“We are always yapping about the ‘Good Old Days’ and how we look away back and enjoy it, but I tell you there is a lot of hooey to it.”
– Will Rogers
• 1913 - First Arkansas Highway Commission Created
• No Highway Department / No Highway System
• First Highway Improvement Fund
• $10 Registration Fee / Vehicle - $72,000 Total Budget
• 50,000 Vehicles
• 36,000 Miles of Public Roads
The Twenties

- First Gas Tax – 1 cent per gallon
- Arkansas Highway Commission Changed Twice
- 1927 - All Road Improvement District miles and $100 Million in Debt Transferred to State

- 1929 – Highway Department Created
- 200,000 Vehicles
- 8,800 Miles State Highways (1,400 Paved)
The Thirties

- Magnet Truck, Picked up an average of 20 lbs of metal per mile
- Arkansas Highway Commission Changed Two More Times
- Gas Tax Raised to 6.5 cents per Gallon
  - 1960’s Before Next Increase
- 255,000 Vehicles
- 9,300 Miles State Highways (3,000 Paved)
The Forties

- World War II
- Arkansas Highway Commission Changed Two More Times
- Political Influence on Highways – Growing Discontent

Dillard’s Ferry, a hand-cranked operation, crossed the Buffalo River at Highway 14 from 1929-1958.

- 455,000 Vehicles
- 9,700 Miles State Highways (4,900 Paved)

Operation of the Henderson Ferry at Norfork Lake cost $117,981 for 1947-48. During this period 189,856 vehicles were ferried over at an average cost of 62¢ per vehicle.
The Fifties

- New Governor Elected – Promise to Improve Roads
- 1951 - Highway Audit Commission Report

✓ “the advice, counsel and expert know-how which is available from the Department’s own technical and administrative staffs bear scant weight indeed when they are in conflict with the political pressures and political promises of the moment.”

- Arkansas Highway Commission
  ✓ 9 Legislative Acts Restructuring Commission since 1913
- 1952 – Mack Blackwell Amendment
- Interstate Era
- 750,000 Vehicles
- 11,000 Miles State Highways (8,800 Paved)

Widening Hwy 67 near Malvern, 1956
The Sixties

- Legislature
  - Allowed Counties to Transfer County Roads to the Department as State Highways
  - Increase of 3,400 miles

- Arkansas – National Forefront in Interstate Construction/Completion

- 1.1 million Vehicles
- 14,500 Miles State Highways (13,000 Paved)
The Seventies

- 1.7 million Vehicles
- 16,000 Miles State Highways (15,000 Paved)

Debt Free

Legislative Action
- Legislators and County Judges “Each” Allowed to Transfer 12 miles of Local Roads
- Increased State Highway System 875 miles (550 unpaved)
- Created State Aid Road Construction Program

Arkansas Department of Highways renamed Arkansas Highway and Transportation Department – Expanded Authority

South Terminal Interchange

AHC Lawrence Blackwell burning bonds at a ceremony in 1975.

Toad Suck Ferry on Arkansas River at Highway 60, 1970

I-430 River Bridge, 1973
The Eighties

- 16,200 Miles State Highways (15,900 Paved)
- 2.0 million Vehicles

- Transportation Safety Agency Transferred to AHTD
- 1985 - Rural Road Program

Snow and ice removal costs reached $4 M, 1984

Transportation Safety Agency, 1989

East-West Arterial linking Hwy 270 W and Hwy 70 W in Hot Springs.
The Nineties

- 1991 – Highway Improvement Program
- 1993 – Federal Gas Tax
  - Gas Tax - 18.4 cents per gallon
  - Diesel Tax – 24.4 cents per gallon
  - Has Not Changed Since 1993
- 1999 – State Gas Tax
  - Gas Tax Raised 3 cents per gallon to 21.5 cents
  - Diesel Tax Raised 4 cents per gallon to 22.5 cents
- 1999 – Interstate Rehabilitation Program

1991 Highway Improvement Program planned to improve or replace approximately 560 bridges.

Dedication of I-540 and Bobby Hopper Tunnel, 1999
The New Millennium

Winter Weather in Dec 2000 and Jan 2001 cost almost $40 M.

Governor’s Working Group on Highway Funding

• 2011 – 2nd Interstate Rehabilitation Program
• 2012 – Connecting Arkansas Program

• Governor’s Working Group

3.0 million Vehicles
16,400 miles State Highways (16,400 Paved)

New White River Bridge on Hwy 64 at Augusta opened in 2001.
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
<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>
</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>
<td></td>
</tr>
<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>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$401.9</strong></td>
<td><strong>$404.4</strong></td>
<td><strong>$406.9</strong></td>
<td><strong>$409.5</strong></td>
<td><strong>$412.1</strong></td>
<td><strong>$407.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></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>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>$21.8</td>
<td>$21.9</td>
<td>$22.0</td>
<td>$22.1</td>
<td>$22.2</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$26.2</td>
<td>$26.4</td>
<td>$26.5</td>
<td>$26.6</td>
<td>$26.8</td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$331.3</strong></td>
<td><strong>$332.8</strong></td>
<td><strong>$334.4</strong></td>
<td><strong>$336.0</strong></td>
<td><strong>$337.6</strong></td>
<td><strong>$334.5</strong></td>
</tr>
</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 - $ 20 M

Total Annual Reduction - $ 52 M
An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.
## GOALS

<table>
<thead>
<tr>
<th>Needs</th>
<th>Net to AHTD (x $1 M)</th>
<th>Cumulative Amount (x $1 M)</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate/Short-Term (within 2 years)</td>
<td>$110</td>
<td>$110</td>
<td>• Critical Needs&lt;br&gt;• Match Federal Highway Funds&lt;br&gt;• Overlays</td>
</tr>
<tr>
<td>Mid-Term (within 3-5 years)</td>
<td>$140</td>
<td>$250</td>
<td>• Enhanced Maintenance Program&lt;br&gt;☑ Pavement Restoration of 50% of the State Highway System every 15-20 years</td>
</tr>
<tr>
<td>Long-Term (within 6-10 years)</td>
<td>$150</td>
<td>$400</td>
<td>• Enhanced Economic Development Program</td>
</tr>
<tr>
<td>Ultimate (10+ Years)</td>
<td>$1.68 Billion</td>
<td></td>
<td>• Economic Development Projects Completed&lt;br&gt;☑ I-49, I-69&lt;br&gt;☑ Four-lane Grid System&lt;br&gt;☑ State of Good Repair for Bridges and Pavement&lt;br&gt;☑ AHTD Equipment Fleet – Average Age 8 Years&lt;br&gt;☑ All AHTD Facilities Modernized</td>
</tr>
</tbody>
</table>
GOVERNOR’S WORKING GROUP ON HIGHWAY FUNDING

Short-Term Recommendation

December 15, 2015

Presented to:
The Honorable Asa Hutchinson, Governor

Compiled and drafted by:
Chairman Dustan Baker, State Budget Advisor
Tori E. Gaskins, Policy Advisor, Office of Governor Asa
## 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>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer 2015 Unobligated Funds</td>
<td>Surplus</td>
<td>$20.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Governor</td>
<td>Rainy Day Fund</td>
<td>$20.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
</tr>
<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>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$46.9</strong></td>
<td><strong>$16.1</strong></td>
<td><strong>$23.1</strong></td>
<td><strong>$28.1</strong></td>
<td><strong>$33.1</strong></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**    |
Funding Challenges

GOVERNOR’S PROPOSAL

SPECIAL SESSION

FAST ACT

THE FIXING AMERICA’S SURFACE TRANSPORTATION ACT
Funding Challenges

“Arkansas Works”

- Governor's health care reform
  - Special Session--April 6
  - Fiscal Session--April 13
Project Update
30 Crossing

- Design-Build Project
- Convergence of Six Major Interstates/Freeways:
  - I-30
  - I-530
  - I-440
  - I-630
  - I-40
  - Hwy. 67

- Major Components
  - Ark River Bridge Replacement
  - Capacity Improvements
  - Interchange Improvements
  - Ramp Modifications
Broadway Bridge

- Let to Contract 1920
- Completed 1923
- World War I Memorial
- $971,000
• Let to Contract September 2014
• Work Began January 2015
• $98.4 Million
I-30 / I-430 Interchange

• Phase I

✓ Let to Contract July 2014
✓ Completed April 2015
✓ $13.4 Million
✓ New Ramp Construction
✓ I-30 Frontage Road Widening

• Phase II

✓ Let to Contract December 2015
✓ Anticipated Complete October 2016
✓ $24.4 Million
✓ I-430 Widening
✓ I-430 Exit Ramp Widening
✓ New Ramp Construction
✓ I-30 Frontage Road Widening
State Highway 10

- Taylor Loop to Pleasant Valley Drive
- Improved Access to Interstate 430
- Capacity Improvements / Congestion Relief
- Draft Statewide Transportation Improvement Program
  Federal Fiscal Years 2016-2019

- $58.3 Million
- 2019
- Widen to 5 Lanes
- 19 miles
- $86 Million
- Estimated Letting Date: Late 2016
Interstate Rehabilitation Program

Under Construction:
1 Project
3 miles
$34 million

Scheduled:
4 Projects
6 miles
$66 million
Under Construction:
1 Project
5 miles
$38 million

Scheduled:
4 Projects
17 miles
$423 million
2016 Request for Proposals

• Design Build Finance
• On Call

✓ Design Services
✓ Right of Way Services
✓ Cultural Resource Services (Archaeology)
✓ Planning Services
Utilities in AHTD Right of Way

- Small, Rural Water Associations
- Small City Utilities
- Utilities Located in Department Right-of-Way
- Financially Unable to Relocate Utilities
  - County or City Partnership
    - Transfer Maintenance Ownership of State Highways to County or City
  - Department Loan – No Interest
Improving Arkansas’ Roads

What’s the role of an Engineer?

Planning

Design

Operations
Design Engineer
Operations Engineer
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com  @AHTD
Questions?