Fixing America’s Surface Transportation (FAST) Act

• Authorizes 5 Years of Funding
  – Federal Fiscal Years (FFYs) 2016-2020

• $225.2 Billion for Highway Investment

• Over 5 Years:
  – $20.2 Billion Increase from FFY 2015
  – $250 Million Increase for Arkansas
• Additional State Highway Funds Needed to Match Federal Highway Funds

✔ Typically 80% Federal 20% State Funds
✔ Use or Lose
<table>
<thead>
<tr>
<th>Sources and Revenues:</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>AVG</th>
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</thead>
<tbody>
<tr>
<td>Motor Fuels and Registration Fees</td>
<td>$356.4</td>
<td>$358.2</td>
<td>$360.0</td>
<td>$361.8</td>
<td>$363.6</td>
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<tr>
<td>4¢ Diesel Tax - Committed to the Interstate Rehab. Program (IRP)</td>
<td>$16.5</td>
<td>$16.5</td>
<td>$16.5</td>
<td>$16.5</td>
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<tr>
<td>Natural Gas Severance Tax</td>
<td>$29.0</td>
<td>$29.7</td>
<td>$30.4</td>
<td>$31.2</td>
<td>$32.0</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$401.9</td>
<td>$404.4</td>
<td>$406.9</td>
<td>$409.5</td>
<td>$412.1</td>
<td>$407.0</td>
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</table>

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Maintenance</td>
<td>$221.8</td>
<td>$222.9</td>
<td>$224.0</td>
<td>$225.1</td>
<td>$226.3</td>
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<tr>
<td>Administration</td>
<td>$21.8</td>
<td>$21.9</td>
<td>$22.0</td>
<td>$22.1</td>
<td>$22.2</td>
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<tr>
<td>Operations</td>
<td>$26.2</td>
<td>$26.4</td>
<td>$26.5</td>
<td>$26.6</td>
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<tr>
<td>Budgeted Construction w/o Right of Way</td>
<td>$44.9</td>
<td>$45.1</td>
<td>$45.4</td>
<td>$45.6</td>
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<tr>
<td>IRP Debt Service</td>
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<td>$16.5</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$331.3</td>
<td>$332.8</td>
<td>$334.4</td>
<td>$336.0</td>
<td>$337.6</td>
<td>$334.5</td>
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</tbody>
</table>

| Total State Highway Funds Available for Highway Construction Program | $70.6  | $71.6  | $72.5  | $73.5  | $74.5  | $72.5 |

| Less Required State Highway Matching Funds for Federal Highway Funds | $116.7 | $119.4 | $121.9 | $124.8 | $127.8 | $122.1 |

| Shortfall in State Highway Matching Funds Needed for Federal Highway Funds | ($46.1) | ($47.8) | ($49.4) | ($51.3) | ($53.3) | ($49.6) |
Funding Challenges

• Additional State Highway Funds Needed to Match Federal Highway Funds
  ✓ Typically 80% Federal Hwy. Funds are Matched by 20% State Hwy. Funds
  ✓ Use or Lose

• Reduction in Annual State Highway Revenue Available to Match Federal Highway Funds
  ✓ Arkansas State Aid City Street Program - $ 14 M
  ✓ Increased Maintenance Budget - $ 18 M
  ✓ Declining Natural Gas Severance Tax Revenue - $ 11 M

Total Annual Reduction - $ 43 M
# Governor’s Working Group on Highway Funding

## #1 Increase Taxes Revenue Transfer
- Index Motor Fuel Tax
- Increase the Diesel Fuel Tax
- Phase-in Revenue Transfer Sales Tax on New and Used Vehicles
- Dedicate 3/8¢ of the Remaining 1/2¢ Sales Tax to Highways

## #2 Revenue-Neutral Strategies
- Redirect General Revenue Diesel Tax
- Rebate ½ ¢ Sales Tax Revenue from Constitutional and Fiscal Agencies
- Rebate the Sales Taxes on Construction Materials
- Offset School Desegregation Tax Reduction with a User Fee Increase

## #3 Increase Taxes Change User Fee Collection
- Inflation Adjustment and Indexing Motor Fuel Taxes
- Increase Motor Fuel Taxes
- 2017 – Consider Transition to Reportable Miles

## #4 Increase Taxes
- Eliminate the Sales Tax Exemption for Gasoline and Diesel
### Highway Funding Option Presented by Governor Hutchinson
#### 2016 Special Session

<table>
<thead>
<tr>
<th>Item</th>
<th>Source</th>
<th>2017  (x $1M)</th>
<th>2018  (x $1M)</th>
<th>2019  (x $1M)</th>
<th>2020  (x $1M)</th>
<th>2021  (x $1M)</th>
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<tbody>
<tr>
<td>Transfer 2015 Unobligated Funds</td>
<td>Surplus</td>
<td>$20.0</td>
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<tr>
<td>Transfer from Governor</td>
<td>Rainy Day Fund</td>
<td>$20.0</td>
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<tr>
<td>Transfer Sales Tax New &amp; Used Vehicles</td>
<td>General Revenue</td>
<td>$ 1.5</td>
<td>$ 8.0</td>
<td>$15.0</td>
<td>$20.0</td>
<td>$25.0</td>
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<td>Redirect Diesel Tax</td>
<td>General Revenue</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
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<td>Eliminate Deduction - Temporary ½ cent Sales Tax</td>
<td>State Central Services</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
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<td>$ 5.4</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$46.9</td>
<td>$16.1</td>
<td>$23.1</td>
<td>$28.1</td>
<td>$33.1</td>
</tr>
</tbody>
</table>

Estimate based on 10-Year Average

| Allocate 25% of General Improvement Funding        | Surplus                  | $48.0          | $48.0          | $48.0          | $48.0          | $48.0          |
| **Total**                                         |                          | $46.9          | $64.1          | $71.1          | $76.1          | $81.1          |
Interstate 49 Corridor
INTERSTATE 49 CORRIDOR
Interstate 49 Corridor
Benton & Washington Counties

- 1991 – High Priority Corridor
- Completed 1999
- $603 Million
- Bobby Hopper Tunnel
- April 2014 – Signed as I-49

Since 2005

**COMPLETED**
- 11 Projects
- 7.4 Miles
- $100 Million

**UNDER CONSTRUCTION**
- 4 Projects
- 13.6 Miles
- $109 Million

**SCHEDULED**
- 10 Projects
- 16.0 Miles
- $302 Million
Hwy. 62 – Wagon Wheel Road

- Completed
  - 3.0 Miles
  - $40 Million

- Under Construction
  - 7.2 Miles
  - $50 Million

- Scheduled
  - 2.5 Miles
  - $106 M
Interstate 49 Corridor
Widening & Interchange Improvements

Wagon Wheel Rd. – Hwy. 72

- **Completed**
  - 4.7 Miles
  - $26 Million

- **Under Construction**
  - $6 Million

- **Scheduled**
  - 8.5 Miles
  - $111 Million
Interstate 49 Corridor
New Location

Bella Vista Bypass

- **Completed**
  - 5.4 Miles
  - $34 Million

- **Scheduled**
  - 5.4 Miles
  - $69 Million

- **Under Construction**
  - 6.4 Miles
  - $53 Million

- **Draft STIP**
  - $50 Million
  - Ultimate Interstate
  - Contingent Upon Missouri
Interstate 49 Corridor
New Location

Co. Rd. 34-MO St. Line
(B.V. Bypass) (S)
Scheduled: TBD

Hwy. 72 North-Co. Rd. 34
(B.V. Bypass) (F)
Completed: 6-2015

Hwy. 71 Interchange
(B.V. Bypass)(S)
Scheduled: TBD

Hwy. 72 So.-Hwy. 72 No.
(Bella Vista Bypass) (F)
Completed: 4-2014

Hwy. 71B-Hwy. 72 South
(Bella Vista Bypass) (S)
Let: 2-2014
Other Highways of Interest

**COMPLETED**
- 203 Projects
- 309.1 Miles
- $471.1 Million

**UNDER CONSTRUCTION**
- 25 Projects
- 53 Miles
- $294.6 Million

**SCHEDULED**
- 68 Projects
- 141.7 Miles
- $578.2 Million
Highway 12

Hwy. 71B – Shell Road

✓ Under Construction

• Began November 2014
• Complete Late 2016
• 2.2 Miles
• $9 Million
Highway 62

Avoca-North Garfield
✓ Completed
  • 6.1 Miles
  • $23 Million
Highway 71B

Dixie land Rd. – 8th St.

✓ Scheduled 2018

- 1.0 Mile
- $5 Million - $10 Million
Highway 112 Corridor

- Fayetteville - Bentonville
- Study Adopted
- Major North/South Corridor
- Total Cost $90 Million to $140 Million
- Draft Statewide Transportation Improvement Program for Federal Fiscal Years 2016-2010 (STIP)

✓ Hwy. 112 Corridor Improvements
  - Preliminary Engineering / Right-of-Way
  - $13.0 Million
  - 2017
Highway 264 Corridor

- Under Construction
  - 1.4 Mile
  - $15 Million

- Scheduled
  - 0.6 Mile
  - $2 Million

- Draft STIP
  - $5 Million
Fayetteville - Rogers

- Completed
  - 3.1 Miles
  - $14 Million

- Under Construction
  - 4.0 Miles
  - $15 Million

- Draft STIP
  - 4.6 Miles
  - $23 Million
Springdale Bypass  (Hwy. 412)

- Hwy 112 – I-49
- Began Early 2015 / Complete Mid-2019
- $100.6 million
- Most Expensive Job in AHTD History
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD
Questions?