

# Legislative Briefing



Little Rock, Arkansas

January 8, 2013

# Agenda

Welcome

John Ed Regenold  
Chairman,  
Arkansas State Highway Commission

Overview of Department

Scott E. Bennett  
Director of Highways  
and Transportation

Questions

Closing Comments



# Arkansas Highway Commission



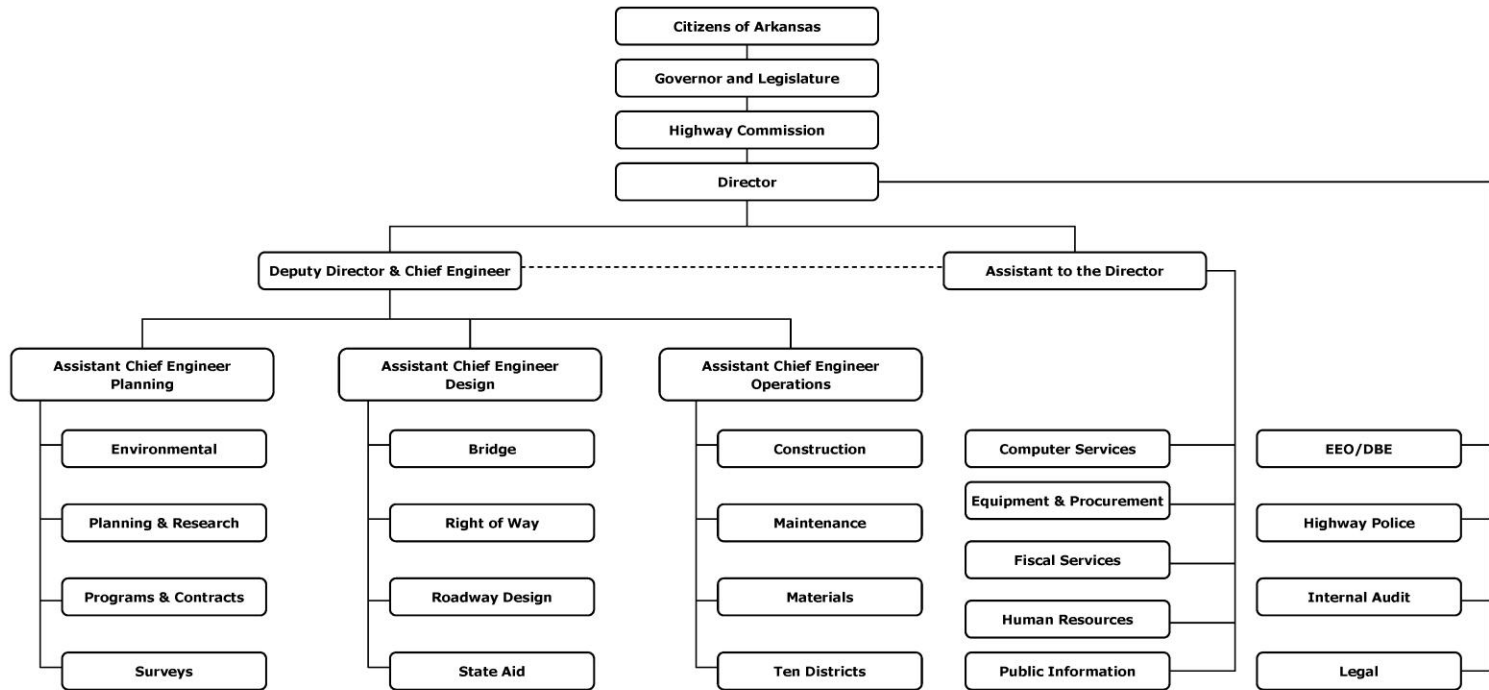
# Department Staff

- Scott E. Bennett** - Director of Highways and Transportation
- Frank Vozel** - Deputy Director and Chief Engineer
- Ralph Hall** - Assistant to the Director
- Lorie H. Tudor** - Assistant Chief Engineer-Planning
- Michael Fugett** - Assistant Chief Engineer-Design
- Emanuel Banks** - Assistant Chief Engineer-Operations
- Rita Looney** - Chief Legal Counsel
- Larry Dickerson** - Chief Fiscal Officer
- Mike Sebren** - State Construction Engineer
- Tony Sullivan** - State Maintenance Engineer
- Crystal Woods** - Division Head, Human Resources
- Ron Burks** - Chief, Highway Police
- Randy Ort** - Public Information Coordinator



# Organizational Chart

## ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT ORGANIZATION CHART



*Scott D. Bennett*

Director of Highways and Transportation

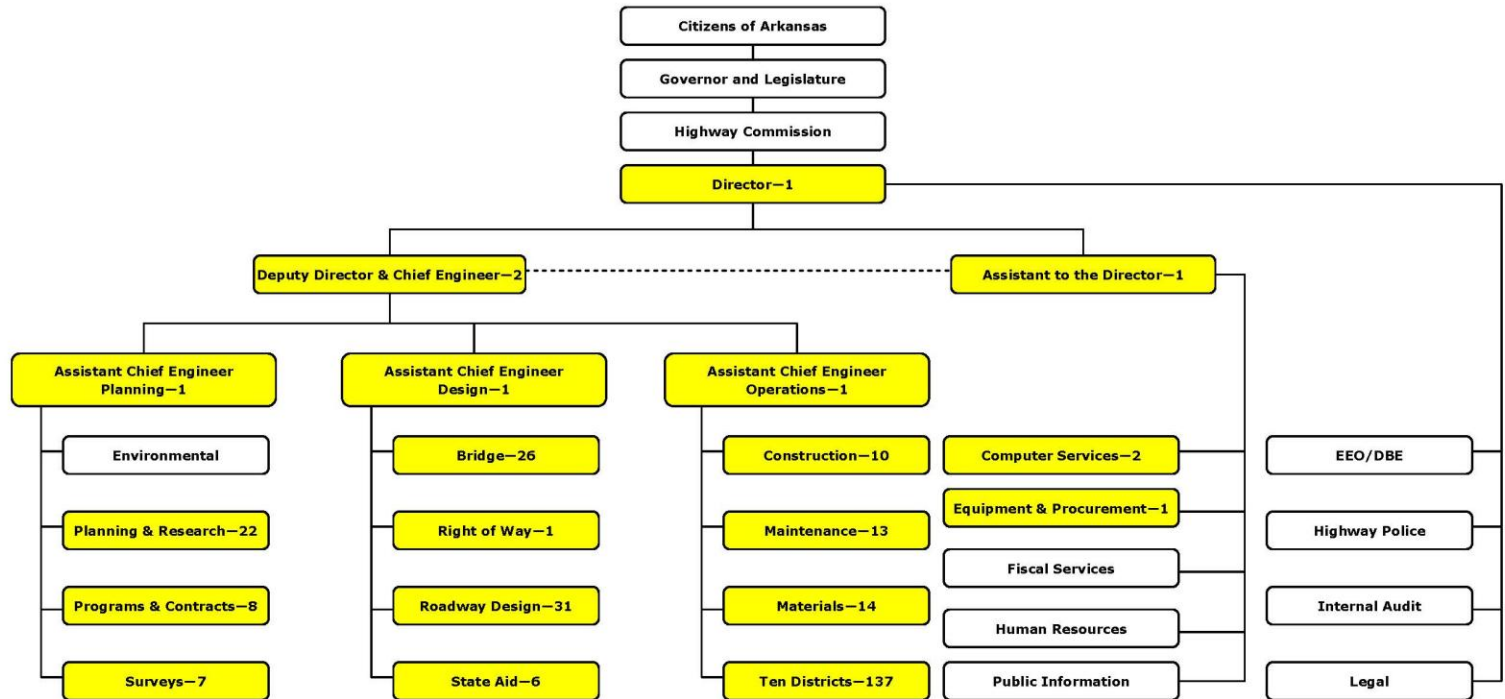
5-14-2012

Date



# Distribution of Engineers

## ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT ORGANIZATION CHART



**DISTRIBUTION OF AHTD ENGINEERS  
AS OF 7-3-2012  
285**

*Scott C. Bennett*

Director of Highways and Transportation

5-14-2012

Date



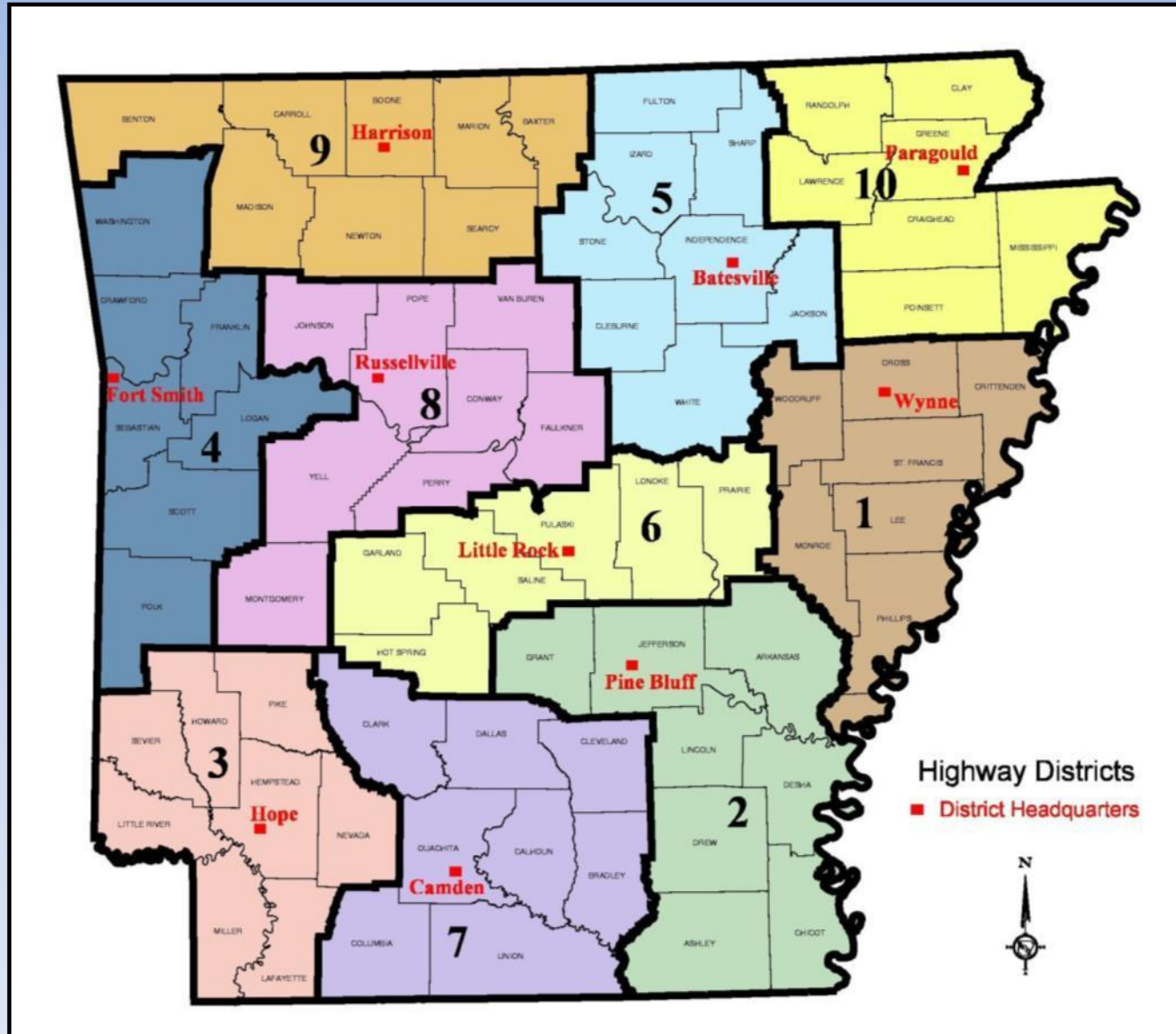


# AHTD Quick Facts

- 3rd Largest State Agency (3,574 Employees)
- 12<sup>th</sup> Largest Highway System in the Country (16,430 Miles)
- 10 Districts Statewide; Central Offices in Little Rock
- Mission: Provide a safe, efficient, aesthetically pleasing and environmentally sound intermodal transportation system for the user.



# Highway District Map





# Other Programs

Game & Fish Roads

State Park Roads

Institutional Roads

Airport Access Roads

Welcome Centers & Rest Areas



# Other Programs

Adopt-A-Highway

Arkansas Recreational Trails

Transportation Alternatives Program

Historic Bridge Program

Litter Hotline

Public Transportation

Wildflower Program

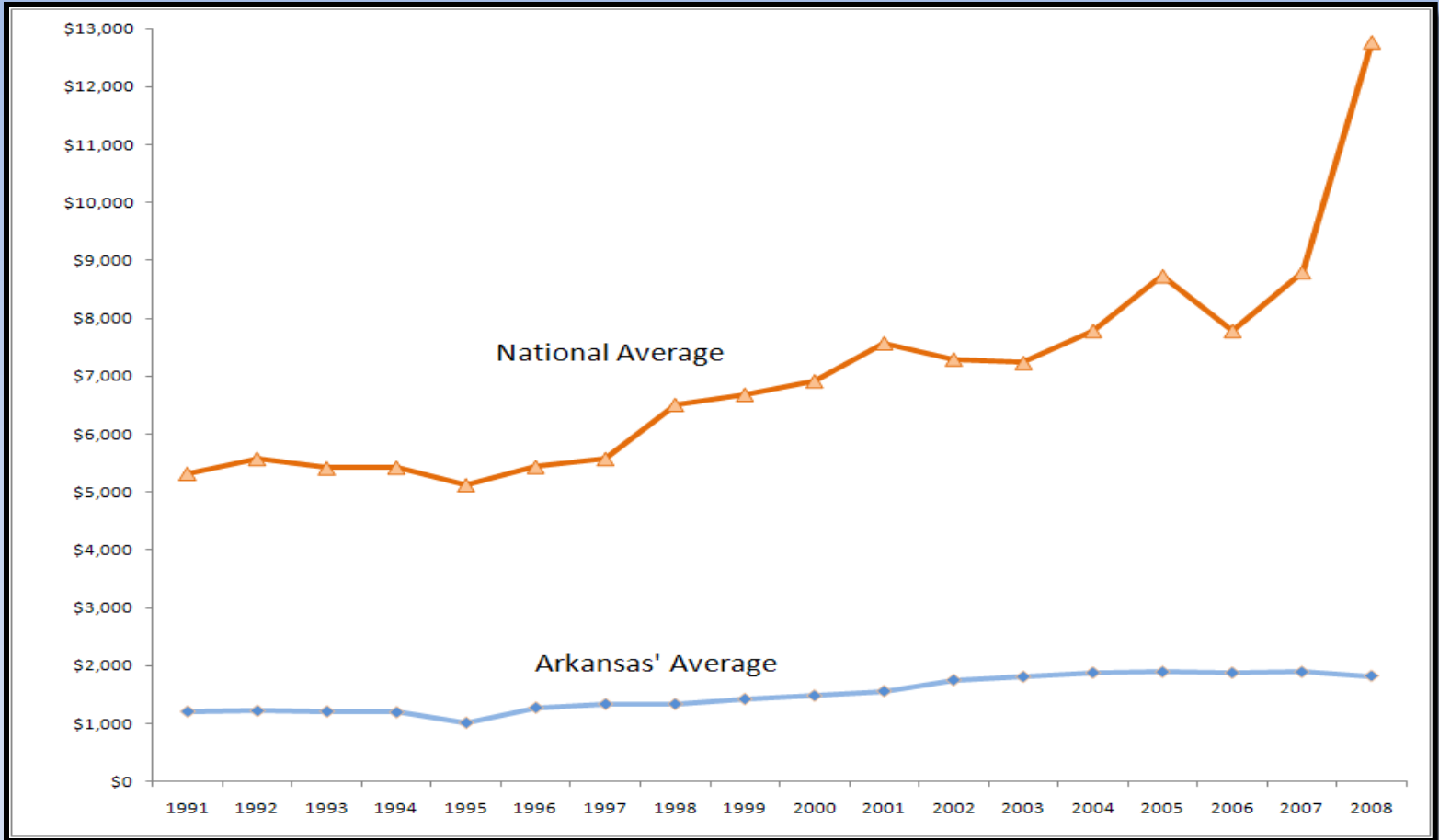


# Employment Levels

- 1992: 4,016
- 2012: 3,574
- 1965: 3,620



# AHTD Administrative Costs Per Mile



National Average = \$12,772/mile

Surrounding States' Average = \$5,342/mile

Arkansas = \$1,821/mile

Arkansas' Rank = 49<sup>th</sup>





# Workforce Management

Date	Pay Code	Amount	In	Transfer	Out	In	Transfer	Out	Shift	Daily	Cumulative
Thu 12/27	Admin	8.0								8.0	8.0
Fri 12/28	Admin	1.25									
Fri 12/28			12:51PM		7:00PM					6.25	7.5
Sat 12/29											15.5
Sun 12/30											15.5
Mon 12/31	Annual	8.0	8:45AM							8.0	23.5
Tue 1/01	New Years	8.0								8.0	31.5
Wed 1/02			9:00AM		1:00PM	1:30PM		6:25PM		9.0	40.5
Thu 1/03			9:00AM		1:15PM	1:45PM				4.25	44.75
Fri 1/04											44.75

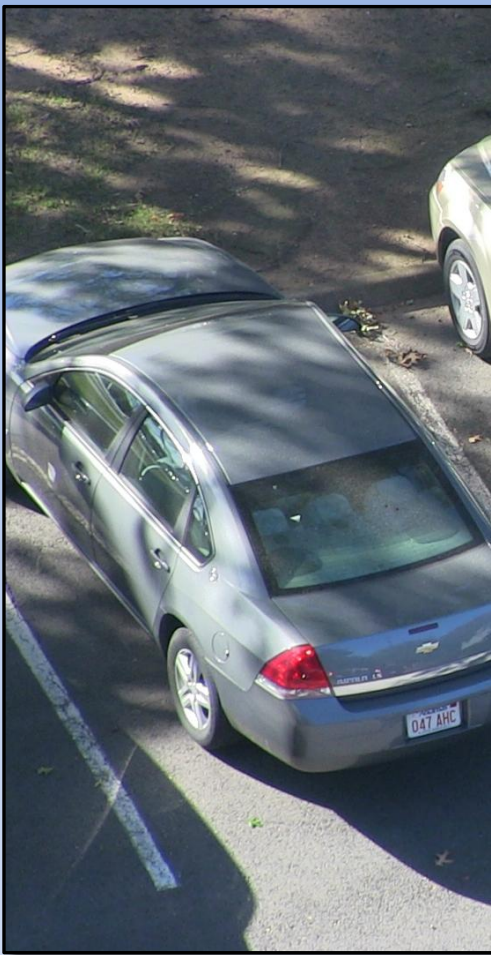
  

Accrual Code	Balance on Selected Date	Units	Balance Projected Through	Projected Debits	Projected Credits	Projected Balance	Balance without Projected Credits
Annual	23.75	Hour	1/09/2013	0.0	8.0	23.75	15.75
CEAL	6.0	Hour	4/01/2013	0.0	8.0	8.0	0.0
Comp Time Earned	0.0	Hour	1/09/2013	0.0	0.0	0.0	0.0
Floating Birthday	0.0	Hour	1/09/2013	0.0	0.0	0.0	0.0
LV-Catastrophic	0.0	Hour	1/09/2013	0.0	0.0	0.0	0.0
LV-FMLA	480.0	Hour	1/09/2013	0.0	0.0	480.0	480.0
LV-FMLAML	560.0	Hour	1/09/2013	0.0	0.0	560.0	560.0
LV-Military Training	0.0	Hour	1/09/2013	0.0	0.0	0.0	0.0
LV-Tracking	9999.0	Hour	1/09/2013	0.0	0.0	9999.0	9999.0
Sick	34.75	Hour	1/09/2013	0.0	8.0	42.75	34.75

Projected Annual Savings: \$1.2 Million



# Fleet Management



The screenshot shows the NetworkFleet web application interface. At the top, there is a navigation menu with options: MAP, VEHICLE, FLEET, REPORTS, ADMIN, and SUPPORT. Below the menu, there are tabs for "Overview Map", "Location Detail", and "Track Vehicle". The main area is a map of the United States with various vehicle locations marked by colored pins. A pop-up window for vehicle 5662 is displayed, showing the following information:

- Date: 12/19/12 3:20 PM
- Location: 1600 N Bailey St, Jacksonville, AR 72076 US
- Status: Parked
- Odometer: 112,067 mi

On the left side, there is a "VEHICLE LIST" section with filters for Group (PLANNING AND), Attribute (All Attributes), and View By (Vehicle Label). Below this is a list of vehicle IDs with corresponding colored squares: 0225, 5453, 5454, 5662, 5667, 5668, 5669, 5670, 5718, 5789, 5790, 5792, 5965, 5961, 6056, 6057, 6631, 6775, 6999, 7005, 7100, 7102, 7200, and 7980.

At the bottom of the interface, there is a copyright notice: "© Copyright 2001-2012 by NetworkFleet Inc. Build: patch\_3.22.2.14855. Use of this site is subject to NetworkFleet's Website Acceptable Use Policy and Privacy Policy. Additional Info."



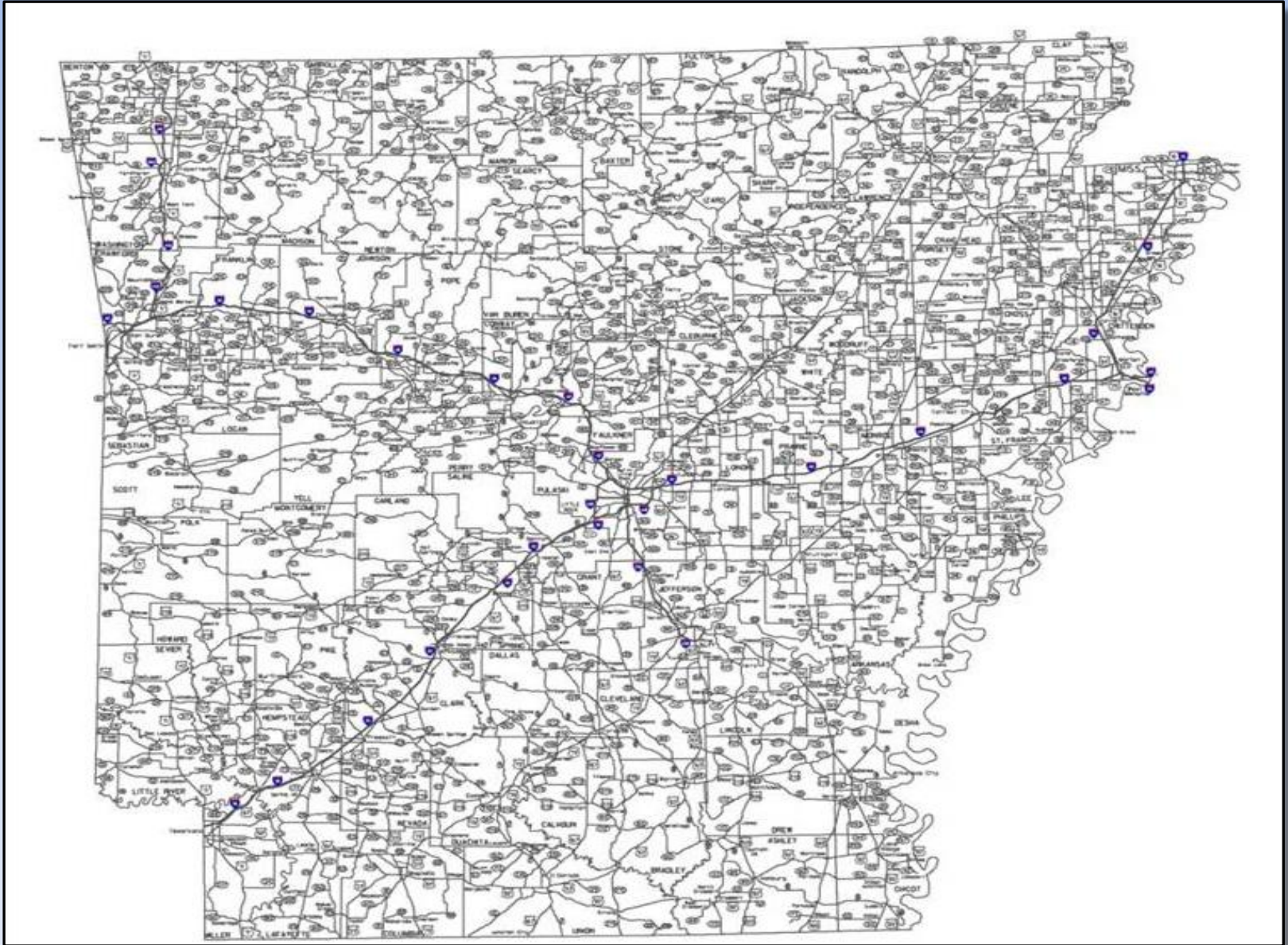


# State Highway System

- Arkansas 16,430 miles
- Illinois 16,040 miles
- California 15,205 miles
- New York 14,969 miles
- Tennessee 13,881 miles
- Florida 12,084 miles

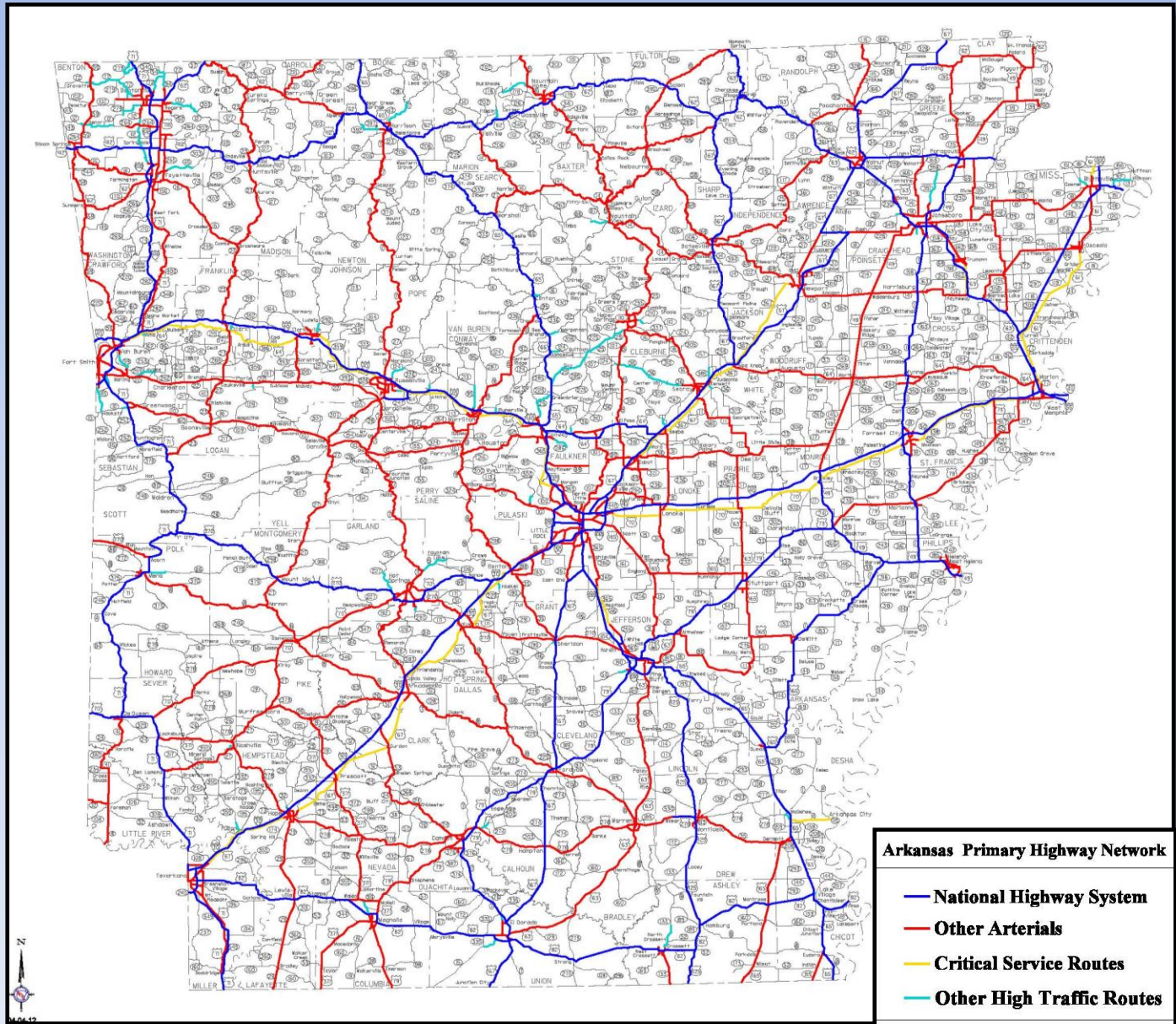


# State Highway System





# Arkansas Primary Highway Network

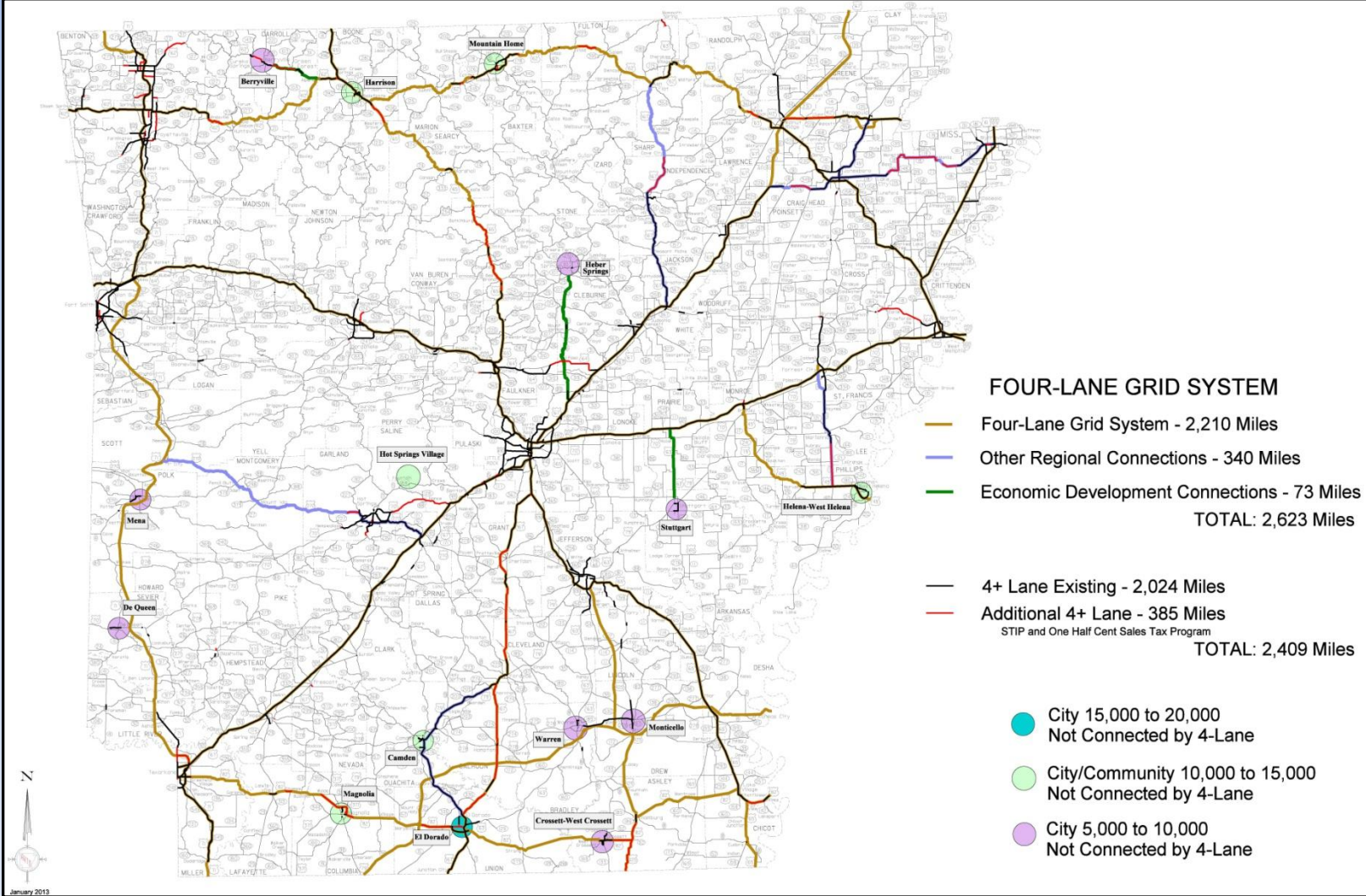


**Arkansas Primary Highway Network**

- National Highway System**
- Other Arterials**
- Critical Service Routes**
- Other High Traffic Routes**



# 4-Lane Grid System



## FOUR-LANE GRID SYSTEM

- Four-Lane Grid System - 2,210 Miles
- Other Regional Connections - 340 Miles
- Economic Development Connections - 73 Miles
- TOTAL: 2,623 Miles**
  
- 4+ Lane Existing - 2,024 Miles
- Additional 4+ Lane - 385 Miles
- STIP and One Half Cent Sales Tax Program
- TOTAL: 2,409 Miles**

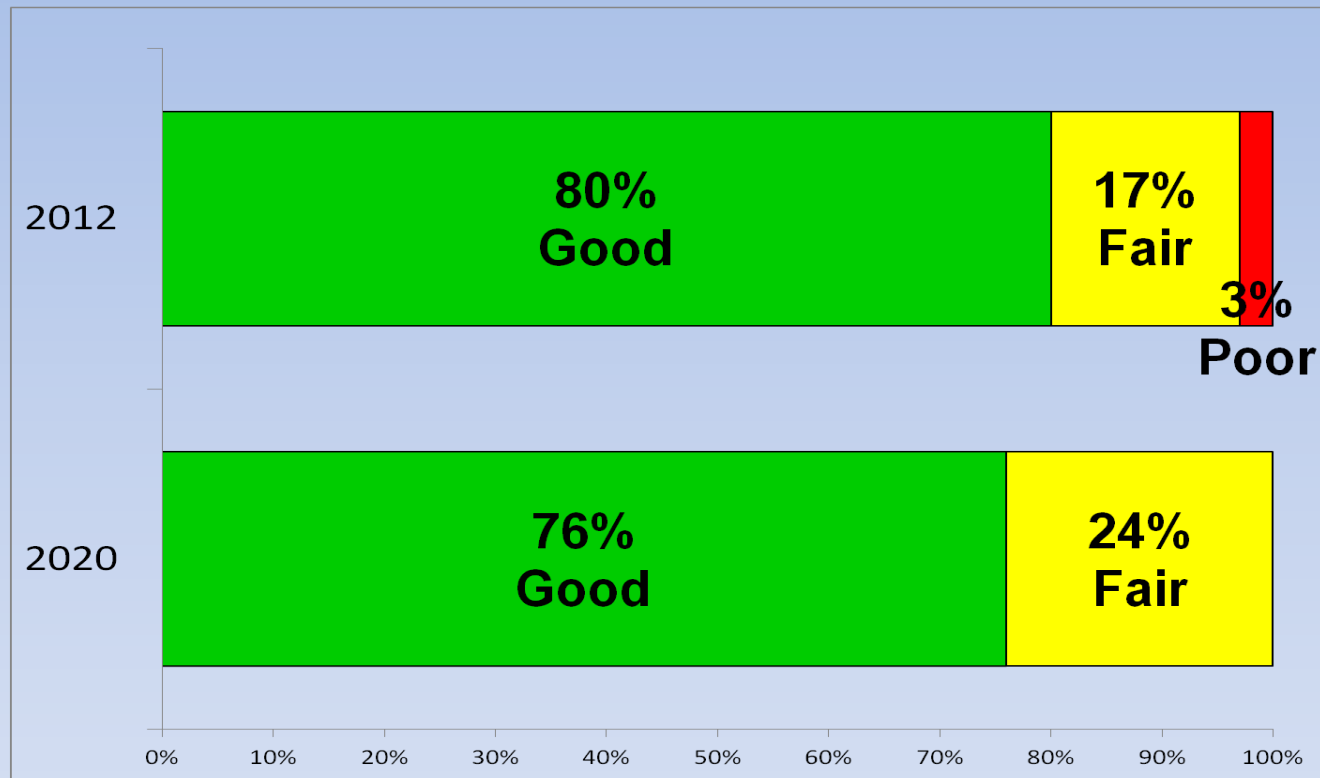
- City 15,000 to 20,000  
Not Connected by 4-Lane
- City/Community 10,000 to 15,000  
Not Connected by 4-Lane
- City 5,000 to 10,000  
Not Connected by 4-Lane





# Highway Conditions in Arkansas

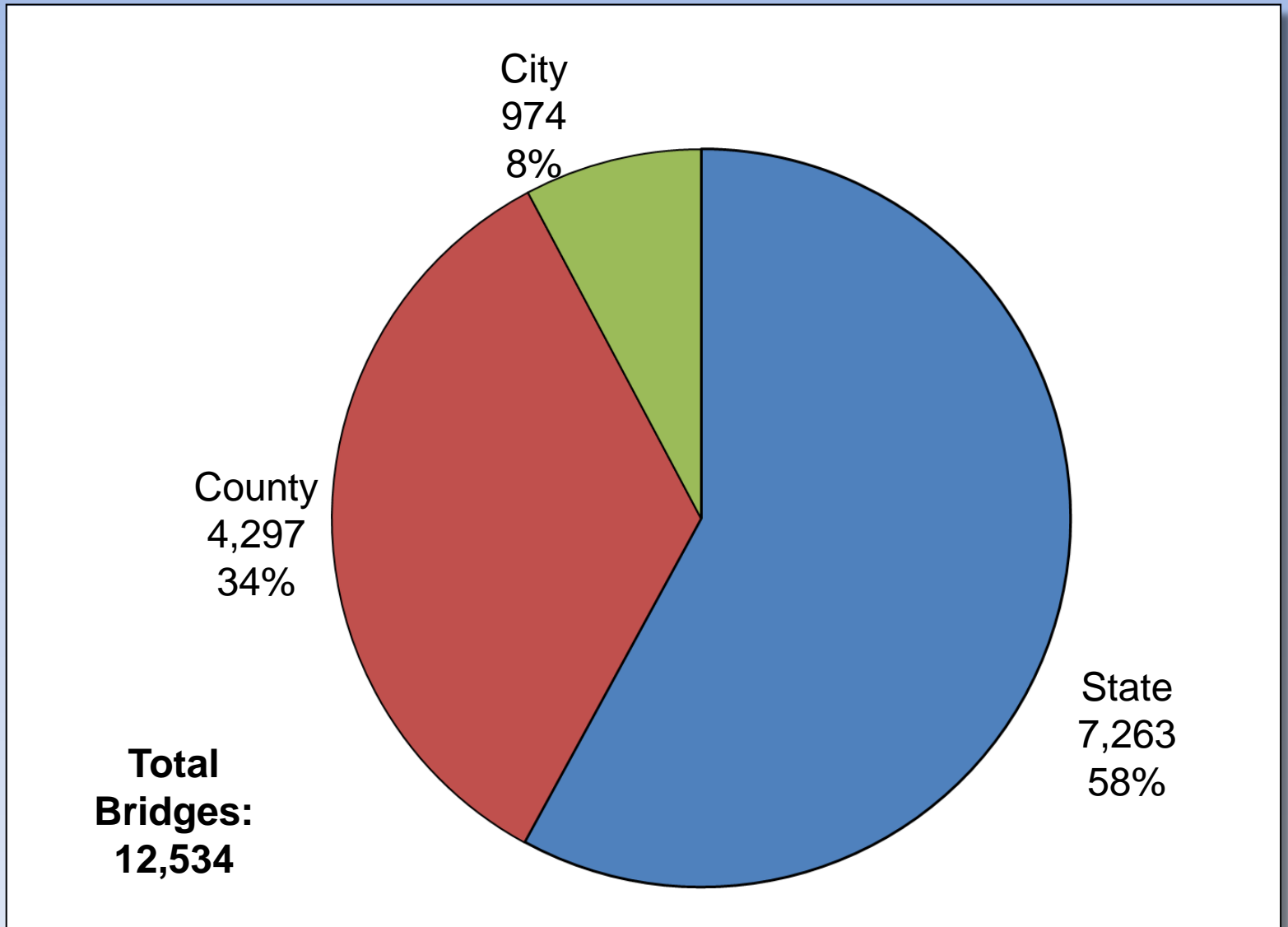
## Interstate Highway System - 2012



Assumes spending will continue at same level as historical spending for system preservation (including the 2011 Interstate Rehabilitation Program).

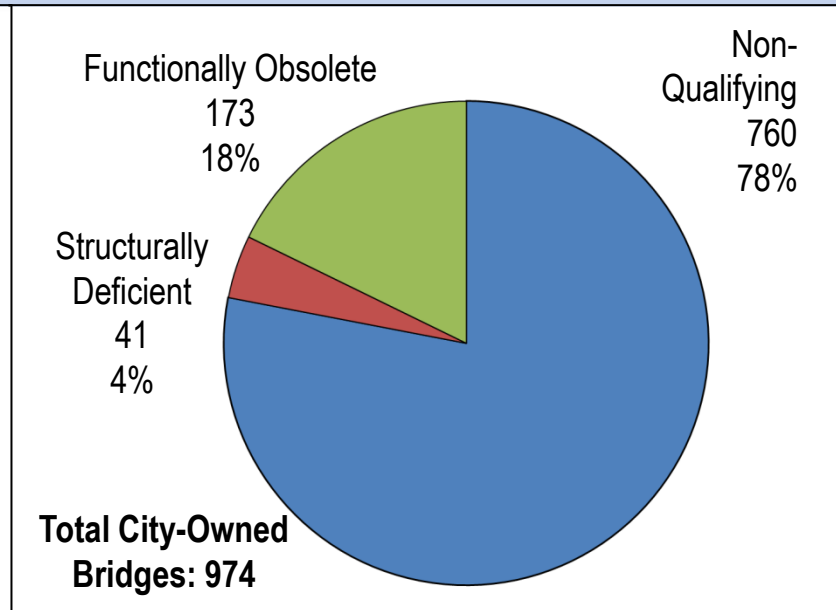
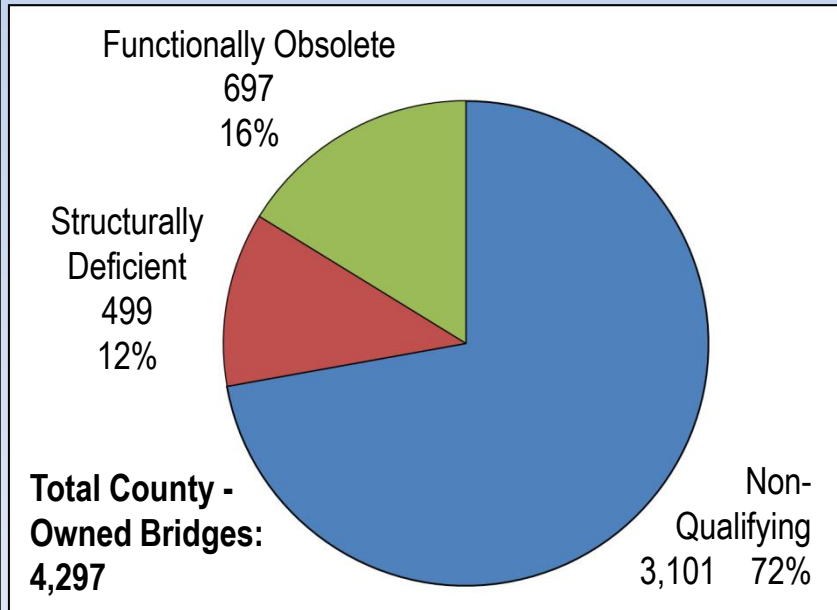
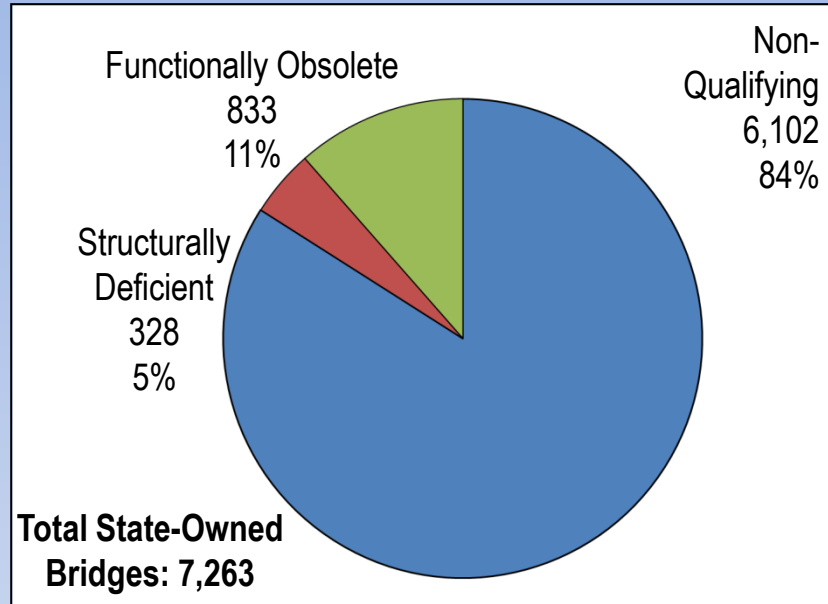


# Total Bridges in Arkansas





# Bridge Conditions in Arkansas



# Challenges

➤ **12<sup>th</sup>** largest system in the country

➤ **43<sup>rd</sup>** in highway revenue per mile.

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➤ **\$23 billion** in needs

➤ **\$4 billion** in available revenue



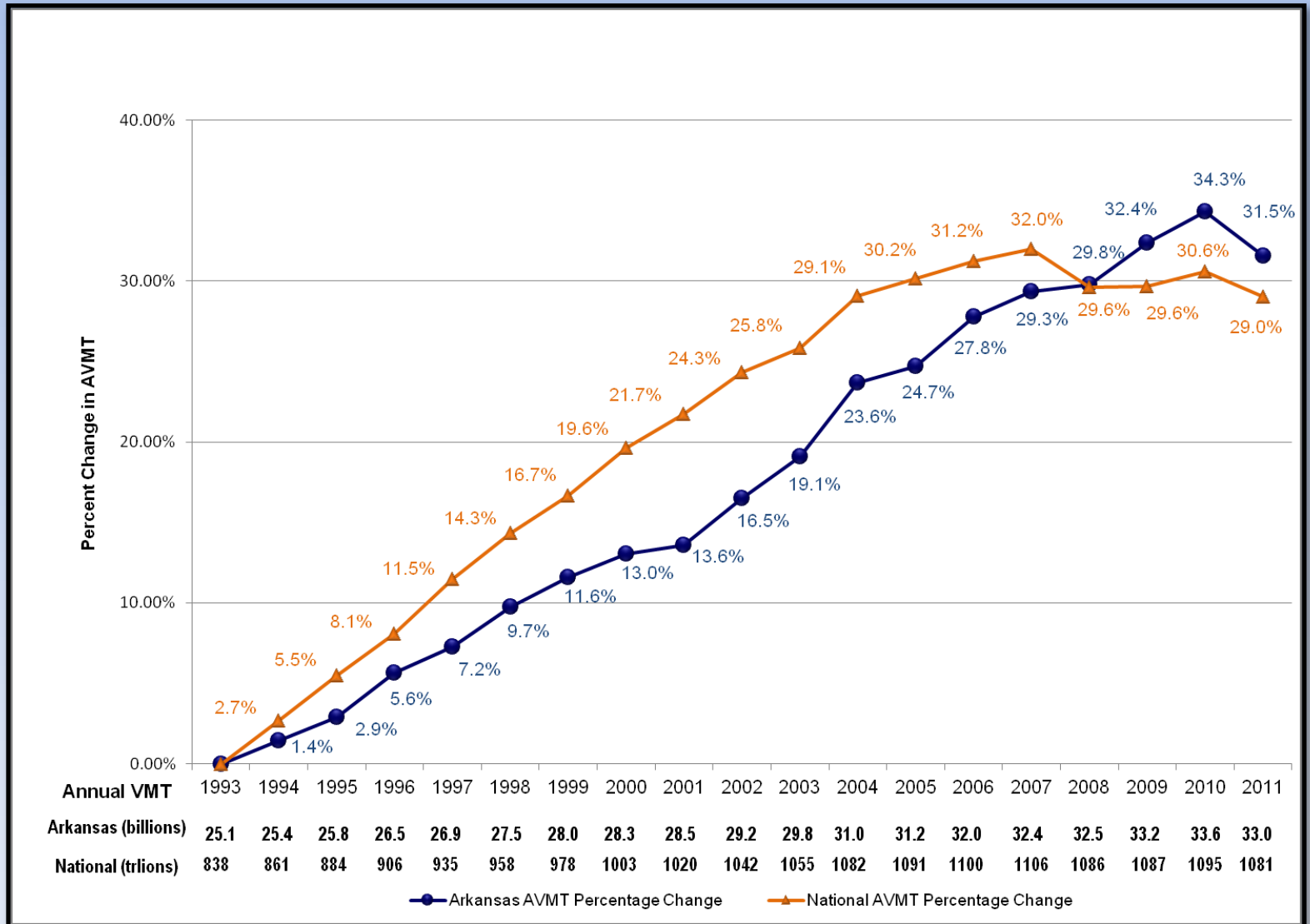
# Total Cost for Needs and Other Improvements

Congestion Relief.....	\$3.7 billion
Maintaining the System .....	\$10.8 billion
Congressionally-Designated High Priority Corridors....	\$7.5 billion
Economic Development Connectors.....	\$1.6 billion
<b>Total Needs and Other Improvements.....</b>	<b>\$23.6 billion</b>
<b>Anticipated Funding (Including Half-Cent Revenue)..</b>	<b>\$5.6 billion</b>
<b>SHORTFALL.....</b>	<b>\$18.0 billion</b>



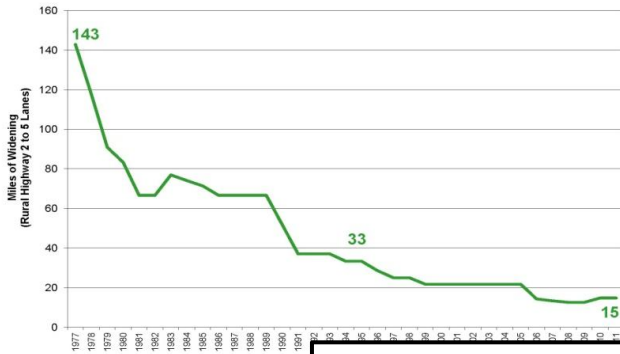
# Vehicle Miles Traveled

Percent Increase in Annual Vehicle Miles of Travel  
for All Public Roads in Arkansas and the Nation

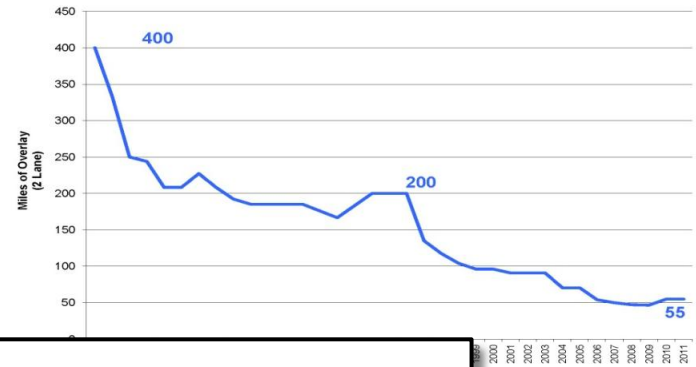


# Challenges

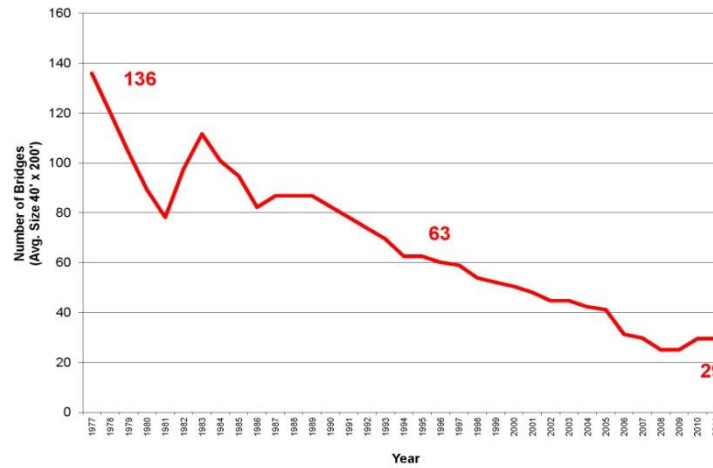
**\$100,000,000 Widening Program**



**\$10,000,000 Overlay Program**



**\$25,000,000 Bridge Program**



# Current Highway Funding Sources

## Federal

Per-Gallon Motor Fuel Taxes

## State

Per-Gallon Motor Fuel Taxes

Severance Taxes

Vehicle Registration Fees

License/Permit/Inspection Fees





# Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21)

- Signed by President Obama July 6, 2012
- Federal-aid Highway and Transit Programs
- Authorized Through September 30, 2014
- Federal Funding Continued at 2012 Levels



# Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21)

## Four Main Core Programs

- National Highway Performance Program
- Surface Transportation Program
- Highway Safety Improvement Program
- Congestion Mitigation and Air Quality Program

## Two New Formula Programs

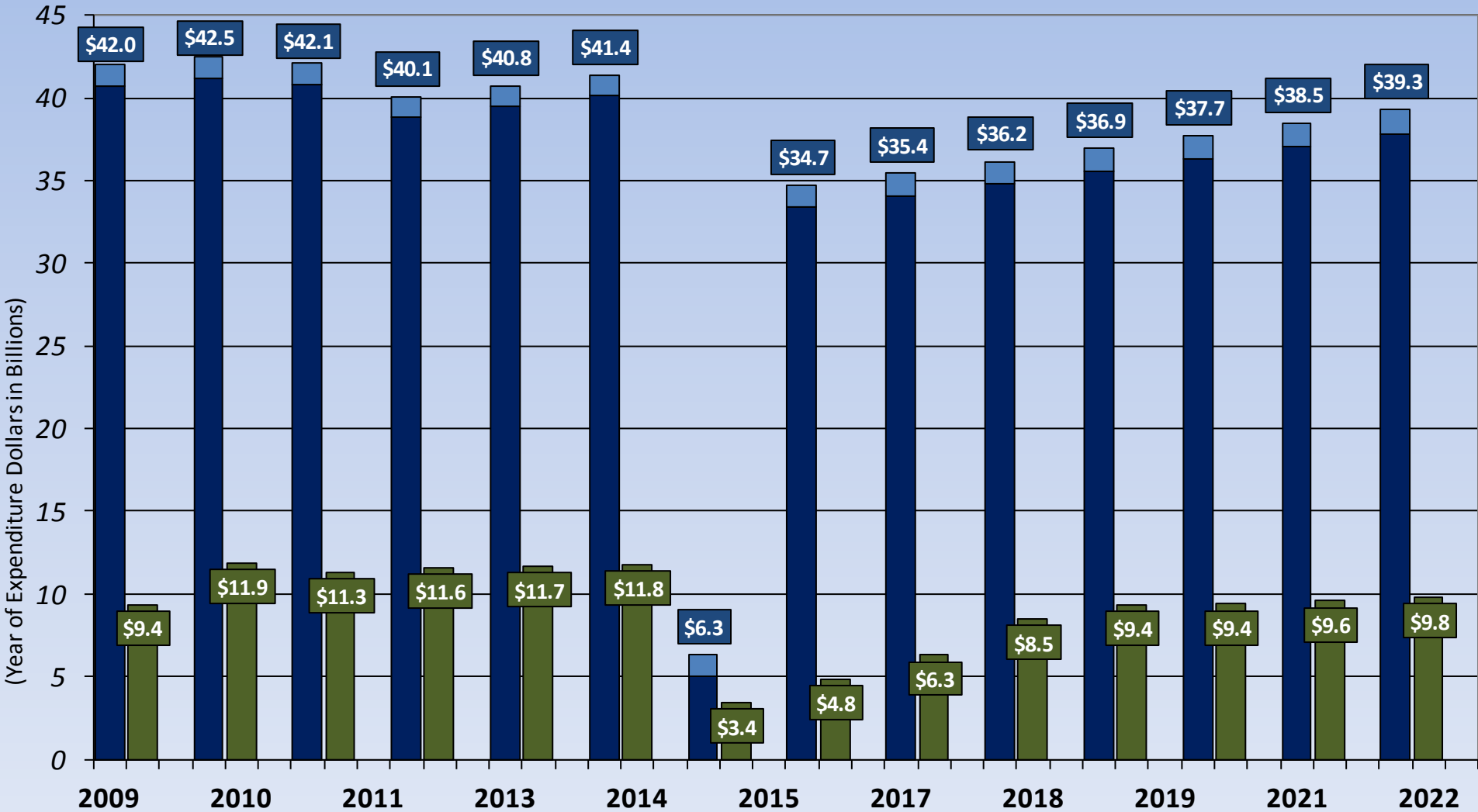
- Transportation Alternatives
- Construction of Ferry Boats and Ferry Terminal Facilities



# Federal Highway and Transit Needs and Obligations Through 2022

Assumes a minimum balance of \$2 billion for the Highway Account and \$.25 billion for the Mass Transit Account

Federal-aid Highway Obligations Highway Safety Obligations Total Transit Obligations



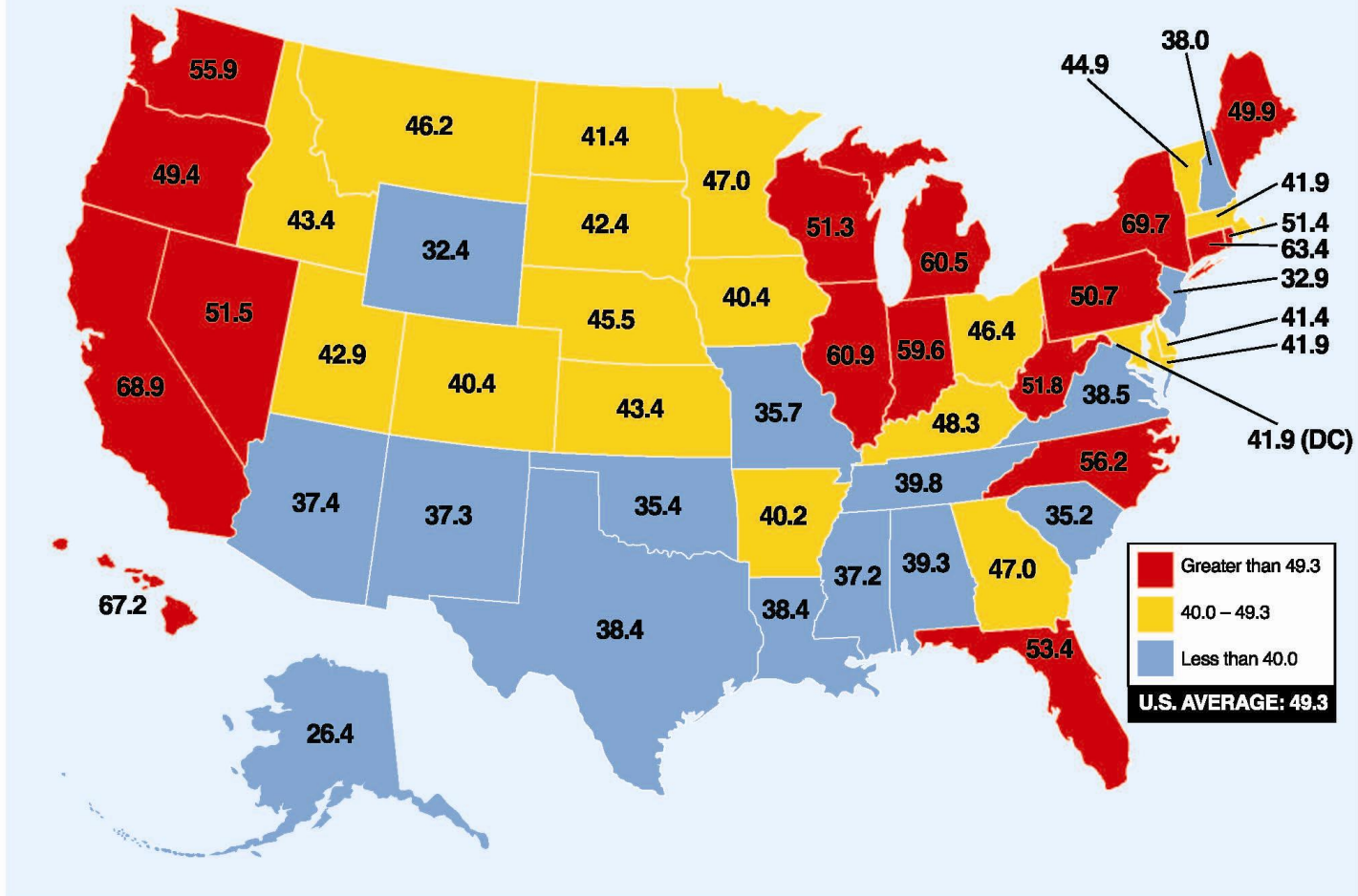
# State and Federal Gasoline Taxes



AMERICAN PETROLEUM INSTITUTE

## GASOLINE TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)  
OCTOBER 2012



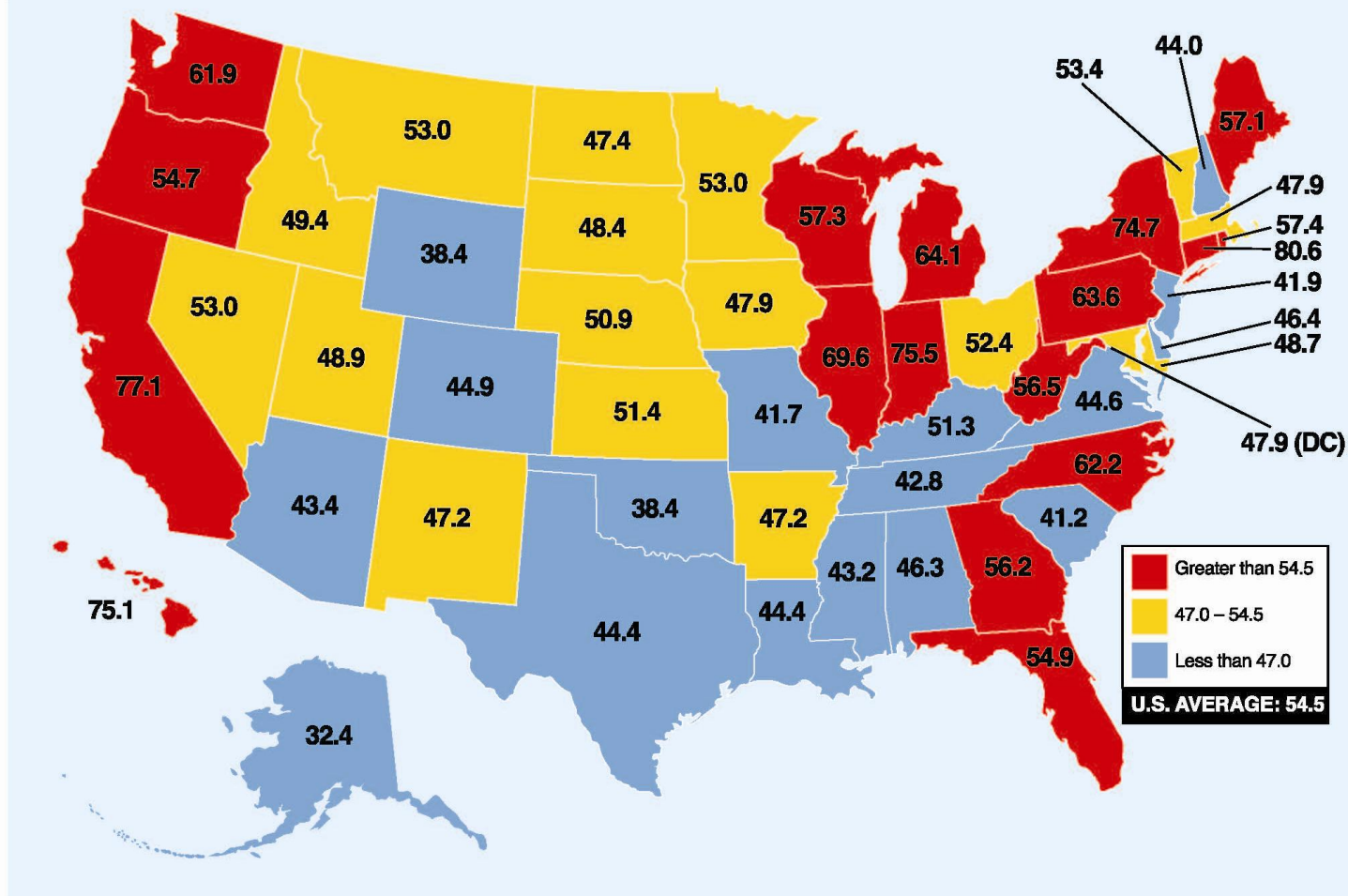
# State and Federal Diesel Taxes



AMERICAN PETROLEUM INSTITUTE

## DIESEL TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)  
OCTOBER 2012



# Estimated Average Annual Construction Funds Available for Commission Discretion

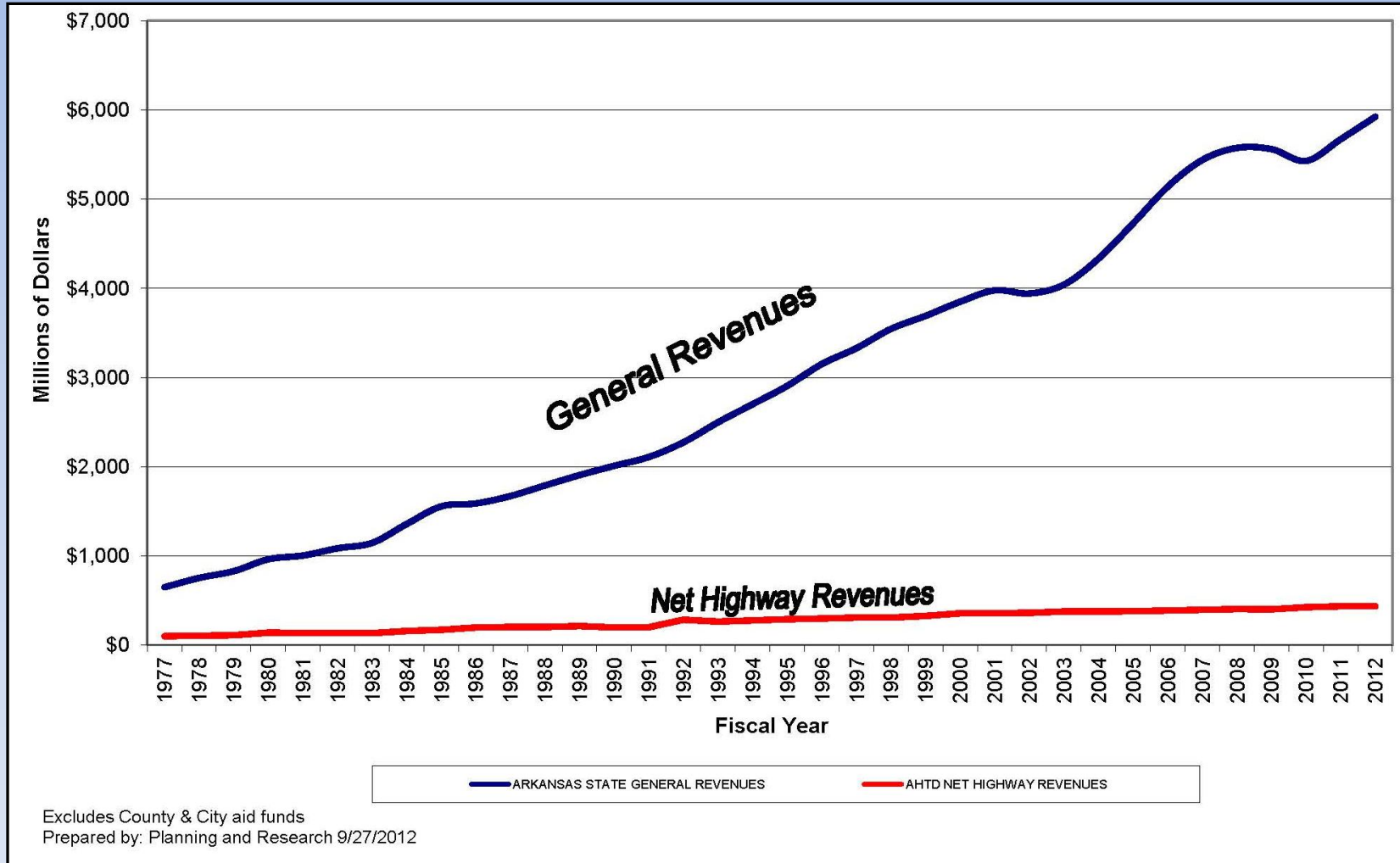
(Fiscal Years 2013-2014)

Federal Funds (Est. Average Annual Revenue from MAP-21).....	\$501 Million
State Highway Funds (Est. Average Annual Revenue 2013-2014).....	\$394 Million
Total Federal & State Highway Funds.....	\$895 Million
Less Non-AHTD Federal Funds, Non-Construction Programs and Federal Obligation Limitations.....	\$105 Million
Less State Funds for Fixed Budgeted Expenditures and Match for Non-Construction Federal Aid.....	\$292 Million
Less State and Federal Fund Commitment for IRP.....	\$85 Million
Federal and State Funds Highway Construction.....	\$414 Million
Funds Specific to Categories (No Commission Discretion).....	\$138 Million
<b>Highway Construction Funds Available for Commission Discretion.....</b>	<b>\$276 Million</b>





# State General Revenues vs. AHTD Net Highway Revenues



# What is a STIP?

R	COUNTY	RTE	TERMINI
01	Miller	030	Texas State Line-Hwy. 108 (S)
310	Miller	030	Hwy. 108-Hwy. 67 (S)
0302	Miller	030	Hwy. 67-West of Red River (S)
0303	Miller	030	Red River-East & West (F)
0305	Hempstead	030	Hwy. 67-Sheppard (F)
0306	Hempstead	030	Sheppard-Hwy. 278 (S)
BB0702	Clark	030	Hwy. 26-Caddo River (F)
BB0602	Saline	030	Hwy. 70-West (West Bound Lanes) (S)
BB0403	Craw & Frank	040	Dyer-Cravens Creek (S)

- Four-Year Improvement Program
- Lists Federally-Funded Transportation Projects Located Outside Metropolitan Planning Organization (MPO) Boundaries
- Financially Constrained



# What is a STIP?

- Includes MPO's TIPs
- Submitted for Public Comment
- Approved by Highway Commission
- Identifies Federal Funding Categories for Planned Projects

**STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) FINANCIAL SUMMARY REPORT FOR FISCAL YEAR 2013**  
(x \$1 million)

**ESTIMATED STATE REVENUES**

	2013	2014
MOTOR FUEL & REGISTRATION FEES		
4c DIESEL TAX - IRP	367.5	376.5
NATURAL GAS SEVERANCE TAX	17.5	17.5
	25.0	30.0
<b>REVENUES</b>	<b>410.0</b>	<b>424.0</b>
<b>EXPENDITURES (1)</b>	<b>(285.1)</b>	<b>(298.7)</b>
<b>STATE FUNDS REMAINING FOR CONSTRUCTION</b>	<b>124.9</b>	<b>125.3</b>

(1) INCLUDES FUNDS TO BE USED FOR MAINTENANCE AND OPERATIONS OF EXISTING SYSTEM

**FHWA FEDERAL FUNDING ALLOCATION**

FUNDING CATEGORIES:	2013		2014		APPORTIONED
	APPORTIONED	SCHEDULED	APPORTIONED	SCHEDULED	
INTERSTATE MAINTENANCE	142.4	123.9	97.0	103.7	98.0
2011 INT REHAB BOND PROGRAM	225.0	222.2	200.0	204.3	150.0
NATIONAL HIGHWAY SYSTEM	108.6	104.9	110.8	105.7	113.0
SURFACE TRANSPORTATION	186.3	153.8	189.5	181.6	192.0
CONGESTION MITIGATION & AIR QUALITY	12.2	11.8	12.5	22.2	12.7
HIGHWAY SAFETY	22.9	22.7	23.3	26.6	23.8



# The Problem

Per-Gallon Tax is the **Primary Funding Source**  
for Highways



Fuel Consumption is **Declining**



Highway Revenues From Fuel are **Declining**







**Blue Ribbon**  
Committee  
on Highway Finance  
[BlueRibbonHighways.com](http://BlueRibbonHighways.com)

## **FINAL REPORT**

**December 1, 2010**

Presented to:

The Honorable Mike Beebe, Governor  
House Interim Committee on Public Transportation  
Senate Interim Committee on Transportation, Technology and Legislative Affairs  
House Interim Committee on Revenue and Taxation  
Senate Interim Committee on Revenue and Taxation  
Arkansas Legislative Council  
Arkansas State Highway Commission  
Association of Arkansas Counties  
Arkansas Municipal League





# Revenue Proposals



- Reissue GARVEE Bonds for a New Interstate Rehabilitation Program
- State Aid Program for Cities
- Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries



# Revenue Proposals



## Reissue GARVEE Bonds for Interstate Rehabilitation Program

- Needed Vote of the People
- \$575 Million in Bonds
- No New Taxes



# Interstate Rehabilitation Program

**1999**

50 Projects | 360 Total Miles | \$1.0 Billion

Interstate Condition Improved From 21% 'Good' to 72%

**2011**

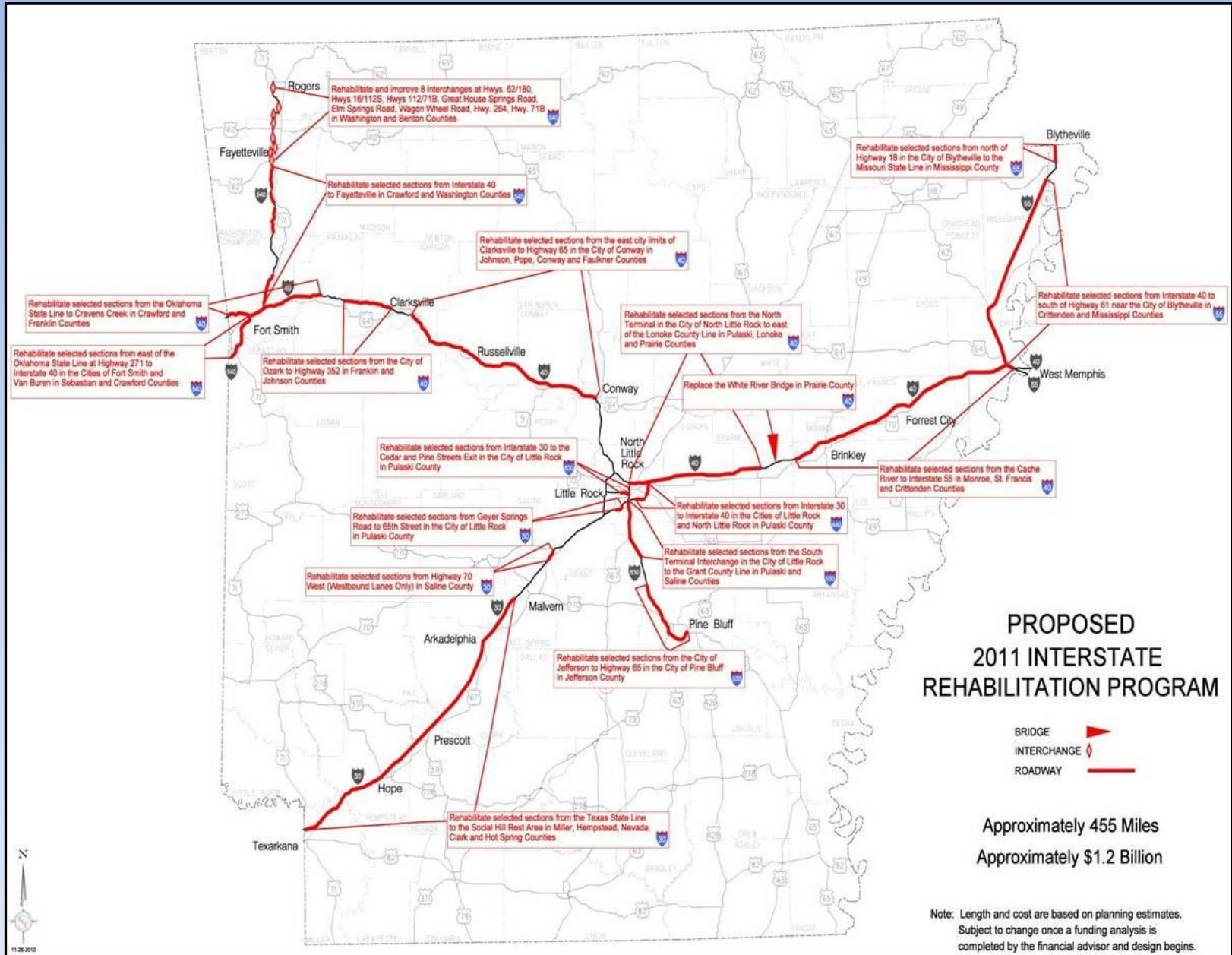
Passed With 81% of Vote

75 +/- Projects | 455 Total Miles | \$1.2 Billion

First Contracts Awarded in November 2012



# Interstate Rehabilitation Program





# Interstate Rehabilitation Program

Projects Let to Contract

## I-540

7.1 Miles | Hwy. 22 – I-40 | **\$78.8 Million**

## I-530

7.4 Miles | Bingham Rd. – Grant Co. Line | \$13.5 Million

## I-40

7.2 Miles | Mill Creek Rd. – Hwy. 331 | \$42.3 Million

**\*\* IRP Projects Included in Largest Letting in AHTD History! \*\***





# Revenue Proposals



## State Aid Program for Cities

- Dedicate 1¢ Per Gallon of Existing Motor Fuel Tax
- Similar to County Aid Program
- Funds Distributed by 9-Member Panel
- Passed in 2011; Triggered by Issue #1 Vote



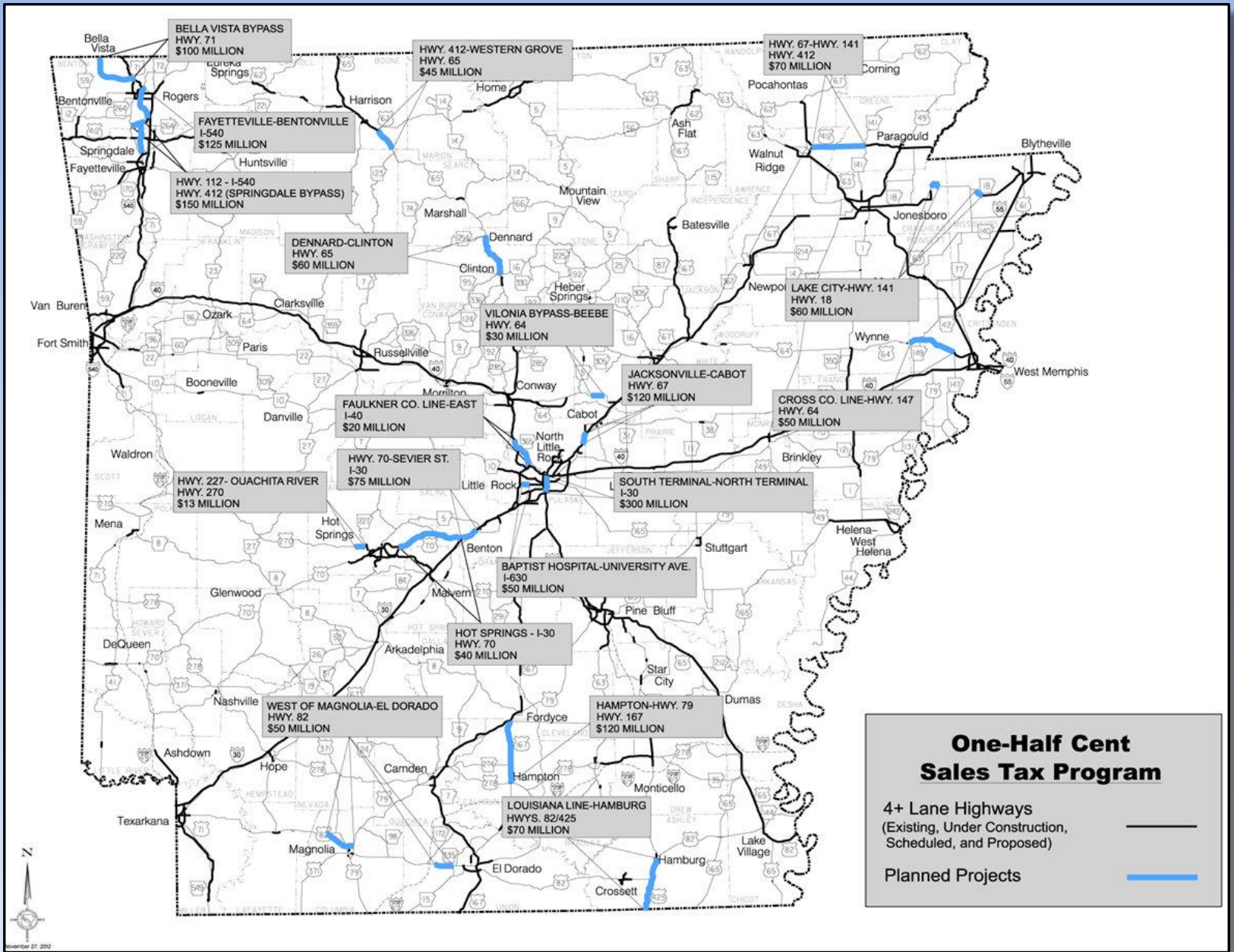
# Revenue Proposals



## Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program

- Sunset in 10 Years
- Used for Multi-Year Bond Program
- Would Generate \$1.8 Billion Total Program
- Recommended to Refer to a Vote of the People





**One-Half Cent Sales Tax Program**

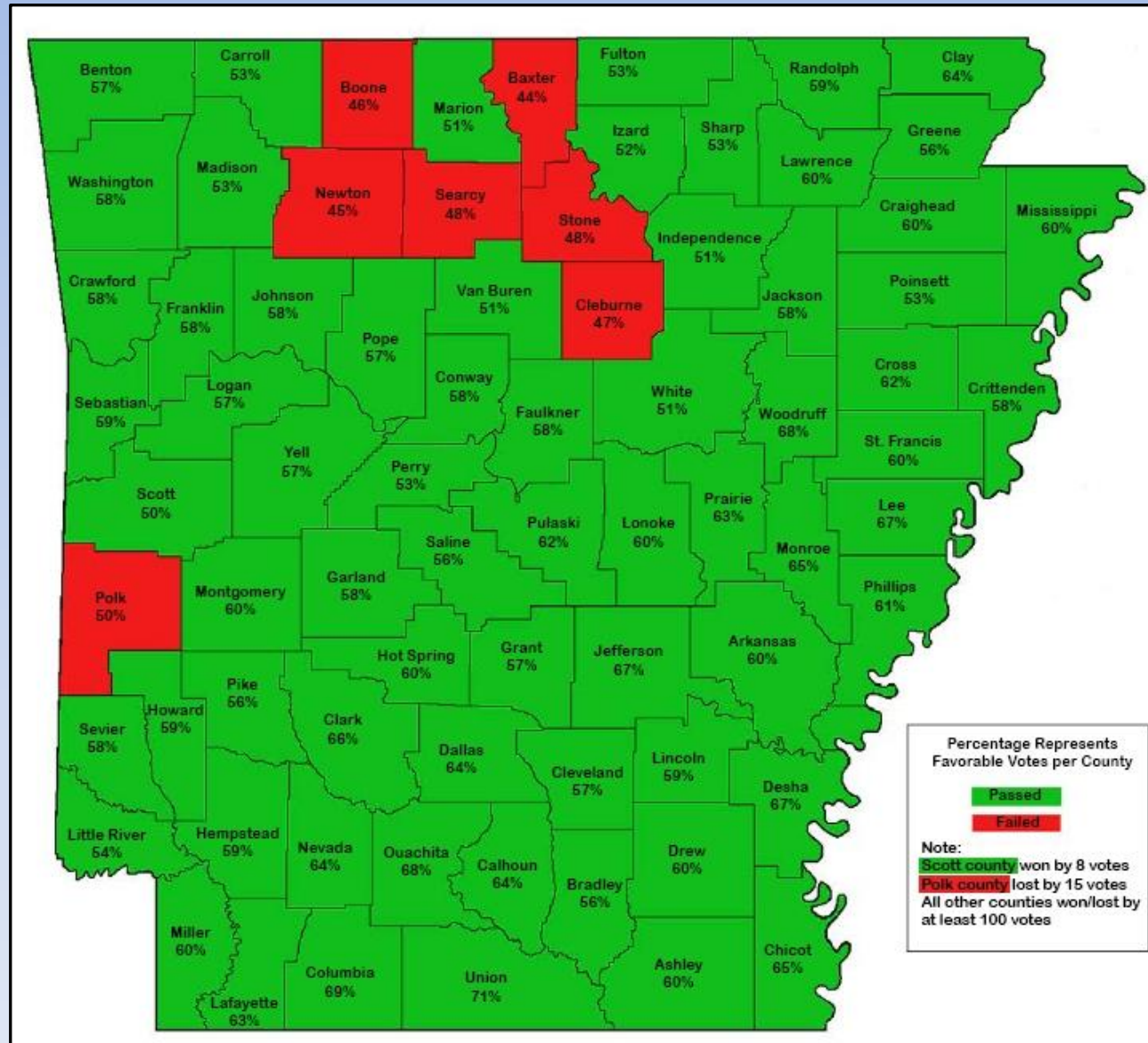
4+ Lane Highways  
(Existing, Under Construction, Scheduled, and Proposed) ———

Planned Projects ———



# November 6<sup>th</sup> General Election

## Issue Number 1



# Revenue Proposals

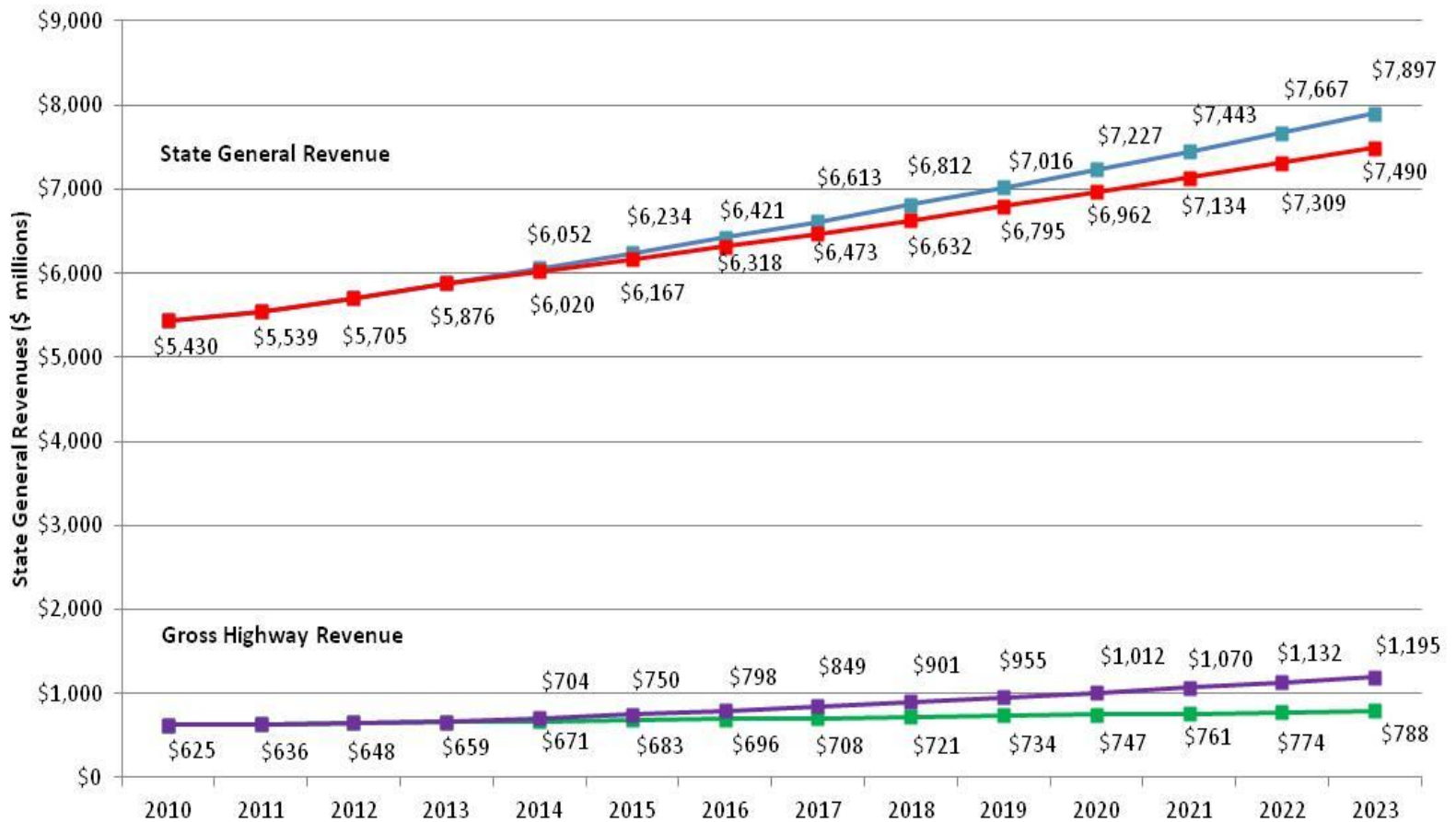


- Reissue **APPROVED** GOVIE Bonds for Interstate Rehabilitation Program
- State Aid Programs for Cities **APPROVED**
- Temporary One-half Cent General Sales Tax to Fund a Multi-Year Construction Program **APPROVED**
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries





**Revenue from Transferring 6% of the Gross State Sales and Use Tax (Representing Road-User Related Sales and Use Tax)  
and the 4.5% Sales and Use Tax on the Sale of New and Used Vehicles  
In millions -- Phased in Over Ten Years -- Beginning in 2014**



- Projected Existing General Revenue
- Projected General Revenue with Transfer in Place (see details above)
- Projected Gross Highway Revenue
- Projected Gross Highway Revenue with Transfer in Place (see details above)



**Revenue from Transferring 6% of the Gross State Sales and Use Tax (Representing  
Road-User Related Sales and Use Tax) and  
the 4.5% Sales and Use Tax on the Sale of New and Used Vehicles  
(in millions)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue to AHTD	\$23	\$47	\$72	\$98	\$126	\$155	\$185	\$217	\$250	\$285
Revenue to Counties	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61
Revenue to Cities	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61
Total	\$33	\$67	\$102	\$140	\$180	\$221	\$265	\$311	\$358	\$407



# Total Cost for Needs and Other Improvements

Congestion Relief.....	\$3.7 billion
Maintaining the System .....	\$10.8 billion
Congressionally-Designated High Priority Corridors....	\$7.5 billion
Economic Development Connectors.....	\$1.6 billion
	<hr/>
<b>Total Needs and Other Improvements.....</b>	<b>\$23.6 billion</b>
<b>Anticipated Funding (Including Half-Cent Revenue)..</b>	<b>\$5.6 billion</b>
<b>SHORTFALL.....</b>	<b>\$18.0 billion</b>





If you have any questions please contact us through our website  
or by e-mail at:

[www.ArkansasHighways.com](http://www.ArkansasHighways.com)

or

[info@arkansashighways.com](mailto:info@arkansashighways.com)