Deric Wyatt
District Engineer – District 2

Pine Bluff Kiwanis Club
Wednesday, January 25, 2017
History
“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**
• **$72,000 Total Budget**
• **36,000 Miles of Public Roads**

Highway 71 near Bella Vista
The Thirties and Forties

- 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
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 on Highway Funding

- 2011 – 2nd Interstate Rehabilitation Program
- 2012 – Connecting Arkansas Program
- Governor’s Working Group on Highway Funding
- 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

• $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
Act 1 - Arkansas Highway Improvement Plan of 2016

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

- Federal: $410
- State: $490

After the FAST Act and Special Session

- Federal: $460
- State: $540

$100 Million Difference
## 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>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></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></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>Description</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

<table>
<thead>
<tr>
<th>Estimated Available Funds:</th>
<th></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>
### 2016 Special Session

| Provide Governor's Rainy Day Funds | 40.0 |

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

### Potential in Future Years

<table>
<thead>
<tr>
<th>Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)</th>
<th>48.0</th>
<th>48.0</th>
<th>48.0</th>
<th>48.0</th>
</tr>
</thead>
</table>

| Totals 2016 Special Session and Potential in Future Years | 46.9 | 76.1 | 76.1 | 76.1 |
Interstate 530

**Under Construction**
- 5.1 miles
- $29.8 million

**Completed**
- 29.3 miles
- $132.8 million

**Scheduled**
- 11.4 miles
- $40-50 million
Jefferson County

Completed
- 11.7 miles
- $10.9 million

Scheduled
- 47.5 miles
- $24.7 million
Pine Bluff

**Completed**
- 1.6 miles
- $7.2 million

**Scheduled**
- 29.2 miles
- $23.2 million
## Summary of Needs vs Revenue

<table>
<thead>
<tr>
<th></th>
<th>Amount (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimated Revenue</strong></td>
<td>4,415</td>
</tr>
<tr>
<td>(1) Federal-aid + State</td>
<td></td>
</tr>
<tr>
<td><strong>Total Needs</strong></td>
<td>9,001</td>
</tr>
<tr>
<td>(2) Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS</td>
<td></td>
</tr>
<tr>
<td><strong>Shortfall</strong></td>
<td>(4,586)</td>
</tr>
</tbody>
</table>

(1) Revenue Not Currently Dedicated to Routine Maintenance, Administration and Operations
(2) Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors
Average Monthly Household Expenditures

- Electricity/Gas: $160.00
- TV/Internet: $124.00
- Telephone: $161.00
- Roads: $46.00
Utilities
Rates increase when costs increase
Gas Tax Increase

**FEDERAL**
Takes an Act of Congress

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

Total Road User Revenue Collected = $1.12 Billion

Road/Highway Revenue 61%

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

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

AHTD Road User Revenue = $435.7 M = 39%
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 +
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.

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