Legislation & Funding
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
## State Fiscal Years 2016-2020
### Estimated State Highway Revenue Analysis

#### Sources and Revenues:

<table>
<thead>
<tr>
<th>Source and Revenue</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>AVG</th>
</tr>
</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>
<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>TOTAL</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>
</tr>
</tbody>
</table>

#### Less Fixed Expenditures:

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>AVG</th>
</tr>
</thead>
<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>
<td>$26.8</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>
<td>$45.8</td>
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<tr>
<td>IRP Debt Service</td>
<td>$16.5</td>
<td>$16.5</td>
<td>$16.5</td>
<td>$16.5</td>
<td>$16.5</td>
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<tr>
<td>TOTAL</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
| #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 |
<p>| #4 Increase Taxes | • Eliminate the Sales Tax Exemption for Gasoline and Diesel |</p>
<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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</thead>
<tbody>
<tr>
<td>Transfer 2015 Unobligated Funds</td>
<td>Surplus</td>
<td>$20.0</td>
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<td></td>
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<tr>
<td>Transfer from Governor</td>
<td>Rainy Day Fund</td>
<td>$20.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Transfer Sales Tax New &amp; Used Vehicles</td>
<td>General Revenue</td>
<td>$ 1.5</td>
<td>$ 8.0</td>
<td>$15.0</td>
<td>$20.0</td>
<td>$25.0</td>
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<tr>
<td>Redirect Diesel Tax</td>
<td>General Revenue</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
</tr>
<tr>
<td>Eliminate Deduction - Temporary ½ cent Sales Tax</td>
<td>State Central Services</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
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<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td>$46.9</td>
<td>$16.1</td>
<td>$23.1</td>
<td>$28.1</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 |
|                                           |         | **Total** | $46.9 | $64.1 | $71.1 | $76.1 | $81.1 |

- **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
• 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
Interstate 49 Corridor Rehabilitation

I-40 - Hwy. 62 in Fayetteville

✓ Under Construction

• 28.4 Miles
• $22 Million
Interstate 49 Corridor
Widening & Interchange Improvements

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. 71B

✓ 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

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

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

- **Draft STIP**
  - $50 Million
  - Ultimate Interstate
  - Contingent Upon Missouri
Other Highways of Interest
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

Dixieland Rd. – 8th St.

✓ Scheduled

- 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 112 Corridor

Poplar Street – Interstate 49

☑ Draft STIP

- Widening 1.2 miles
- $6 Million
- 2019
Highway 264 Corridor

- Under Construction
  - 1.4 Mile
  - $15 Million

- Scheduled
  - 0.6 Mile
  - $2 Million

- Draft STIP
  - $5 Million
Highway 265 Corridor

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
# Federal Aid Projects

## Statewide

<table>
<thead>
<tr>
<th>Funding Program</th>
<th>Number of Projects</th>
<th>Total Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Alternatives Program (TAP)</td>
<td>71</td>
<td>$15,970,981</td>
</tr>
<tr>
<td>Safe Routes to School Program (SRTS)</td>
<td>8</td>
<td>$1,207,262</td>
</tr>
<tr>
<td>Recreational Trails Program (RTP)</td>
<td>28</td>
<td>$3,186,694</td>
</tr>
<tr>
<td><strong>All Programs Total</strong></td>
<td><strong>107</strong></td>
<td><strong>$20,364,937</strong></td>
</tr>
</tbody>
</table>

## Benton and Washington Counties

<table>
<thead>
<tr>
<th>Funding Program</th>
<th>Number of Projects</th>
<th>Total Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Alternatives Program (TAP)</td>
<td>10</td>
<td>$2,313,740</td>
</tr>
<tr>
<td>Safe Routes to School Program (SRTS)</td>
<td>2</td>
<td>$172,383</td>
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<tr>
<td>Recreational Trails Program (RTP)</td>
<td>2</td>
<td>$131,000</td>
</tr>
<tr>
<td><strong>All Programs Total</strong></td>
<td><strong>14</strong></td>
<td><strong>$2,617,123</strong></td>
</tr>
</tbody>
</table>
Partnering
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD
Questions?