A little history!
“We are always yapping about the ‘Good Old Days’ and how we look back and enjoy it, but I tell you there is a lot of hooey to it.”

– Will Rogers
The Teens

Highway 71 near Bella Vista

- First Commission Created
  - No Highway Department
  - No Highway System
- $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
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.

- **Gas Tax Raised to 6.5 cents per Gallon**
  - 1960’s Before Next Increase

- **Commission Structure Changed Two More Times**

- **9,700 Highway Miles (4,900 Paved)**

- **Commission Structure Changed Two More Times**

- **Too much Political Influence on Highways – Growing Discontent**

Magnet Truck, Picked up an average of 20 lbs of metal per mile.
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
The New Millennium

- Winter Weather in Dec 2000 and Jan 2001 cost almost $40 M.
- Governor’s Working Group

- New White River Bridge on Hwy 64 at Augusta opened in 2001.

- 2011 – 2nd Interstate Rehabilitation Program
- 2012 – Connecting Arkansas Program
- 2016 – Highway Improvement Plan

- 16,400 miles State Highways
Current 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

- $250 Million Increase for Arkansas over 5 Years
  - $250 Million Increase from FFY 2015
## State Fiscal Years 2016-2020
### Estimated State Highway Revenue Analysis

*Multiplied by $1,000,000*

### Sources and Revenues:

<table>
<thead>
<tr>
<th>Source Description</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>

### Less Fixed Expenditures:

<table>
<thead>
<tr>
<th>Expenditure Description</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>
<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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$70.6</td>
</tr>
<tr>
<td>2017</td>
<td>$71.6</td>
</tr>
<tr>
<td>2018</td>
<td>$72.5</td>
</tr>
<tr>
<td>2019</td>
<td>$73.5</td>
</tr>
<tr>
<td>2020</td>
<td>$74.5</td>
</tr>
<tr>
<td><strong>Avg</strong></td>
<td><strong>$72.5</strong></td>
</tr>
</tbody>
</table>

### Less Required State Highway Matching Funds for Federal Highway Funds

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$116.7</td>
</tr>
<tr>
<td>2017</td>
<td>$119.4</td>
</tr>
<tr>
<td>2018</td>
<td>$121.9</td>
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<tr>
<td>2019</td>
<td>$124.8</td>
</tr>
<tr>
<td>2020</td>
<td>$127.8</td>
</tr>
<tr>
<td><strong>Avg</strong></td>
<td><strong>$122.1</strong></td>
</tr>
</tbody>
</table>

### Shortfall in State Highway Matching Funds Needed for Federal Highway Funds

<table>
<thead>
<tr>
<th>Year</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$(46.1)</td>
</tr>
<tr>
<td>2017</td>
<td>$(47.8)</td>
</tr>
<tr>
<td>2018</td>
<td>$(49.4)</td>
</tr>
<tr>
<td>2019</td>
<td>$(51.3)</td>
</tr>
<tr>
<td>2020</td>
<td>$(53.3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>($49.6)</strong></td>
</tr>
</tbody>
</table>
# 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>Long Term Reserve Fund (formerly named Arkansas Rainy Day Fund)</td>
<td>40.0</td>
<td></td>
<td></td>
<td></td>
<td></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>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Eliminate the State Central Services Deduction from 1/2 Cent Sales Tax</td>
<td></td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
<td>5.4</td>
</tr>
<tr>
<td>(70/30 split)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sub-Totals 2016 Special Session**

| Sub-Totals 2016 Special Session | 46.9 | 28.1 | 28.1 | 28.1 | 28.1 |

## Potential in Future Years

<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>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>48.0</td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
<td></td>
</tr>
</tbody>
</table>

**Totals 2016 Special Session and Potential in Future Years**

| Totals 2016 Special Session and Potential in Future Years | 46.9 | 76.1 | 76.1 | 76.1 | 76.1 |
Funding

Prior to the FAST Act

- Federal: $410
- State: $490

After the FAST Act and Special Session

- Federal: $460
- State: $540

$100 Million Difference
12th in Number of Miles

16,411 miles
40th in Revenue Per Mile

$70,525

$35,000 to $75,000
$75,000 to $150,000
$150,000 to 250,000
$250,000 to $500,000
$500,000 +
<table>
<thead>
<tr>
<th>Summary of Needs vs Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AMOUNT</strong> (x $1 M)</td>
</tr>
<tr>
<td><strong>ESTIMATED REVENUE</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Federal-aid + State</td>
</tr>
<tr>
<td><strong>TOTAL NEEDS</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS</td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
</tr>
</tbody>
</table>

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

<sup>(2) Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors</sup>
Arkansas State General Revenues vs AHTD Net Highway Revenues

- General Revenues: shows a steady increase over the fiscal years from 1979 to 2015.
- Net Highway Revenues: remains relatively constant over the same period.

Both lines show an upward trend, with General Revenues increasing significantly more than Net Highway Revenues.
Average Monthly Household Expenditures

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

---

TRANSPORTATION.ORG

AASHTO
The Voice of Transportation
2015 Road User Related Tax Revenue

Total Road User Revenue Collected = $1.12 Billion

Road/Highway Revenue 61%

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

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%
Partnerships
Partnering

- Minute Order in 1984
- Contract in 1996
- City responsible for Utility relocations

Widening 112 Spur Garland to I-49
Partnering

- Minute Order in 1985
- Contract in 1999
- City responsible for Right of Way and Utility relocations

Widening Hwy. 265
Hwy. 16 to Hwy. 45
Partnering

- City responsible for Right of Way and Utility relocations
- City accepted ownership upon project completion

Widening Hwy. 180 (Gregg Ave.)
• City paid 50% of Construction costs up to $7,700,000

Widening Hwy. 265 Hwy. 45 to Joyce Blvd.
Partnering

- City paid 50% of Construction costs up to $5,000,000

Widening Hwy. 16
Armstrong to Stone Bridge
• City committed $4,200,000 for Right of Way, Utilities, and Construction costs
A Different kind of Partnering

Makeshift raft successfully crosses Bull Shoals!
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD