Arkansas State Highway Commission Meeting

Wednesday, May 1, 2019
University of Arkansas College of Engineering
Distinguished Alumni Award

Scott E. Bennett, P.E.
2019 Distinguished Alumni
Greg Nation

Section Head - Public Transportation

Appointed to the Board of the South West Transit Association
Agenda Item 2
Consideration of Minute Orders
Agenda Item 3
State Highway Revenue Update
## March 2018-2019 Revenue

<table>
<thead>
<tr>
<th>Item</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuel Registration</td>
<td>$217.5</td>
<td>$220.4</td>
<td>$2.9</td>
<td>1.3%</td>
</tr>
<tr>
<td>Permits &amp; Penalties</td>
<td>$66.3</td>
<td>$67.9</td>
<td>$1.6</td>
<td>2.4%</td>
</tr>
<tr>
<td>Other</td>
<td>$11.8</td>
<td>$12.0</td>
<td>$0.2</td>
<td>1.7%</td>
</tr>
<tr>
<td>Natural Gas Sev. Tax</td>
<td>$4.9</td>
<td>$5.2</td>
<td>$0.3</td>
<td>6.1%</td>
</tr>
<tr>
<td>Interest</td>
<td>$18.3</td>
<td>$18.7</td>
<td>$0.4</td>
<td>2.2%</td>
</tr>
<tr>
<td>Diesel Tax</td>
<td>$3.0</td>
<td>$6.1</td>
<td>$3.1</td>
<td>103.3%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$308.3</td>
<td>$316.7</td>
<td>$8.4</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

### Variance and % Change

- Motor Fuel Registration: $2.9, 1.3%
- Permits & Penalties: $1.6, 2.4%
- Other: $0.2, 1.7%
- Natural Gas Sev. Tax: $0.3, 6.1%
- Interest: $0.4, 2.2%
- Diesel Tax: $3.1, 103.3%
- Total Revenues: $8.4, 2.7%
### FY 2019 BUDGETED VS. ACTUAL - MARCH

<table>
<thead>
<tr>
<th>Category</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL REGISTRATION</td>
<td>$213.6</td>
<td>$220.4</td>
<td>$6.8</td>
<td>3.2%</td>
</tr>
<tr>
<td>PENALTIES</td>
<td>$66.3</td>
<td>$67.9</td>
<td>$1.6</td>
<td>2.4%</td>
</tr>
<tr>
<td>PERMITS &amp; PENALTIES</td>
<td>$12.0</td>
<td>$12.0</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>OTHER</td>
<td>$4.8</td>
<td>$5.2</td>
<td>$0.4</td>
<td>8.3%</td>
</tr>
<tr>
<td>NATURAL GAS SEVERANCE TAX</td>
<td>$18.3</td>
<td>$18.7</td>
<td>$0.4</td>
<td>2.2%</td>
</tr>
<tr>
<td>INTEREST</td>
<td>$1.6</td>
<td>$4.5</td>
<td>$0.4</td>
<td>8.3%</td>
</tr>
<tr>
<td>DIESEL TAX</td>
<td>-</td>
<td>-12.4</td>
<td>-12.4</td>
<td>-9.7%</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$307.1</td>
<td>$316.7</td>
<td>$9.6</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

(MILLIONS)
<table>
<thead>
<tr>
<th>VARIANCE</th>
<th>FY 2018</th>
<th>% CHANGE</th>
<th>FY 2019</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td>1,113.1</td>
<td>6.5</td>
<td>1,119.6</td>
<td>0.6%</td>
</tr>
<tr>
<td>DIESEL</td>
<td>497.6</td>
<td>2.2%</td>
<td>508.4</td>
<td>10.8</td>
</tr>
<tr>
<td>ALTERNATIVE FUELS</td>
<td>2.290</td>
<td>65.3%</td>
<td>3.785</td>
<td>1.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,613.0</td>
<td>18.8</td>
<td>1,631.8</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

**MARCH 2018-2019 FUEL CONSUMPTION**

(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>1,498,671,862</td>
<td>1,502,709,904</td>
<td>0.27%</td>
</tr>
<tr>
<td>Diesel</td>
<td>664,255,078</td>
<td>680,353,482</td>
<td>2.42%</td>
</tr>
<tr>
<td>Alternative</td>
<td>2,540,942</td>
<td>4,207,181</td>
<td>65.58%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,165,467,882</strong></td>
<td><strong>2,187,270,567</strong></td>
<td><strong>1.01%</strong></td>
</tr>
</tbody>
</table>
## State Fiscal Year 2019 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>16,170,000</td>
<td>16,310,940</td>
<td>140,940</td>
<td>0.87%</td>
<td>0.87%</td>
</tr>
<tr>
<td>Aug</td>
<td>16,800,000</td>
<td>16,506,635</td>
<td>(293,365)</td>
<td>-1.75%</td>
<td>-0.46%</td>
</tr>
<tr>
<td>Sept</td>
<td>16,800,000</td>
<td>16,374,358</td>
<td>(425,643)</td>
<td>-2.53%</td>
<td>-1.16%</td>
</tr>
<tr>
<td>Oct</td>
<td>16,590,000</td>
<td>15,656,851</td>
<td>(933,149)</td>
<td>-5.62%</td>
<td>-2.28%</td>
</tr>
<tr>
<td>Nov</td>
<td>15,680,000</td>
<td>16,042,508</td>
<td>362,508</td>
<td>2.31%</td>
<td>-1.40%</td>
</tr>
<tr>
<td>Dec</td>
<td>17,150,000</td>
<td>16,863,880</td>
<td>(286,120)</td>
<td>-1.67%</td>
<td>-1.45%</td>
</tr>
<tr>
<td>Jan</td>
<td>17,010,000</td>
<td>16,134,869</td>
<td>(875,131)</td>
<td>-5.14%</td>
<td>-1.99%</td>
</tr>
<tr>
<td>Feb</td>
<td>15,120,000</td>
<td>14,764,859</td>
<td>(355,141)</td>
<td>-2.35%</td>
<td>-2.03%</td>
</tr>
<tr>
<td>Mar</td>
<td>16,310,000</td>
<td>16,131,534</td>
<td>(178,466)</td>
<td>-1.09%</td>
<td>-1.93%</td>
</tr>
<tr>
<td>Apr</td>
<td>15,120,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>15,120,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>15,120,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>147,630,000</strong></td>
<td><strong>144,785,983</strong></td>
<td><strong>(2,844,017)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Half-Cent Sales Tax

## Projected vs Actual

<table>
<thead>
<tr>
<th>Projected Net</th>
<th>Actual Receipts</th>
<th>Variance</th>
<th>Percent Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$997,923,640</td>
<td>$990,134,009</td>
<td>$(7,789,632)</td>
<td>-0.78%</td>
</tr>
</tbody>
</table>
Agenda Item 4
Status of Federal Highway and Transit Funding Issues
President Trump and Democrats Agree to Pursue $2 Trillion Infrastructure Plan

No Specific Plan

President to Propose How to Pay for Plan
Highway Funding Issues

- **Alabama** – Law Passed
  - Raises Gas Tax from 18 to 28 Cents Per Gallon
  - Raises Diesel Tax from 19 to 29 Cents Per Gallon
  - Will Provide $323 Million Annually

- **Ohio** – Law Passed
  - Raises Gas Tax from 28 to 38.5 Cents Per Gallon
  - Raises Diesel Tax from 28 to 47 Cents Per Gallon
  - Will Provide $865 Million Annually

- **Illinois** – Bill Under Consideration
  - Raises Gas Tax from 19 to 38 Cents Per Gallon
  - Raises Diesel Tax from 21.5 to 38 Cents Per Gallon
  - Will Provide $2 Billion Annually
Highway Funding Issues

- **Louisiana** – Bill Under Consideration
  - Raises Gas Tax From 20 to 38 Cents Per Gallon
  - Raises Diesel Tax From 20 to 36 Cents Per Gallon
  - Will Provide $1 Billion Annually

- **Maine** – Two Bills Under Consideration
  - One Bill
    - Raises Gas Tax From 30 to 36.5 Cents Per Gallon
    - Raises Diesel Tax From 31.2 to 37.7 Cents Per Gallon
  - Second Bill – Seasonal Approach
    - Raises Gas Tax From 30 to 37 Cents Per Gallon June 1st Until November 1st
    - Lowers Gas Tax From 30 to 27 Cents Per Gallon November 1st Until June 1st
    - Diesel Tax Would Not Change
Highway Funding Issues

- **Minnesota** – Bill Under Consideration
  - Raises Gas & Diesel Tax From 28.5 to 48.5 Cents Per Gallon
  - Will Provide $6.5 Billion Over 10 Years

- **Missouri** – Bill Under Consideration
  - Raises Gas & Diesel Tax From 17 to 23 Cents Per Gallon
  - Will Provide $288 Million Annually

- **Wisconsin** – Bill Under Consideration
  - Raises Gas & Diesel Tax From 32.9 to 42.5 Cents Per Gallon
  - Will Provide $491 Million Over 2 Years
Highway Funding Issues

- **Michigan** – Bill Under Consideration
  - Raises Gas & Diesel Tax From 26.3 to 71.3 Cents Per Gallon
  - The 45 Cents Per Gallon Increase Would Nearly Triple Current Fuel Tax Rates
  - Will Provide $1.5 Billion Annually
Program Focuses on Rural Crossings

Department Awarded $685,600

298 Crossings in 52 Counties

Installation By Department Forces
Agenda Item 5

2011 Interstate Rehabilitation Program and Connecting Arkansas Program
Interstate Rehabilitation Program

Completed
Number of Projects: 47
Miles: 291
Amount (Millions): $1,027
Interstate Rehabilitation Program

Under Construction
Number of Projects: 5
Miles: 53
Amount (Millions): $287

Let To Contract
Number of Projects: 52
Miles: 344
Amount (Millions): $1,314
Interstate Rehabilitation Program

Scheduled
Number of Projects: 27
Miles: 160
Amount (Millions): $219

Total Program
Number of Projects: 79
Miles: 504
Amount (Millions): $1,533
Connecting Arkansas Program

- $533 Million Completed
- $261 Million Scheduled
- $1.16 Billion Under Construction
Agenda Item 6
Consultant Selection for
I-40 Mississippi River Bridge Inspection
Agenda Item 7

2019 Legislative Session Update
2019 Legislative Session

92nd General Assembly

2019 LEGISLATIVE UPDATE
2019 Legislative Session
Act 294 – Retirement Health Benefit Adjustment
✓ Removes retirees' health insurance supplement, which ranges from $75 to $125 per month, depending on the length of service, from the cost-of-living adjustment.

Act 295 – Retirement Contribution Amounts
✓ Allows the system's trustees to increase from the current 6 percent to 7 percent of salary the amount paid by working members.
Act 1019 – Modify Construction Manager/General Contractor Authority

✓ Takes the total number of projects allowed under the program from three to five;

✓ Allows those projects to run concurrently, instead of requiring that a new project may not start until any prior project has been let;

✓ Extends the length of the program from 2022 to 2024.
Act 885 – Site Selection for School Districts

 ✓ Requires local school districts to notify us of planned site selection for new construction, allowing us to perform a traffic impact analysis.
Act 158 – ArDOT Appropriation

✓ Passed out of the session early, with no significant issues
2019 Legislative Session

Act 293 – Scenic Highways

✓ Designates State Highway 549, to be known in the future as Interstate 49 as a Scenic Highway.
2019 Legislative Session

Act 292 – Camden Expedition Scenic Highway

Act 469 – True Grit Trail

Act 671 – Delta Music Trail

Act 292 – Gold Star Highway

HR 1019 – Estes Memorial Bridge
Act 288 – Cell Phone Use in School Zone

✓ Makes the offense of using a cell phone while driving in a school zone a primary offense for which a law enforcement officer may stop a driver for non-compliance.

Act 738 – Distracted Driving

✓ Amends laws relating to distracted driving to comply with federal law, defines the offense and associated minimum fines, and makes various other changes. Changes will make the State eligible for grants under federal law (most likely utilized by State Police).
2019 Legislative Session

Act 468 – Autonomous Vehicles

✓ Authorizes the operation of fully autonomous vehicles on the highways pursuant to a pilot program approved by the Highway Commission.

Act 1052 – Autonomous Vehicles at Railroad Crossings

✓ Requires autonomous vehicles to be designed to safely negotiate railroad crossings in compliance with state and federal law and regulations.
Act 331 – Highway Commission Appointments

Act 859 – Overweight Farm Permits

Act 678 – Agency Operation Plans

Act 784 – Speed Limit
2019 Legislative Session

HJR 1008 – Amend the Process for the Submission, Challenge, and Approval of Proposed Initiated Acts, Constitutional Amendment, and Referenda

HJR 1018 – Amendment to the Arkansas Constitution to Continue a Levy of a One-Half Percent Sales and Use Tax

SJR 15 – Amending the Term Limits to Members of the General Assembly
Act 789 – An Act to Ensure that the General Assembly has Adequate Information to Make Informed Decisions on Highway Funding

Act 298 – An Act to Establish an Annual Review of the Arkansas Department of Transportation; and for Other Purposes

Act 299 – An Act Concerning Legislation Proposed by the Director of State Highways and Transportation
Motor Fuel Tax $ 58 Million
Electric and Hybrid Vehicle Registration Fees $ 2 Million
Casino Revenue $ 35 Million
Total to ARDOT $ 95 Million
Proposed Constitutional Amendment

- To Be Voted on in General Election – November 2020
- ½ Cent Sales Tax Permanent After 2023
- Continues to Provide $205 Million to ARDOT Annually
- Continues to Provide $43 Million to Cities Annually
- Continues to Provide $43 Million to Counties Annually
2019 Legislative Session

Summary

Act 416 $ 95 Million
House Joint Resolution 1018 $205 Million
Total to ARDOT $300 Million
Agenda Item 8
Upcoming Events
Upcoming Events

May 6
Jonesboro Chamber of Commerce | Director Bennett
3:30 p.m. | Jonesboro, AR

May 14
Diamond Award: District 7 | Director Bennett
11:00 a.m. | Camden, AR

May 16
AR Rural Development Conference | Commissioners Farmer & Taldo
9:30 a.m. | Hot Springs, AR
AR Trucking Association Annual Conference | Director Bennett
1:15 p.m. | Little Rock, AR
Upcoming Events

May 20-23
AASHTO Spring Meeting | Director Bennett
Park City, UT

May 24-29
Annual Leave | Director Bennett

May 30
Statewide ROADeo Finals
June 5
TRC | Director Bennett
1:30 p.m. | Hot Springs, AR

June 12
Arkansas Highway Commission Meeting
Agenda Item 9

Other Business and Discussion
Arkansas Association of Conservation Districts Hall of Fame

Alec Farmer

Inducted February 13, 2019
into the
Arkansas Association of Conservation Districts Hall of Fame
Proceeds from Equipment Auctions

Two Equipment Auctions This Year

Fall Auction $ 1,212,542.66
Supplemental Spring Auction $ 227,973.50
Total Amount To ARDOT: $ 1,440,516.16
Arkansas State Highway Commission Meeting

Wednesday, May 1, 2019