Changes at the Department
Arkansas Highway Commission

Bruce Street
District Engineer
District Five

Brad Smithee
District Engineer
District Ten
Federal and State Funding
Federal 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
Federal Funding

- Second Continuing Resolution for FFY 2017
- Expires April 28th
- Funding at 2016 Levels
- Allows for Trump Administration to Weigh In on Budget Issues
An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.
Governor’s Working Group on Highway Funding

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 Duncan Baird, State Budget Administrator
Tori B. Gordon, Policy Advisor, Office of Governor Asa Hutchinson

Arkansas
## Governor’s Working Group on Highway Funding

### 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</td>
<td>$110</td>
<td>$110</td>
<td>• Critical Needs</td>
</tr>
<tr>
<td>Term (within 2 years)</td>
<td></td>
<td></td>
<td>• Match Federal Highway Funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Overlays</td>
</tr>
<tr>
<td>Mid-Term</td>
<td>$140</td>
<td>$250</td>
<td>• Enhanced Maintenance Program</td>
</tr>
<tr>
<td>(within 3-5 years)</td>
<td></td>
<td></td>
<td>✓ Pavement Restoration of 50% of the State Highway System every 15-20 years</td>
</tr>
<tr>
<td>Long-Term</td>
<td>$150</td>
<td>$400</td>
<td>• Enhanced Economic Development Program</td>
</tr>
<tr>
<td>(within 6-10 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Ultimate
- (10+ Years)
  - $1.68 Billion

- Economic Development Projects Completed
- I-49, I-69
- Four-lane Grid System
- State of Good Repair for Bridges and Pavement
- AHTD Equipment Fleet – Average Age 8 Years
- All AHTD Facilities Modernized
Act 1 - Arkansas Highway Improvement Plan of 2016

- Additional Funds
- Rule Review
- Reporting
- Structured Communication
## 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>Provide Governor's Rainy Day Funds</td>
<td>40.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 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 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)</td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46.9</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
</tr>
</tbody>
</table>
### 91st Session Account of the GIF
**2017-2019 Biennium**

#### Estimated Available Funds:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unobligated Balance from the 90th Session Account</td>
<td>$14,194,758</td>
</tr>
<tr>
<td>FY16 General Revenue Surplus</td>
<td>$177,413,001</td>
</tr>
<tr>
<td>FY17 General Revenue Surplus</td>
<td>$0</td>
</tr>
<tr>
<td>Recouped General Revenue Balances from FY16</td>
<td>$5,845,301</td>
</tr>
<tr>
<td>Recouped General Revenue Balances from FY17 (Estimate)</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Old Projects Recoupment (Estimate)</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Outlawed Warrants</td>
<td>$0</td>
</tr>
<tr>
<td>90th Rainy Day Set-Aside Balance (Sec 3 of Act)</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Carry Forward of 90th Executive General Improvement (Sec 4 of Act)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Estimated Funds for 2017-2019 Biennium</strong></td>
<td><strong>$229,453,060</strong></td>
</tr>
</tbody>
</table>

**FY17 General Revenue Surplus** $0
| Act 1 - Arkansas Highway Improvement Plan of 2016 |

<table>
<thead>
<tr>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>(x $1 M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2016 Special Session

Provide Governor's Rainy Day Funds | 40.0

<table>
<thead>
<tr>
<th>FY18 (Act 1 Needs)</th>
<th>FY18 (Governor’s Projection)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50M</td>
<td>$28.1M</td>
<td>-$21.9M</td>
</tr>
</tbody>
</table>

### Potential in Future Years

Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
<td>48.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46.9</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
</tr>
</tbody>
</table>
Asphalt Specifications

Minimum Bid Price

Indexing
Asphalt Specifications
E-Construction

- Plans & Proposals
- Bidding
- Contracts
E-Construction

- Construction Documentation
- Subcontracts
E-Construction

- Payrolls
- Civil Rights & Labor Management
1999 Interstate Rehabilitation Program

50 Projects
356 Miles
$973 Million

Prior to Program
63% Poor or Mediocre

After Program
72% Good
2011 Interstate Rehabilitation Program

Completed:
30 Projects
198 miles
$593 million

Under Construction:
14 Projects
71 miles
$487 million

Scheduled:
39 Projects
226 miles
$415 million
Connecting Arkansas Program Update

**Completed:**
- 3 Projects
- 12 miles
- $88 million

**Under Construction:**
- 10 Projects
- 55 miles
- $458 million

**Scheduled:**
- 23 Projects
- 118 miles
- $1.27 billion
2017 System Preservation Projects

January – $40 Million

February – $40 Million

April – $20 Million

Remaining 2017 – $25 to $50 Million
2018-2021 STIP Under Development
• November 8th Elections

• 21 States Approve Funding Measures

• Provides $203 Billion
Overall voters approved 74% of transportation ballot initiatives in 2016.
Questions?