THE GOOD

THE BAD

THE UGLY
THE GOOD
Connecting Arkansas Program

- 35 Scheduled
- 3 Under Const.
- 0 Complete
Safety Improvements

Cable Median Barrier

Rumble Strips/Stripes
Other Improvements

Belly Plows Added to Fleet

Snow & Ice Removal Guide
2015 Legislative Session
AHTD Legislative Package Update

Oversize/Overweight
✓ PASSED: Act 594 of 2015

License Plate Scanners
✓ PASSED: Act 849 of 2015

Design-Build/Design-Build-Finance and Public-Private Partnerships
✓ PASSED: Act 704 of 2015
2015 Legislative Session
AHTD Legislative Package Update

Road User Revenue Distribution
✓ Withdrawn

Alternative Fuel Tax
✓ FAILED: Failed on House Floor
THE BAD
Arkansas Highway Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per-Gallon Fuel Tax</td>
<td>64%</td>
</tr>
<tr>
<td>Vehicle Registration</td>
<td>19%</td>
</tr>
<tr>
<td>License/Permit/Inspection Fees</td>
<td>6%</td>
</tr>
<tr>
<td>Severance Tax</td>
<td>11%</td>
</tr>
</tbody>
</table>
Federal Highway Trust Fund Tax Receipts

- Truck/Bus/Trailer: 7%
- Tires: 1.0%
- Diesel/Spec. Fuels: 25%
- Gasoline: 66%
- Heavy Vehicle Tax: 0.1%
<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2014</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>Gas &amp; diesel Consumption</td>
<td>2.095 billion</td>
<td>1.980 billion</td>
<td>-115 million</td>
</tr>
<tr>
<td>Gas &amp; diesel Revenue</td>
<td>$454 million</td>
<td>$392 million</td>
<td>-$62 million</td>
</tr>
<tr>
<td>Miles Traveled</td>
<td>32.4 billion</td>
<td>33.8 billion</td>
<td>+1.4 billion</td>
</tr>
</tbody>
</table>
Motor Fuels Tax Purchasing Power

37% Purchasing Power Loss by 2012

52% Purchasing Power Loss by 2023
Arkansas Highway & Transportation

Challenges

$100,000,000 Widening Program

$10,000,000 Overlay Program

$25,000,000 Bridge Program
1993 Hwy. Funding Breakdown

- State: 64%
- Fed: 36%
2014 Hwy. Funding Breakdown

Fed 56%
State 44%
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
FEDERAL HIGHWAY TRUST FUND
ESTIMATED FEDERAL HIGHWAY AND TRANSIT OBLIGATIONS WITH NO NET NEW REVENUE

Dollars in Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Highway Safety</th>
<th>Federal Aid Highway</th>
<th>Transit</th>
</tr>
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<tbody>
<tr>
<td>2012</td>
<td>9.9</td>
<td>38.1</td>
<td>6.2</td>
</tr>
<tr>
<td>2013</td>
<td>9.9</td>
<td>39.0</td>
<td>6.2</td>
</tr>
<tr>
<td>2014</td>
<td>10.0</td>
<td>40.0</td>
<td>6.2</td>
</tr>
<tr>
<td>2015</td>
<td>10.0</td>
<td>40.0</td>
<td>6.2</td>
</tr>
<tr>
<td>2016</td>
<td>4.0</td>
<td>0.1</td>
<td>1.0</td>
</tr>
<tr>
<td>2017</td>
<td>1.0</td>
<td>0.9</td>
<td>1.0</td>
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<tr>
<td>2018</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
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<tr>
<td>2019</td>
<td>4.1</td>
<td>6.2</td>
<td>1.0</td>
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<tr>
<td>2020</td>
<td>6.2</td>
<td>6.2</td>
<td>1.0</td>
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<tr>
<td>2021</td>
<td>6.2</td>
<td>6.2</td>
<td>1.0</td>
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<tr>
<td>2022</td>
<td>6.2</td>
<td>6.2</td>
<td>1.0</td>
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<tr>
<td>2023</td>
<td>6.2</td>
<td>6.2</td>
<td>1.0</td>
</tr>
<tr>
<td>2024</td>
<td>6.2</td>
<td>6.2</td>
<td>1.0</td>
</tr>
</tbody>
</table>
FEDERAL HIGHWAY TRUST FUND
ESTIMATED FEDERAL HIGHWAY AND TRANSIT OBLIGATIONS WITH NO NET NEW REVENUE
State General Revenue vs. AHTD Net Highway Revenue

General Revenue

Net Highway Revenue
The Bottom Line

- Highway funding system is flawed
- Spending inconsistent with expectations
- Infrastructure must be a higher priority
Impacts to Arkansas

2015
61 Projects Removed
$162 million

FFY 2015
120 Projects
$490 Million

FFY 2016
130 Projects
$520 Million
Pavement Deterioration

$12,000 to $65,000 per lane mile

$13,800 to $140,000 per lane mile

$85,000 to $465,000 per lane mile

$250,000 to $895,000 per lane mile

$640,000 to $1,500,000 per lane mile
Ranking #74

Chicot

Rutting: 0.34 inches
IRI: 213 inches / mile
Cracking: 42
PCI: 65
ADT: 170

Excellent | Good | Fair | Poor
Ranking #54

Rutting: 0.29 inches  IRI: 190 inches / mile
Cracking: 66  PCI: 67
ADT: 7,600

Excellent  Good  Fair  Poor
Ranking #3

Rutting: 0.58 inches  IRI: 313 inches / mile
Cracking: 62  PCI: 82
ADT: 200

Excellent Good Fair Poor
Ranking

#2

Rutting: 0.56 inches  IRI: 320 inches / mile
Cracking: 63  PCI: 82
ADT: 180

Excellent  Good  Fair  Poor
Ranking #1

Rutting: 0.69 inches  
IRI: 240 inches / mile

Cracking: 84  
PCI: 86

ADT: 80
Ramifications

- Projects pulled
- Highway system deterioration
- Lost economic development
- Lost jobs
- Compromised safety
- Higher operating costs
The Challenging
Vehicle Miles Traveled (VMT) Tax Pilot Program

Proposed 1.5 cent-per-mile tax in lieu of state motor fuels tax (21.5 cents per gallon)

Set out structure and basic information for the program

Program voluntary to first 5,000 people with passenger cars
Toll All Lanes with Three Collection Points

Open Road Tolling (Transponder, Video and Cash)

All Electronic Tolling (Transponder and Video)

Toll Rate: Passenger Vehicles – 9 cents per mile
Trucks – 27 cents per mile
Fuel Tax Increase

- Arkansas Fuel Taxes are consumption based
- More fuel efficient trucks mean less fueling
- Collected tax money declines
THE
GOOD
AHTD Administrative Costs Per Mile

National Average = $9,705/mile
Surrounding States’ Average = $4,905/mile
Arkansas = $2,024/mile
Arkansas’ Rank = 48th
## Employment Levels

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,634</td>
</tr>
<tr>
<td>2002</td>
<td>3,801</td>
</tr>
<tr>
<td>1992</td>
<td>4,016</td>
</tr>
<tr>
<td>1982</td>
<td>3,770</td>
</tr>
<tr>
<td>1972</td>
<td>3,892</td>
</tr>
<tr>
<td>1965</td>
<td>3,620</td>
</tr>
</tbody>
</table>
Commercial Truck Safety & Education Program

✓ Increased enforcement
✓ Regulatory compliance
✓ Industry training
✓ Educational programs
1.3 million new & returning visitors
3.6 million visits
73% use mobile phones & tablets
Social Media

1.9 million visits
February 16

236,093 users
47% new users
388,245 visits
Social Media
21,630 Followers

- Lane Closures
- Detours
- Accidents
- Severe Weather Advisories
<table>
<thead>
<tr>
<th>State Agency</th>
<th>Total Twitter Followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHTD</td>
<td>21,626</td>
</tr>
<tr>
<td>Game &amp; Fish</td>
<td>13,400</td>
</tr>
<tr>
<td>State Parks</td>
<td>9,697</td>
</tr>
<tr>
<td>State Police</td>
<td>6,595</td>
</tr>
</tbody>
</table>