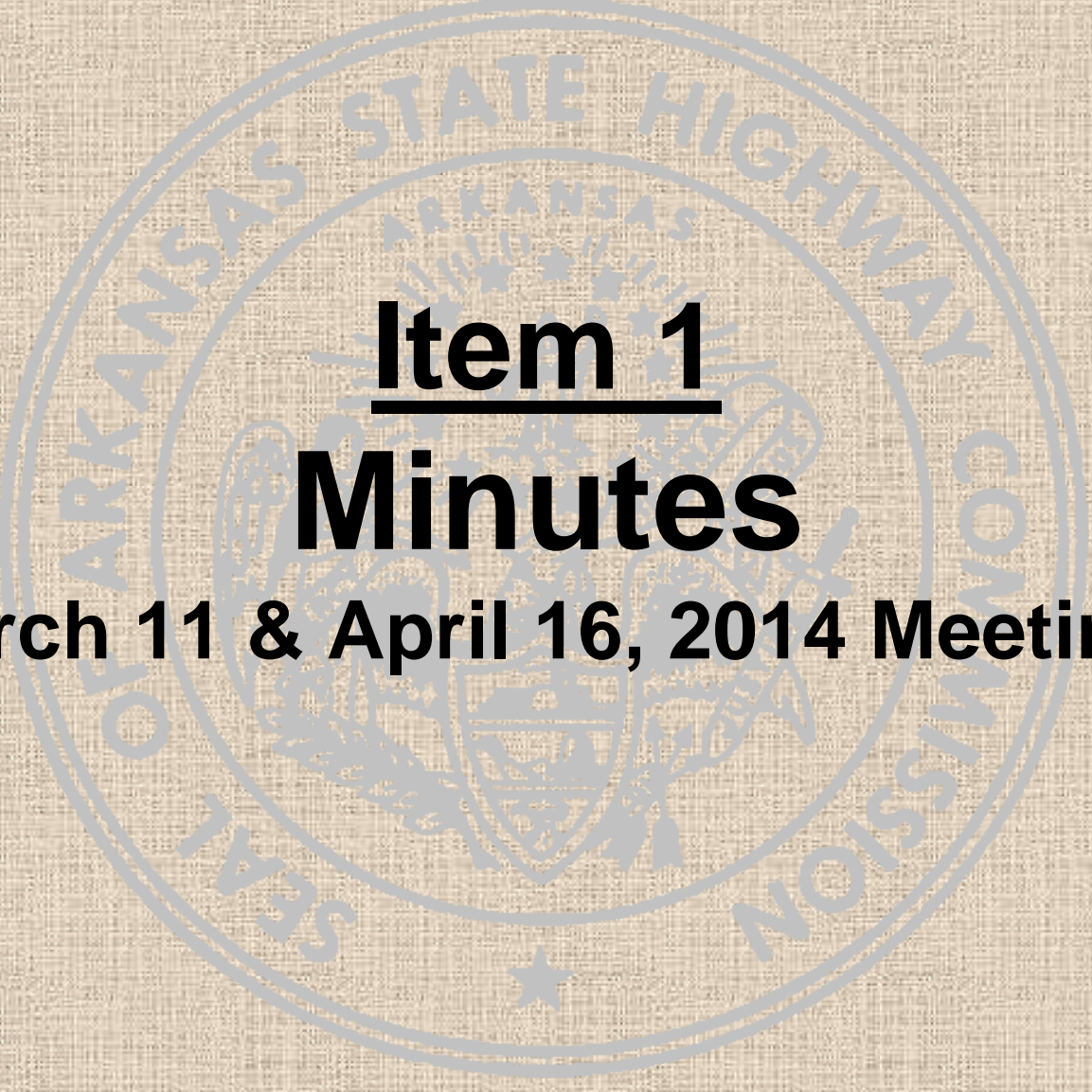


The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a star and other symbols.

Arkansas State Highway Commission Meeting

Wednesday, June 4, 2014

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "SEAL OF ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a shield and stars.

Item 1 **Minutes**

March 11 & April 16, 2014 Meetings

The background of the slide features a large, light blue watermark of the Seal of the Arkansas State Highway Commission. The seal is circular and contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter. In the center, it features the state seal of Arkansas, which includes a shield with a plow, a sheaf of wheat, and a cotton plant, topped by a crest with a star. The word "ARKANSAS" is written above the shield.

Item 2

**Consideration of
Minute Orders**

The background of the slide features a large, faint, circular seal of the Arkansas State Highway & Transportation Commission. The seal contains the text "ARKANSAS STATE HIGHWAY & TRANSPORTATION COMMISSION" around the perimeter and a central emblem with a star and the word "ARKANSAS".

Item 3

Status of Federal Highway & Transit Funding Issues



Current Legislation

- **Moving Ahead for Progress in the 21st Century (MAP-21)**
 - Effective through September 30, 2014
 - Expires in 4 Months



Reauthorization Legislation



- **President's "GROW AMERICA Act"**

- \$302 Billion over 4 Years
- Funded with Repatriation of Corporate Funds
- States Allowed to Toll



- **Senate's "MAP-21 Reauthorization Act"**

- \$265 Billion over 6 Years
- Funding Unknown
- No Provision for Tolling



- **House - No Reauthorization Bill Released**

2015 Appropriations Legislation

- **House**

- Transportation, Housing and Urban Development (THUD) Bill

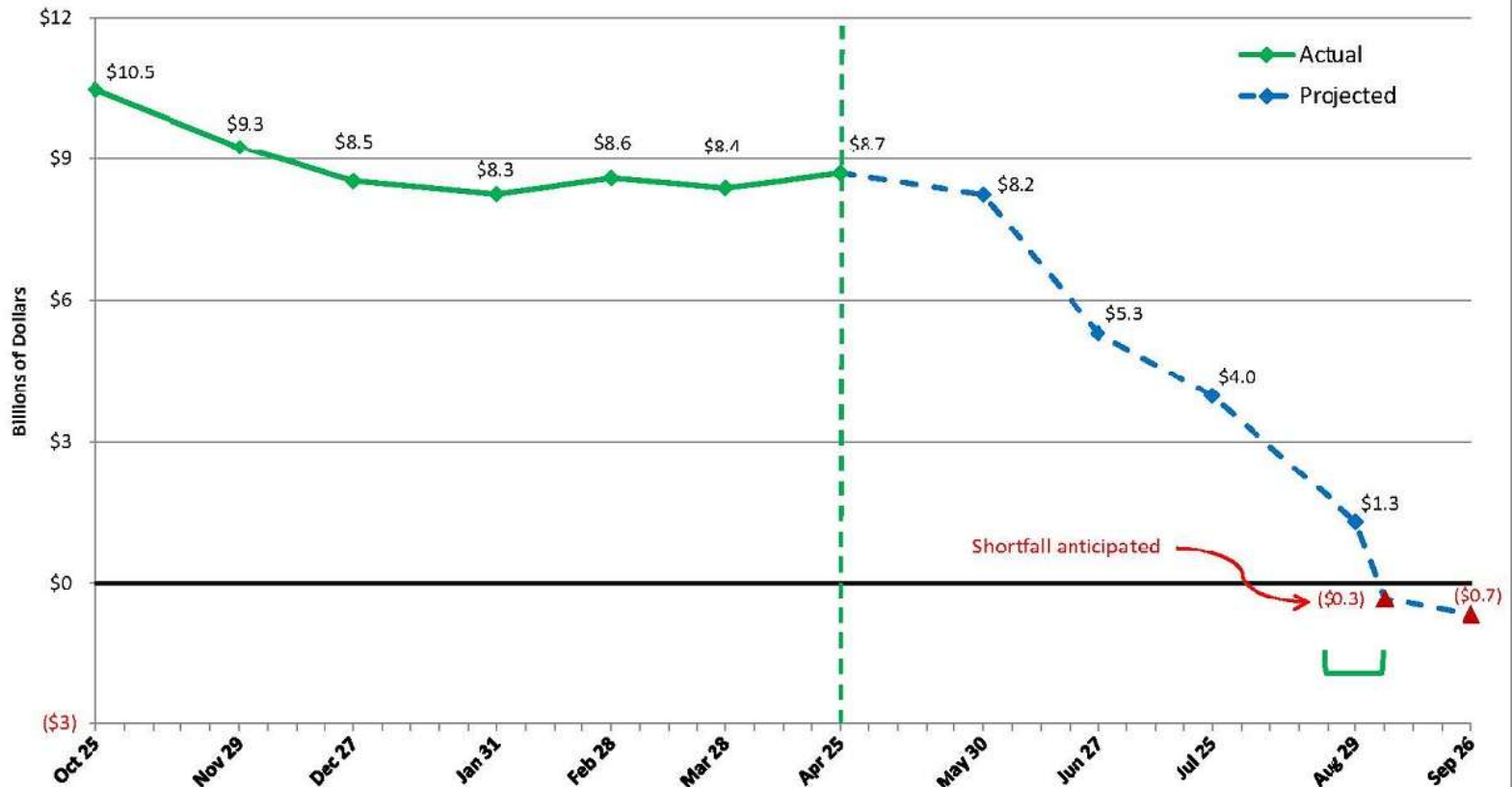
- Appropriations Bill for Federal Fiscal Year 2015
- Contingent upon Congressional Action



Federal Highway Trust Fund

FY 2014 Projected Estimates for End-of-Month Cash Balances (as of 4/25/2014) ^{1/2/3/}

Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



1/ Graph reflects actual data through 4/25/14 and end-of-month projections for the remainder of the fiscal year.

2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA

Federal Highway Trust Fund





Item 4

**Interstate Rehabilitation Program (IRP)
Connecting Arkansas Program (CAP)
State Aid City Street Program**

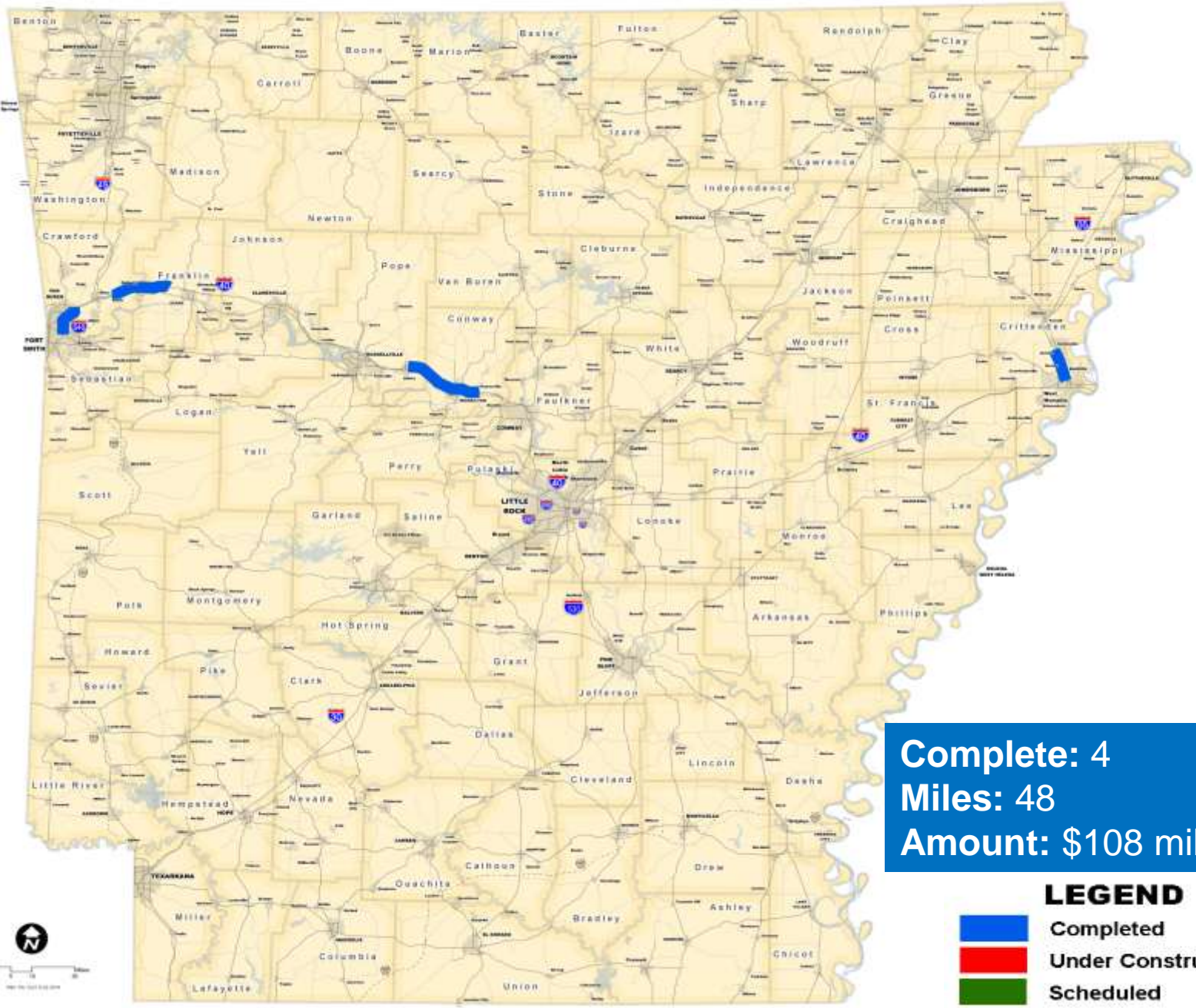


INTERSTATE
REHABILITATION
PROGRAM

IRP



Interstate Rehabilitation Program Job Status

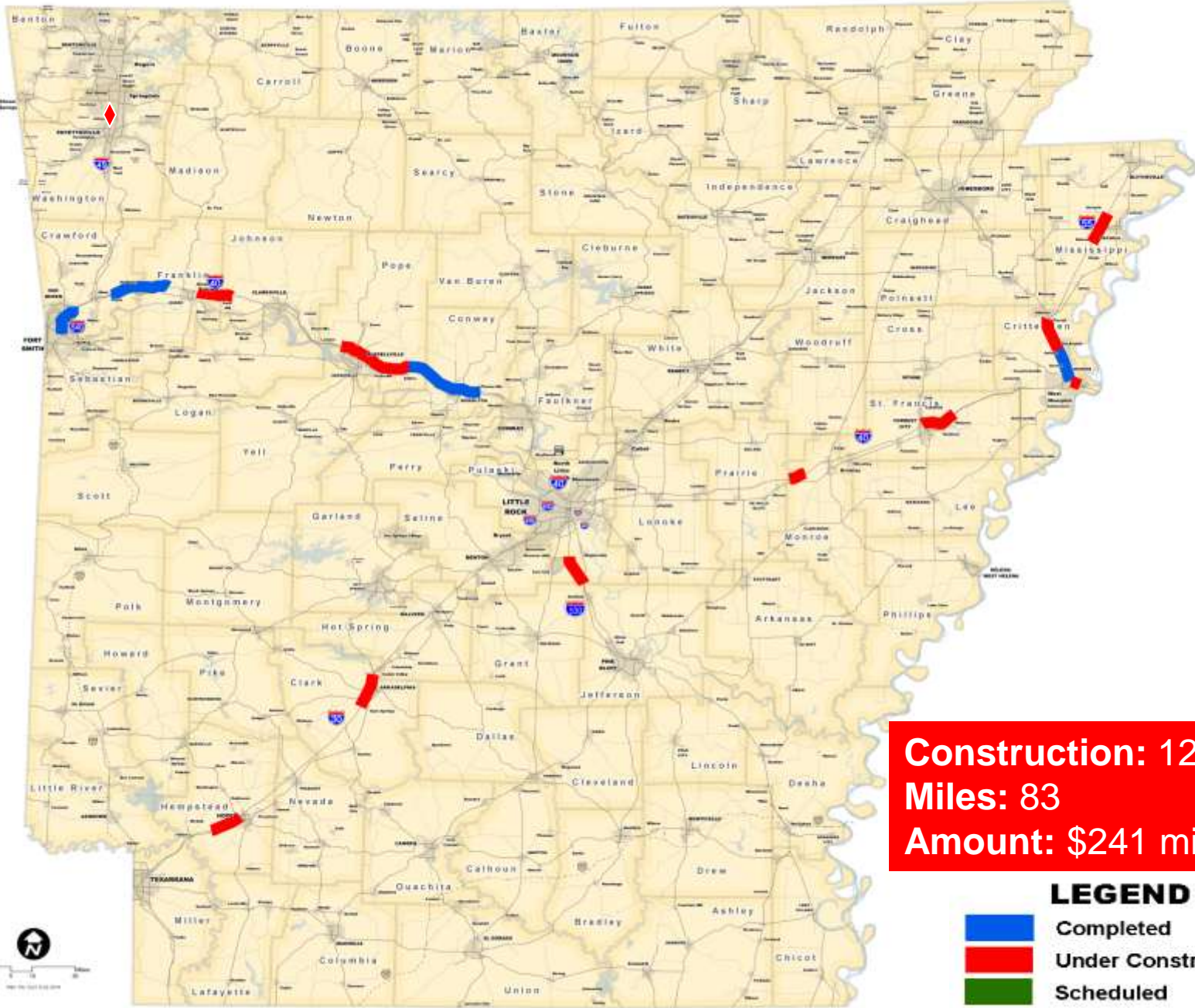


Complete: 4
Miles: 48
Amount: \$108 million

LEGEND	
	Completed
	Under Construction
	Scheduled




Interstate Rehabilitation Program Job Status



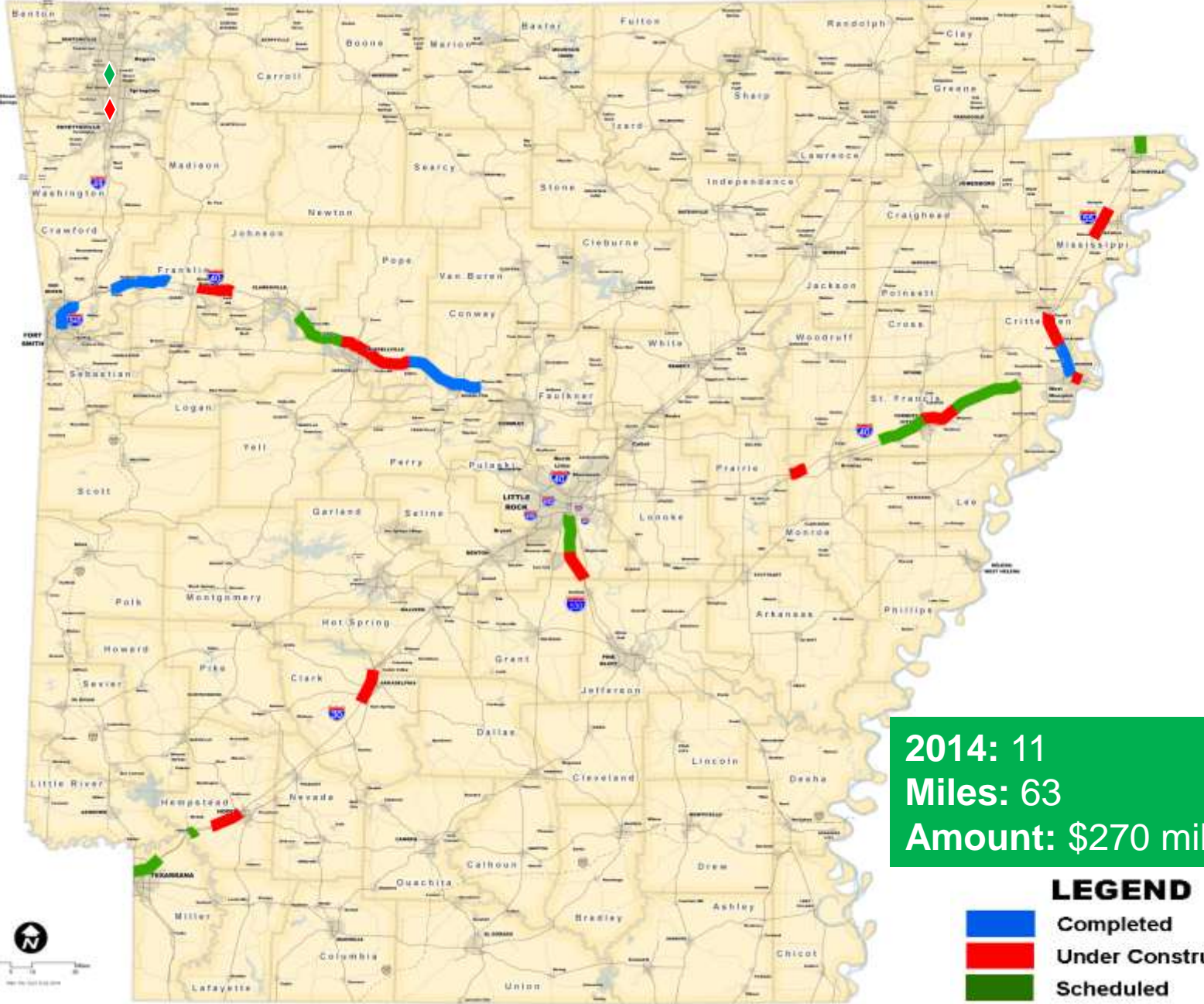
Construction: 12
Miles: 83
Amount: \$241 million

LEGEND

-  Completed
-  Under Construction
-  Scheduled



Interstate Rehabilitation Program Job Status



**2014: 11
Miles: 63
Amount: \$270 million**

LEGEND

- Completed
- Under Construction
- Scheduled



Interstate Rehabilitation Program
Job Status

I-49
Wagon Wheel Rd.
Interchange

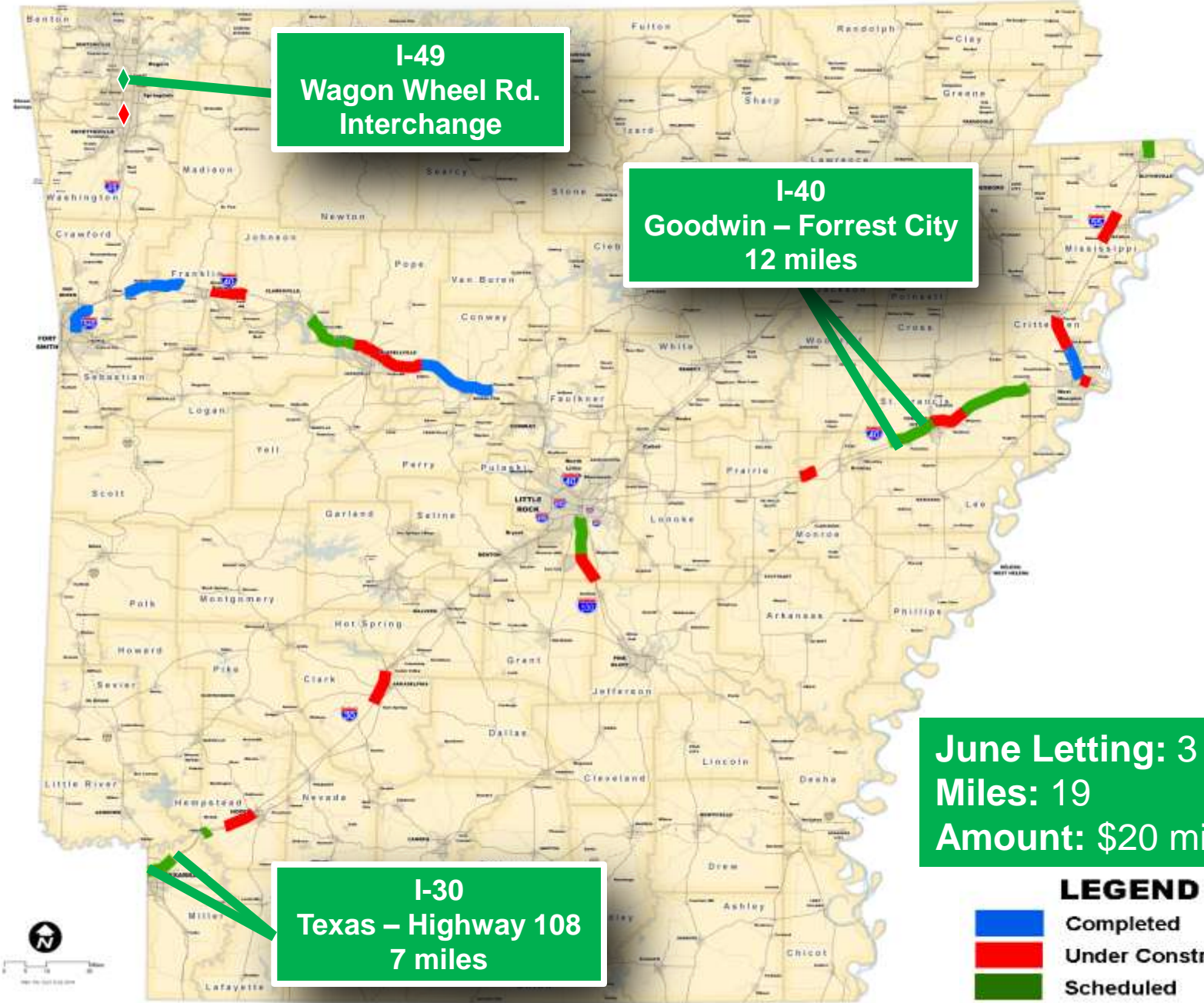
I-40
Goodwin – Forrest City
12 miles

I-30
Texas – Highway 108
7 miles

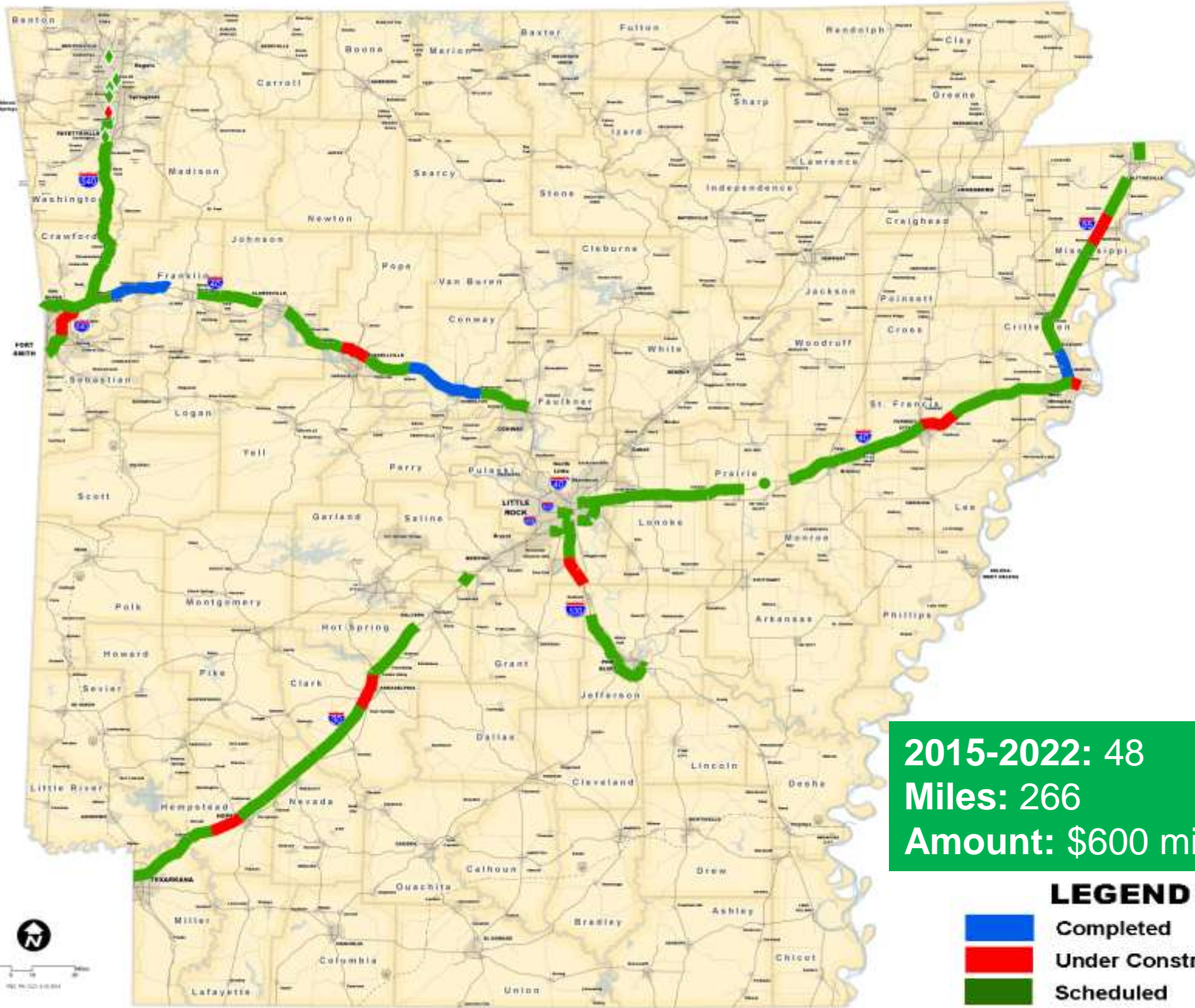
June Letting: 3
Miles: 19
Amount: \$20 million

LEGEND

-  Completed
-  Under Construction
-  Scheduled




Interstate Rehabilitation Program Job Status



2015-2022: 48
Miles: 266
Amount: \$600 million

LEGEND

-  Completed
-  Under Construction
-  Scheduled



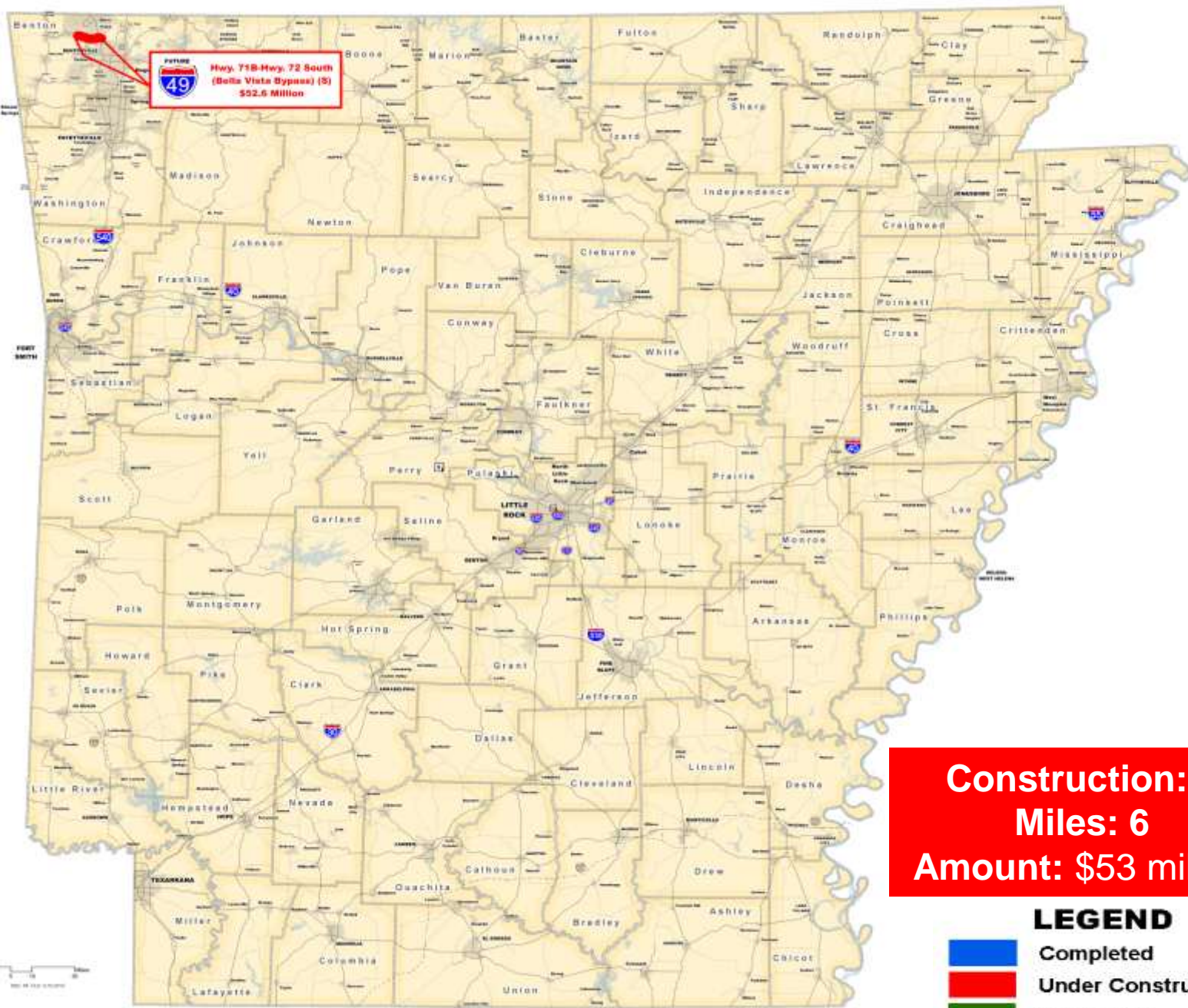


CONNECTING
ARKANSAS
PROGRAM

CAP



Connecting Arkansas Program Under Construction



**Construction: 1
Miles: 6
Amount: \$53 million**

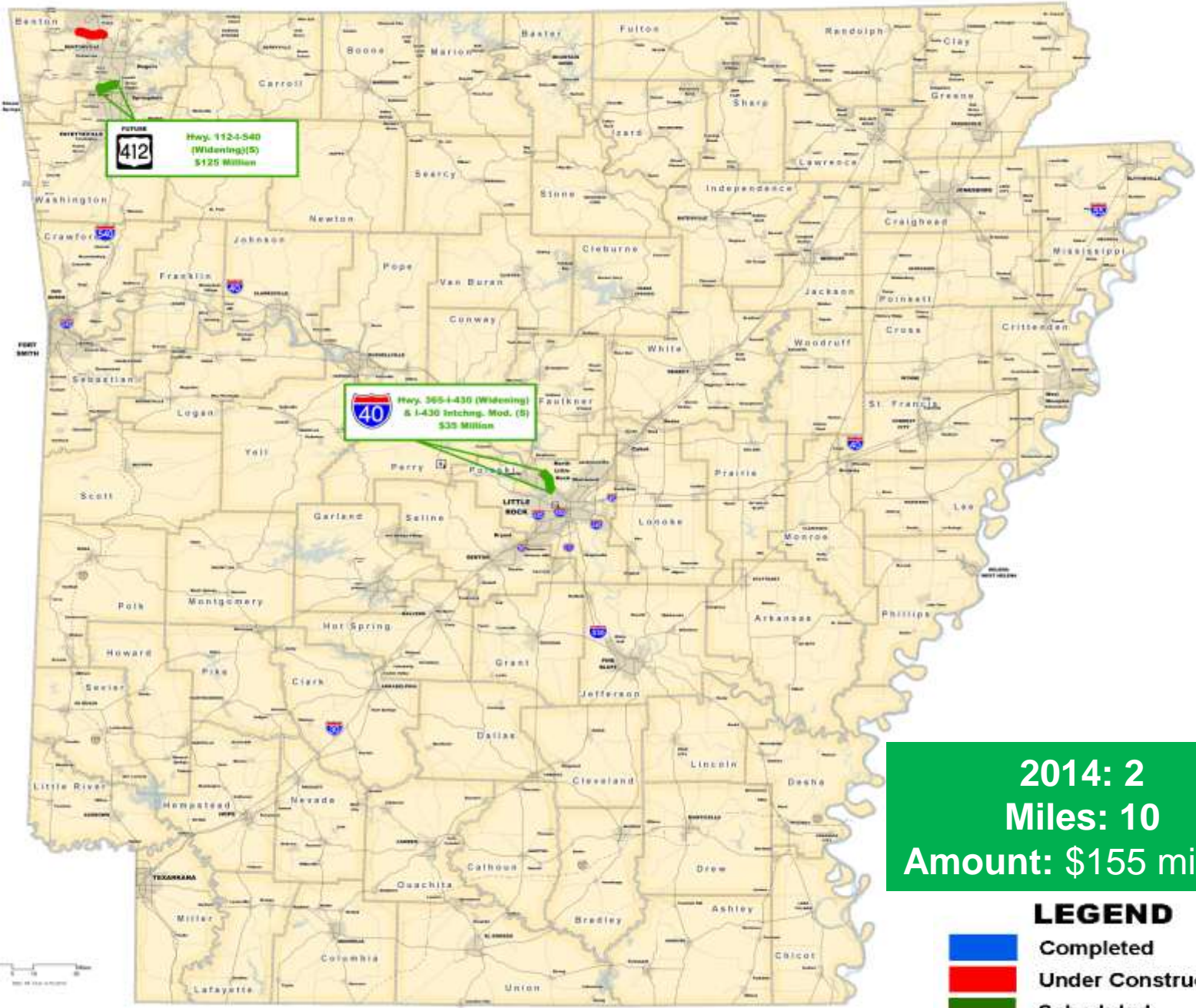
LEGEND

- Completed
- Under Construction
- Scheduled



Connecting Arkansas Program

2014



2014: 2
Miles: 10
Amount: \$155 million

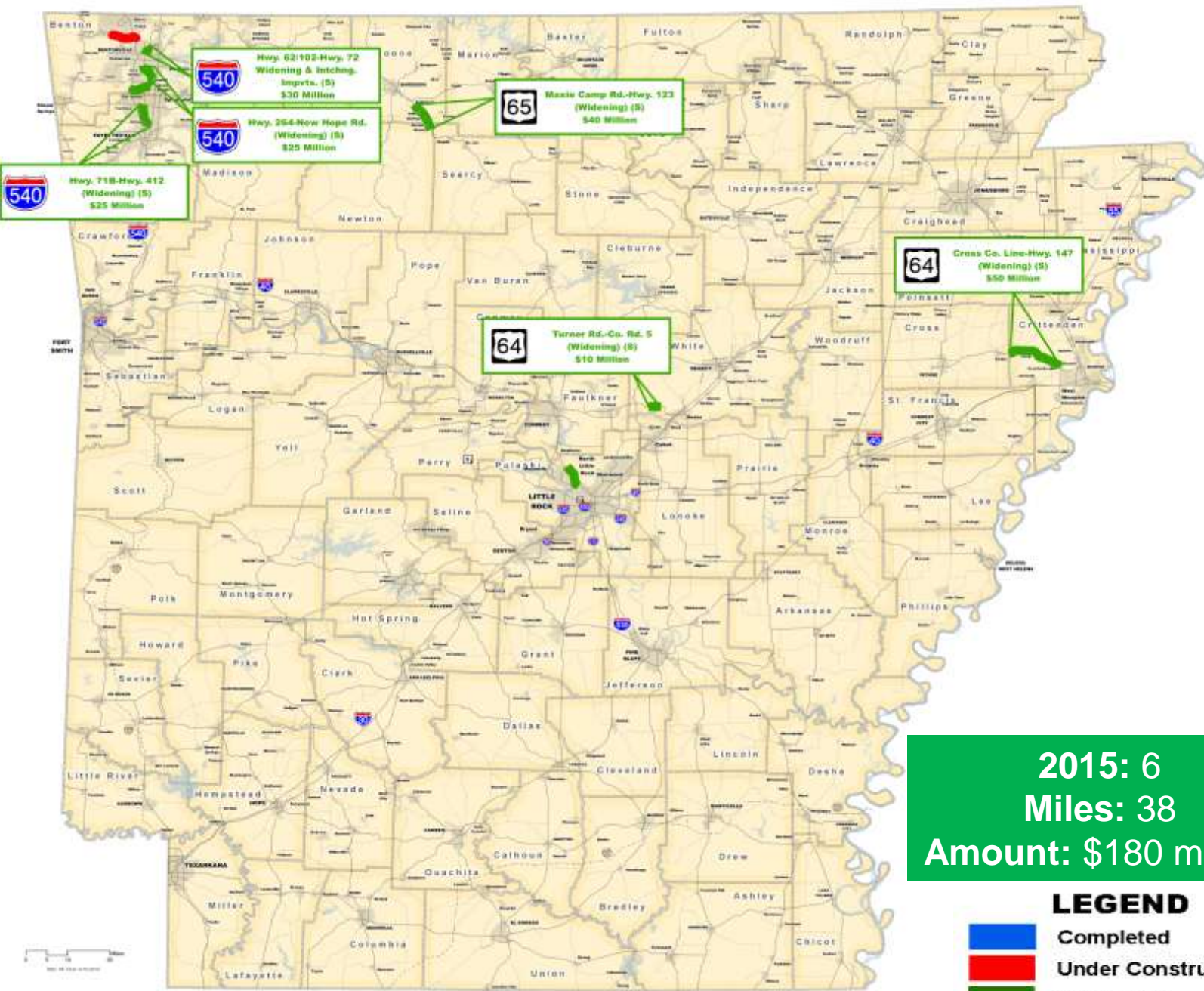
LEGEND

-  Completed
-  Under Construction
-  Scheduled



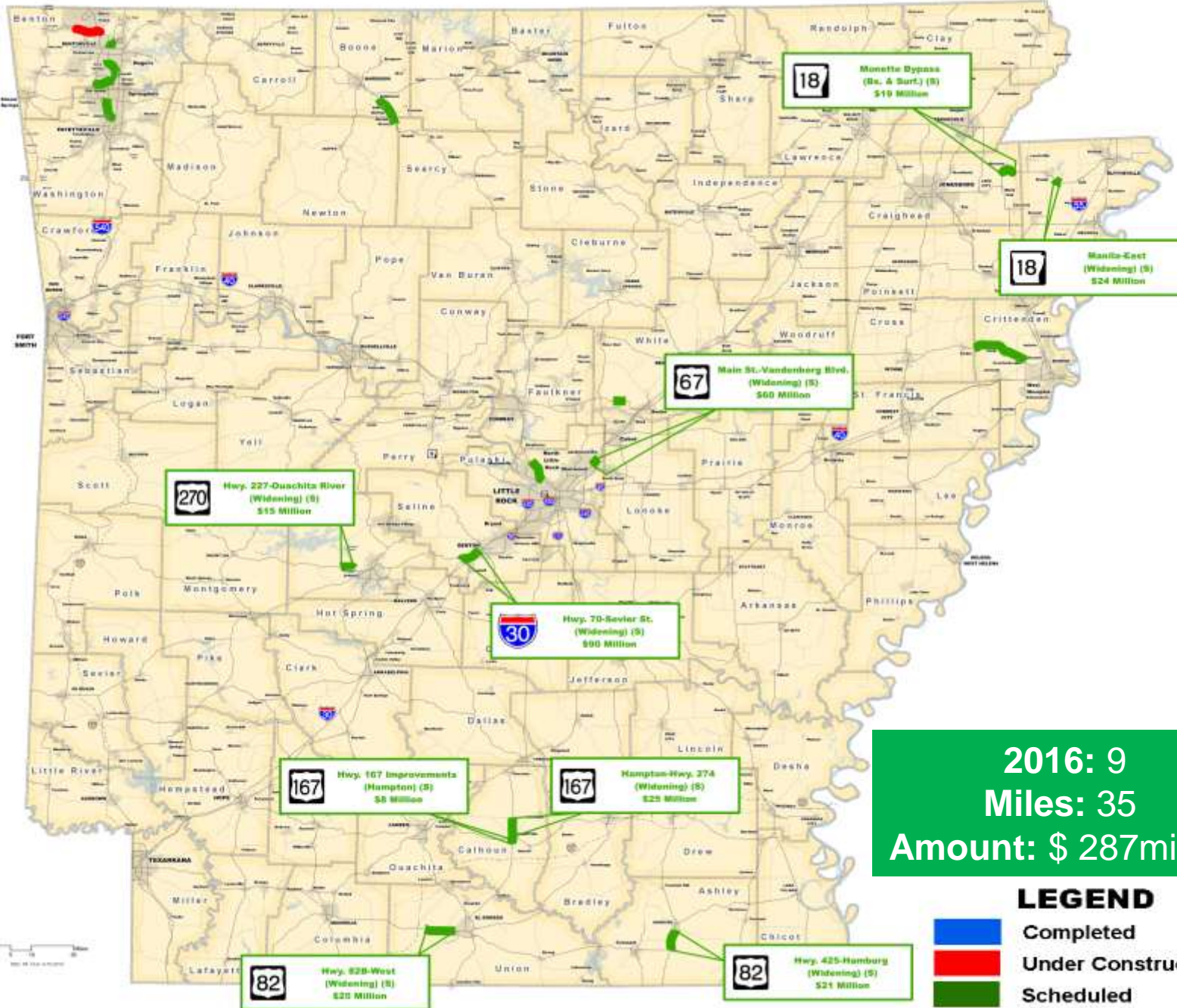
Connecting Arkansas Program

2015



Connecting Arkansas Program

2016



**2016: 9
Miles: 35
Amount: \$ 287million**

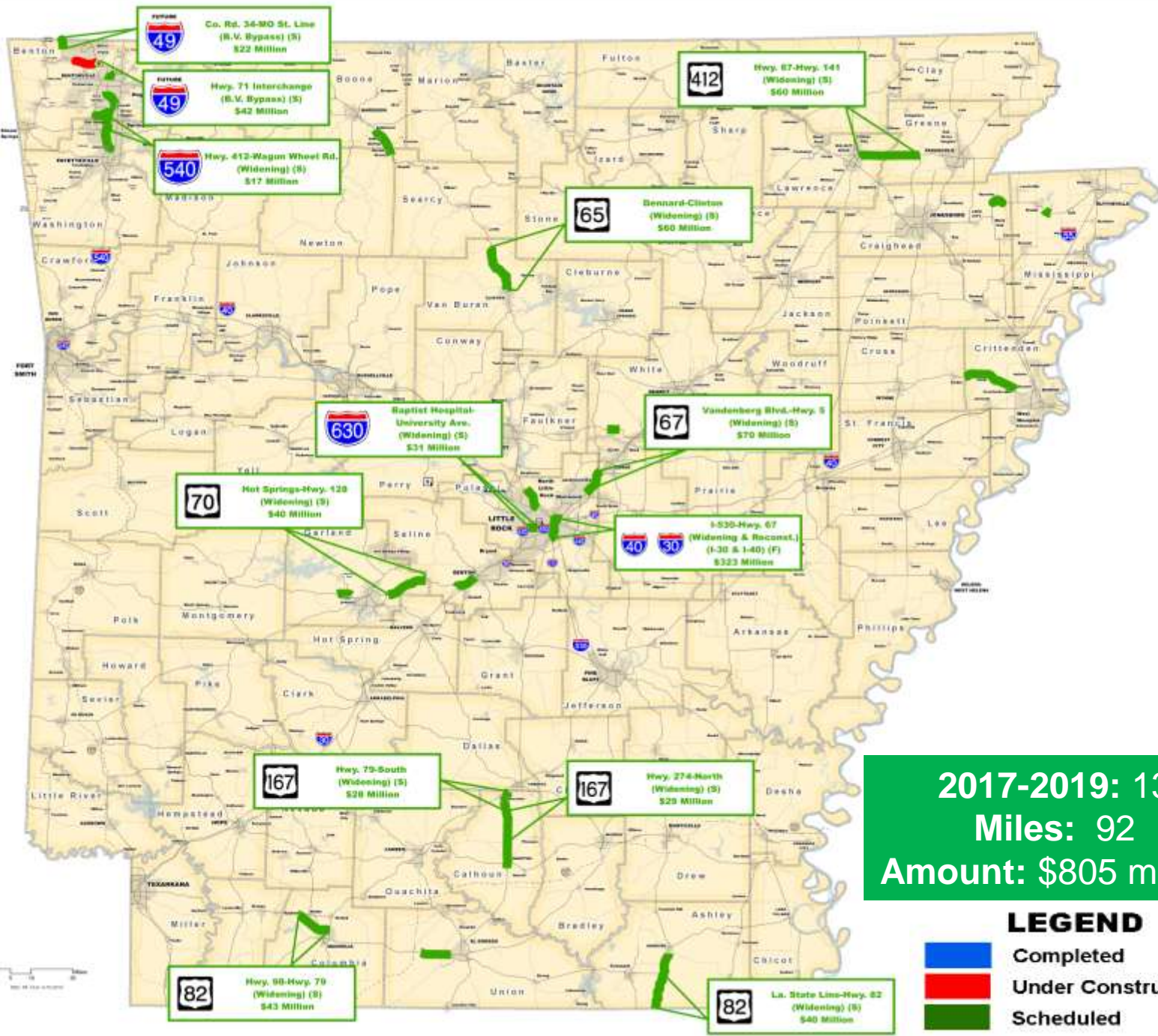
LEGEND

- Completed
- Under Construction
- Scheduled



Connecting Arkansas Program

2017-2019



**2017-2019: 13
Miles: 92
Amount: \$805 million**

LEGEND

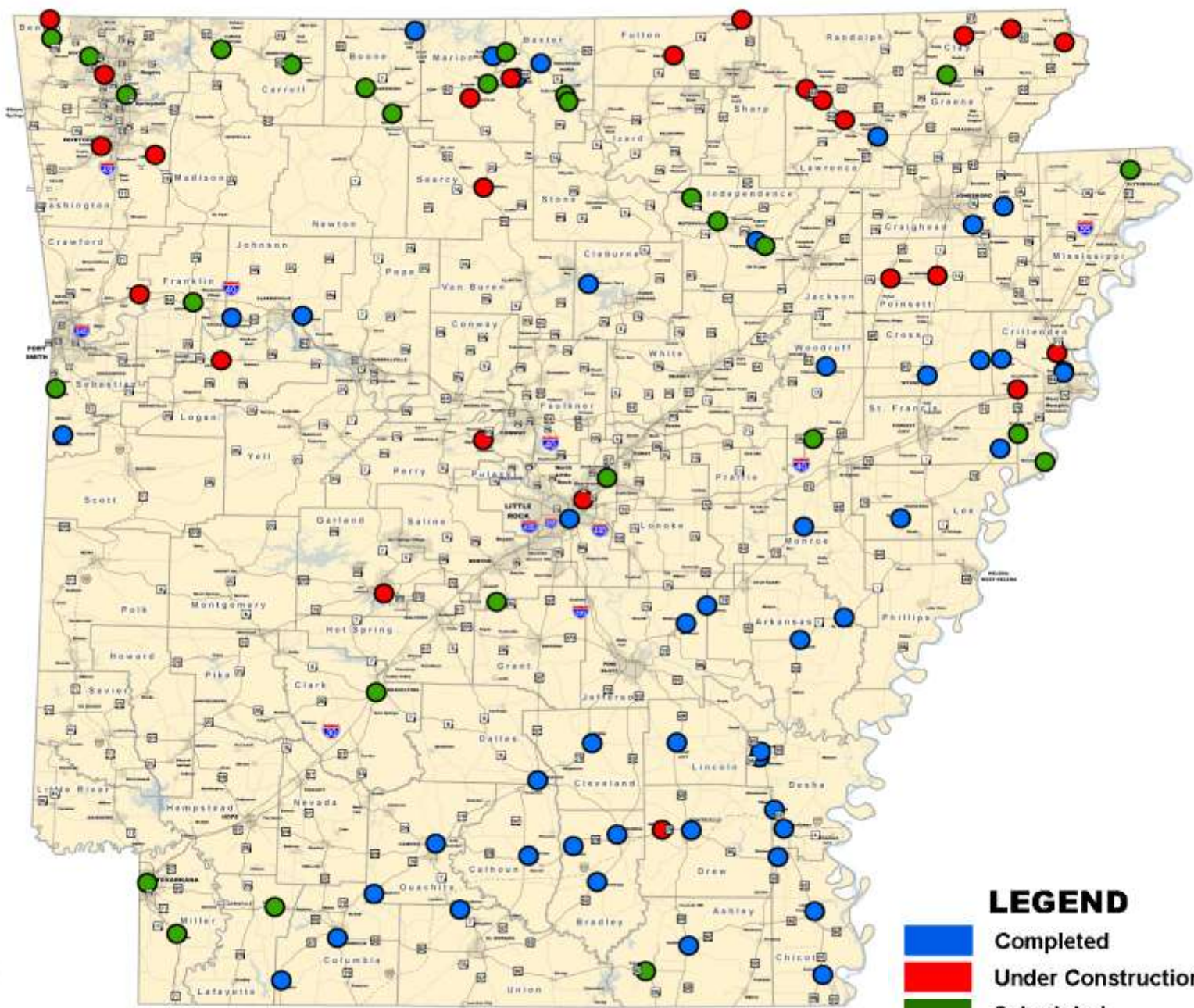
- Completed
- Under Construction
- Scheduled





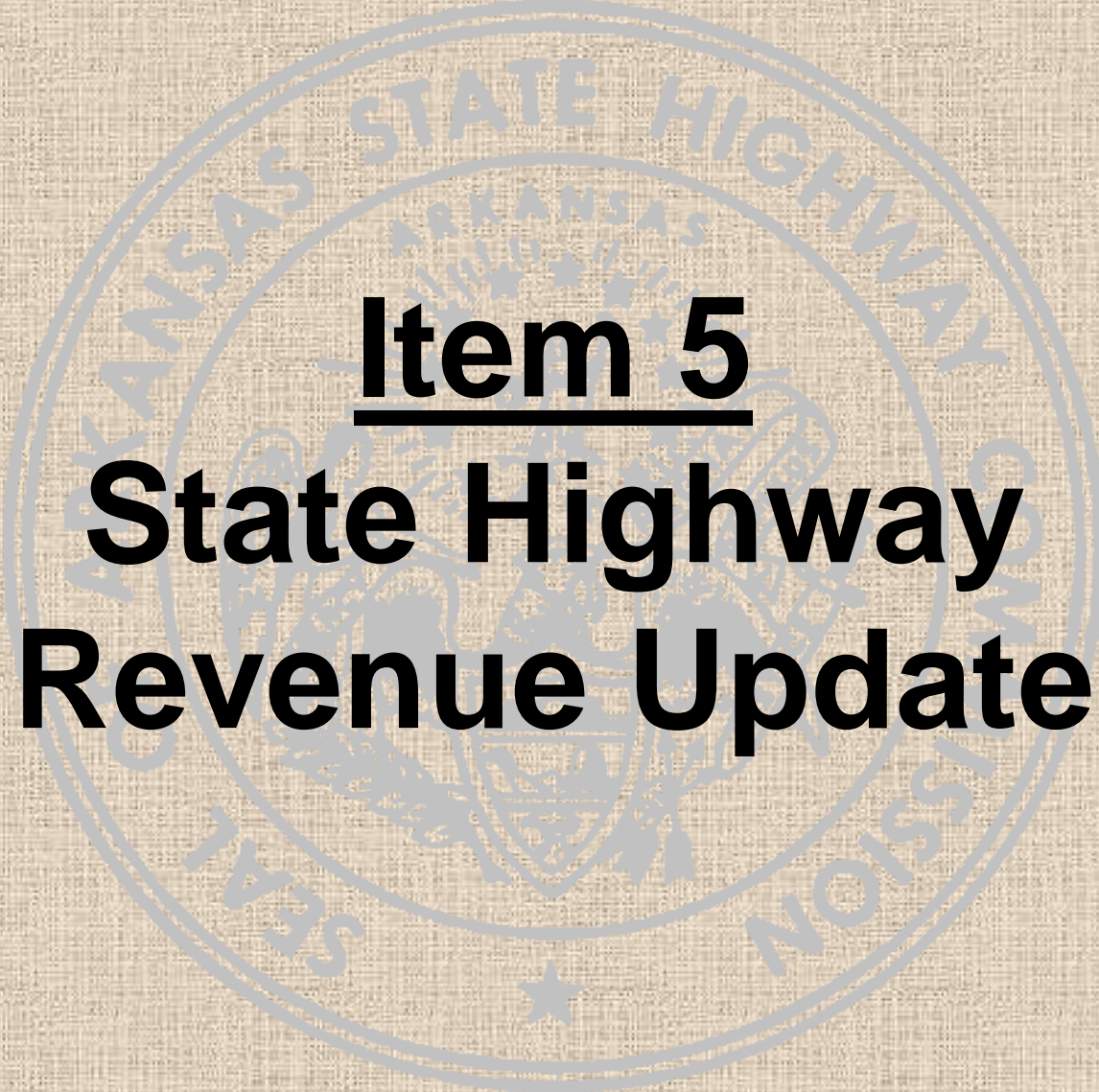
***State Aid
City Street Program***





LEGEND
Completed
Under Construction
Scheduled





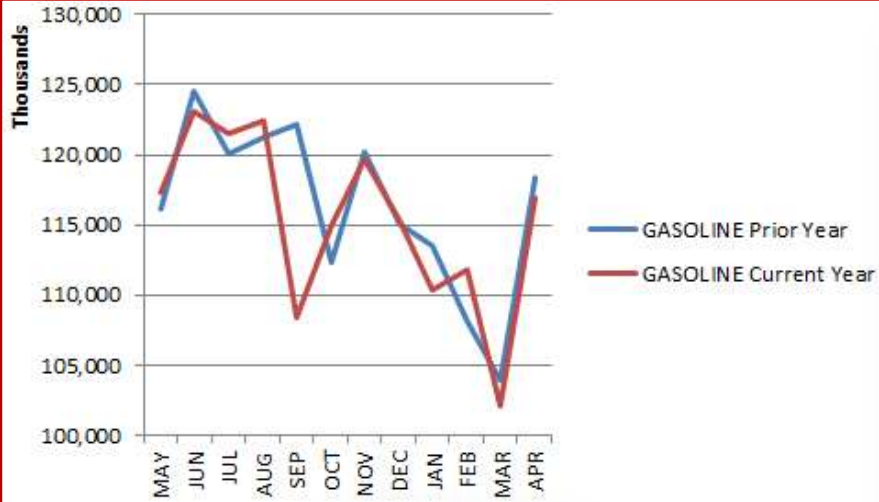
Item 5
**State Highway
Revenue Update**

April 2014 Revenues and Consumption

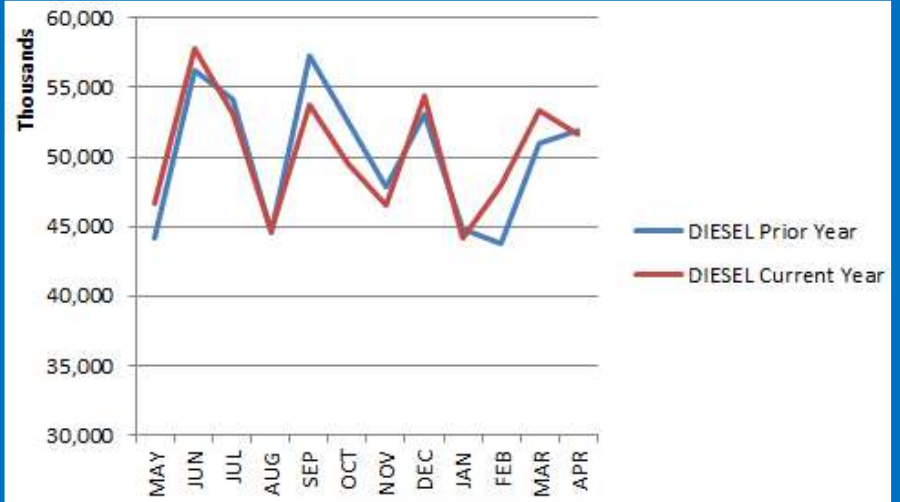
July - April	FY 2013	FY 2014	Variance	% Change
Motor Fuels Tax	\$225.0	\$219.8	(\$5.2)	-2.3%
Registration Fees	\$66.6	\$66.6	\$0.0	0.0%
Permits & Penalties	\$15.1	\$14.3	(\$0.8)	-5.3%
Other	\$6.5	\$5.2	(\$1.3)	-20.0%
Total User Revenues	\$313.2	305.9	(\$7.3)	-2.3%
Natural Gas Severance Tax	\$25.4	\$38.5	\$13.1	51.6%
RRA Interest	\$2.7	\$2.8	\$0.1	3.7%
Less: Diesel Tax for Bonds	(\$13.6)	(\$13.5)	\$0.1	-0.7%
Total Revenues Available	\$327.7	\$333.7	\$6.0	1.8%
Fiscal 2014 Projected vs. Actual July - April	Budget (millions)	Actual (millions)	Variance (millions)	% Variance
Motor Fuels Tax	\$216.2	\$219.8	\$3.6	1.7%
Registration Fees	\$70.6	\$66.6	(\$4.0)	-5.7%
Permits & Penalties	\$15.2	\$14.3	(\$0.9)	-5.9%
Other	\$4.3	\$5.2	\$0.9	20.9%
Total User Revenues	\$306.3	\$305.9	(\$0.4)	-0.1%
Natural Gas Severance Tax	\$31.5	\$38.5	\$7.0	22.2%
RRA Interest	\$2.0	\$2.8	\$0.8	40.0%
Less: Diesel Tax for Bonds	(\$14.3)	(\$13.5)	\$0.8	-5.6%
Total Revenues Available	\$325.5	\$333.7	\$8.2	2.5%
Fuel Consumption in Gallons July – April	FY 2013 (millions)	FY 2014 (millions)	Difference (millions)	% Change
Gasoline	1,154.9	1,143.5	-11.4	-1.0%
Diesel	500.5	499.2	-1.3	-0.3%
Total	1,655.4	1,642.7	-12.7	-0.8%

Fuel Consumption

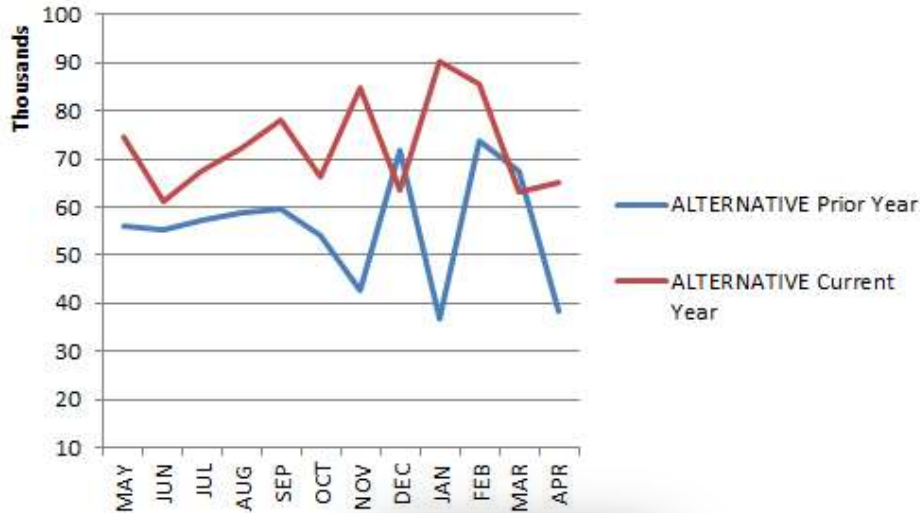
May 2013 – April 2014



Gasoline



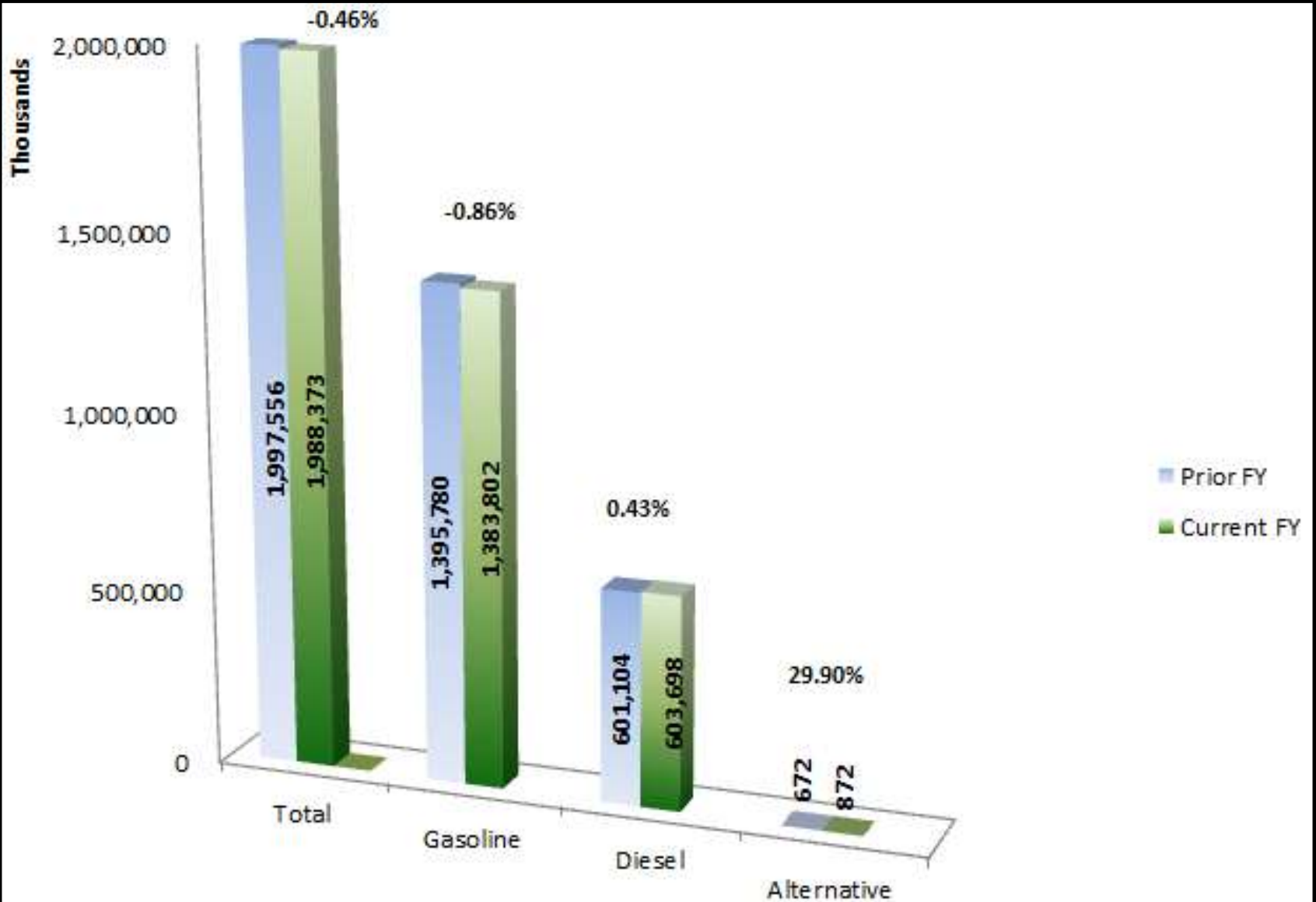
Diesel



Alternative

Total Fuel Consumption

Gallons

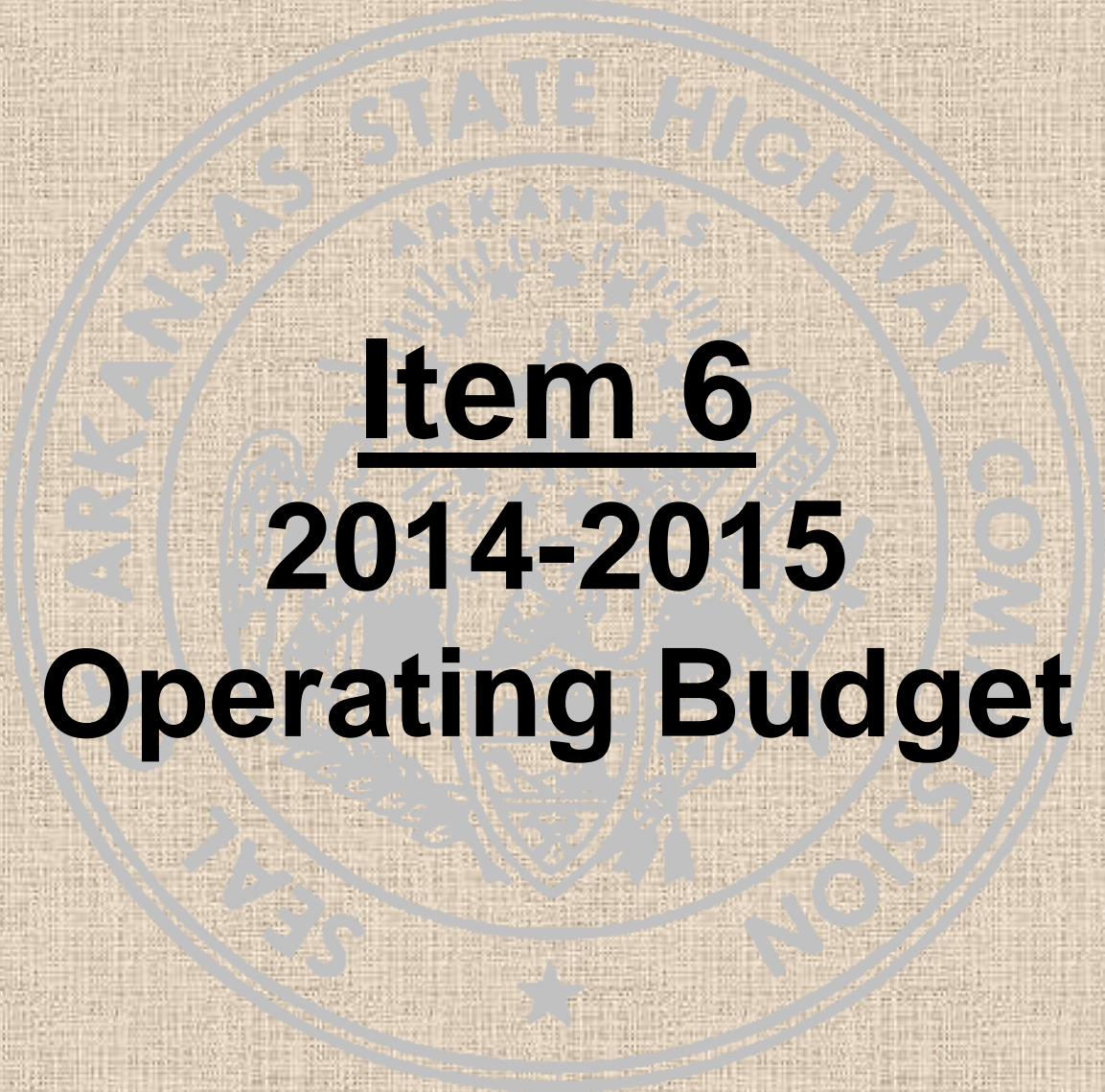


Projected Sales Tax vs. Actual

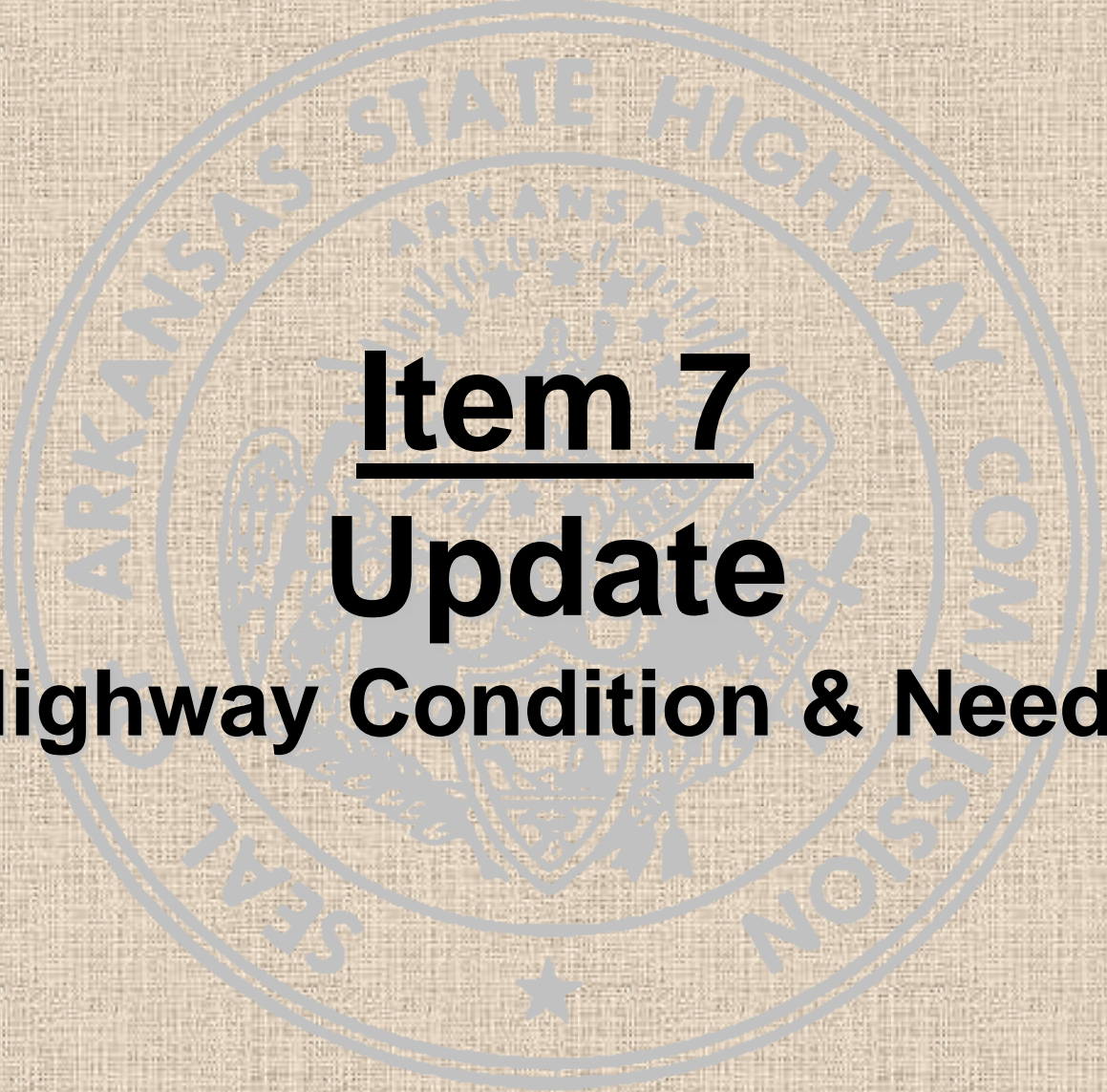
Month	Projected Net	Actual Receipts	Variance	Monthly Variance	Annual Variance
Jul	\$5,950,000.00	\$6,205,659.77	\$255,659.77	4.30%	4.30%
Aug	\$13,930,000.00	\$12,923,708.99	\$(1,006,291.01)	-7.22%	-3.78%
Sept	\$13,860,000.00	\$13,462,454.84	\$(397,545.16)	-2.87%	-11.47%
Oct	\$13,300,000.00	\$12,587,677.76	\$(712,322.24)	-5.36%	-8.23%
Nov	\$13,160,000.00	\$12,803,477.88	\$(356,522.12)	-2.71%	-6.43%
Dec	\$13,860,000.00	\$13,833,985.52	\$(26,014.48)	-0.19%	-5.22%
Jan	\$13,860,000.00	\$13,275,291.84	\$(584,708.16)	-4.22%	-4.40%
Feb	\$13,230,000.00	\$12,215,268.47	\$(1,014,731.53)	-7.67%	-3.83%
Mar	\$13,300,000.00	\$13,616,161.92	\$316,161.92	2.38%	-3.38%
Apr	\$13,650,000.00	\$13,307,092.79	\$(342,907.21)	-2.51%	-3.02%
May	\$13,790,000.00	\$13,313,604.47	\$(476,395.53)	-3.45%	-3.06%
Jun	\$13,930,000.00				
Total	\$155,820,000.00	\$137,544,384.25	\$(4,345,615.75)		

2014-2015 Projected Sales Tax

Month	Projected Net	Actual Receipts	Variance	Monthly Variance	Annual Variance
Jul	\$13,230,000.00				
Aug	\$13,230,000.00				
Sept	\$13,790,000.00				
Oct	\$12,880,000.00				
Nov	\$13,090,000.00				
Dec	\$14,140,000.00				
Jan	\$13,580,000.00				
Feb	\$12,530,000.00				
Mar	\$13,930,000.00				
Apr	\$13,930,000.00				
May	\$14,140,000.00				
Jun	\$14,210,000.00				
Total	\$162,680,000.00				

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a star and other symbols.

Item 6
2014-2015
Operating Budget

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a star and the word "COMMISSION".

Item 7
Update
Highway Condition & Needs

History

- **Highway Needs Study and Improvement Plan**
 - Last updated in February 2007
- **Previous Considerations**
 - Capital Improvement Needs
 - New Location
 - Capacity
 - Economic Development Connectors
 - Congressionally-designated High Priority Corridors



- **System Preservation Needs**
 - Interstate Rehabilitation
 - Reconstruction and Resurfacing
 - Shoulder Improvements
 - Bridge Improvements

Needs Assessment Update

- **Initial Considerations**
 - System Preservation Needs
 - Capacity Needs
 - Safety Needs
 - Maintenance Needs



Summary of Needs

NEEDS CATEGORY	COST (x \$1 M)
SYSTEM PRESERVATION	
Pavement	3,060
Bridges	1,102
CAPACITY	2,880
SAFETY	700
MAINTENANCE	
Equipment	180
Facilities	62
ITS	27
TOTAL	8,011

Summary of Needs vs. Revenue

(2014 Dollars)

	AMOUNT (x \$1 M)
ESTIMATED REVENUE⁽¹⁾ Federal-aid + State	3,555
TOTAL NEEDS⁽²⁾ Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS	8,011
SHORTFALL	(4,456)

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

Needs Assessment Update

– Capital Improvements for Economic Development

• Four-Lane Grid System

– Congressionally Designated High Priority Corridors

» Future Interstates

» Other

– Remaining Four-Lane Grid System Widening

– Other Regional Connections

– Economic Development Connections

• New Location Routes / New Interchanges

• Other Major Widening



FOUR-LANE GRID SYSTEM





Congressional High Priority Corridors on the National Highway System



Note:

- ** Corridor numbers correspond to statutory listing in Section 1105(c) of ISTEA, as amended.
- ** Colors are added for clarity only.
- ** Dash black lines indicate relatively long sections of corridor overlap.
- ** Corridors based on information available as of September 7, 2006.
- ** In some corridors, alignments are in project development stage.

CONGRESSIONALLY DESIGNATED HIGH PRIORITY CORRIDORS



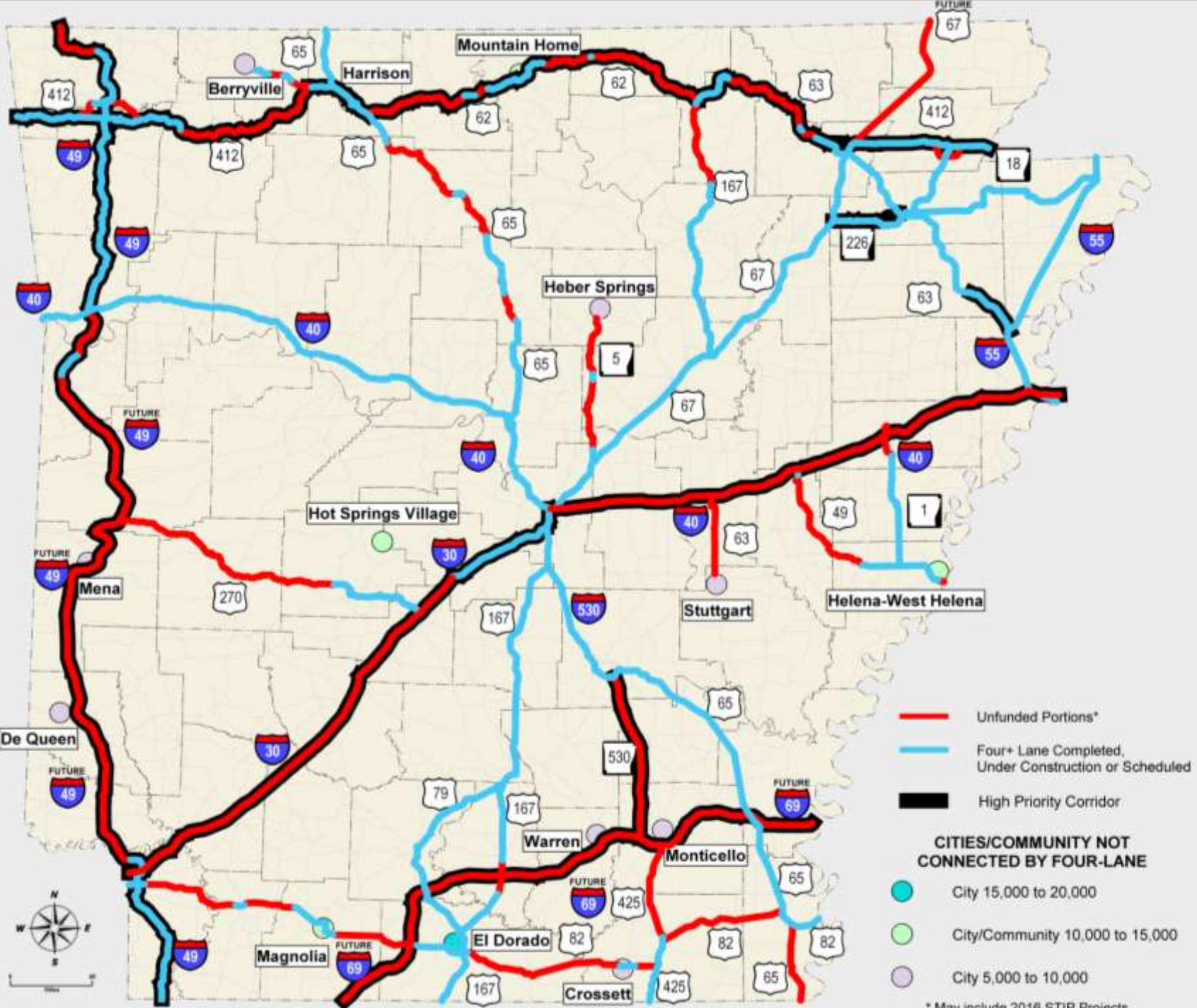
FOUR+ LANE COMPLETED, UNDER CONSTRUCTION OR SCHEDULED THROUGH 2015 ON THE HIGH PRIORITY CORRIDORS



- Four-Lane Grid System
 - Four+ Lane Completed, Under Construction or Scheduled on High Priority Corridors
 - High Priority Corridor
- CITIES/COMMUNITY NOT CONNECTED BY FOUR-LANE**
- City 15,000 to 20,000
 - City/Community 10,000 to 15,000
 - City 5,000 to 10,000



UNFUNDED FOUR-LANE GRID SYSTEM*



Summary of Future Interstate Cost

Capital Improvements for Economic Development

Future Interstate	COST (x \$1 M)
Interstate 49	2,700
Interstate 69	3,500
Interstate 555	50
TOTAL	\$6,250

NEW LOCATION,
NEW OR MODIFIED INTERCHANGE AND
OTHER MAJOR WIDENING PROJECTS



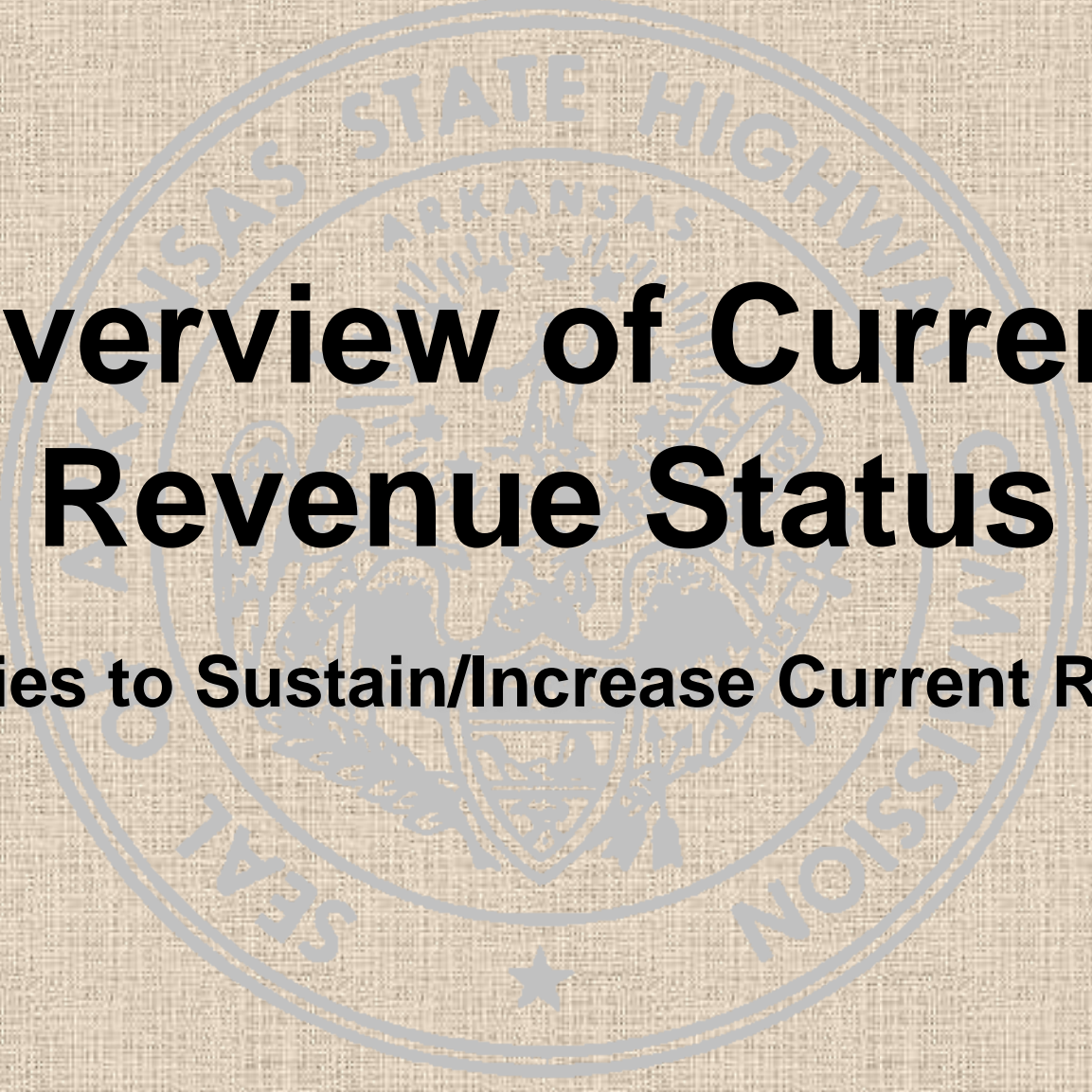
Summary of Remaining Cost

Capital Improvements for Economic Development

IMPROVEMENT CATEGORY	COST (x \$1 M)
Four-Lane Grid System	
High Priority Corridors (Future Interstates)	6,250
High Priority Corridors (Other)	2,250
Remaining Four-Lane Grid	2,000
Other Regional Connections	500
Economic Development Connections	300
New Location Routes / New or Modified Interchanges	820
Other Major Widening	230
TOTAL	12,350

Summary of Needs & Capital Improvements Versus Revenue (2014 Dollars)

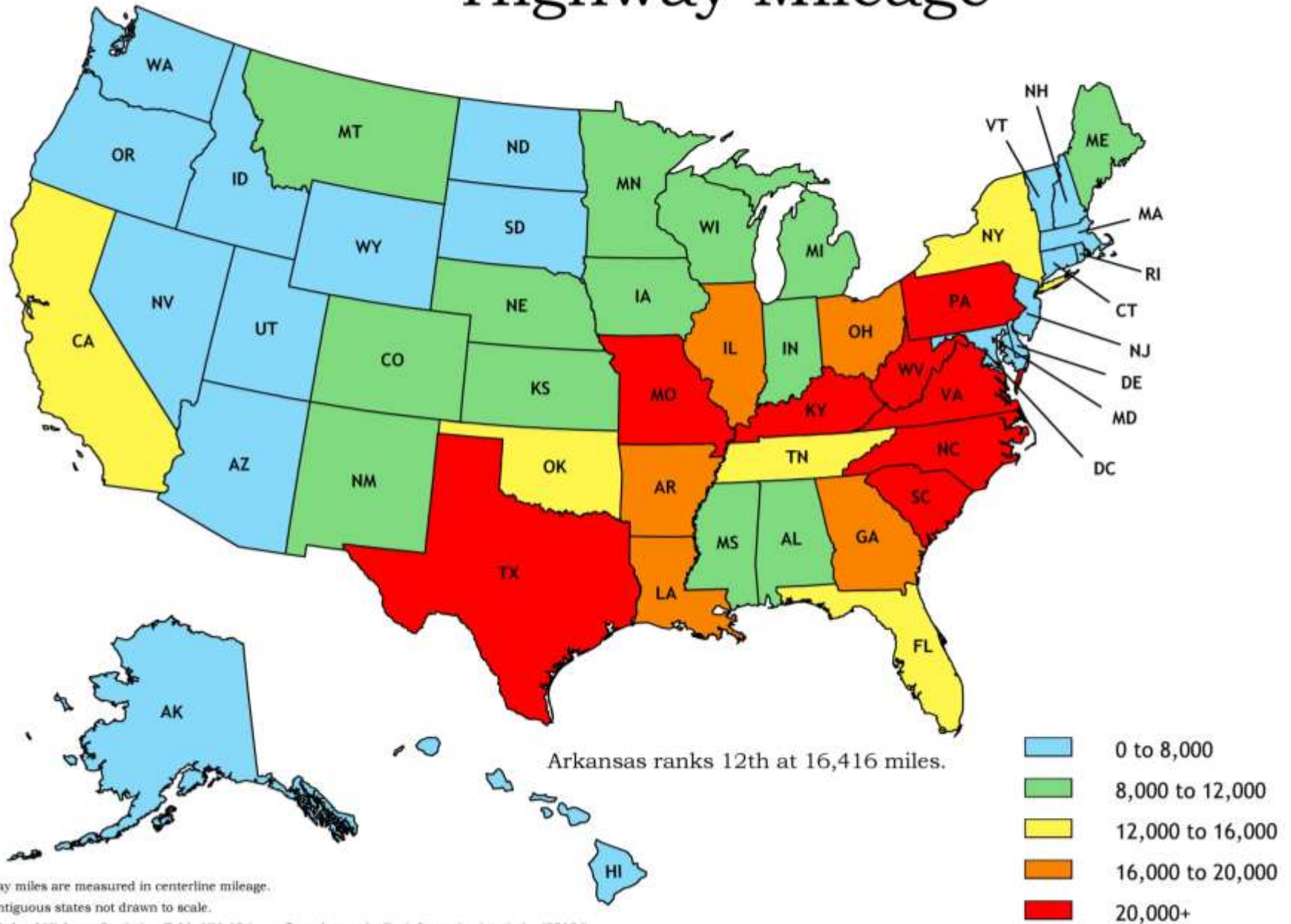
	AMOUNT (x \$1 M)
ESTIMATED FEDERAL-AID + STATE REVENUE	3,555
TOTAL SYSTEM PRESERVATION NEEDS Pavement, Bridges, Capacity, Safety Equipment, Facilities	8,011
TOTAL CAPITAL IMPROVEMENTS	12,350
SHORTFALL	(16,806)

The background of the slide features a large, faint, circular seal of the Arkansas State Highway and Transportation Commission. The seal contains the text "ARKANSAS STATE HIGHWAY AND TRANSPORTATION COMMISSION" around the perimeter and a central emblem with a shield and a star.

Overview of Current Revenue Status

Strategies to Sustain/Increase Current Revenue

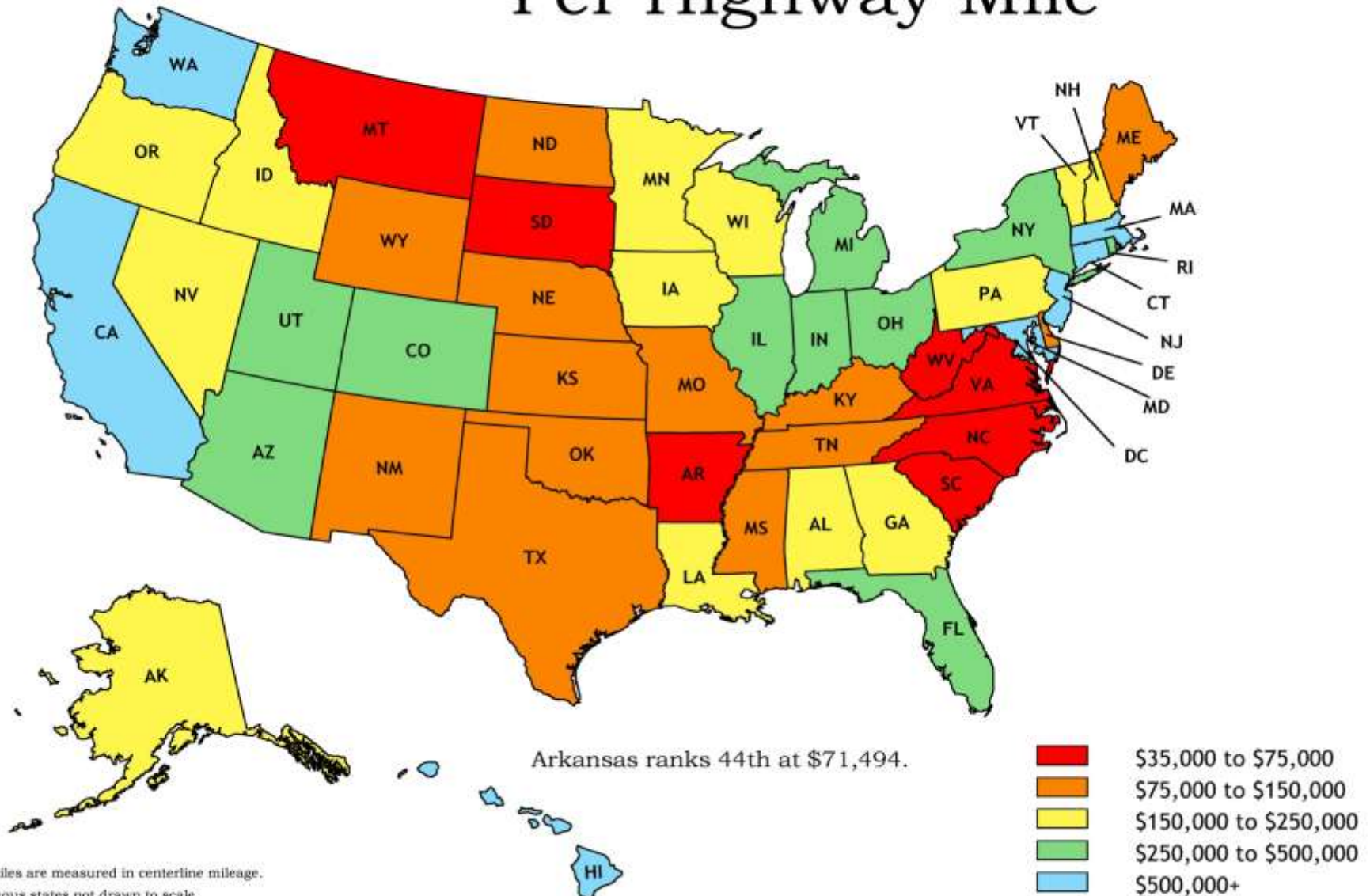
Highway Mileage



Notes:

1. Highway miles are measured in centerline mileage.
2. Noncontiguous states not drawn to scale.
3. 2012 Federal Highway Statistics: Table HM-10 (www.fhwa.dot.gov/policyinformation/statistics/2012/)

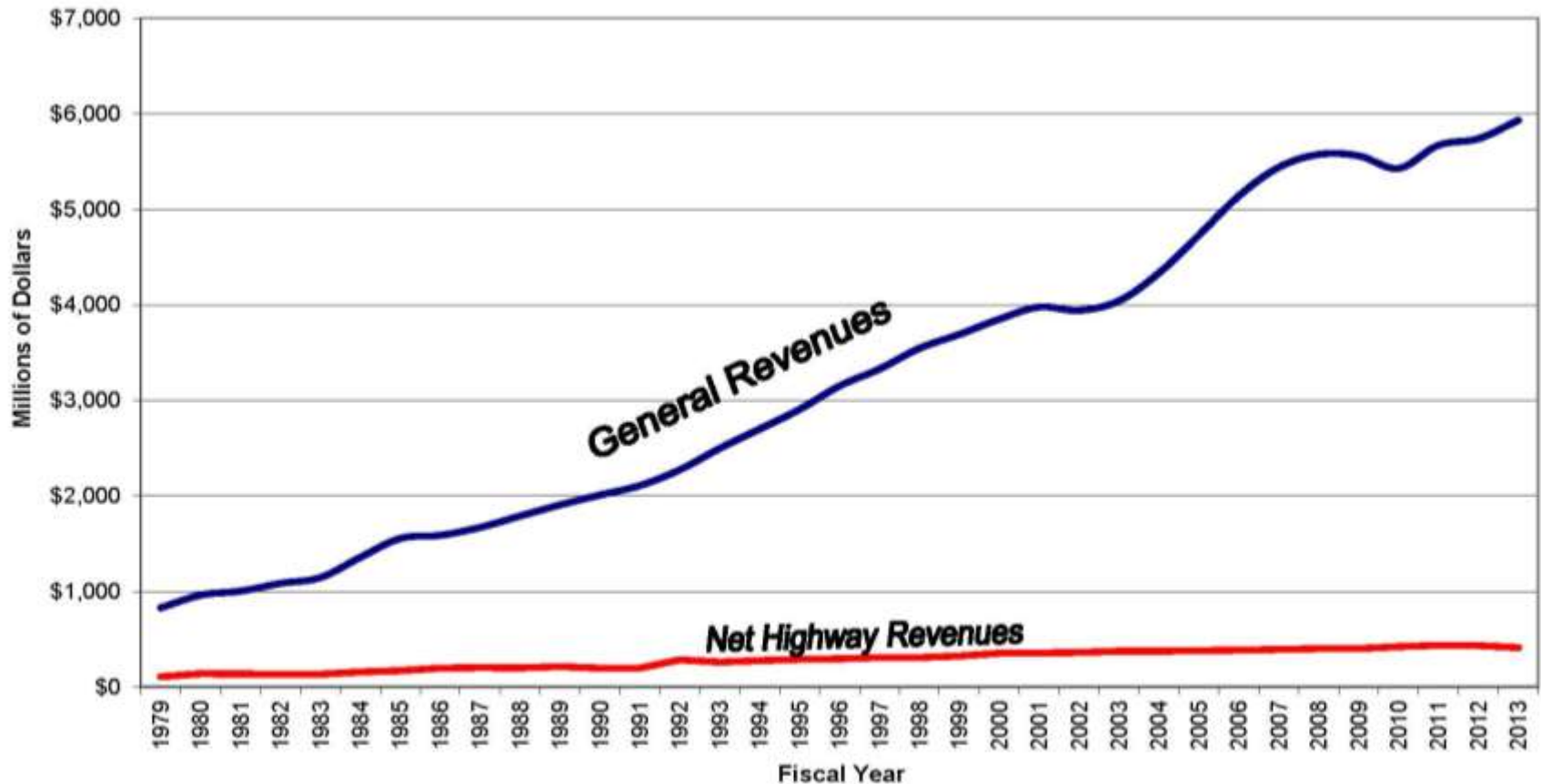
State and Federal Revenues Per Highway Mile



Notes:

1. Highway miles are measured in centerline mileage.
2. Noncontiguous states not drawn to scale.
3. 2012 Federal Highway Statistics: Tables SF-1 and HM-10 (www.fhwa.dot.gov/policyinformation/statistics/2012/)
May 2014

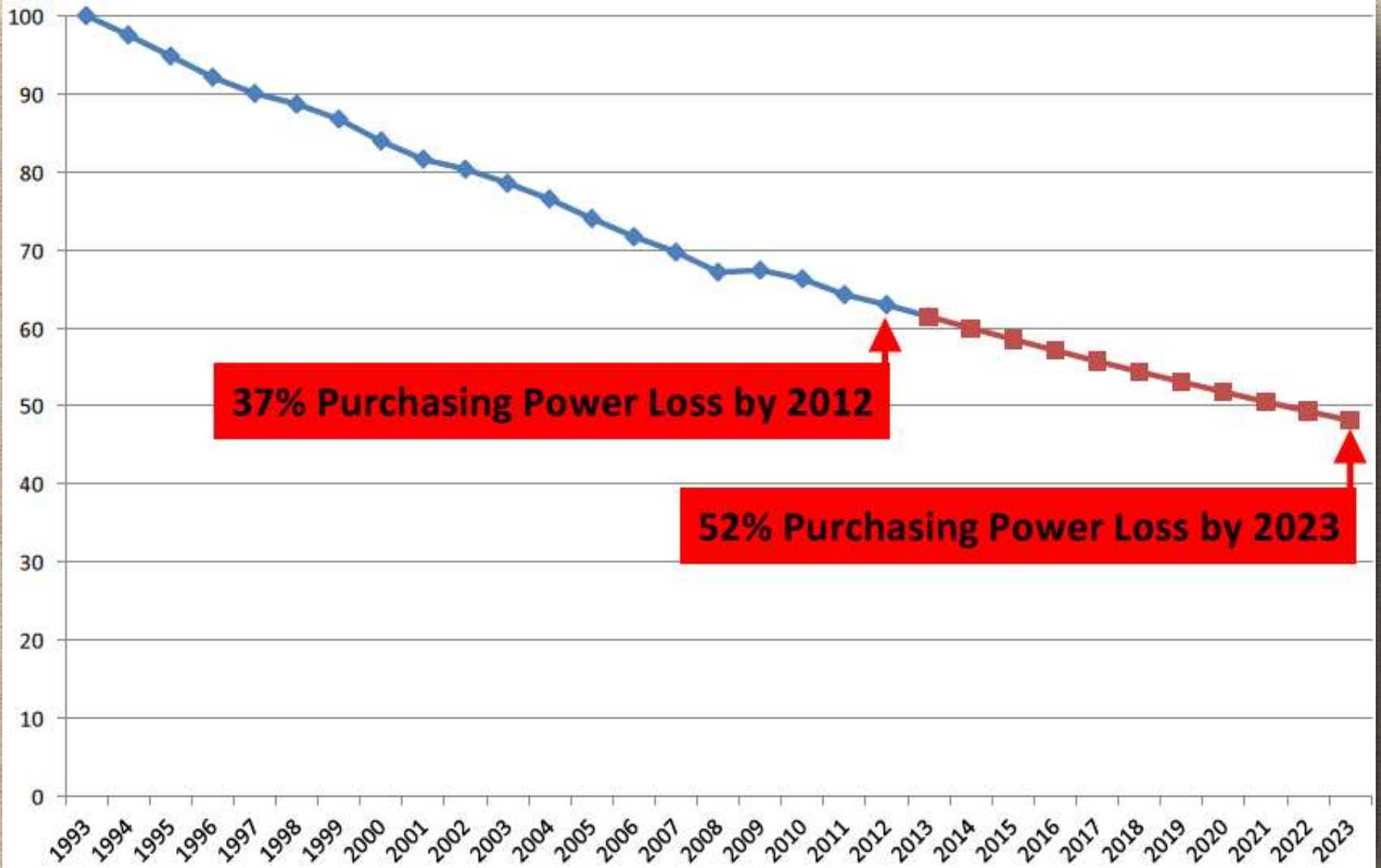
State General Revenues vs. AHTD Net Highway Revenues



— ARKANSAS STATE GENERAL REVENUES — AHTD NET HIGHWAY REVENUES

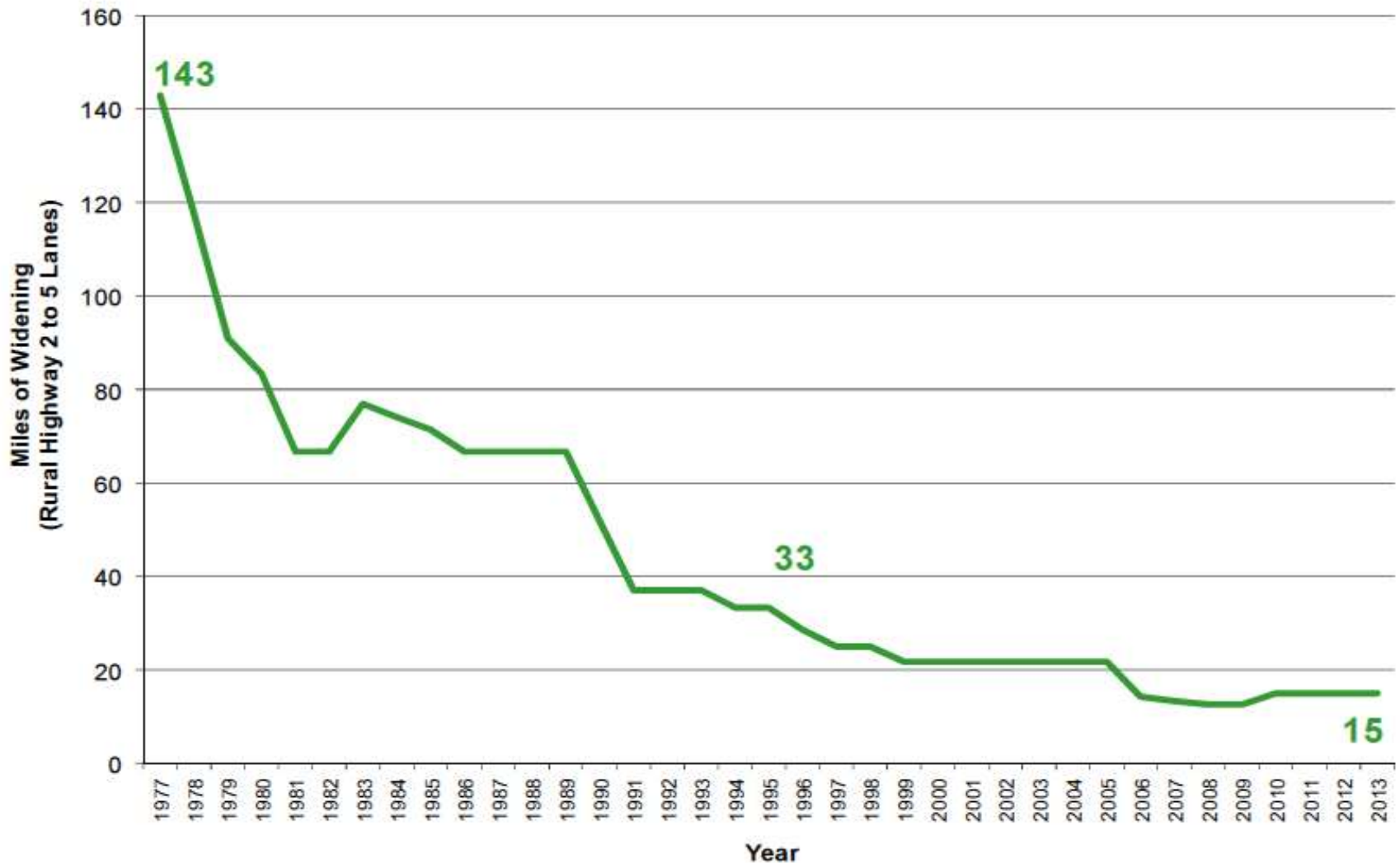
Excludes County & City aid funds
Prepared by: Planning and Research 1/28/2014

Gasoline Tax Purchasing Power



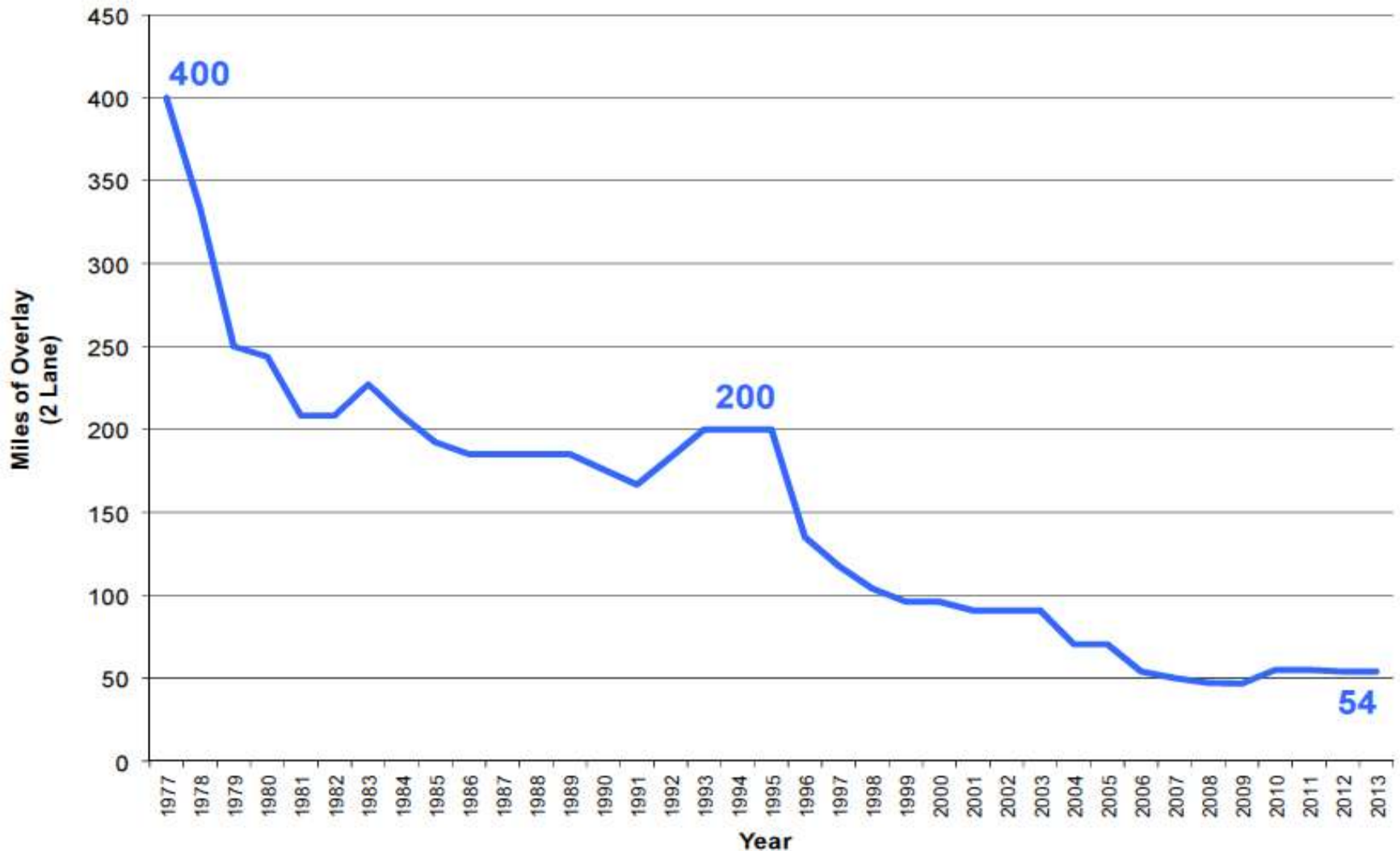
The Shrinking Highway Dollar

\$100,000,000 Widening Program



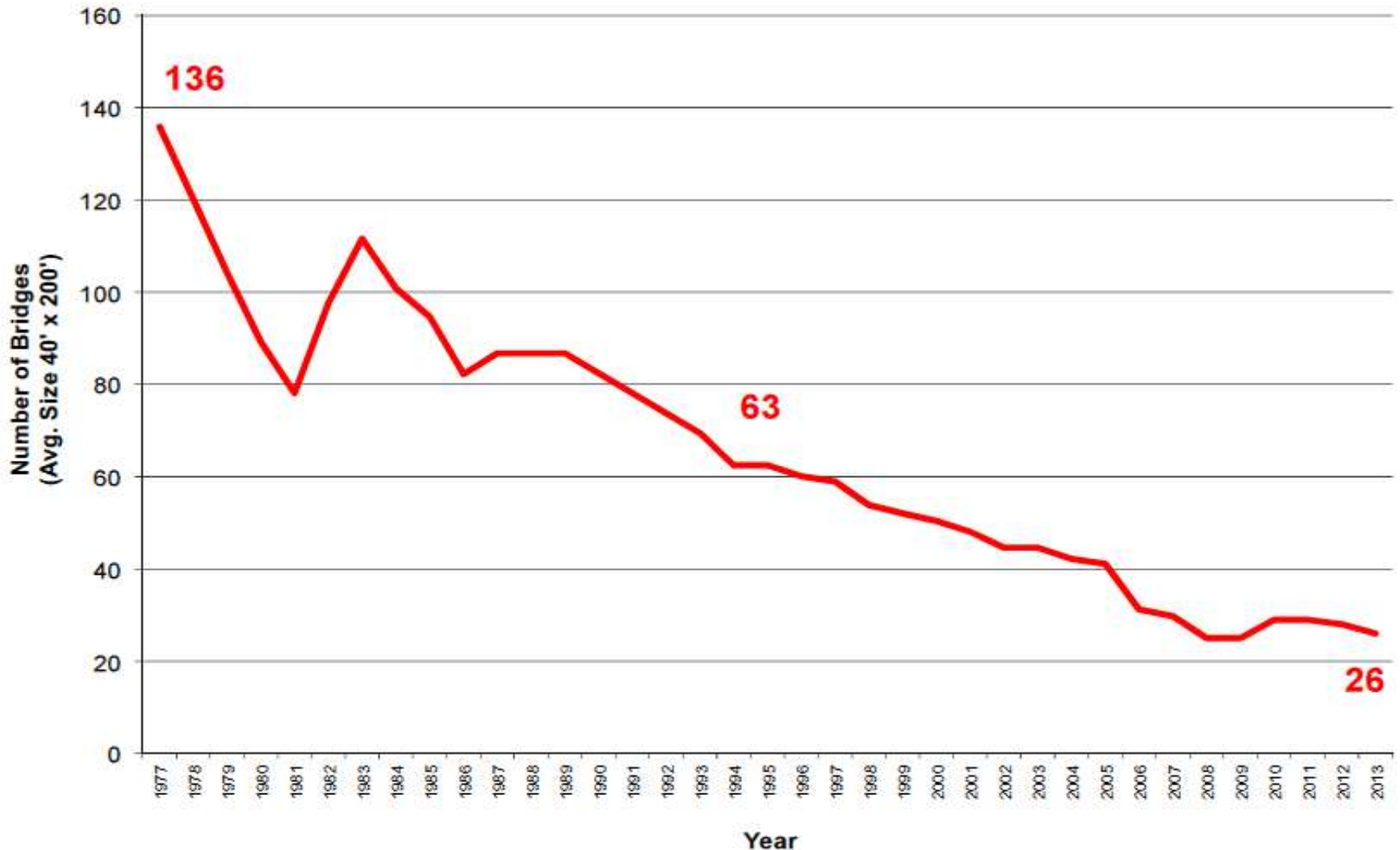
The Shrinking Highway Dollar

\$10,000,000 Overlay Program



The Shrinking Highway Dollar

\$25,000,000 Bridge Program



Challenges

- ✓ 12th largest system in the country
- ✓ 44th in highway revenue per mile.
- ✓ \$19 billion in needs and capital improvements
- ✓ \$5 billion in available revenue
 - Flat Revenues
 - Loss of Purchasing Power



19 Member Panel

- Elected Officials
- Business Leaders
- Civic Leaders



Blue Ribbon
Committee
on Highway Finance
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





**Accelerated Interstate
Rehabilitation Program**



**Temporary One-Half Cent
General Sales Tax for
Transportation Needs**

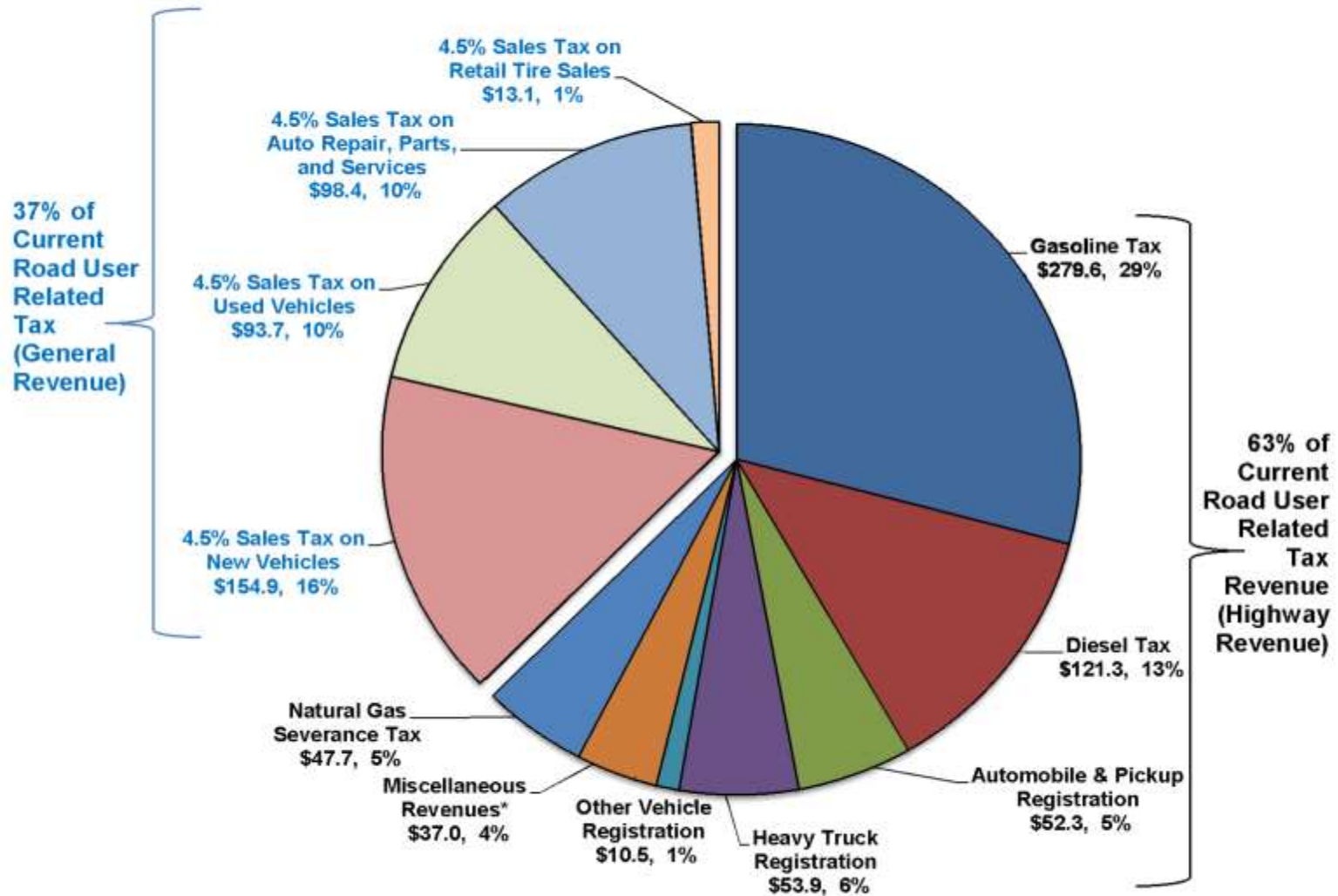


**Dedicate Road User
Revenues to Highways,
Roads and Streets**

Road User Related State Tax Revenue

FY 2013

(In Millions)



*Miscellaneous Revenues includes: LP/CNG, Oversize/Overweight Permits, Title Transfer Fees, Driver Search Fees, Interest, Other Fees.

Strategies to Sustain/Increase Revenue

– REVENUE TRANSFER

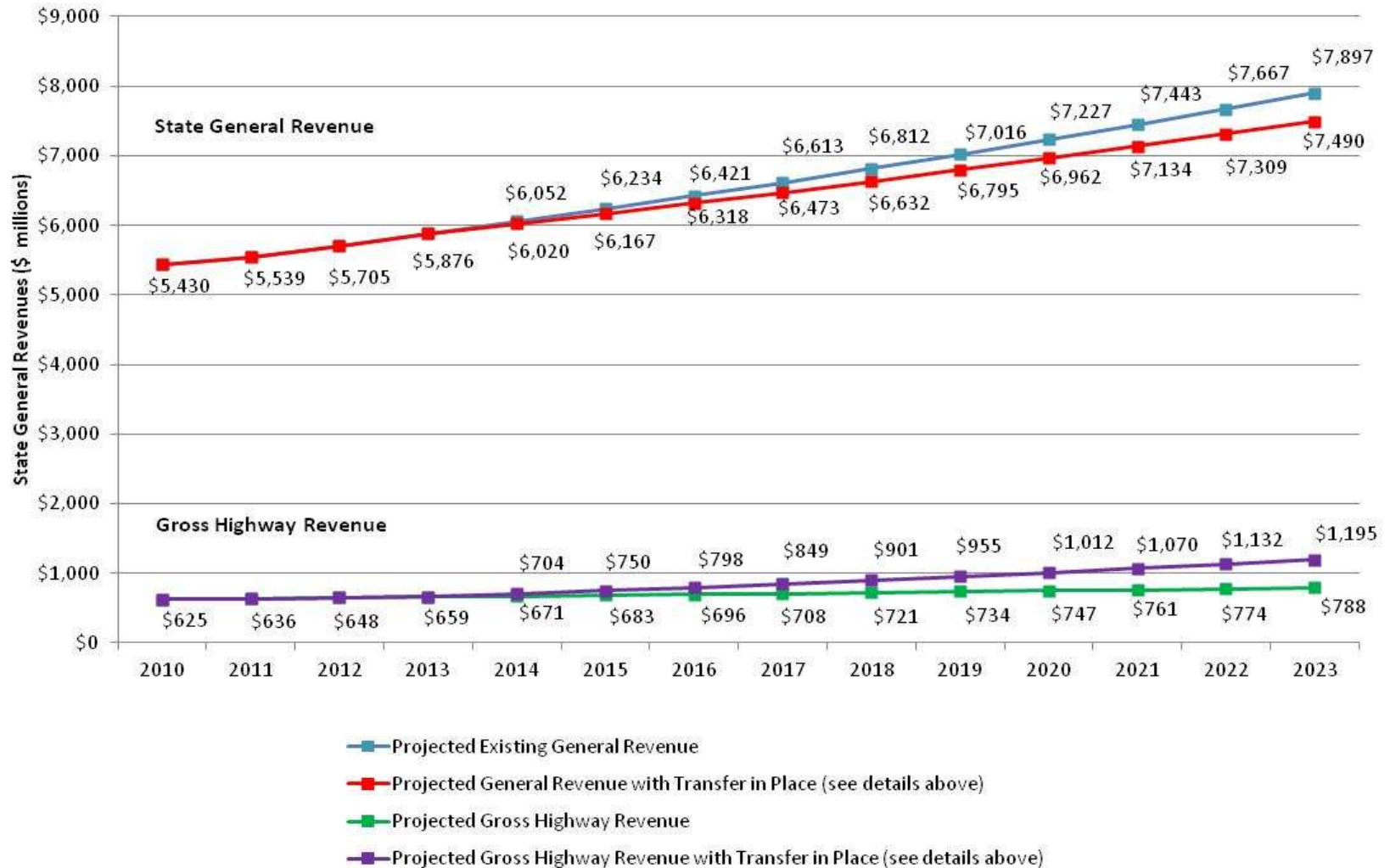
- Long Term Solution
 - Not a Tax Increase
 - Transfer of Revenue on “Road User” Items
- Progression of Transfer

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)

Revenue	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
AHTD	\$23	\$47	\$72	\$98	\$126	\$155	\$185	\$217	\$250	\$285	\$1,458
Counties	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61	\$313
Cities	\$5	\$10	\$15	\$21	\$27	\$33	\$40	\$47	\$54	\$61	\$313
Total	\$33	\$67	\$102	\$140	\$180	\$221	\$265	\$311	\$358	\$407	\$2,084

Strategies to Sustain/Increase Revenue

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



Strategies to Sustain/Increase Revenue

– Index Motor Fuel Excise Taxes

- Long Term Solution

- Protects Purchasing Power

- “Road User” Based

- Utilizes Existing Tax Collection System

Revenue from Indexing the Motor Fuel Excise Taxes
(in millions)

Revenue	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
AHTD	\$293	\$333	\$357	\$365	\$367	\$371	\$376	\$380	\$384	\$388	\$3,614
Counties	\$63	\$71	\$76	\$78	\$79	\$79	\$81	\$81	\$82	\$83	\$773
Cities	\$63	\$71	\$76	\$78	\$79	\$79	\$81	\$81	\$82	\$83	\$773
Total	\$419	\$475	\$509	\$521	\$525	\$529	\$538	\$542	\$548	\$554	\$5,160

Strategies to Sustain/Increase Revenue

- New Excise Tax on Wholesale Price of Motor Fuels**
- Increase Vehicle Registration and License Fees**
- State Highway System Reduction**
- Vehicle Miles Traveled (VMT) Tax**
- Public-Private Partnerships and Tolling**

Strategies to Sustain/Increase Revenue

– ALTERNATIVE FUEL BILL

- **Uniformity in Tax Rate - Level Playing Field**

- Gasoline and Diesel Fuels
- Equivalent Rate for Natural Gas Fuels

- **Progression of Tax Rates**

- July 1, 2014 5¢ per gallon (current rate)
- July 1, 2015 8¢ per gallon
- July 1, 2016 11¢ per gallon
- July 1, 2017 17¢ per gallon
- July 1, 2018 21½¢ per gallon on compressed natural gas fuels
22½¢ per gallon on liquefied natural gas fuels
21½¢ per gallon on other alternative fuels

Strategies to Sustain/Increase Revenue

WITH Alternative Fuel Tax Equivalent

Fiscal Year	Percent Increase Consumption	Consumption With "Gallon Equivalent" Change ⁽¹⁾	Progressive New Tax Rates	Total Alternative Fuel Tax	Using Alternative Fuel Tax Rate 0.215	Difference in Tax Revenue "Lost Revenue"
	A	B	C	D	E	F
				(B*C)	(B*0.215)	(E-D)
2015	0%	697,879	\$0.050	\$ 34,894	\$ 150,044	\$ 115,150
2016	30%	907,243	\$0.080	\$ 72,579	\$ 195,057	\$ 122,478
2017	30%	1,179,416	\$0.110	\$ 129,736	\$ 253,574	\$ 123,839
2018	30%	1,533,241	\$0.170	\$ 260,651	\$ 329,647	\$ 68,996
2019	30%	1,993,213	\$0.215	\$ 428,541	\$ 428,541	\$ -
Sub-Total Loss						\$ 430,462

(1) Change in equivalent rate from 100 cubic feet per 1 gallon of gasoline to 125 cubic feet per 1 gallon of gasoline.

WITHOUT Alternative Fuel Tax Equivalent

Fiscal Year	Percent Increase Consumption	Consumption Without "Gallon Equivalent" Change	Existing Rates	Total Alternative Fuel Tax	Using Alternative Fuel Tax Rate 0.215	Difference in Tax Revenue "Lost Revenue"
	A	B	C	D	E	F
				(B*C)	(B*0.215)	(E-D)
2015	0%	872,349	\$0.050	\$ 43,617	\$ 187,555	\$ 143,938
2016	30%	1,134,054	\$0.050	\$ 56,703	\$ 243,822	\$ 187,119
2017	30%	1,474,270	\$0.050	\$ 73,713	\$ 316,968	\$ 243,255
2018	30%	1,916,551	\$0.050	\$ 95,828	\$ 412,058	\$ 316,231
2019	30%	2,491,516	\$0.050	\$ 124,576	\$ 535,676	\$ 411,100
Sub-Total Loss						\$ 1,301,642

Net Loss WITHOUT Alternative Fuel Tax Equivalent \$ 871,180

ESTIMATES FOR PLANNING PURPOSES ONLY
FISCAL YEAR 2013 – STATE REVENUE SOURCES
 (in millions of dollars based on SFY 2012)

	TOTAL STATE REVENUE	NET REVENUE AMOUNT ¹	YEARLY AMOUNT TO AHTD (70%)	YEARLY AMOUNT TO CITIES ² (15%)	YEARLY AMOUNT TO COUNTIES ³ (15%)
CURRENT SOURCES TO AHTD, CITIES, AND COUNTIES					
A. Motor Fuels Revenue⁴	400.96 M	387.73 M	271.41 M	58.16 M	58.16 M
Gasoline (21.5¢ per gallon)	279.59 M	270.38 M	189.25 M	40.55 M	40.55 M
Diesel (22.5¢ per gallon)	121.26 M	117.28 M	82.08 M	17.59 M	17.59 M
LPG (18.5¢ per gallon) / CNG (5.0¢ per gallon)	0.04 M	0.04 M	0.03 M	0.01 M	0.01 M
B. Motor Vehicle Registration Fees	116.66 M	112.81 M	78.97 M	16.92 M	16.92 M
Automobiles & Pickups	52.25 M	50.53 M	35.37 M	7.58 M	7.58 M
Heavy Trucks (Includes In-state and Out-of-state IRP fees)	53.92 M	52.14 M	36.50 M	7.82 M	7.82 M
Other Vehicles	10.48 M	10.14 M	7.10 M	1.52 M	1.52 M
C. Miscellaneous Revenues⁵	37.0 M	36.15 M	31.80 M	2.17 M	2.17 M
D. Natural Gas Severance Tax⁶	47.68 M	43.73 M	30.81 M	6.56 M	6.56 M
E. Total Current Revenues	602.30 M	580.41 M	412.78 M	83.81 M	83.81 M
OTHER REVENUE SOURCES					
A. Highway-user Sources					
Additional 1 cent Motor Fuel Tax					
1 cent motor fuel tax ⁷	20.01 M	19.35 M	13.54 M	2.90 M	2.90 M
1 cent gasoline tax	13.96 M	13.49 M	9.45 M	2.02 M	2.02 M
1 cent diesel tax	6.05 M	5.85 M	4.10 M	0.88 M	0.88 M
Increase Registration Fees on:					
Autos and Pickups by \$10	23.20 M	22.43 M	15.70 M	3.36 M	3.36 M
In-State Trucks by \$150 (except pickups)	13.24 M	12.80 M	8.96 M	1.92 M	1.92 M
In and Out-of-State Heavy Trucks from \$1,350 to \$1,000 ⁸	4.82 M	4.68 M	3.28 M	0.70 M	0.70 M
Remove Sales Tax Exemption on Motor Fuels (wholesale price of \$2.75 per gallon)^{9,10}	247.80 M	239.42 M	167.80 M	35.91 M	35.91 M
Gasoline	172.70 M	167.00 M	116.80 M	25.05 M	25.05 M
Diesel	74.90 M	72.43 M	50.70 M	10.86 M	10.86 M
Add 1% Excise Tax to Motor Fuels (wholesale price of \$2.75 per gallon)^{6,10}	55.02 M	53.21 M	37.24 M	7.98 M	7.98 M
Gasoline	38.38 M	37.11 M	25.88 M	5.07 M	5.07 M
Diesel	16.64 M	16.10 M	11.27 M	2.41 M	2.41 M
Transfer 4.50% Sales Tax on:¹¹					
New Vehicles	154.89 M	149.78 M	104.84 M	22.47 M	22.47 M
Used Vehicles	93.66 M	90.57 M	63.40 M	13.59 M	13.59 M
Auto Repair, Parts, and Services ¹¹	98.73 M	95.47 M	66.83 M	14.32 M	14.32 M
Retail Tire Sales ¹²	12.84 M	12.41 M	8.69 M	1.86 M	1.86 M
Off Road Diesel Fuel	10.20 M	9.88 M	6.90 M	1.48 M	1.48 M
Add 1% Surcharge on:					
New Vehicles	34.42 M	33.28 M	23.30 M	4.99 M	4.99 M
Used Vehicles	20.81 M	20.13 M	14.09 M	3.02 M	3.02 M
Auto Repair, Parts, and Services ¹¹	21.94 M	21.22 M	14.85 M	3.18 M	3.18 M
Retail Tire Sales ¹²	2.85 M	2.76 M	1.93 M	0.41 M	0.41 M
Off Road Diesel Fuel	2.27 M	2.19 M	1.53 M	0.33 M	0.33 M
Weight Distance Tax (1 cent per mile)¹³	33.96 M	32.84 M	22.99 M	4.93 M	4.93 M
\$1 Battery Fee	0.58 M	0.56 M	0.39 M	0.08 M	0.08 M
\$1 Tire Fee	2.53 M	2.45 M	1.71 M	0.37 M	0.37 M
B. Non Highway-user Sources					
Increase General Sales and Use Tax - 1%	472.11 M	456.53 M	319.57 M	68.48 M	68.48 M
Increase Income Tax - 1%	30.25 M	29.25 M	20.48 M	4.39 M	4.39 M
Individual Income Tax	26.50 M	25.82 M	17.93 M	3.84 M	3.84 M
Corporate Income Tax	3.75 M	3.63 M	2.54 M	0.54 M	0.54 M

NOTES

¹ These amounts reflect a 3.2% deduction for the Central Services Fund. Total net amount is distributed 70% to AHTD, 15% to both Cleveland Counties. Exceptions include a 1.05% deduction for Title Transfer Fees and Special Permits for the Central Services Fund, the remainder of which is retained by AHTD.

² Allocation to Cities is based on population.

³ Allocation to Counties is based on formula as follows: 31% on area, 17.5% on license fees collected, 17.5% on total population, 13.5% on rural population, and 20.5% distributed equally.

⁴ Excludes \$10 M of Motor Fuel Tax Refunds, \$29 M of State Aid Roads and Streets. Rate includes underground storage tank fee of 0.3¢ per gallon.

⁵ Includes OGVW Permits, Title Transfer Fees, Dealer Search Fees, Interest, & Other Fees. Interest & Other Fees are distributed 70%/15%. Title Transfer Fees and Special Permits are debited 100% to AHTD.

⁶ Natural Gas Severance Tax Revenue for 2012. In addition to the 3.2% deduction for the Central Services Fund, Net Revenue Amount reflects a 5% deduction to hold harmless the State General Revenue Fund.

⁷ Motor Fuel reverts the combined amounts for Gasoline and Diesel.

⁸ Amounts are 2012 data for International Registration Plan (IRP).

⁹ Amounts in change in part of collection Price of fuel only. Does not include State and Federal taxes.

¹⁰ Amounts only the General portion (45%) which is available to AHTD while the remainder is dedicated for special purposes.

¹¹ Auto engine lubricants, batteries, parts, repairs and maintenance services.

¹² Per Georgia Dept. of Finance and Administration. Information derived from Federal FY 2012 Trade Fund receipts as well as 2007 US Census Bureau product line data. No updates available.

¹³ Based on 2.4 billion qualifying miles in 2012 (loaded miles for trucks registered over 7,200 pounds).

REVENUE MENU

Strategies to Sustain/Increase Revenue

State Revenue Sources

	TOTAL STATE REVENUE	NET REVENUE AMOUNT	YEARLY AMOUNT TO AHTD (70%)	YEARLY AMOUNT TO CITIES (15%)	YEARLY AMOUNT TO COUNTIES (15%)
CURRENT SOURCES TO AHTD, CITIES, AND COUNTIES					
A. Motor Fuels Revenue	400.96 M	387.73 M	271.41 M	58.16 M	58.16 M
Gasoline (21.5¢ per gallon)	279.59 M	270.36 M	189.25 M	40.55 M	40.55 M
Diesel (22.5¢ per gallon)	121.26 M	117.26 M	82.08 M	17.59 M	17.59 M
LPG (16.5¢ per gallon) / CNG (5.0¢ per gallon)	0.04 M	0.04 M	0.03 M	0.01 M	0.01 M
B. Motor Vehicle Registration Fees	116.66 M	112.81 M	78.97 M	16.92 M	16.92 M
Automobiles & Pickups	52.25 M	50.53 M	35.37 M	7.58 M	7.58 M
Heavy Trucks (Includes In-state and Out-of-state IRP fees)	53.92 M	52.14 M	36.50 M	7.82 M	7.82 M
Other Vehicles	10.48 M	10.14 M	7.10 M	1.52 M	1.52 M
C. Miscellaneous Revenues	37.0 M	36.15 M	31.80 M	2.17 M	2.17 M
D. Natural Gas Severance Tax	47.68 M	43.73 M	30.61 M	6.56 M	6.56 M
E. Total Current Revenues	602.30 M	580.41 M	412.78 M	83.81 M	83.81 M

Totals may not sum due to rounding. Revised 12/2013.

Strategies to Sustain/Increase Revenue

State Revenue Sources

	TOTAL STATE REVENUE	NET REVENUE AMOUNT	YEARLY AMOUNT TO AHTD (70%)	YEARLY AMOUNT TO CITIES (15%)	YEARLY AMOUNT TO COUNTIES (15%)
OTHER REVENUE SOURCES					
A. Highway-user Sources					
Additional 1 cent Motor Fuel Tax					
1 cent motor fuel tax	20.01 M	19.35 M	13.54 M	2.90 M	2.90 M
1 cent gasoline tax	13.96 M	13.49 M	9.45 M	2.02 M	2.02 M
1 cent diesel tax	6.05 M	5.85 M	4.10 M	0.88 M	0.88 M
Increase Registration Fees on:					
Autos and Pickups by \$10	23.20 M	22.43 M	15.70 M	3.36 M	3.36 M
In-State Trucks by \$150 (except pickups)	13.24 M	12.80 M	8.96 M	1.92 M	1.92 M
In and Out-of-State <u>Heavy</u> Trucks from \$1,350 to \$1,500	4.82 M	4.66 M	3.26 M	0.70 M	0.70 M
Remove Sales Tax Exemption on Motor Fuels (wholesale price of \$2.75 per gallon)					
Gasoline	172.70 M	167.00 M	116.90 M	25.05 M	25.05 M
Diesel	74.90 M	72.43 M	50.70 M	10.86 M	10.86 M
Add 1% Excise Tax to Motor Fuels (wholesale price of \$2.75 per gallon)					
Gasoline	38.38 M	37.11 M	25.98 M	5.57 M	5.57 M
Diesel	16.64 M	16.10 M	11.27 M	2.41 M	2.41 M

Totals may not sum due to rounding. Revised 12/2013.

Strategies to Sustain/Increase Revenue

State Revenue Sources

	TOTAL STATE REVENUE	NET REVENUE AMOUNT	YEARLY AMOUNT TO AHTD (70%)	YEARLY AMOUNT TO CITIES (15%)	YEARLY AMOUNT TO COUNTIES (15%)
Transfer 4.50% Sales Tax on:					
New Vehicles	154.89 M	149.78 M	104.84 M	22.47 M	22.47 M
Used Vehicles	93.66 M	90.57 M	63.40 M	13.59 M	13.59 M
Auto Repair, Parts, and Services	99.04 M	95.77 M	67.04 M	14.37 M	14.37 M
Retail Tire Sales	12.84 M	12.41 M	8.69 M	1.86 M	1.86 M
Off Road Diesel Fuel	10.20 M	9.86 M	6.90 M	1.48 M	1.48 M
Add 1% Surcharge on:					
New Vehicles	34.42 M	33.28 M	23.30 M	4.99 M	4.99 M
Used Vehicles	20.81 M	20.13 M	14.09 M	3.02 M	3.02 M
Auto Repair, Parts, and Services	22.01 M	21.28 M	14.90 M	3.19 M	3.19 M
Retail Tire Sales	2.85 M	2.76 M	1.93 M	0.41 M	0.41 M
Off Road Diesel Fuel	2.27 M	2.19 M	1.53 M	0.33 M	0.33 M
Weight Distance Tax (1 cent per mile)	33.96 M	32.84 M	22.99 M	4.93 M	4.93 M
\$1 Battery Fee	0.58 M	0.56 M	0.39 M	0.08 M	0.08 M
\$1 Tire Fee	2.53 M	2.45 M	1.71 M	0.37 M	0.37 M
B. Non Highway-user Sources					
Increase General Sales and Use Tax - 1%	472.11 M	456.53 M	319.57 M	68.48 M	68.48 M
Increase Income Tax - 1%	30.25 M	29.25 M	20.48 M	4.39 M	4.39 M
Individual Income Tax	26.50 M	25.62 M	17.93 M	3.84 M	3.84 M
Corporate Income Tax	3.75 M	3.63 M	2.54 M	0.54 M	0.54 M

Totals may not sum due to rounding. Revised 12/2013.

Strategies to Sustain/Increase Revenue

\$150 million to AHTD

FUNDING SOURCE	TOTAL GROSS AMOUNT	NET TO AHTD	NET TO COUNTIES	NET TO CITIES
Motor Fuel Tax Increase per Gallon (11¢)	\$226.7 M	\$153.9 M	\$33.0 M	\$33.0 M
Motor Fuel Tax Increase per Gallon (15¢ - September – May) (Summer Fuel Tax Holiday)	\$230.6 M	\$156.6 M	\$33.5 M	\$33.5 M
Transfer Sales Tax on (4.5%):				
New Vehicles	\$142.9 M	\$97.0 M	\$20.8 M	\$20.8 M
Used Vehicles	<u>\$86.9 M</u>	<u>\$59.0 M</u>	<u>\$12.6 M</u>	<u>\$12.6 M</u>
	\$229.8 M	\$156.0 M	\$33.4 M	\$33.4 M
Increase General Sales Tax by 0.50%	\$223.7 M	\$151.9 M	\$32.6 M	\$32.6 M

Totals may not add due to rounding.

Strategies to Sustain/Increase Revenue

\$200 million to AHTD

FUNDING SOURCE	TOTAL GROSS AMOUNT	NET TO AHTD	NET TO COUNTIES	NET TO CITIES
Increase General Sales Tax 0.75%	\$354.1 M	\$239.7 M	\$51.4 M	\$51.4 M
Transfer Sales Tax on (4.5%):				
New Vehicles	\$142.9 M	\$97.0 M	\$20.8 M	\$20.8 M
Used Vehicles	\$86.9 M	\$59.0 M	\$12.6 M	\$12.6 M
Additional 3.85% Sales Tax on Auto Repair, Parts, and Service	<u>\$84.2 M</u>	<u>\$57.2 M</u>	<u>\$12.3 M</u>	<u>\$12.3 M</u>
	\$314.0 M	\$213.2 M	\$45.7 M	\$45.7 M
Motor Fuel Tax Increase per Gallon (9¢)	\$185.5 M	\$125.9 M	\$27.1 M	\$27.1 M
Increase Registration Fee per Vehicle (\$47)	<u>\$109.5 M</u>	<u>\$74.4 M</u>	<u>\$15.9 M</u>	<u>\$15.9 M</u>
	\$295.0 M	\$200.3 M	\$43.0 M	\$43.0 M

Totals may not add due to rounding.

Strategies to Sustain/Increase Revenue

\$300 million to AHTD

FUNDING SOURCE	TOTAL GROSS AMOUNT	NET TO AHTD	NET TO COUNTIES	NET TO CITIES
Transfer Sales Tax on (4.5%):				
New Vehicles	\$142.9 M	\$97.0 M	\$20.8 M	\$20.8 M
Used Vehicles	\$86.9 M	\$59.0 M	\$12.6 M	\$12.6 M
Motor Fuel Tax Increase per Gallon (11¢)	<u>\$216.4 M</u>	<u>\$146.9 M</u>	<u>\$31.5 M</u>	<u>\$31.5 M</u>
	\$446.2 M	\$303.0 M	\$64.9 M	\$64.9 M
Motor Fuel Tax Increase Per Gallon (22.7¢)	\$453.4 M	\$307.9 M	\$66.0 M	\$66.0 M
Transfer Sales Tax on (4.5%):				
New Vehicles	\$142.9 M	\$97.0 M	\$20.8 M	\$20.8 M
Used Vehicles	\$86.9 M	\$59.0 M	\$12.6 M	\$12.6 M
Additional 3.85% Sales Tax on Auto Repair, Parts, and Service	\$84.2 M	\$57.2 M	\$12.3 M	\$12.3 M
Motor Fuel Tax Increase per Gallon (9¢ - September – May) (Summer Fuel Tax Holiday)	<u>\$138.3 M</u>	<u>\$93.9 M</u>	<u>\$20.1 M</u>	<u>\$20.1 M</u>
	\$452.3 M	\$307.1 M	\$83.7 M	\$83.7 M

Totals may not add due to rounding.

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "SEAL OF ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and "ARKANSAS" in the center. The seal is centered behind the main title text.

Prioritizing Existing Revenue

**Development of the
Statewide Transportation Improvement Program (STIP)**



Arkansas State Highway
and
Transportation Department



**Statewide
Transportation
Improvement Program
(STIP)**

2013-2016

Federal Fiscal Years

In compliance with
Title 23-United States Code-Section 135

Presented by the
Arkansas State Highway Commission

October 1, 2012



MAP-21

Performance Management

- **Seven National Surface Transportation Goals:**
 - ✓ Safety
 - ✓ Infrastructure Condition
 - ✓ Congestion Reduction
 - ✓ System Reliability
 - ✓ Freight Movement and Economic Vitality
 - ✓ Environmental Sustainability
 - ✓ Reduced Project Delivery Delays

MAP-21

Funding Program Changes

- **Four Main Core Programs:**
 - ✓ National Highway Performance Program
 - ✓ Surface Transportation Program
 - ✓ Highway Safety Improvement Program
 - ✓ Congestion Mitigation and Air Quality Program

MAP-21

Performance Measures

- **Measures will be established for the States to assess:**
 - **Condition**
 - ✓ Pavement
 - ✓ Bridges
 - **Performance**
 - ✓ Congestion
 - ✓ Reliability
 - **Safety**
 - ✓ Serious injuries per vehicle mile travelled
 - ✓ Fatalities per vehicle mile travelled
 - ✓ Number of serious injuries
 - ✓ Number of fatalities

STIP Development (2016-2019)

Next Steps

Update the Statewide Needs Assessment

- Congestion Relief
- System Preservation
- Safety
- Equipment
- Facilities

Forecast Future Available Revenue

- Federal and State Funds

Establish Performance Targets

Improvements vs. Revenues

10 Year Projection

(x \$1 million) (Revenue and Needs are in 2014 Dollars)	
ESTIMATED FEDERAL-AID AND STATE REVENUE	\$ 3,555
NEEDS	AMOUNT
PAVEMENT	\$ 3,060
BRIDGES	\$ 1,102
CAPACITY	\$ 2,880
SAFETY	\$ 700
EQUIPMENT	\$ 180
FACILITIES	\$ 62
ITS	\$ 27
SUB-TOTAL	\$ 8,011
CAPITAL IMPROVEMENT	AMOUNT
FOUR LANE GRID SYSTEM	\$ 11,300
NEW LOCATION / NEW OR MODIFIED INTERCHANGES	\$ 820
OTHER MAJOR WIDENING	\$ 230
SUB-TOTAL	\$ 12,350
GRAND TOTAL	\$ 20,361
SHORTFALL	\$ (16,806)

Improvements vs. Revenues

4 Year Projection (STIP 2016-2019)

(x \$1 million) (Revenue and Needs are in 2014 Dollars)	
ESTIMATED FEDERAL-AID AND STATE REVENUE	\$ 1,716
NEEDS	AMOUNT
PAVEMENT	\$ 1,224
BRIDGES	\$ 441
CAPACITY	\$ 1,152
SAFETY	\$ 280
EQUIPMENT	\$ 72
FACILITIES	\$ 25
ITS	\$ 11
SUB-TOTAL	\$ 3,204
CAPITAL IMPROVEMENT	AMOUNT
FOUR LANE GRID SYSTEM	\$ 4,520
NEW LOCATION / NEW OR MODIFIED INTERCHANGES	\$ 328
OTHER MAJOR WIDENING	\$ 92
SUB-TOTAL	\$ 4,940
GRAND TOTAL	\$ 8,144
SHORTFALL	\$ (6,429)

Possible Program of Funds

4 Year Projection (STIP 2016-2019)

(x \$1 million)			
(Revenue and Needs are in 2014 Dollars)			
ESTIMATED FEDERAL-AID AND STATE REVENUE	\$	1,716	\$ 1,716
NEEDS	AMOUNT	AMOUNT	%
PAVEMENT	\$ 1,224	\$ 437	
BRIDGES	\$ 441	\$ 360	
CAPACITY	\$ 1,152	\$ 291	
SAFETY	\$ 280	\$ 176	
EQUIPMENT	\$ 72	\$ 72	
FACILITIES	\$ 25	\$ 25	
ITS	\$ 11	\$ 11	
SUB-TOTAL	\$ 3,204	\$ 1,372	80%
CAPITAL IMPROVEMENT	AMOUNT	AMOUNT	
FOUR LANE GRID SYSTEM	\$ 4,520		
NEW LOCATION / NEW OR MODIFIED INTERCHANGES	\$ 328	\$ 343	
OTHER MAJOR WIDENING	\$ 92		
SUB-TOTAL	\$ 4,940	\$ 343	20%
GRAND TOTAL	\$ 8,144	\$ 1,715	100%
SHORTFALL	\$ (6,428)	\$ 0	

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a shield and stars.

Item 8
**Other Business and
Discussion**

The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION" around the perimeter and a central emblem with a star and other symbols.

Arkansas State Highway Commission Meeting

Wednesday, June 4, 2014