Legislation
Governor’s Working Group on Highway Funding

January 19, 2016
Press Conference
## Act 1 - Arkansas Highway Improvement Plan of 2016

### 2016 Special Session

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Funds from the FY15 Unobligated Surplus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide Governor's Rainy Day Funds</td>
<td>20.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue from Sales Tax on New and Used Vehicles</td>
<td>1.5</td>
<td>8.0</td>
<td>15.0</td>
<td>20.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Securities Reserve Fund</td>
<td>1.5</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Redirect the $4 Million of the Diesel Tax that goes to General Revenue to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways (70/30 split)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Eliminate the State Central Services Deduction from 1/2 Cent Sales Tax</td>
<td></td>
<td></td>
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<tr>
<td>(70/30 split)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Totals 2016 Special Session</strong></td>
<td>46.9</td>
<td>28.1</td>
<td>28.1</td>
<td>28.1</td>
<td>28.1</td>
</tr>
</tbody>
</table>

### Potential in Future Years

<table>
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<tr>
<th>Description</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocate up to 25% of Future GIF to Highways (Estimate Based on 10 Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals 2016 Special Session and Potential in Future Years</strong></td>
<td>46.9</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
</tr>
</tbody>
</table>
• Rule Review
• Reporting
• Structured Communication
Fixing America’s Surface Transportation (FAST) Act

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

• $225.2 Billion for Highway Investment

• $250 Million Increase for Arkansas over 5 Years
  – $250 Million Increase from FFY 2015
## STATE FISCAL YEARS 2016-2020
### ESTIMATED STATE HIGHWAY REVENUE ANALYSIS

$x \times $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>
<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>$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:                   |       |       |       |       |       |       |
| Maintenance                                | $221.8| $222.9| $224.0| $225.1| $226.3|       |
| Administration                             | $21.8 | $21.9 | $22.0 | $22.1 | $22.2 |       |
| Operations                                 | $26.2 | $26.4 | $26.5 | $26.6 | $26.8 |       |
| Budgeted Construction w/o Right of Way     | $44.9 | $45.1 | $45.4 | $45.6 | $45.8 |       |
| IRP Debt Service                           | $16.5 | $16.5 | $16.5 | $16.5 | $16.5 |       |
| **TOTAL**                                  | $331.3| $332.8| $334.4| $336.0| $337.6| $334.5|

<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>
</tr>
</thead>
<tbody>
<tr>
<td>Less Required State Highway Matching Funds for Federal Highway Funds</td>
<td>$116.7</td>
<td>$119.4</td>
<td>$121.9</td>
<td>$124.8</td>
<td>$127.8</td>
<td>$122.1</td>
</tr>
<tr>
<td><strong>Shortfall in State Highway Matching Funds Needed for Federal Highway Funds</strong></td>
<td>($46.1)</td>
<td>($47.8)</td>
<td>($49.4)</td>
<td>($51.3)</td>
<td>($53.3)</td>
<td>($49.6)</td>
</tr>
</tbody>
</table>
Prior to the FAST Act

- $410
- $490

$100 Million Difference

After the FAST Act and Special Session

- $460
- $540
Fuel excise taxes

Highway programs are funded in part with revenue from per-gallon excise taxes on gasoline and diesel. Arkansas and surrounding states also use general revenue on highways. This map shows the gasoline and diesel excise taxes per gallon in Arkansas and surrounding states.

<table>
<thead>
<tr>
<th>State</th>
<th>Gas Excise Tax (cents)</th>
<th>Diesel Excise Tax (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MO</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>OKLA.</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>ARK.</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>MISS.</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>TENN.</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>TEXAS</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

FEDERAL EXCISE TAX

- Gasoline: 18.4 cents per gallon
- Diesel: 24.4 cents per gallon

NATIONAL AVERAGE EXCISE TAX

- Gasoline: 23 cents per gallon
- Diesel: 24 cents per gallon

SOURCES: Arkansas Highway and Transportation Department, U.S. Energy Information Administration

Arkansas Democrat-Gazette
Revenue other than motor fuel excise taxes, registration fees and severance tax. Does not include temporary 1/2¢ sales tax.

Texans voted to direct up to $2.5 billion per year from the state sales tax to highways. (Begins FY 2018)

*Revenue other than motor fuel excise taxes, registration fees and severance tax. Does not include temporary 1/2¢ sales tax.

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AHTD Quick Facts

3rd Largest State Agency
(3,634 Employees)

Maintains
16,418 miles of Highway
7,335 Bridges

Central Offices in Little Rock

10 Districts Statewide

Mission:
Provide a safe, efficient, aesthetically pleasing and environmentally sound intermodal transportation system for the user.
12th in the Nation for Number of Highway Miles

16,418
43rd in the Nation for Revenue per Mile

$76,310

$33,000 to $75,000

$75,000 to $150,000

$150,000 to $250,000

$250,000 to $500,000

$500,000 +

**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
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
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
Job BB0414
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
Bella Vista Bypass Roundabout
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
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 – Van Asche Dr.

- Draft STIP
  - Widening 1.6 miles
  - $6.4 Million
  - 2018
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

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<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>
</tr>
<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>
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</table>
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD
Questions?