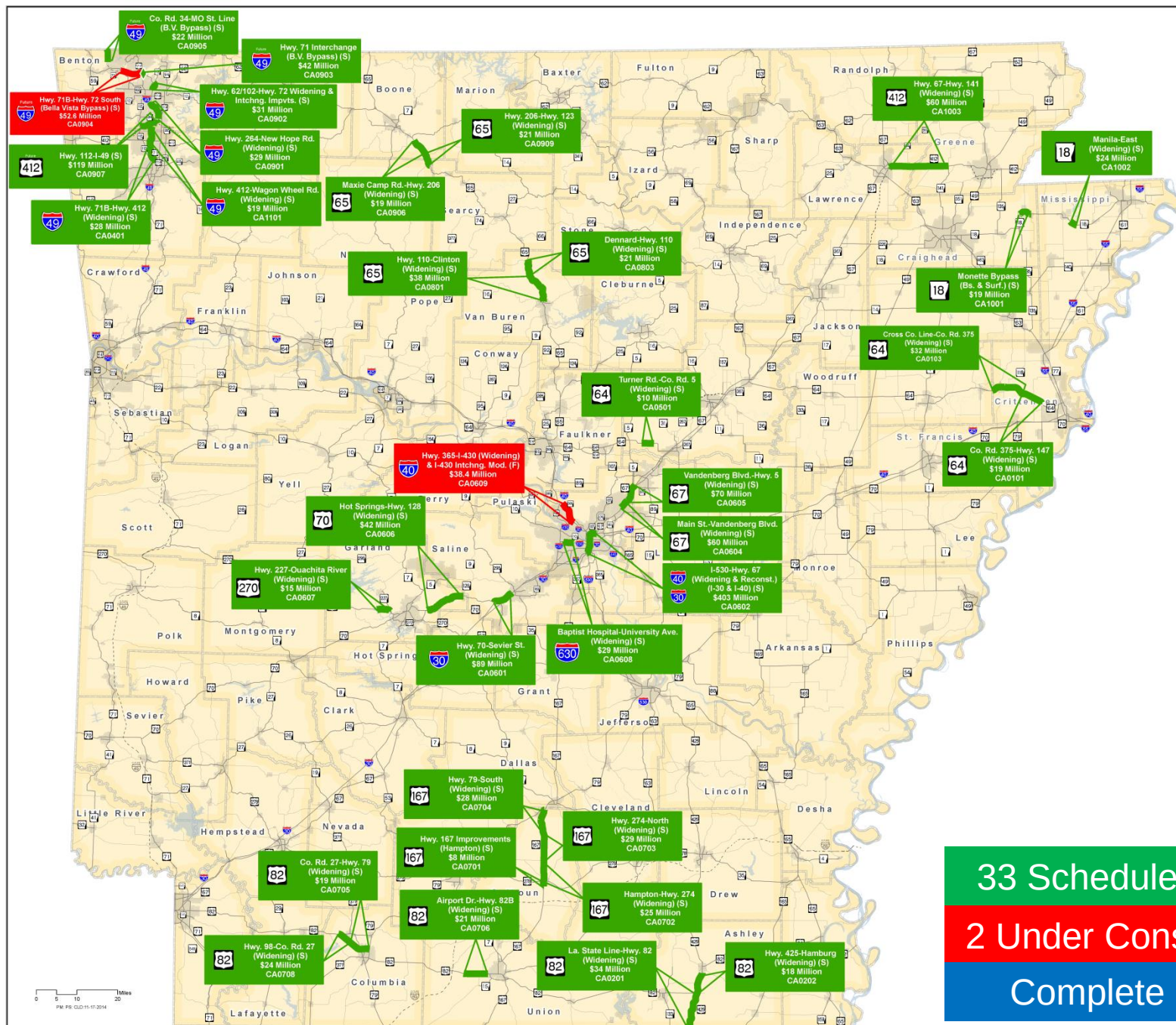


## Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program

- Passed November 2012 – 58% in favor
- Sunsets in 10 Years
- Short-term Bonds and Pay as You Go
- 35 Projects – 180 miles
- \$1.8 Billion Total Program



# Connecting Arkansas Program



33 Scheduled  
2 Under Const.  
Complete



0 5 10 20 Miles  
PW PS: CDD-11-11-2014

# Revenue Proposals



## State Aid Program for Cities

- Dedicate 1¢ Per Gallon of Existing Motor Fuel Tax
- Similar to County Aid Program
- Funds Distributed by 9-Member Panel
- Passed in 2011; Triggered by Issue #1 Vote





**11 Under Construction**  
**83 Completed**  
**94 Total**

# 94 Total





# Revenue Proposals



- Reissue **APPROVED** G42VEE Bonds for Interstate Rehabilitation Program
- Temporary **APPROVED** One-half Cent General Sales Tax to Fund a Multi-Year Construction Program
- State Aid **APPROVED** Programs for Cities
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries





“....70% of our highway, road and street funding comes from a consumption based tax, while it is a national goal to reduce consumption. The trend... is simply a losing proposition.

We're moving backward.”



# The Problem

Per-Gallon Tax is the **Primary Funding Source**  
for Highways



Fuel Consumption is **Declining**



Highway Revenues From Fuel are **Declining**





# Arkansas Travel Trends

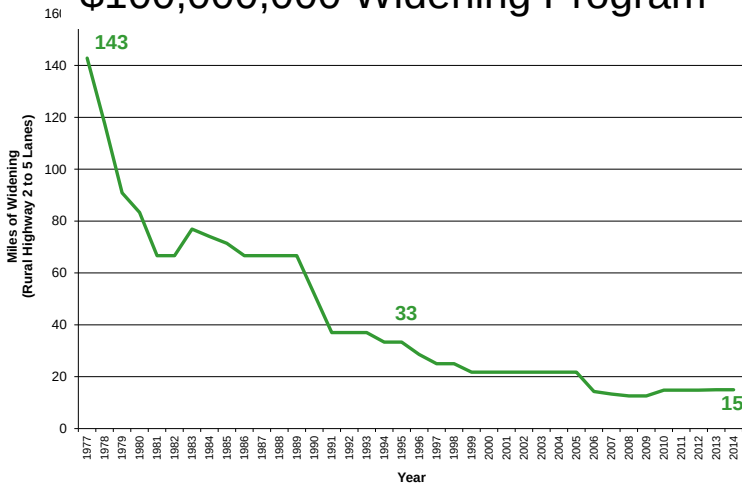
2007-2013

|                                     | 2007          | 2013          | Difference                                                                                       |
|-------------------------------------|---------------|---------------|--------------------------------------------------------------------------------------------------|
| <b>Gas &amp; diesel Consumption</b> | 2.087 billion | 2.001 billion |  86 million   |
| <b>Gas &amp; diesel Revenue</b>     | \$454 million | \$400 million |  \$54 million |
| <b>Miles Traveled</b>               | 32.4 billion  | 33.5 billion  |  1.1 billion  |

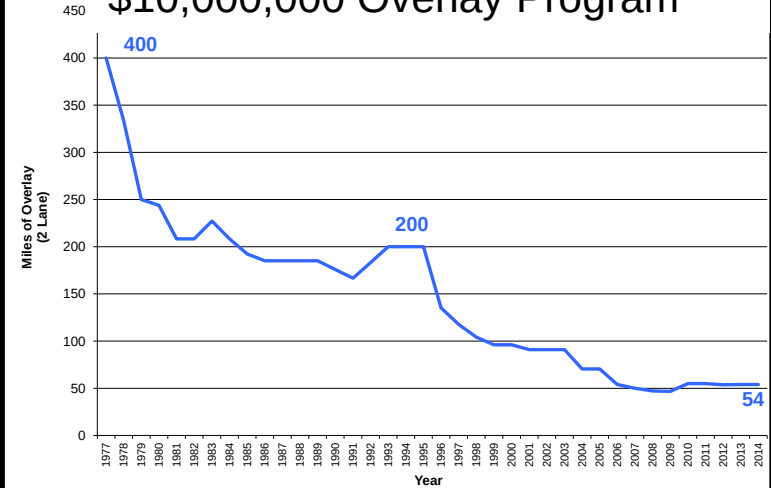


# Challenges

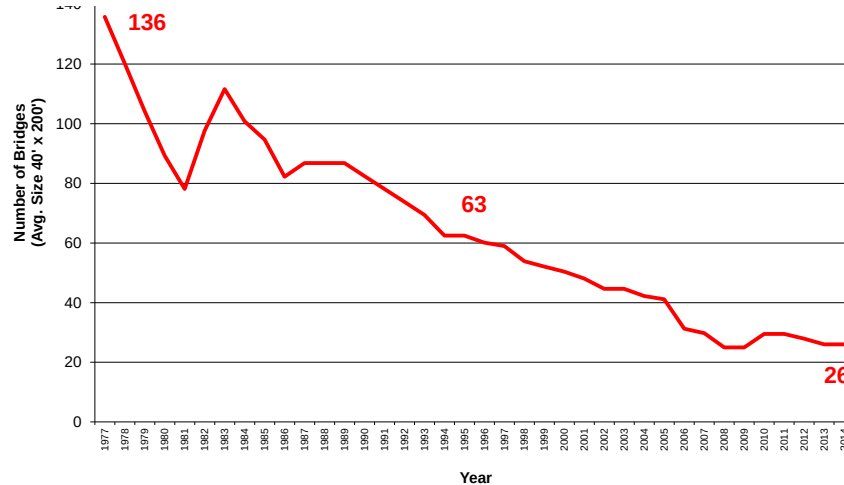
## \$100,000,000 Widening Program



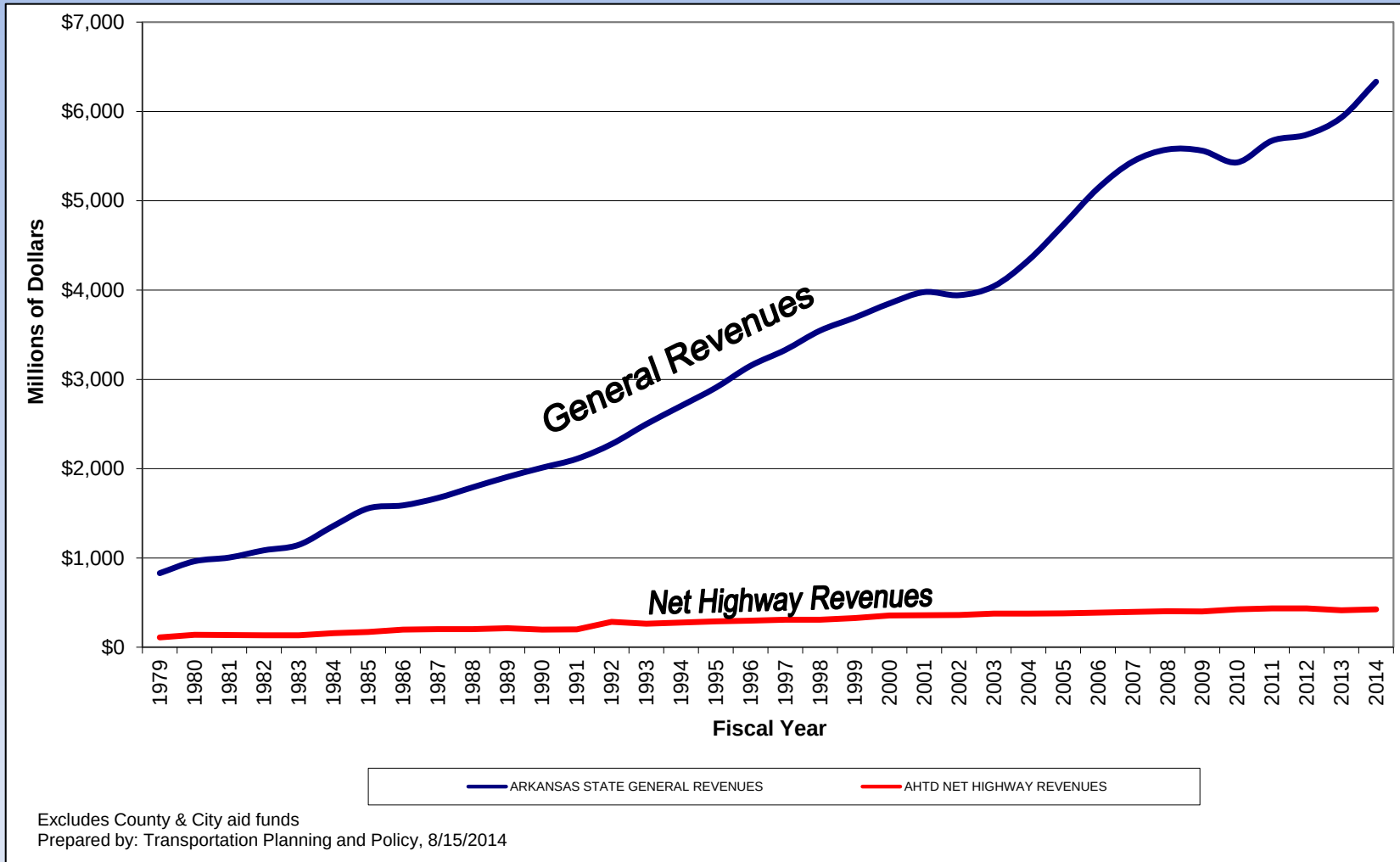
## \$10,000,000 Overlay Program



## \$25,000,000 Bridge Program



# State General Revenues vs. AHTD Net Highway Revenues





If you have any questions please contact us through our website  
or by e-mail at:

[ArkansasHighways.com](http://ArkansasHighways.com)

or

[info@arkansashighways.com](mailto:info@arkansashighways.com)