Prior to 1913

“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
The Teens

• **First Commission Created**
  ✓ **No Highway Department**
  ✓ **No Highway System**

• **$72,000 Total Budget**

• **36,000 Miles of Public Roads**
The Thirties and Forties

- Gas Tax Raised to 6.5 cents per Gallon
- Magnet Truck, Picked up an average of 20 lbs of metal per mile
- Commission Structure Changed Two More Times
- 9,700 Highway Miles (4,900 Paved)

- 1960’s Before Next Increase
- Too much Political Influence on Highways – Growing Discontent
- Commission Structure Changed Two More Times
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

• 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 and Seventies

- No changes to Commission Structure
- Department became Debt Free
- Legislature transferred nearly 4,400 more miles of County Roads to Highway System
- Department adds “Transportation” to its name – Authority Expanded
- 1st State to Complete its Interstate System (1975)
- 16,000 Highway Miles (15,000 Paved)
The Eighties and Nineties

- 1985 – Rural Road Program – out of the mud
- Early Retirements – huge workforce turnover
- 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
- 16,400 Highway Miles
Winter Weather in Dec 2000 and Jan 2001 cost almost $40 M.

- Governor’s Working Group on Highway Funding
- New White River Bridge on Hwy 64 at Augusta opened in 2001.

- 2011 – 2nd Interstate Rehabilitation Program
- 2012 – Connecting Arkansas Program
- 16,400 miles State Highways

The New Millennium
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
January 19, 2016
Press Conference

Annual Percent of General Revenue Used for Highway Funding*

- Arkansas: 0.01%
- Arizona: 6.4%
- Louisiana: 51.2%
- Mississippi: 10.0%
- Missouri: 37.3%
- Oklahoma: 64.0%
- Tennessee: 10.0%

*Reported in Cents Per Gallon
Act 1 - Arkansas Highway Improvement Plan of 2016

- Rule Review
- Reporting
- Structured Communication
Prior to the FAST Act

$410

$490

After the FAST Act and Special Session

$460

$540

$100 Million Difference
Local Projects
Interstate 530

Under Construction
- 5.1 miles
- $29.8 million

Completed
- 29.1 miles
- $132.8 million

Scheduled
- 11.8 miles
- $50-75 million
Jefferson County

Completed

- 11.7 miles
- $10.9 million

Scheduled

- 2.4 miles
- $35-40 million
Pine Bluff

Completed

- 7.1 miles
- $23 million

Scheduled

- 2.4 miles
- $35-40 million
## Summary of Needs vs Revenue

<table>
<thead>
<tr>
<th></th>
<th>AMOUNT (x $1 M)</th>
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<tbody>
<tr>
<td><strong>ESTIMATED REVENUE</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Federal-aid + State</td>
<td>4,415</td>
</tr>
<tr>
<td><strong>TOTAL NEEDS</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS</td>
<td>9,001</td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
<td>(4,586)</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Revenue Not Currently Dedicated to Routine Maintenance, Administration and Operations

<sup>(2)</sup> Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors
Average Monthly Household Expenditures

- Electricity/Gas: $160.00
- TV/Internet: $124.00
- Roads: $46.00
- Telephone: $161.00
Utilities

Rates increase when costs increase
Gas Tax Increase

FEDERAL
Takes an Act of Congress

STATE
Either Legislation, or a Vote of the People
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%
2015 Road User Related Tax Revenue

Total Road User Revenue Collected = $1.12 Billion

AHTD Road User Revenue
= $435.7 M = 39%
12th in Number of Miles

16,411 miles
**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.

**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.

Texas 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.

**Texans voted to direct up to $2.5 billion per year from the state sales tax to highways. (Begins FY 2018)**
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD