Agenda Item 1

Meeting Minutes

July 26, 2017
Agenda Item 2

Consideration of Minute Orders
Agenda Item 3
State Highway Revenue Update
### July 2017-2018 Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuel</td>
<td>$21.9</td>
<td>$25.2</td>
<td>$3.3</td>
<td>15.1%</td>
</tr>
<tr>
<td>Registration</td>
<td>$7.2</td>
<td>$7.9</td>
<td>$0.7</td>
<td>9.7%</td>
</tr>
<tr>
<td>Permits &amp; Penalties</td>
<td>$1.1</td>
<td>$1.4</td>
<td>$0.3</td>
<td>27.3%</td>
</tr>
<tr>
<td>Other</td>
<td>$0.5</td>
<td>$0.5</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Natural Gas Severance Tax</td>
<td>$1.1</td>
<td>$2.4</td>
<td>$1.3</td>
<td>118.2%</td>
</tr>
<tr>
<td>Interest</td>
<td>$0.6</td>
<td>$0.1</td>
<td>$0.5</td>
<td>-83.3%</td>
</tr>
<tr>
<td>Diesel Tax</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$25.2</td>
<td>$30.9</td>
<td>$5.1</td>
<td>16.5%</td>
</tr>
</tbody>
</table>

*Note: All values in millions.*
FY 2018 BUDGETED VS. ACTUAL - JULY

<table>
<thead>
<tr>
<th>VARIANCE</th>
<th>$3.4</th>
<th>$0.7</th>
<th>$0.2</th>
<th>$0.0</th>
<th>$1.3</th>
<th>$0.1</th>
<th>$-0.1</th>
<th>$5.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>% CHANGE</td>
<td>15.6%</td>
<td>9.7%</td>
<td>16.7%</td>
<td>0.0%</td>
<td>118.2</td>
<td>0.0%</td>
<td>-7.1%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

MOTOR FUEL: $21.8 (Budgeted) vs. $25.2 (Actual) - $3.4 variance, 15.6% change
REGISTRATION: $7.2 (Budgeted) vs. $7.9 (Actual) - $0.7 variance, 9.7% change
PERMITS & PENALTIES: $1.2 (Budgeted) vs. $1.4 (Actual) - $0.2 variance, 16.7% change
OTHER: $0.5 (Budgeted) vs. $0.5 (Actual) - $0.0 variance, 0.0% change
NATURAL GAS SEVERANCE TAX: $1.1 (Budgeted) vs. $2.4 (Actual) - $1.3 variance, 118.2% change
INTEREST: $0.0 (Budgeted) vs. $0.1 (Actual) - $0.1 variance, 0.0% change
DIESEL TAX: $-1.5 (Budgeted) vs. $-1.4 (Actual) - $0.1 variance, -7.1% change
TOTAL REVENUES: $30.4 (Budgeted) vs. $36.0 (Actual) - $5.6 variance, 18.4% change
JULY 2017-2018 FUEL CONSUMPTION

VARIANCE % CHANGE
GASOLINE 128.7 1.1% 130.1 1.4
DIESEL 144.7 2.9% 147.6 1.6
ALTERNATIVE FUELS 0.081 9.2% 0.073 -0.01
TOTAL 183.7 1.6% 186.7 3.0

FY 2017 FY 2018 (MILLION GALLONS)
## Arkansas Fuel Consumption
### Rolling 12-month Comparison

<table>
<thead>
<tr>
<th>Fuel</th>
<th>Previous 12 Months (millions)</th>
<th>Current 12 Months (millions)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>1,472,611,605</td>
<td>1,512,140,930</td>
<td>2.68%</td>
</tr>
<tr>
<td>Diesel</td>
<td>621,094,865</td>
<td>654,020,261</td>
<td>5.30%</td>
</tr>
<tr>
<td>Alternative</td>
<td>1,060,233</td>
<td>934,973</td>
<td>-11.81%</td>
</tr>
<tr>
<td>Total</td>
<td>2,094,766,703</td>
<td>2,167,096,164</td>
<td>3.45%</td>
</tr>
</tbody>
</table>
## State Fiscal Year 2017 Sales Tax

<table>
<thead>
<tr>
<th>Mon</th>
<th>Projected Net</th>
<th>Actual Receipts</th>
<th>Variance</th>
<th>Monthly Variance</th>
<th>Annual Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>15,126,090</td>
<td>14,939,612</td>
<td>(186,478)</td>
<td>-1.23%</td>
<td>-1.23%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15,126,090</td>
<td>14,939,612</td>
<td>(186,478)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Half-Cent Sales Tax Projected vs Actual

<table>
<thead>
<tr>
<th></th>
<th>Projected Net</th>
<th>Actual Receipts</th>
<th>Variance</th>
<th>Percent Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$681,736,090</td>
<td>$678,671,326</td>
<td>$(3,064,765)</td>
<td>-0.45%</td>
</tr>
</tbody>
</table>
Agenda Item 4
Status of Federal Highway and Transit Funding Issues
Federal Highway and Transit Funding Issues

• Federal Fiscal Year 2017 Ends in 24 Days
• Congress Returned Yesterday
• Issues
  • Debt Ceiling
  • Funding for Federal Fiscal Year 2018
• Possible Shutdown
Federal Highway and Transit Funding Issues

- President Abandons Infrastructure Council
- Related to Virginia Controversy
- White House Meets With State Leaders
- Continued Discussion of Principles
Federal Highway and Transit Funding Issues

- Administration’s Guiding Principles for Infrastructure Initiative
  - Targeted Federal Investment
  - Greater State and Local Investment Overall
  - Leveraging Private Investment
  - Environmental and Permitting Streamlining

- Four Areas of Major Reform
  - Regulatory
  - Policy
  - Statutory
  - Cultural
Federal Highway and Transit Funding Issues

“The plan is not yet final, but states and cities that secure some private-sector financing will be given higher-priority access to new federal funds.”
Elaine Chao, Secretary of Transportation

“The administration now wants to break the President’s infrastructure package into three pieces, and the largest piece of the package is going to be wrapped around incentives to woo nonfederal investment.”
Mick Mulvaney, Director, Office of Management and Budget
Federal Highway and Transit Funding Issues
Infrastructure For Rebuilding America (INFRA) Grants

- Replaces FASTLANE Grants
- Key Objectives
  - Support Economic Vitality
  - Leverage Federal Funding
  - Use Innovative Approaches
  - Hold Grants Recipients Accountable
- Applications Due November 2, 2017
- Available Amounts
Infrastructure For Rebuilding America (INFRA) Grants

• Changes to the Existing Program
• Freight is a Priority
• Rural Areas
• Project Readiness
• Project Size
INFRA Grants Applications

30 Crossing

Includes Interchange Improvements

Highway 70 to Sevier Street

Interstate 555 Improvements

Pavement and Bridge Preservation Projects

Interstate 69
Agenda Item 5
2011 Interstate Rehabilitation Program and Connecting Arkansas Program
Bayou DeView - Brinkley (S)

Completed
Miles: 212
Amount: $632 M
Hwy. 391 Interchange Improvements (S)

Under Construction
Miles: 91
Amount: $560 M
Scheduled for 2018

Miles: 6
Amount: $77 M
Scheduled for 2019-2023
Miles: 185
Amount: $264 M
Completed
Miles: 27
Amount: $188 M
Under Construction
Miles: 49
Amount: $403 M
Scheduled for 2017
Miles: 2
Amount: $50-$75 M
Scheduled for 2018
Miles: 77
Amount: $1.01 B
Scheduled for 2019-2020
Miles: 28
Amount: $218 M
Agenda Item 6
Bid Letting Results
August 30, 2017
## Summary of the August 30th Bid Letting

<table>
<thead>
<tr>
<th>Type Projects</th>
<th>Number of Projects</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>9</td>
<td>67,010,373</td>
</tr>
<tr>
<td>City</td>
<td>3</td>
<td>1,354,064</td>
</tr>
<tr>
<td>County</td>
<td>4</td>
<td>1,243,763</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
<td><strong>69,608,200</strong></td>
</tr>
</tbody>
</table>
## Details of the August 30th Bid Letting

<table>
<thead>
<tr>
<th>Route</th>
<th>County</th>
<th>Job Name</th>
<th>Apparent Low Bidder</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>69</td>
<td>Drew</td>
<td>Hwy. 425 – Hwy. 278 East (Base &amp; Surfacing) (Monticello Bypass)</td>
<td>Pine Bluff Sand &amp; Gravel</td>
<td>16,197,356</td>
</tr>
<tr>
<td>40</td>
<td>Franklin</td>
<td>I-40 Slide Repair (Ozark)</td>
<td>Mobley Contractors</td>
<td>2,335,386</td>
</tr>
<tr>
<td>40</td>
<td>Pulaski</td>
<td>Hwy. 391 Interchange Improvements</td>
<td>Kiewit Infrastructure South</td>
<td>8,063,205</td>
</tr>
<tr>
<td>229</td>
<td>Saline</td>
<td>Hot Spring Co. Line – I-30</td>
<td>Redstone Construction</td>
<td>1,894,109</td>
</tr>
<tr>
<td>67</td>
<td>Hot Spring</td>
<td>Hwy. 270B – Perla</td>
<td>Redstone Construction</td>
<td>1,180,260</td>
</tr>
<tr>
<td>64</td>
<td>Johnson</td>
<td>Franklin Co. Line – Coal Hill (Sel. Sec.)</td>
<td>All Bids Rejected</td>
<td></td>
</tr>
</tbody>
</table>
# Details of the August 30th Bid Letting

<table>
<thead>
<tr>
<th>Route</th>
<th>County</th>
<th>Job Name</th>
<th>Apparent Low Bidder</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>Boone</td>
<td>Maxie Camp Rd. – Hwy. 206 (Widening)</td>
<td>Nabholz Construction</td>
<td>22,942,316</td>
</tr>
<tr>
<td>74</td>
<td>Newton</td>
<td>Hwy. 74 Slide Repair (Newton County)</td>
<td>All Bids Rejected</td>
<td></td>
</tr>
<tr>
<td>555</td>
<td>Poinsett</td>
<td>Sunken Lands Structures Rehabilitation (I-555)</td>
<td>American Contracting &amp; Services</td>
<td>12,272,674</td>
</tr>
<tr>
<td>1B</td>
<td>Craighead</td>
<td>I-555/Hwy. 1B Emergency Bridge Painting (Jonesboro)</td>
<td>Elite Industrial Painting</td>
<td>237,704</td>
</tr>
<tr>
<td>265</td>
<td>Washington &amp; Benton</td>
<td>Hwy. 412 – Hwy. 264</td>
<td>APAC-Central</td>
<td>1,887,362</td>
</tr>
<tr>
<td>23</td>
<td>Franklin &amp; Madison</td>
<td>Hwy. 23 Slide Repair (Franklin &amp; Madison Counties)</td>
<td>All Bids Rejected</td>
<td></td>
</tr>
</tbody>
</table>
Agenda Item 7

Consultant Selection: On-Call Data Collection Services (2017-2019)
Agenda Item 8

Act 1 Section 19 Report – Draft Rules for the Distribution of Highway Funds and Prioritization of Highway Construction Projects
Act 1 Section 19 Report

- 2016 90th General Assembly Third Extraordinary Session
- Arkansas Highway Improvement Plan of 2016
- Section 19 of Act 1
- Requires Department to Submit Rules for:
  1) Distribution of Funds:
     a) State Highway and Transportation Department Fund
     b) Road and Bridge Repair, Maintenance, Grants Fund
  2) Spending Priorities for Highway Construction (STIP)
• Highway Commission Review and Advisory Subcommittee of the Legislative Council
• Due October 1, 2017
• Not Promulgated
• Published
III. Criteria for Distribution of Funds and Distribution

1) State Highway and Transportation Department Fund
   a) State Highway System
   b) Fixed Expenditures (Maintenance, Administration, Operations, Budgeted Construction)
   c) IRP Debt Service
   d) State Match for Federal Funds
III. Criteria for Distribution of Funds and Distribution

2) Road and Bridge Repair, Maintenance, and Grants Fund

   a) Fayetteville Shale Area Counties

   b) Based on the Number of Active Gas Wells
IV. Statewide Transportation Improvement Program (STIP) Development Process

- National Performance Measures
- Performance-based Planning and Programming
- Cooperative, Continuing and Comprehensive
  - Long Range Intermodal Transportation Plan
  - Strategic Highway Safety Plan
  - Strategic Plan
  - STIP
IV. Statewide Transportation Improvement Program (STIP) Development Process

- Arkansas State Highway Needs and Capital Improvements Study
- Determination of the Funding Distribution by Category
- Decision Lens Software Ranking of Projects
- Project Selection Validation
- Final Project Selection
### Arkansas State Highway Needs

Verified by Arkansas Legislative Audit

<table>
<thead>
<tr>
<th></th>
<th>Arkansas State Highway Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System Preservation</strong></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$387,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>$117,000,000</td>
</tr>
<tr>
<td><strong>Total System Preservation</strong></td>
<td>$504,000,000</td>
</tr>
<tr>
<td><strong>Capacity Improvements for Congestion Relief</strong></td>
<td>$305,000,000</td>
</tr>
<tr>
<td><strong>Safety Improvements</strong></td>
<td>$86,000,000</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>Equipment Upgrades</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Facilities Upgrades</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation Systems (ITS)</td>
<td>$3,000,000</td>
</tr>
<tr>
<td><strong>Total Maintenance</strong></td>
<td>$30,000,000</td>
</tr>
<tr>
<td><strong>Total Annual Funds Needed for Highway Construction Plan</strong></td>
<td>$925,000,000</td>
</tr>
<tr>
<td><strong>Annual Funds Available for Highway Construction through the FAST Act</strong> (does not include funds committed to Interstate rehabilitation = $117,000,000 annually)</td>
<td></td>
</tr>
<tr>
<td><strong>Shortfall for Needs</strong></td>
<td>$478,000,000</td>
</tr>
</tbody>
</table>
# Arkansas State Highway Capital Improvement Goals

<table>
<thead>
<tr>
<th>Identified Capital Improvement Projects</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Lane Grid System</td>
<td>$12,697,000,000</td>
</tr>
<tr>
<td>New Location / New or Modified Interchanges</td>
<td>$921,000,000</td>
</tr>
<tr>
<td>Other Major Widening</td>
<td>$258,000,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$13,876,000,000</strong></td>
</tr>
</tbody>
</table>
Determination of Funding Distribution by Category

Investment Plan for Current STIP

- System Preservation 80%
- Capital Improvements 20%
- Arkansas Primary Highway Network 90%
STIP Development Process

Decision Lens Software Ranking of Projects

Decision Lens Criteria

- Safety
- Infrastructure Condition
- Mobility
- Economic Consideration
- Performance Measures
Project Selection Validation

- Other Factors Considered
  - District Engineers
    - Engineering Judgement
    - Technical Expertise
  - Partnering
STIP Development Process

Final Project Selection

✓ Highway Commission Approves Draft List of Recommended Projects
✓ Publish for Public Comment
✓ Adjustments
✓ Final Approval

• Federal Highway Administration
• Federal Transit Administration
Agenda Item 9

IDrive Cameras
Still seeing slowdown on I-30 as drivers approach 630 #ARTraffic #ARNews
Agenda Item 10

Possible 2018 Ballot Measure
Possible 2018 Initiated Act Timeline

- **June 7, 2017** – Decision on whether to pursue
- **June – October 2017** – Discussion, stakeholder meetings, and possible polling
  - **October 18, 2017** – Decision on funding proposal
  - **Early November 2017** – Begin development of ballot language
  - **Early January 2018** – Submit ballot language to Attorney General
  - **February – June 2018** – Publish ballot language in statewide newspaper
  - **February – June 2018** – Signature collection
  - **July 13, 2018** – Deadline to file petitions with Secretary of State
  - **November 14, 2018** – General election
Citizens Opinion Survey

ON HIGHWAYS IN ARKANSAS

Are you satisfied with the condition of the existing state highway system?
☐ Yes ☐ No

What highways in your area need improvements, and what type of improvements do they need?
Priority 1: ___________________________
Priority 2: ___________________________
Priority 3: ___________________________
Priority 4: ___________________________

If you want better highway conditions, the Arkansas State Highway and Transportation Department will need additional funds. Would you support a new highway program that would generate additional revenues?
☐ Yes ☐ No

Which of the following sources do you recommend be utilized in obtaining additional funds (check all that apply):
☐ Increase in gas tax
☐ Increase in diesel tax
☐ Increase in sales tax (dedicated to highways)
☐ Increase in registration fees
☐ Add sales tax on wholesale price of motor fuels
☐ Transfer existing sales and use tax on motor vehicles and related parts and service (currently collected but not paid to Highways)
☐ Other: _____________________________

Would you be willing to sign a petition to put a highway revenue proposal on the 2019 general election ballot?
☐ Yes ☐ No

How did you hear about this survey:
☐ Presentation ☐ TV/Radio/Print ☐ Website/Search Engine
☐ Social Media ☐ Family or Friend ☐ Other: ___________________________

Optional:
Name: _____________________________
Address: ___________________________
City, State, Zip: ____________________

Online Form Available Here
Which of the following sources do you recommend be utilized in obtaining additional funds?

- **Transfer existing sales and use tax**: 972 (65%)
- **Add on w/s price of motor fuels**: 298 (20%)
- **Increase Registration fees**: 474 (32%)
- **Increase Sales Tax**: 393 (26%)
- **Increase Diesel Tax**: 718 (48%)
- **Increase Gas Tax**: 508 (34%)
Survey Results

How did you hear about us?

- Social Media: 32%
- TV: 28%
- Radio: 7%
- Print: 16%
- Website/Search Engine: 7%
- Family or Friend: 7%
- Other: 21%

Would you be willing to sign a petition?

- Yes: 71%
- No: 25%
- Blank: 4%
May 16, 2017 - Arkansas Legislative Audit - Review of Highway Funding

Purpose:

- To review and verify ARDOT information, estimates and calculations related to highway funding

Report Objectives:

- History of funding sources
- History of construction and maintenance costs
- State match needed for Federal funds
- Additional State revenue to meet system preservation needs
- History of bond activities
Arkansas Legislative Audit

- Report Released August 31, 2017
- Posted on ALA Website
- Legislative Joint Audit Committee Meeting
  - Big MAC Building, Room A
  - Friday, September 8, 2017
  - 9:00 a.m.
Arkansas State Highway Needs

ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020....for consistency and reasonableness when compared with prior years.

Exhibit III
Arkansas Department of Transportation (ArDOT)
Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$387,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td>$117,000,000</td>
<td>$90,000,000</td>
<td>$27,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total System Preservation</td>
<td>$504,000,000</td>
<td>$227,000,000</td>
<td>$277,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$305,000,000</td>
<td>$157,000,000</td>
<td>$148,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$86,000,000</td>
<td>$44,000,000</td>
<td>$42,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>$19,000,000</td>
<td>$19,000,000</td>
<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>$8,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>$3,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$19,000,000</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$925,000,000</td>
<td>$447,000,000</td>
<td>$478,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.
Governor’s Highway Funding Working Group

- Immediate: $50 Million
- Short-term (0-3 years): $110 Million
- Mid-term (3-5 years): $250 Million
- Long-term (6-9 years): $400 Million

All figures are annual amounts for state highways.
Decisions

1) Target funding level?
2) One source or combination of sources?
3) Any sources definitely included or excluded?
## FISCAL YEAR 2016 – STATE REVENUE SOURCES

### Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Total State Revenue</th>
<th>Net Revenue Amount</th>
<th>Yearly Amount to Auto</th>
<th>Yearly Amount to Cities¹</th>
<th>Yearly Amount to Counties²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Motor Fuel Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline (21.5¢ per gallon)</td>
<td>468.75 M</td>
<td>468.40 M</td>
<td>88.01 M</td>
<td>88.01 M</td>
<td></td>
</tr>
<tr>
<td>Diesel (33¢ per gallon)</td>
<td>309.21 M</td>
<td>308.38 M</td>
<td>53.09 M</td>
<td>53.09 M</td>
<td></td>
</tr>
<tr>
<td>LPG (18.5¢ per gallon)</td>
<td>11.98 M</td>
<td>11.98 M</td>
<td>2.07 M</td>
<td>2.07 M</td>
<td></td>
</tr>
<tr>
<td><strong>B. Motor Vehicle Registration Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobiles &amp; Pickups</td>
<td>123.43 M</td>
<td>123.19 M</td>
<td>21.51 M</td>
<td>21.51 M</td>
<td></td>
</tr>
<tr>
<td>Heavily Trucks (Includes In-state and Out-of-state)</td>
<td>54.13 M</td>
<td>52.94 M</td>
<td>9.15 M</td>
<td>9.15 M</td>
<td></td>
</tr>
<tr>
<td>Other Vehicles</td>
<td>32.36 M</td>
<td>31.91 M</td>
<td>5.48 M</td>
<td>5.48 M</td>
<td></td>
</tr>
<tr>
<td><strong>C. Miscellaneous Revenue</strong></td>
<td>39.6 M</td>
<td>37.80 M</td>
<td>6.67 M</td>
<td>6.67 M</td>
<td></td>
</tr>
<tr>
<td><strong>D. Natural Gas Revenue Tax</strong></td>
<td>36.67 M</td>
<td>35.31 M</td>
<td>6.21 M</td>
<td>6.21 M</td>
<td></td>
</tr>
<tr>
<td><strong>E. Total Current Revenue</strong></td>
<td>615.91 M</td>
<td>613.70 M</td>
<td>103.91 M</td>
<td>103.91 M</td>
<td></td>
</tr>
</tbody>
</table>

### Other Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Total State Revenue</th>
<th>Net Revenue Amount</th>
<th>Yearly Amount to Auto</th>
<th>Yearly Amount to Cities¹</th>
<th>Yearly Amount to Counties²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Highway-user Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional 1 cent Motor Fuel Tax</td>
<td>20.06 M</td>
<td>20.06 M</td>
<td>3.54 M</td>
<td>3.54 M</td>
<td></td>
</tr>
<tr>
<td>1 cent Excise Tax</td>
<td>7.17 M</td>
<td>7.17 M</td>
<td>1.26 M</td>
<td>1.26 M</td>
<td></td>
</tr>
<tr>
<td>1 cent Diesel tax</td>
<td>14.48 M</td>
<td>14.48 M</td>
<td>2.53 M</td>
<td>2.53 M</td>
<td></td>
</tr>
<tr>
<td><strong>B. Sales and Use Tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline (7.7¢ per gallon)</td>
<td>189.94 M</td>
<td>189.28 M</td>
<td>33.39 M</td>
<td>33.39 M</td>
<td></td>
</tr>
<tr>
<td>Diesel (9.1¢ per gallon)</td>
<td>112.33 M</td>
<td>111.82 M</td>
<td>19.52 M</td>
<td>19.52 M</td>
<td></td>
</tr>
<tr>
<td>Add 1% Excise Tax to Motor Fuels (1.0¢ per gallon)</td>
<td>36.40 M</td>
<td>36.00 M</td>
<td>6.21 M</td>
<td>6.21 M</td>
<td></td>
</tr>
<tr>
<td><strong>C. Retail Tire Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Vehicles</td>
<td>251.04 M</td>
<td>250.28 M</td>
<td>43.41 M</td>
<td>43.41 M</td>
<td></td>
</tr>
<tr>
<td>Used Vehicles</td>
<td>109.06 M</td>
<td>108.69 M</td>
<td>18.09 M</td>
<td>18.09 M</td>
<td></td>
</tr>
<tr>
<td>Auto-Repair, Parts, and Services</td>
<td>119.91 M</td>
<td>119.64 M</td>
<td>20.49 M</td>
<td>20.49 M</td>
<td></td>
</tr>
<tr>
<td><strong>D. Other Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-Road Diesel Fuel</td>
<td>14.53 M</td>
<td>14.53 M</td>
<td>2.50 M</td>
<td>2.50 M</td>
<td></td>
</tr>
<tr>
<td>Add 1% Surcharge on New Vehicles</td>
<td>10.53 M</td>
<td>10.53 M</td>
<td>1.84 M</td>
<td>1.84 M</td>
<td></td>
</tr>
<tr>
<td><strong>E. Non-Highway-user Sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase General Sales and Use Tax - 1%</td>
<td>559.89 M</td>
<td>553.75 M</td>
<td>97.50 M</td>
<td>97.50 M</td>
<td></td>
</tr>
<tr>
<td>Increase Income Tax - 1%</td>
<td>31.98 M</td>
<td>31.98 M</td>
<td>5.43 M</td>
<td>5.43 M</td>
<td></td>
</tr>
<tr>
<td>Individual Income Tax</td>
<td>27.81 M</td>
<td>27.81 M</td>
<td>4.79 M</td>
<td>4.79 M</td>
<td></td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>6.94 M</td>
<td>6.94 M</td>
<td>1.21 M</td>
<td>1.21 M</td>
<td></td>
</tr>
</tbody>
</table>

## REVENUE MENU
## Revenue Menu

<table>
<thead>
<tr>
<th>Source</th>
<th>Highway Revenue&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cent Motor Fuel Tax Increase</td>
<td>$ 14 M</td>
</tr>
<tr>
<td>Remove Sales Tax Exemption (Wholesale $1.70 per Gallon)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 108 M</td>
</tr>
<tr>
<td>6.5% Sales Tax (Wholesale $1.70 per Gallon)</td>
<td>$ 156 M</td>
</tr>
<tr>
<td>$10 Registration Fee Increase (Cars and Pickups)</td>
<td>$ 19 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on New and Used Vehicles&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 228 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on Auto Repair Parts, Services, etc.&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 74 M</td>
</tr>
<tr>
<td>1% General Sales Tax</td>
<td>$ 344 M</td>
</tr>
</tbody>
</table>

<sup>1</sup> Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.

<sup>2</sup> Transfer of 4.5% (“general” portion of statewide sales tax)
## Options for Generating Additional Revenue for Highways

<table>
<thead>
<tr>
<th>Source</th>
<th>$200 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>$300 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>$400 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Tax</td>
<td>14.2¢</td>
<td>21.3¢</td>
<td>28.4¢</td>
</tr>
<tr>
<td>Sales Tax on Fuel (wholesale)</td>
<td>8.33%</td>
<td>12.5%</td>
<td>16.67%</td>
</tr>
<tr>
<td>Registration Fee</td>
<td>$104</td>
<td>$156</td>
<td>$208</td>
</tr>
<tr>
<td>General Sales Tax&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>0.58%</td>
<td>0.87%</td>
<td>1.16%</td>
</tr>
</tbody>
</table>

1. Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.
2. Transfer of 4.5% (“general” portion of statewide sales tax)
Road User Related Tax Revenue
SFY 2016

Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
Decisions

1) Target funding level?
2) One source or combination of sources?
3) Any sources definitely included or excluded?
4) Phase in or all at once?
5) Growth?
6) Financing?
Agenda Item 11
Upcoming Events
Upcoming Events

September 7

Mountain Home Rotary Club | Director Bennett
12:00 p.m. | Mountain Home, AR

Beebe Kiwanis Club | Lorie Tudor
12:00 p.m. | Beebe, AR

Cleburne County Rotary Club | Gill Rogers
7:15 a.m. | Heber Springs, AR

September 8

Legislative Joint Audit Committee Meeting | Director Bennett
9:00 a.m. | Big MAC Room A
Upcoming Events

September 9
St. Luke’s Episcopal Pancake Breakfast | Ben Browning
9:00 a.m. | North Little Rock, AR

September 13
Clarksville & Johnson Co. Chambers of Commerce | Danny Straessle
12:00 p.m. | Clarksville, AR

September 14
AR Asphalt Pavement Assoc. Luncheon | Director Bennett
11:00 a.m. | Little Rock, AR
Highway Commission Advisory and Review Subcommittee Meeting
9:00 a.m. | Little Rock, AR
Upcoming Events

September 18
Red River Welcome Center Dedication | Director Bennett
10:00 a.m. | Texarkana, AR

September 20
Forrest City Lions Club | Danny Straessle
11:30 a.m. | Forrest City, AR
Fairfield Bay Rotary Club | Director Bennett
12:00 p.m. | Fairfield Bay, AR

September 21
County Judges Association of AR | Director Bennett
12:00 p.m. | Searcy, AR
Upcoming Events

September 25-28
AASHTO Annual Meeting | Director Bennett
Phoenix, AZ

September 26
Paragould Chamber of Commerce | Danny Straessle
12:00 p.m. | Paragould, AR

September 28
Arkadelphia Lions Club | Lorie Tudor
11:30 a.m. | Forrest City, AR

October 2
Springdale Rotary | Director Bennett
12:00 p.m. | Springdale, AR
Upcoming Events

October 5
Conway Business Expo | Director Bennett
11:30 a.m. | Conway, AR

October 6
Fayetteville Chamber of Commerce | Commissioner Taldo
12:00 p.m. | Fayetteville, AR

October 10
Stuttgart Rotary Club | Director Bennett
12:00 p.m. | Stuttgart, AR

October 12
ASCE Annual Meeting | Director Bennett
11:30 a.m. | Jacksonville, AR
Upcoming Events

October 17
Old Goats | Director Bennett
12:00 p.m. | Little Rock, AR

October 18
Arkansas Highway Commission Meeting

October 24
Hot Springs Commission Appreciation Dinner

October 26
Joint Committee Meeting & Tour
House: Public Transportation
Senate: Transportation Technology & Legislative Affairs
10:00 a.m. | Central Offices
Pizza Gone Viral
Pizza Gone Viral

Arkansas DOT
@myARDOT

Pulaski Co: Frozen pizza, anyone? No injuries but cleanup will take time. Expect delays
#artraffic #arnews

Arkansas DOT
@myARDOT

Pulaski Co I-30 & Mabelvale: Despite the involvement of a few ‘Tombstones’ we are glad the driver & overpass are okay. #artraffic #arnews
Broadway Bridge Awarded America's Transportation Award

http://AmericasTransportationAwards.org
CVSA – North American Standard Level V
Passenger Carrier Vehicle Inspection

SGT James Hamrick
Third Place
TransComm Skills Award – First Runner Up

Matt Barnette, Videographer

Inside IDriveArkansas – Construction Zone Tutorial
Arkansas State Highway Commission Meeting

Wednesday, September 6, 2017