“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
• **First Commission Created**
  - No Highway Department
  - No Highway System

• 3,600 Vehicles - $72,000 Total Budget

• 36,000 Miles of Public Roads
The Twenties

- Highway System Created
- Highway Department Created
- First Gas Tax – 1 cent per gallon
- 200,000 Vehicles/8,800 highway miles (1,400 Paved)
- Highway Commission Structure Changed Twice
The Thirties

- Gas Tax Raised to 6.5 cents per Gallon
- 1960’s Before Next Increase
- 255,000 Vehicles; 9,300 Highway miles (3,000 Paved)
- Commission Structure Changed Two More Times
The Forties

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.

- **World War II – Major Influence**
- **455,000 Vehicles; 9,700 Highway Miles (4,900 Paved)**

- **Commission Structure Changed Two More Times**
- **Too much Political Influence on Highways – Growing Discontent**

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

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."

Interstate Era

- 750,000 Vehicles
- 11,000 Miles State Highways (8,800 Paved)
- 9 Legislative Acts Restructured Commission since 1913
- 1952 – Mack Blackwell Amendment

Widening Hwy 67 near Malvern, 1956
The Sixties

- No changes to Commission Structure
- Arkansas - National Forefront in Interstate Construction/Completion
- Legislature transferred 3,400 miles of County Roads to Highway System
- 1.1 million Vehicles; 14,500 Highway Miles (13,000 Paved)
The Seventies

- Department became Debt Free
  - Legislature transferred nearly 1,000 more miles of County Roads to Highway System
  - Department adds “Transportation” to its name—Authority Expanded
  - 1st State to Complete its Interstate System (1975)
  - 1.7 million Vehicles; 16,000 Highway Miles (15,000 Paved)
The Eighties

- 1985 – Rural Road Program – out of the mud
- Early Retirements – huge workforce turnover
- 2.0 million Vehicles; 16,200 Highway Miles
The Nineties

• 1991 – Highway Improvement Program
• 1993 – Last Federal Gas Tax Increase
• 1999 – Last State Gas Tax Increase
• 1999 – Interstate Rehabilitation Program – First Highway Bond Issue in 50 years
• I-540 (now I-49) and I-530 Completed
• 2.1 million Vehicles; 16,400 Highway Miles
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
- 3.0 million Vehicles; 16,400 miles State Highways

New White River Bridge on Hwy 64 at Augusta opened in 2001.
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
## ESTIMATED STATE HIGHWAY REVENUE ANALYSIS

**x $1,000,000**

<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>
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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><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>
<thead>
<tr>
<th>Less Fixed Expenditures:</th>
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<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>
<td></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><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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</table>

<table>
<thead>
<tr>
<th>Total State Highway Funds Available for Highway Construction Program</th>
<th>$70.6</th>
<th>$71.6</th>
<th>$72.5</th>
<th>$73.5</th>
<th>$74.5</th>
<th>$72.5</th>
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</table>

<table>
<thead>
<tr>
<th>Less Required State Highway Matching Funds for Federal Highway Funds</th>
<th>$116.7</th>
<th>$119.4</th>
<th>$121.9</th>
<th>$124.8</th>
<th>$127.8</th>
<th>$122.1</th>
</tr>
</thead>
</table>

| 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>
# 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>
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<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        |              |
| **Total**                                     |                         | **$46.9**    | **$64.1**    | **$71.1**    | **$76.1**    | **$81.1**    |
Funding Challenges
Funding Challenges

“Arkansas Works”

- Governor's Health Care Reform
  - Special Session--April 6
  - Fiscal Session--April 13
“When you realize the value of all life, you dwell less on what is past and concentrate more on the preservation of the future.”

-Dian Fossey
<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968-2012</td>
<td>US Highway 63, Interstate 55 to Jonesboro Upgraded to Interstate Standards 44 miles, $250 Million</td>
</tr>
<tr>
<td>1988-2010</td>
<td>$ 65 Million in Federal-aid Earmarks</td>
</tr>
<tr>
<td>1998</td>
<td>Designated as Congressionally Designated High Priority Corridor 39 from Interstate 55 to Marked Tree</td>
</tr>
<tr>
<td>2001</td>
<td>Designated as Future I-555</td>
</tr>
</tbody>
</table>
Obstacles

![Map of Obstacles]

- Northbound Detour Route
- Southbound Detour Route

Future I-555 Sign

Preferred Alternative (Alternative A)

Preferred Alternative (Alternative A1)

Payneway

Customwood Rd.
<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2016</td>
<td>“Future Interstate 555”</td>
</tr>
<tr>
<td>2015</td>
<td>$32 Million Frontage Road</td>
</tr>
<tr>
<td>May 2015</td>
<td>2015 First Extraordinary Session of the 90th General Assembly</td>
</tr>
<tr>
<td>Act 11</td>
<td>Exemption Language</td>
</tr>
<tr>
<td>December 2015</td>
<td>Arkansas State Highway Commission Adopted Minute Order</td>
</tr>
<tr>
<td>Designated</td>
<td>44 miles of U.S. Highway 63 as Interstate 555</td>
</tr>
<tr>
<td>December 2015</td>
<td>Fixing America's Surface Transportation (FAST) Act</td>
</tr>
<tr>
<td>Senator Boozman, Congressman Crawford and Commissioner Farmer</td>
<td>Exemption Language</td>
</tr>
<tr>
<td>February 2016</td>
<td>Final Approval Received from Federal Highway Administration</td>
</tr>
</tbody>
</table>
Projects of Regional Significance
I-555 Pavement Restoration

Draft 2016-2020 STIP
Pavement Preservation
$47.8 Million
Scheduled to begin in 2017
Highway 67

- Newport – Hwy. 226
- Hwy. 226 – Hwy. 63
  ✓ Opening Late 2016
- Walnut Ridge / Hoxie Bypass

GRAND TOTAL

44.5 Miles
$246 Million
Highway 226

- **Completed**
  - Highway 67 to Cash Bypass
  - 5.6 miles
  - $20 Million

- **Under Construction**
  - Cash Bypass to Highway 49
  - 6.8 miles
  - $62 Million
  - Estimated Complete mid-2016

- **GRAND TOTAL**
  - 12.4 Miles
  - $82 Million
Highway 18 Corridor

- **Completed**
  - 39 miles
  - $120 Million

- **Under Construction**
  - 15 miles
  - $52 Million
  - Monette-Manila
    - Late 2017
  - Hwy. 18 Improvements – Blytheville
    - Mid-2016

- **GRAND TOTAL**
  - 56.4 Miles
  - $212 Million
Highway 18 (Highland Ave.)

2016-2010 DRAFT STIP

✓ Intersection Improvements
  o Caraway Road
    o $3.5 Million
    o Federal Fiscal Year 2018
  o Main Street
    o $1.0 Million
    o Federal Fiscal Year 2019

✓ Burlington Northern Santa Fe RR Overpass
  o TIGER Grant with Local Match – $1.5 Million to begin Project Development
  o Construction Cost - $9.6 Million
  o Partnering with AHTD
  o Estimated Let Date: Late 2016
Highway 49

2016-2020 DRAFT STIP

✓ Widening
  o Highway 91 – Highway 351 South
    o $10.4 Million
    o Federal Fiscal Year 2019

✓ Interchange Improvements
  o Highway 91
    o $10.0 Million
    o Federal Fiscal Year 2019
  o Interstate 555
    o $7.0 Million
    o Federal Fiscal Year 2019
  o Parker Road
    o $2.0 Million
    o Federal Fiscal Year 2019

✓ GRAND TOTAL
  • 4 Miles
  • $30.5 Million
Highway 351

- Under Construction
  - Highway 351/Aggie Rd Roundabout

- Included in Draft 2016-2020 STIP:
  - Highway 49 – Pleasant View Dr. (Old Greensboro Rd.)
  - Highway 49 – South (Airport Rd.)
  - Highway 351 Railroad Overpass (Airport Rd.)
Highway 1B (Harrisburg Road)

- Included in Draft 2016-2020 STIP:
  - Widening
    - Parker Road – Forrest Hill Road
    - 0.26 mile
    - $2 Million
    - Federal Fiscal Year 2019
  - Pavement Preservation
    - Highway 18 - South
    - 3.03 miles
    - $800,000
    - Federal Fiscal Year 2017

- GRAND TOTAL
  - 3.3 Miles
  - $2.8 Million
Included in Draft 2016-2020 STIP

$10 Million (Project Development)

Scheduled for 2020

Potential Partnering Project
Highway 91 (Johnson Ave.)

Pedestrian Safety Improvements

- Partnering Project
  - AHTD
  - City of Jonesboro
  - ASU
    - 4 Pedestrian Islands
    - $151,000
2015 Road User Related Tax Revenue

Total Road User Revenue Collected = $1.12 Billion

- Motor Fuel Taxes: $438.40 M
- New Vehicles: $214.03 M
- Used Vehicles: $98.33 M
- Auto Repair: $106.44 M
- Registration Fees: $122.26 M
- Retail Tire Sales: $13.41 M
- Miscellaneous: $49.43 M
- Natural Gas Severance Tax: $74.25 M

Road/Highway Revenue: 61%

General Revenue: 39%
Total Road User Revenue Collected = $1.12 Billion

AHTD Road User Revenue = $435.7 M = 39%
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD