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 its perimeter. In the center, it depicts the state of Arkansas with the word "ARKANSAS" above it and a star below it.

Arkansas State Highway Commission Meeting

Friday, May 29, 2015



Item 1

**Arkansas Economic
Development**

Mike Preston
Executive Director



Economic Development Commission

MIKE PRESTON

Presentation to the Arkansas State
Highway Commission

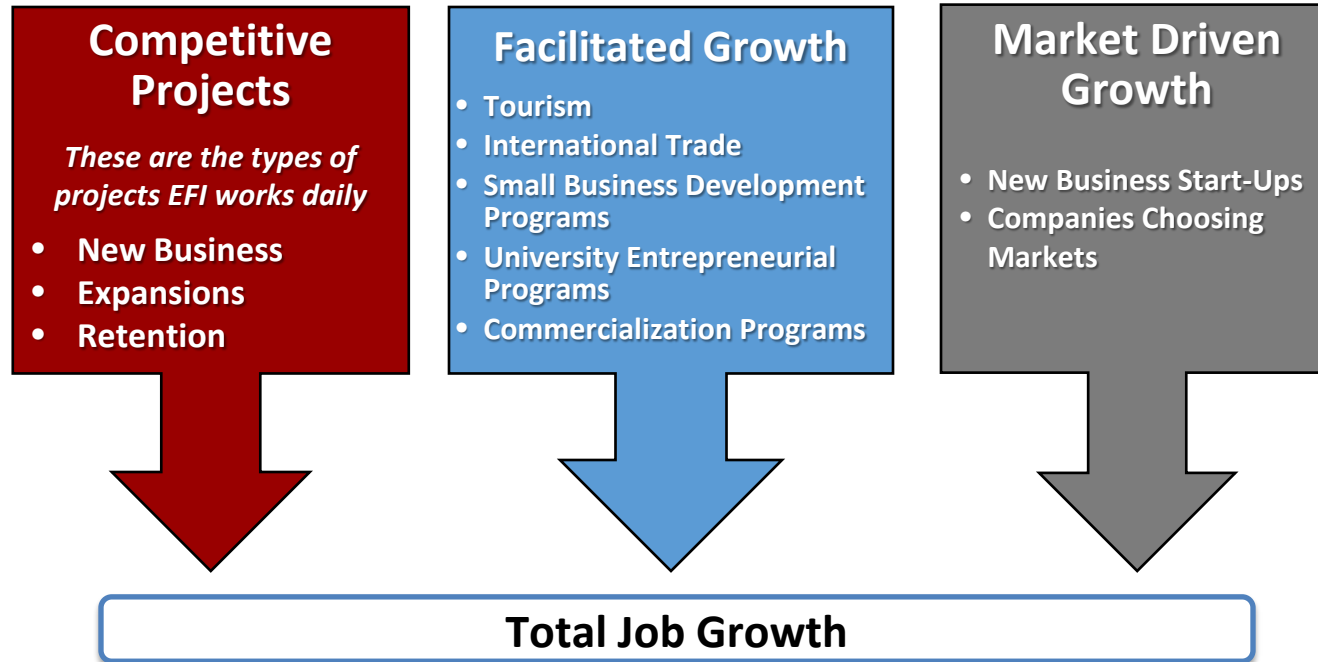
May 29, 2015





AEDC

LEVERAGE POINTS FOR JOB CREATION





TRANSPORTATION

- Highways – 16,418 Miles of State and U.S. Highways
- Rail – 1,683 Miles of Class 1 Railroad
- Water – 1,000 Miles of Navigable Waterways
- Air – 95 Public Airports

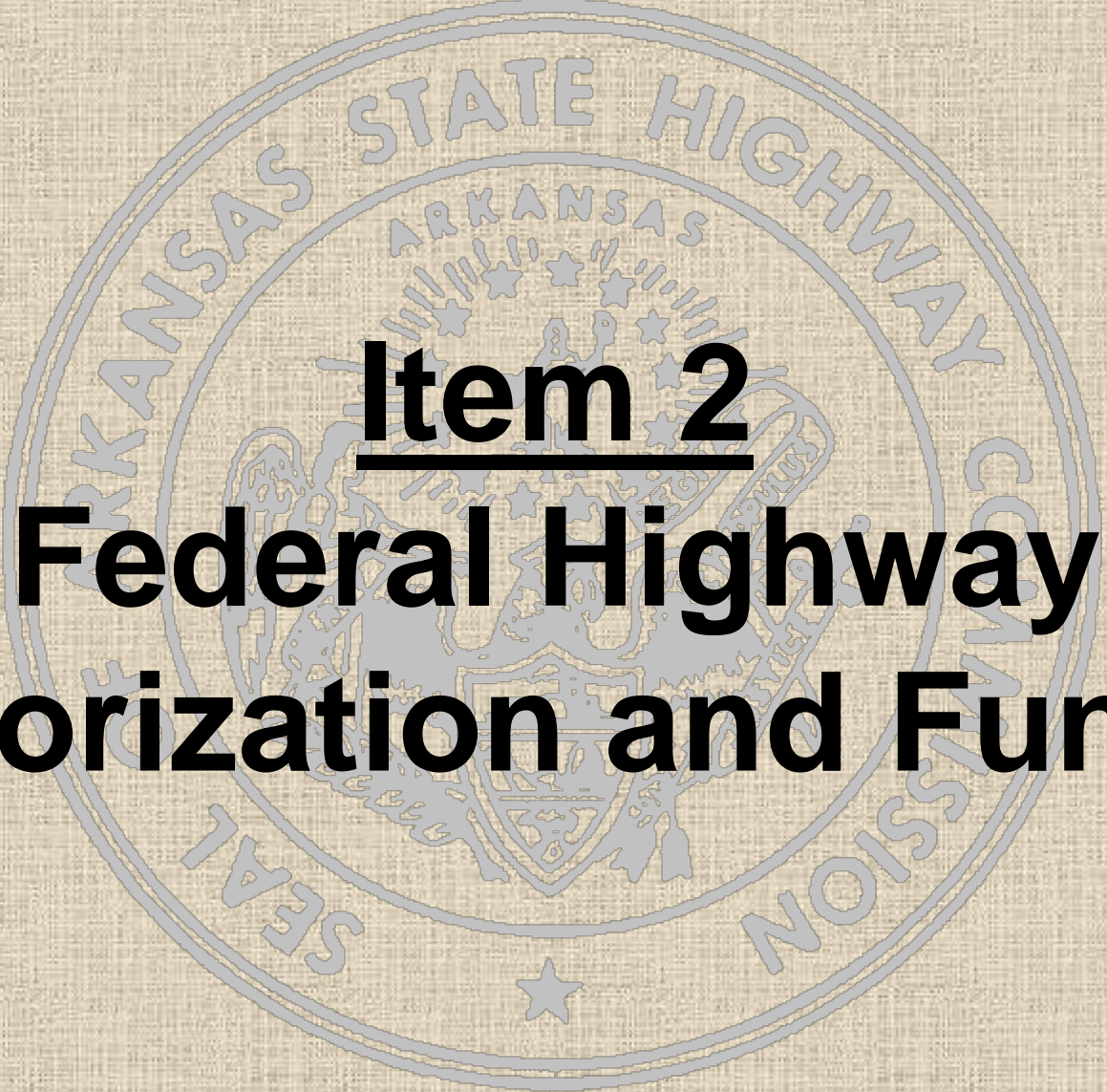


ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

900 West Capitol, Suite 400
Little Rock, Arkansas 72201

501.682.1121

ArkansasEDC.com

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 "SEAL" at the bottom. In the center of the seal is the state coat of arms of Arkansas, which includes a shield with a plow, a sheaf of wheat, and a cotton plant, topped by a crest with a star and a banner.

Item 2
Federal Highway
Authorization and Funding

Federal-aid Highway Program

AUTHORIZATION ACT

- **Multi-Year Legislation**
- **Authority to Continue:**
 - Federal Highway Administration Operations
 - Certain Federal Programs
 - Collecting Highway-User Tax
- **Establishes:**
 - New Federal Program Categories
 - Program Category Funding Levels
 - Formulas for Distribution to States

EXAMPLES

Transportation Equity Act for the 21st Century (1998) (TEA-21)

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (2005) (SAFETEA-LU)

Moving Ahead for Progress in the 21st Century Act (2012) (MAP-21)



Federal-aid Highway Program

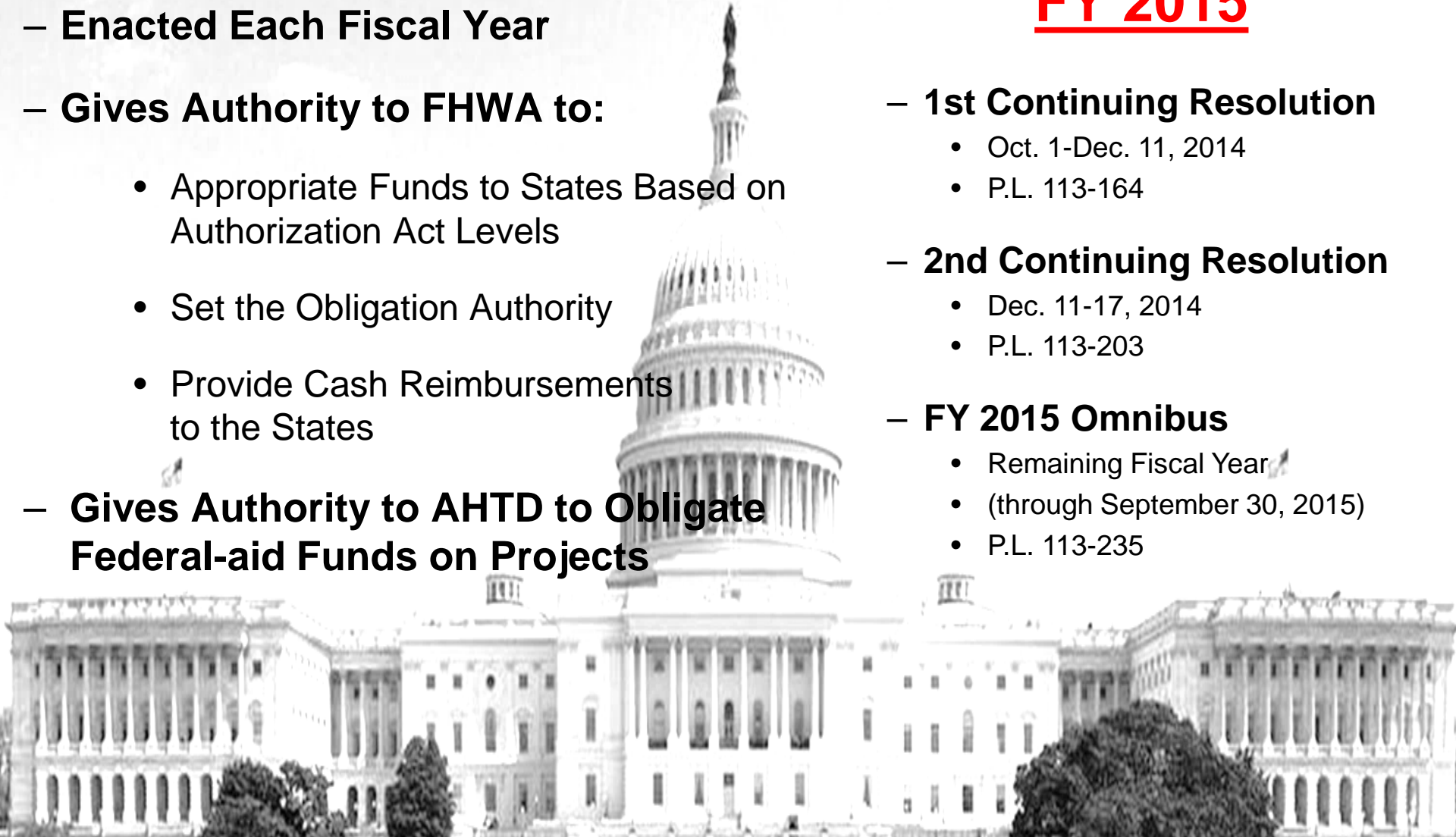
APPROPRIATION ACT

- Enacted Each Fiscal Year
- Gives Authority to FHWA to:
 - Appropriate Funds to States Based on Authorization Act Levels
 - Set the Obligation Authority
 - Provide Cash Reimbursements to the States
- Gives Authority to AHTD to Obligate Federal-aid Funds on Projects

EXAMPLES

FY 2015

- 1st Continuing Resolution
 - Oct. 1-Dec. 11, 2014
 - P.L. 113-164
- 2nd Continuing Resolution
 - Dec. 11-17, 2014
 - P.L. 113-203
- FY 2015 Omnibus
 - Remaining Fiscal Year
 - (through September 30, 2015)
 - P.L. 113-235



Authorization vs. Appropriations

Authorization Act		Appropriations Act
Multi-Year (usually)	When?	Each Fiscal Year (October 1-September 30) (usually)
Authorizes Programs Authorizes FHWA Operations Sets Rules	Rules?	Appropriates Funds Authorizes State Reimbursement
Provides Funds for Programs Most Based on Formula (exception TIGER)	Funds	Sets Obligation Limit Allows States to Obligate Funds
"Extension"	Partial Year?	"Continuing Resolution"

What is an Obligation?

“Obligation means a binding agreement that will result in outlays, immediately or in the future.”

OMB Circular A-11

State Requests Obligation (Set Aside) of Federal-aid Funds for a Project

FHWA Approves

State's Federal Funds are Committed to the Project

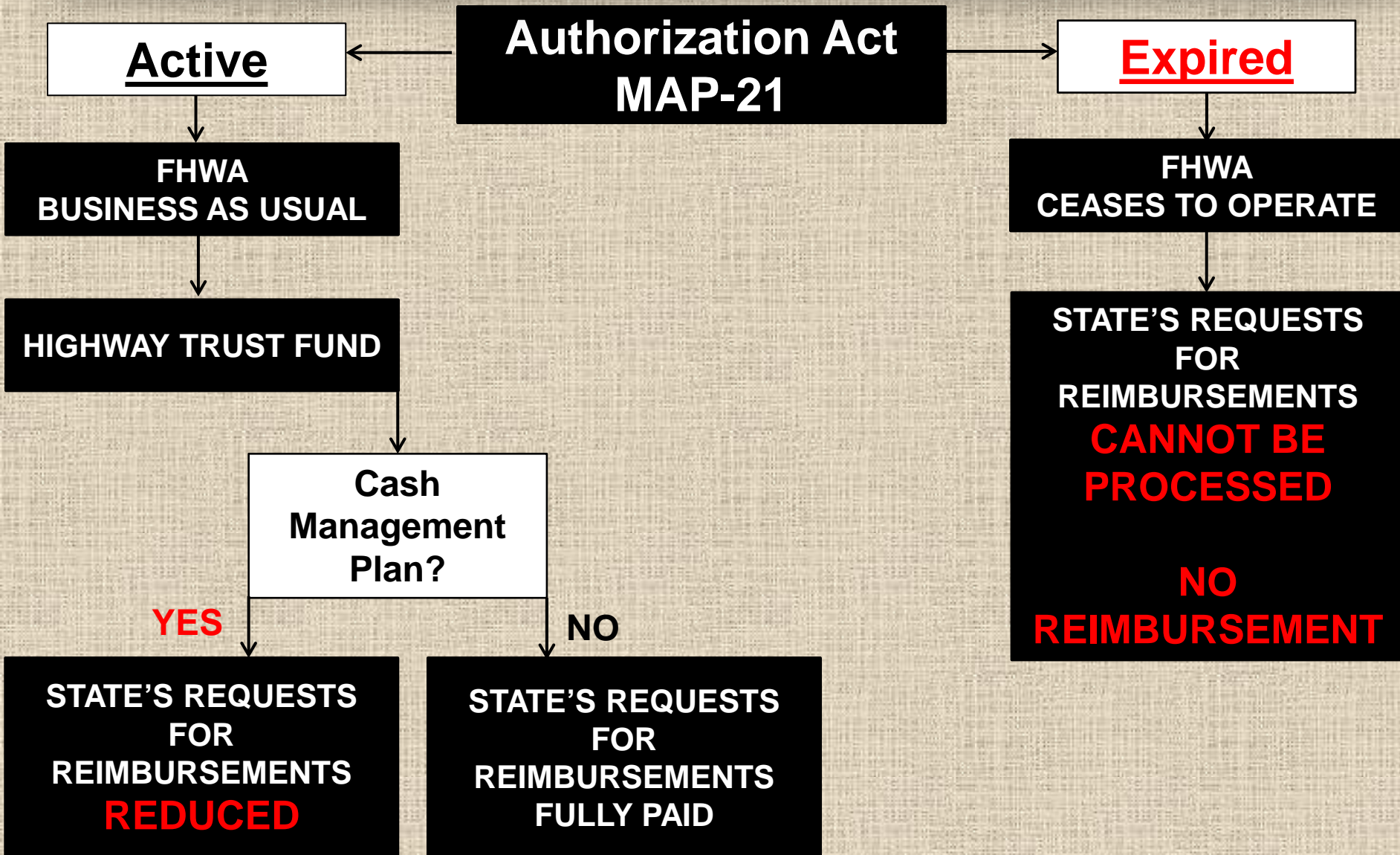
**FHWA Commits to Reimburse State for Federal Share of Eligible Expenses
(normally 80%)**

Reimbursable Program

“Federal Funds are Not Upfront Cash”

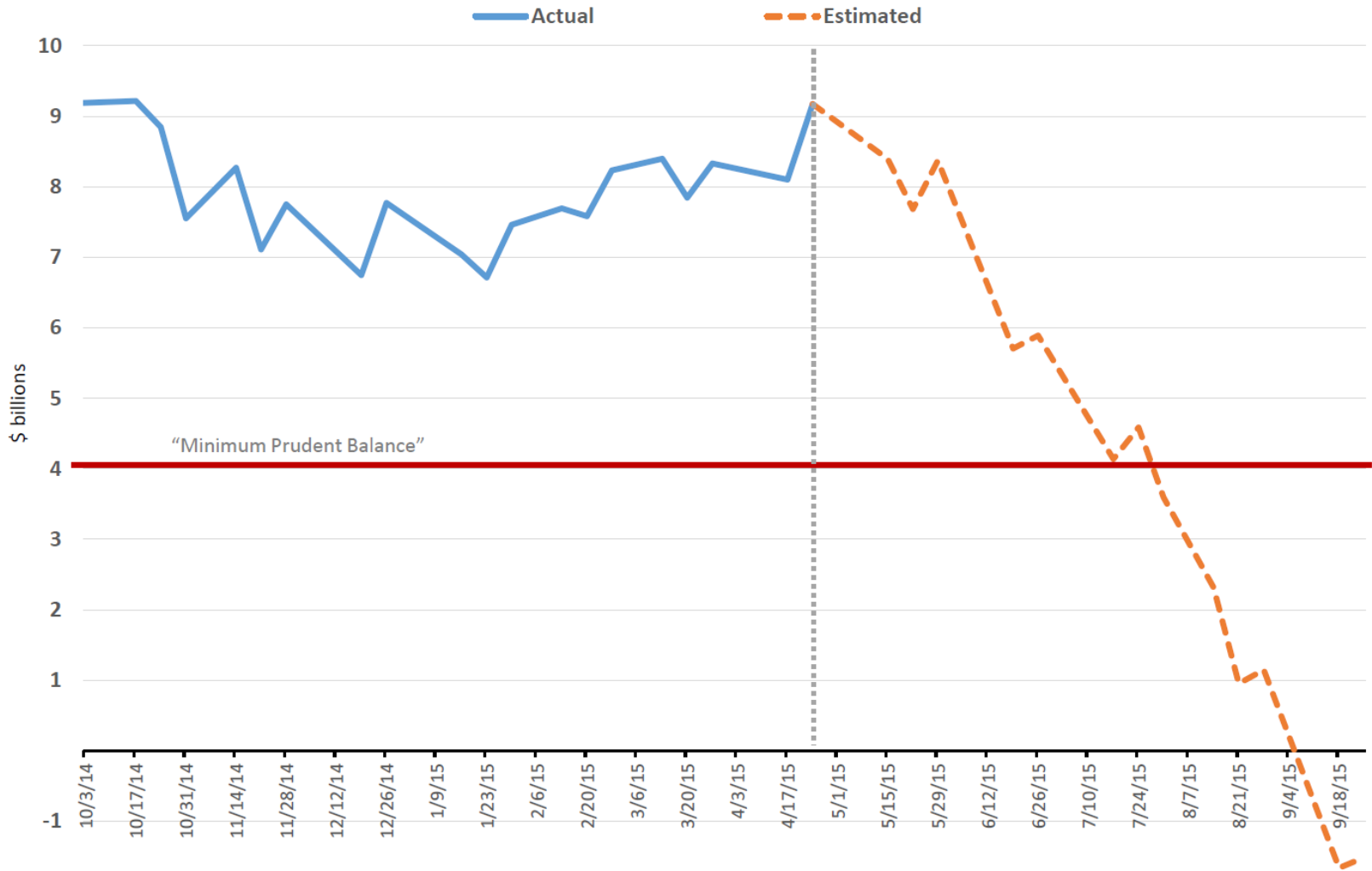
- ✓ **FHWA Approves Federal Funding for a Project**
- ✓ **Project Let to Contract**
- ✓ **Contractor Submits Progress Estimate**
- ✓ **State Pays Contractor for Work Done**
- ✓ **State Submits Voucher (Proof of Payment) to FHWA**
- ✓ **FHWA Reviews Voucher and Sends Payment Request to the Treasury Department**
- ✓ **Treasury Reimburses State Federal Share (80%)**

Federal-aid Highway Funding Process

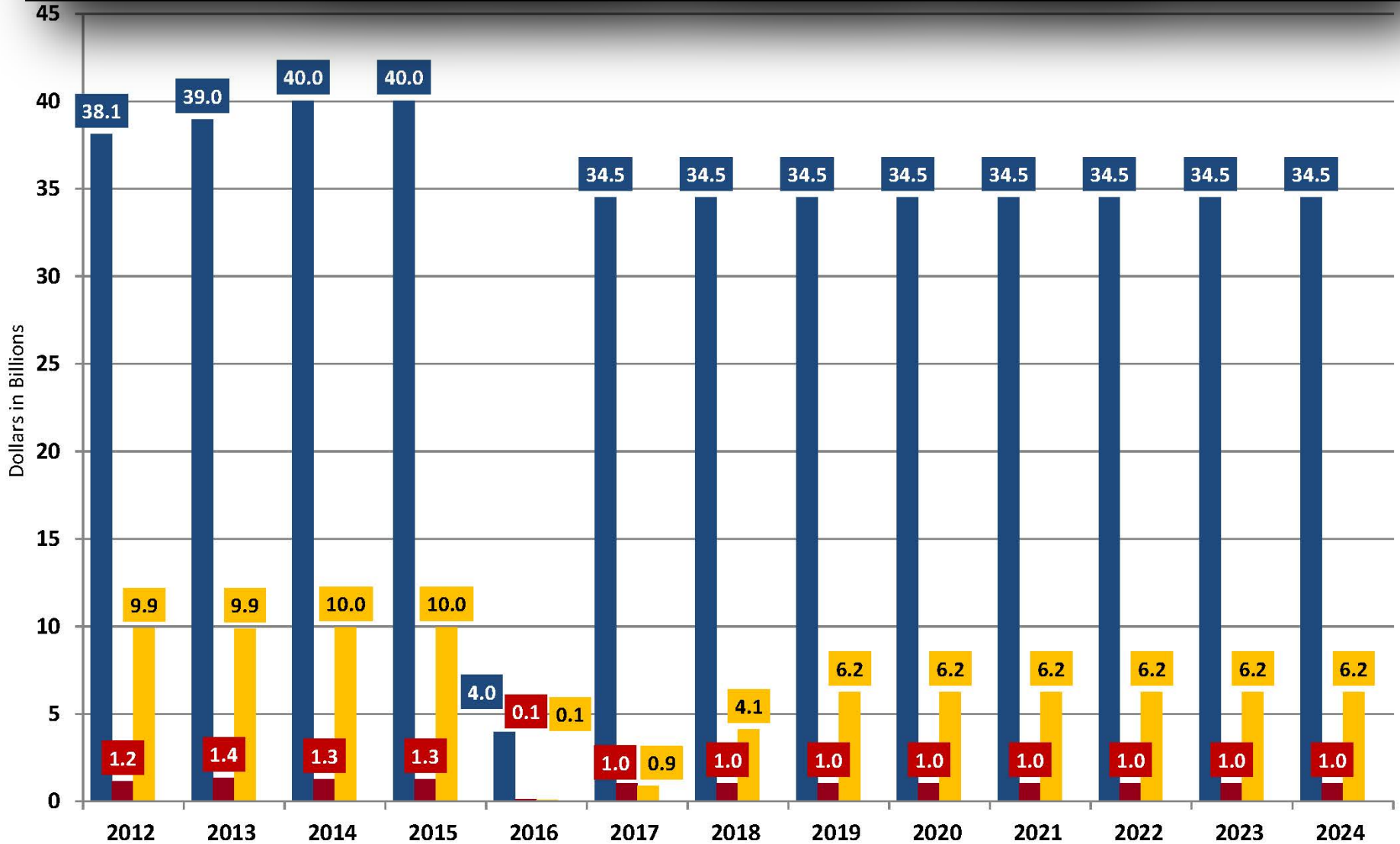


HIGHWAY TRUST FUND

FEDERAL HIGHWAY TRUST FUND
HIGHWAY ACCOUNT WEEKLY BALANCE AS OF APRIL 24, 2015



HIGHWAY TRUST FUND



This scenario assumes: 1. Additional deposit of \$6.429 billion into Highway Trust Fund in FY 2015 (\$5.414 billion to Highway Account; \$1.015 billion to Mass Transit Account); 2. Minimum prudence balance of \$4 billion for Highway Account and \$1 billion for Mass Transit Account maintained in all years, and; 3. Highway-to-Transit flex and highway safety obligations suspended in FY 2015.

STATE CASH BALANCE FORECASTING SYSTEM

MAIN FUNDING CRITERIA

Anticipated Revenue Receipts

(Motor Fuel Taxes, Federal-aid Reimbursements, etc.)

Expected Budgeted Expenditures

(Maintenance, Administration, Operations)

Expected Project Development Expenditures

Consultant Engineering, Right-of-Way Acquisition, Utility Relocation

Payments to Contractors

(Balance Remaining on Active Projects and Proposed Construction Projects)

STATE CASH BALANCE FORECASTING SYSTEM

MAIN TIME CRITERIA

EXPECTED START DATE

(Proposed Projects)

EXPECTED END DATE

(Active and Proposed Projects)

SEASONAL CURVES

(Historical Seasonal Payout Data)



State Fiscal Year 2015 Cash Forecast Projects Under Contract + June Jobs

	July	August	September	October	November	December	January	February	March	April	May	June	
Beginning Cash Balance	\$432,488,737	\$392,509,533	\$377,696,529	\$379,330,666	\$343,475,293	\$323,503,655	\$554,557,395	\$571,079,694	\$566,749,556	\$558,609,358	\$537,037,457	\$529,102,276	
REVENUE	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Total
Highway User Revenue	31,057,487	32,140,888	33,121,211	31,236,308	30,375,165	30,278,849	29,763,346	34,018,778	29,065,711				376,892,082
Other State Revenue	9,558,322	5,722,663	11,157,111	28,894,899	244,757	104,586	742,405	7,696,028	7,806,525				117,787,399
Miscellaneous Receipts	693,344	190,039	182,238	1,102,907	2,611,867	215,028,366	1,531,141	920,940	860,007				257,656,744
Other Federal Reimbursements	2,758,900	2,902,242	2,745,168	2,499,366	2,502,746	2,801,770	2,005,406	3,521,282	2,258,577				33,458,454
Federal Aid Reimbursements	43,946,939	57,924,941	62,443,165	40,641,139	36,495,566	35,505,877	25,985,801	30,456,019	49,403,195				613,352,571
RRB	493,473	672,665	776,747	766,817	766,817	366,787	138,638	170,283	170,283				3,983,298
RRC	124,621	13,507	13,507	13,507	13,507	13,507	13,507	13,507	13,507				1,153,929
REVENUE TOTAL	Actual	Actual	110,716,025	102,952,296	78,996,919	322,231,729	78,688,694	76,816,933	89,624,747				1,404,284,477
	Project	128,198,260	119,774,861	127,991,433	116,333,153	332,691,832	91,660,360	86,063,033	107,807,397	113,373,827	116,639,585	117,699,052	1,582,888,617
	Variance	(27,610,024)	(8,058,392)	(25,039,136)	(37,336,234)	(10,460,103)	(12,971,666)	(9,246,100)	(18,182,649)				(178,604,140)
EXPENSES	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Total
Budgeted Construction Operations	5,452,769	7,565,711	5,847,053	8,367,588	6,587,687	7,223,174	4,378,605	4,128,025	4,749,894	5,985,282	8,687,252	8,326,961	77,300,000
Maintenance	12,771,408	13,932,000	18,411,119	13,777,588	13,810,303	2,911,111	9,333,125	14,199,717	17,682,441	17,777,609	21,785,249	182,334,768	
Construction Jobs	86,271,368	74,901,670	113,821,114	89,231,999	53,793,800	2,151,174	2,773,777	48,311,761	55,885,995	91,061,565	77,762,969	82,308,801	808,121,866
Construction	13,373,805	9,980,041	11,240,406	11,748,114	9,953,444	9,953,553	1,578,794	1,134,468	13,112,330	8,881,374	6,894,917	7,382,109	119,437,953
Right of Way	4,059,916	1,452,889	1,452,889	2,670,556	3,347,711	1,111,105	1,111,105	1,111,105	2,983	3,955,494	5,661,683	5,329,349	35,000,000
Public Transportation	1,731,404	1,814,062	1,731,065	958,000	2,020,502	1,661,814	2,127,004	1,672,759	1,092,373	492,025	799,702	744,422	18,582,128
Debt Service	1,586,372	1,223,448	8,798,882	1,646,213	1,415,328	1,312,375	1,394,361	1,314,947	31,450,602				50,142,528
EXPENSE TOTAL	127,994,595	114,316,424	111,397,934	138,335,669	99,041,467	91,170,750	62,165,038	81,005,773	97,419,702	134,945,728	124,574,766	134,801,115	1,349,490,624
Account Adjustment	400	4,557,111	2,160,000	(2,002)	72,000	(7,239)	(357)	(41,008)	(345,243)				
Ending Cash Balance	\$392,509,533	\$377,696,529	\$379,330,666	\$343,475,293	\$323,503,655	\$554,557,395	\$571,079,694	\$566,749,556	\$558,609,358	\$537,037,457	\$529,102,276	\$512,000,213	
IRP Bond Balance										\$359,216,748	\$351,042,260	\$341,861,964	
Actual RRA Balance										\$177,820,709	\$178,060,017	\$170,138,249	

REVENUE

LESS EXPENSES

CASH BALANCE

Cash Forecast Analysis Options for the June Letting

Zero Proposed (Including April Jobs)

Month	Estimated Contractor Payment	REDUCED REIMBURSEMENTS			End of Month Balance
		Reduced Reimbursements	Not Paid	Future Amount to be Reimbursed from FHWA (Cumulative)	
(x \$1 Million)					
Jun-15	75	69	0	0	170
Jul-15	63	30	27	27	157
Aug-15	64	30	27	54	131
Sep-15	62	30	26	80	116
Oct-15	68	30	28	108	80
Nov-15	55	30	16	124	70
Dec-15	38	30	2	126	72
Totals	425	249	126		

Cash Forecast Analysis

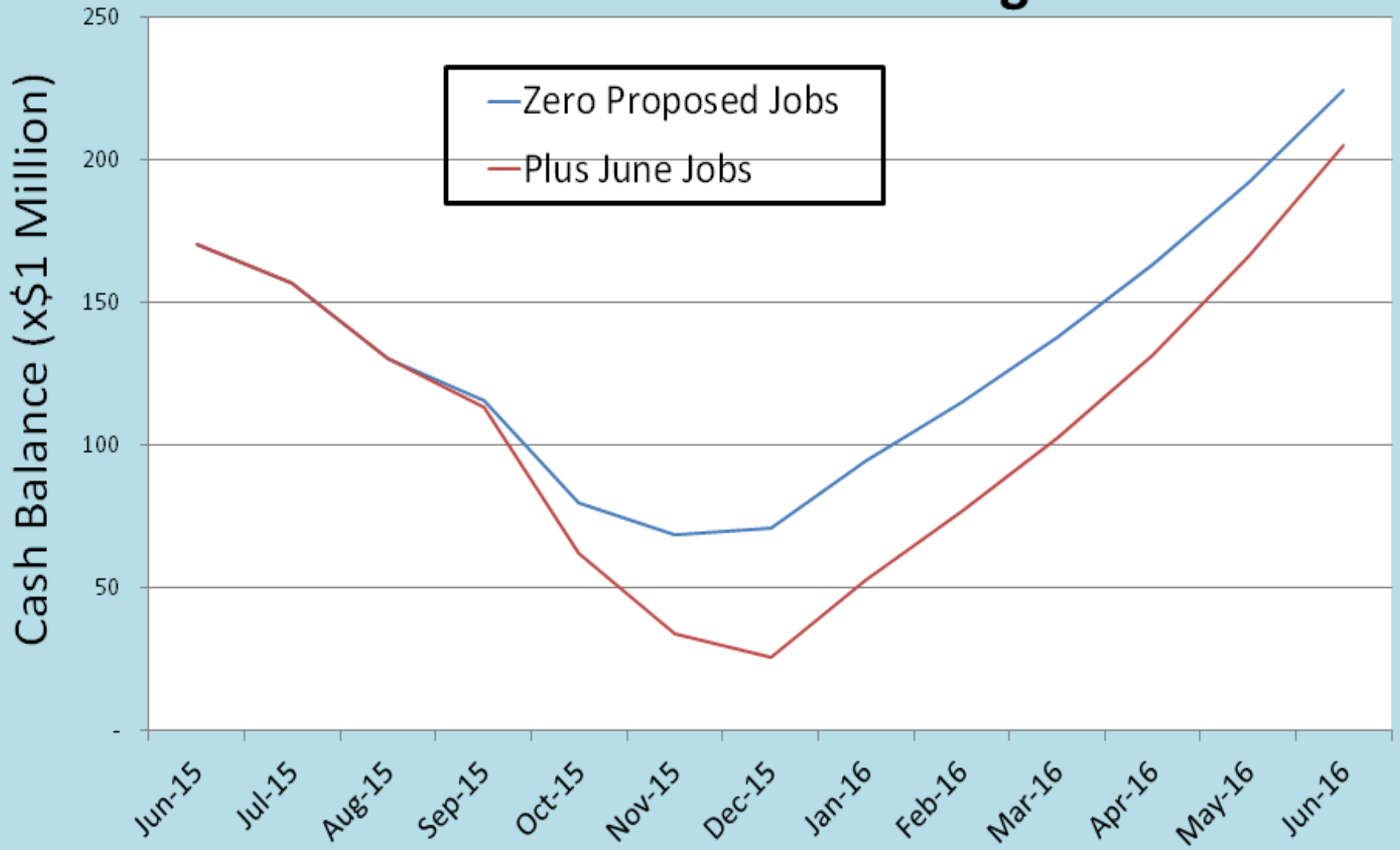
Options for the June Letting

With June Jobs

Month	Estimated Contractor Payment	REDUCED REIMBURSEMENTS			End of Month Balance
		Reduced Reimbursements	Not Paid	Future Amount to be Reimbursed from FHWA (Cumulative)	
	(x \$1 Million)				
Jun-15	75	69	0	0	170
Jul-15	63	30	27	27	156
Aug-15	65	30	28	55	130
Sep-15	64	30	28	83	113
Oct-15	78	30	38	121	62
Nov-15	69	30	30	151	34
Dec-15	48	30	12	163	25
Totals	462	249	163		

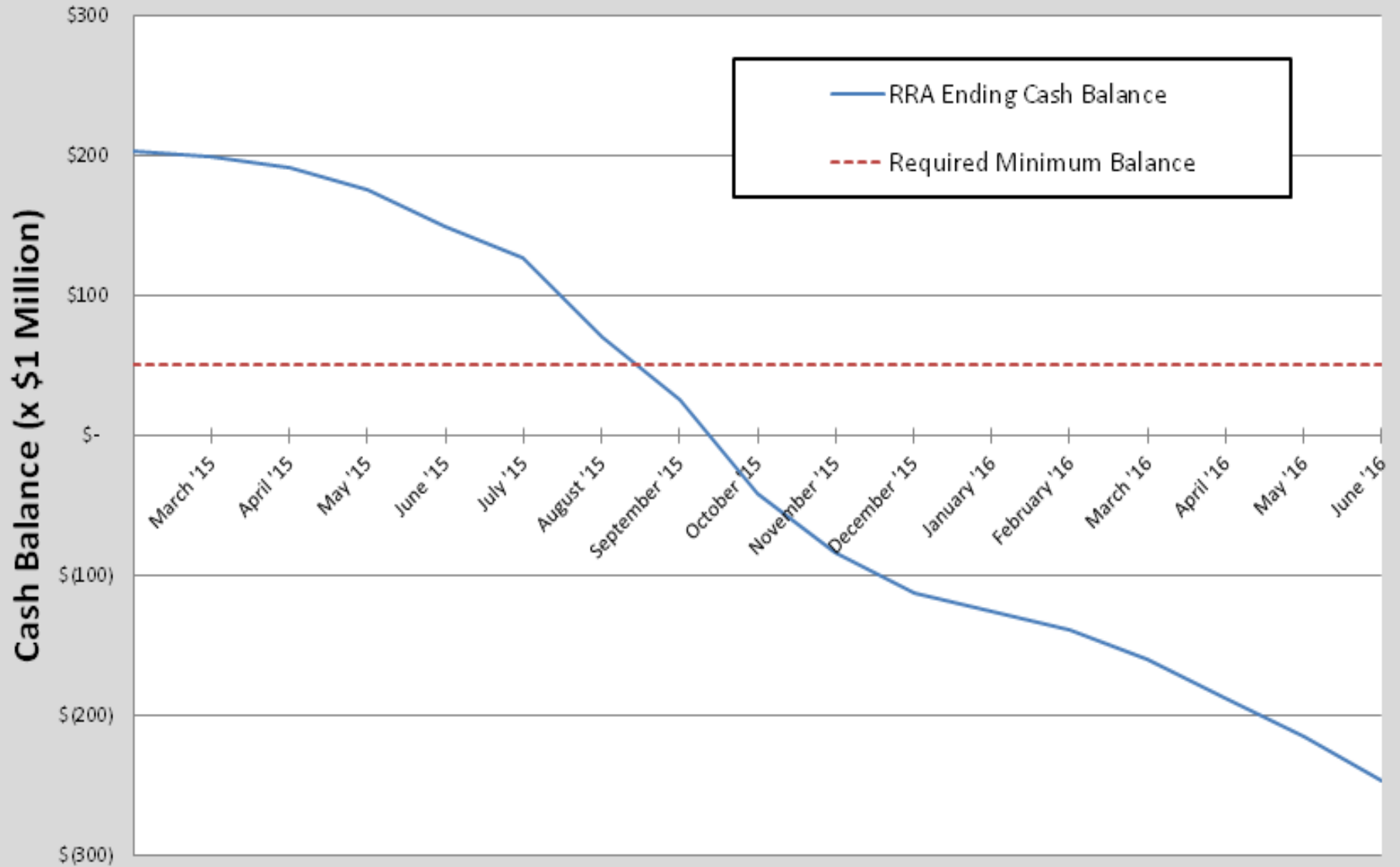
Cash Forecast Analysis

June 2015 Letting



Cash Forecast Analysis

with Zero Federal Reimbursement after July 31, 2015



FEDERAL FUNDING AND AUTHORIZATION CONCERNS AND PLAN

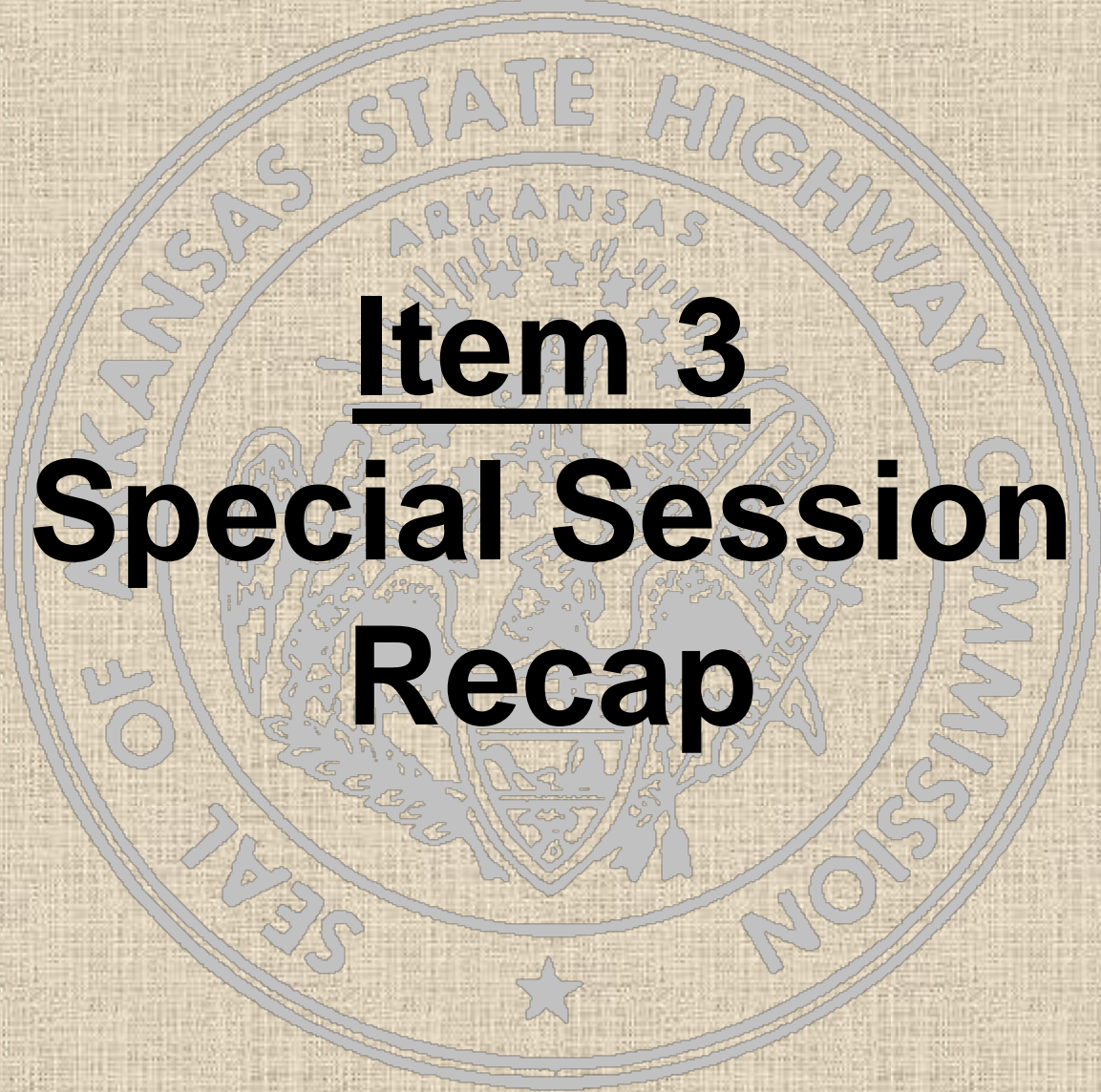
FHWA CASH MANAGEMENT:

- Continue ongoing projects
- Cover GARVEE debt service
- Keep AHTD staff working
 - ✓ Ongoing construction inspection
 - ✓ Maintenance
 - ✓ Project development (for obligation)
 - ✓ Enforcement
- Limit or defer/delay new Federal-aid projects

FEDERAL FUNDING AND AUTHORIZATION CONCERNS AND PLAN

FHWA LAPSE IN AUTHORIZATION:

- Short-term continuation of ongoing projects
- Cover GARVEE debt service
- Keep AHTD staff working
 - ✓ May shift construction to maintenance
- No new projects
- Additional AHTD cash management
 - ✓ Limit/freeze purchasing, travel, hiring

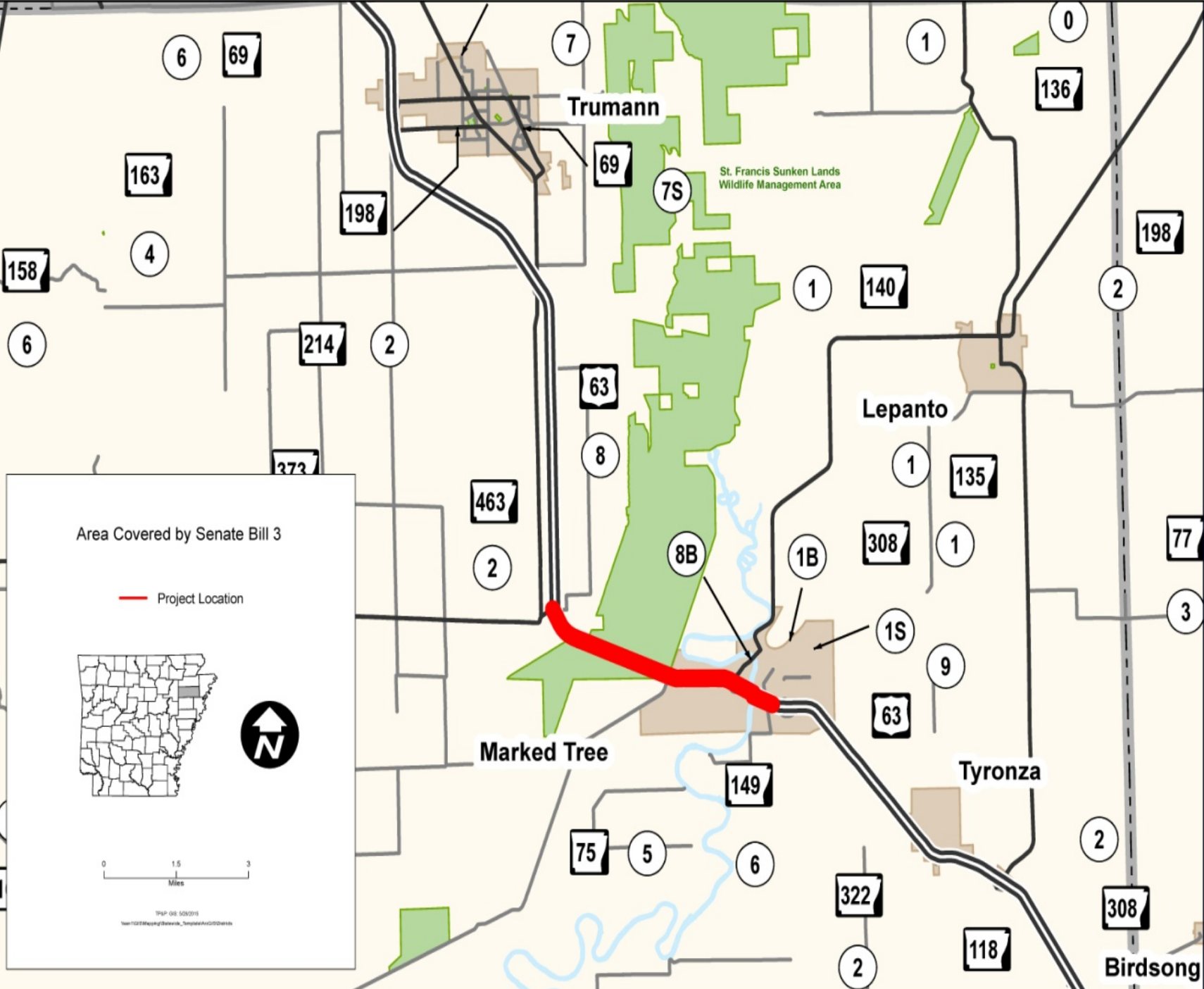
The background features a large, faint, circular seal of the Arkansas State Highway Commission. The seal contains the text "SEAL OF ARKANSAS STATE HIGHWAY COMMISSION" around its perimeter and the state of Arkansas in the center. Overlaid on this seal is the main title text.

Item 3
Special Session
Recap

90th General Assembly First Extraordinary Session 2015

SB3 and HB1005--Allows certain farm vehicles and machinery on a short section of Highway 63.

- Passed out of Senate and House on May 28, 2015; now on the way to the Governor for Signature
- Paves the way for future designation of I-555

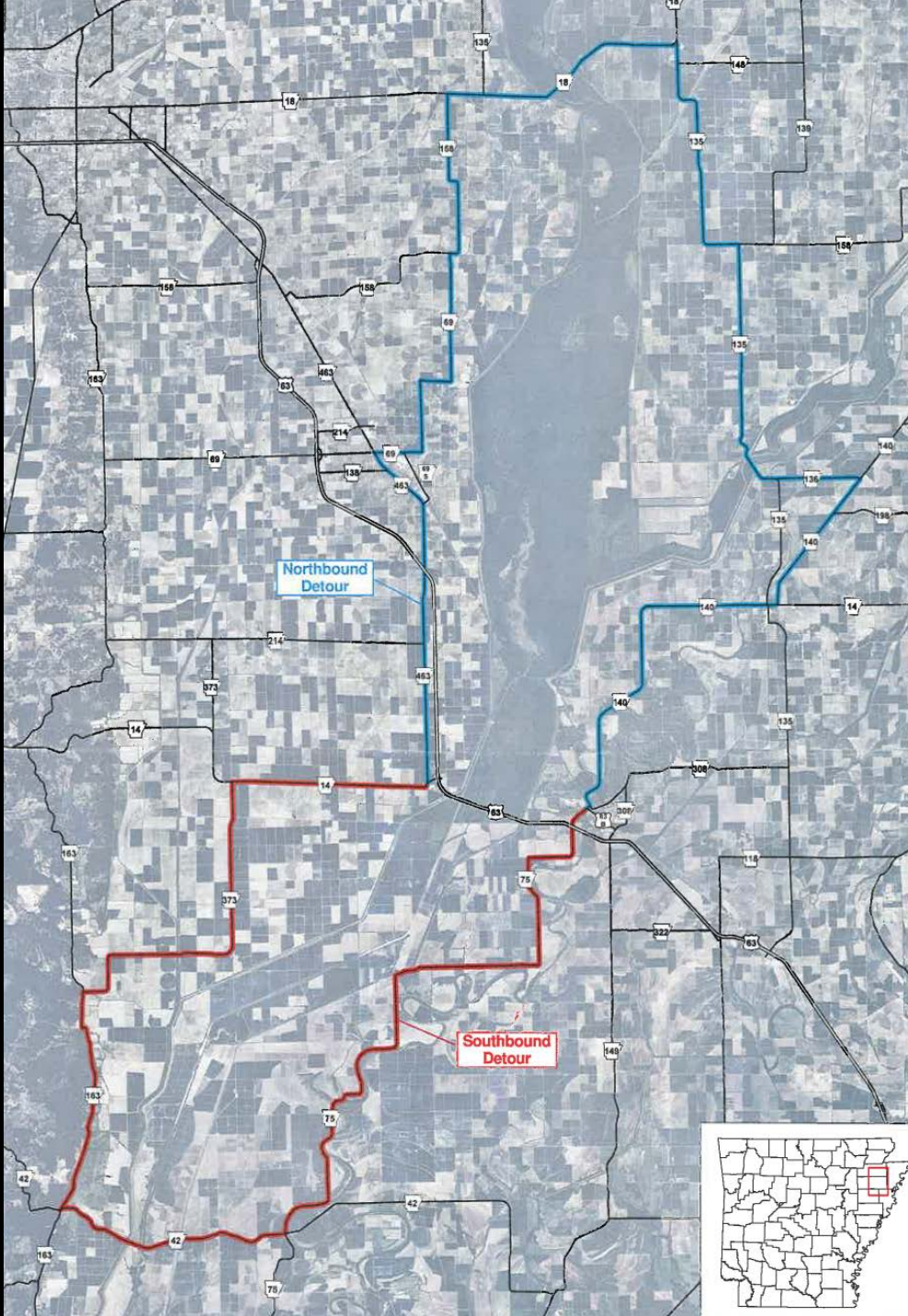


Area Covered by Senate Bill 3

— Project Location

0 1.5 3
Miles

TSP 08 503015
\\s0228\proj\Borwick_Template\ARCSD\Drawn



St. Francis River Sunken Lands Crossing

Hwy. 63 (Future I-555)

Payneway to Marked Tree

Non-permitted Traffic

90-mile to 120-mile Detour

90th General Assembly

First Extraordinary Session 2015

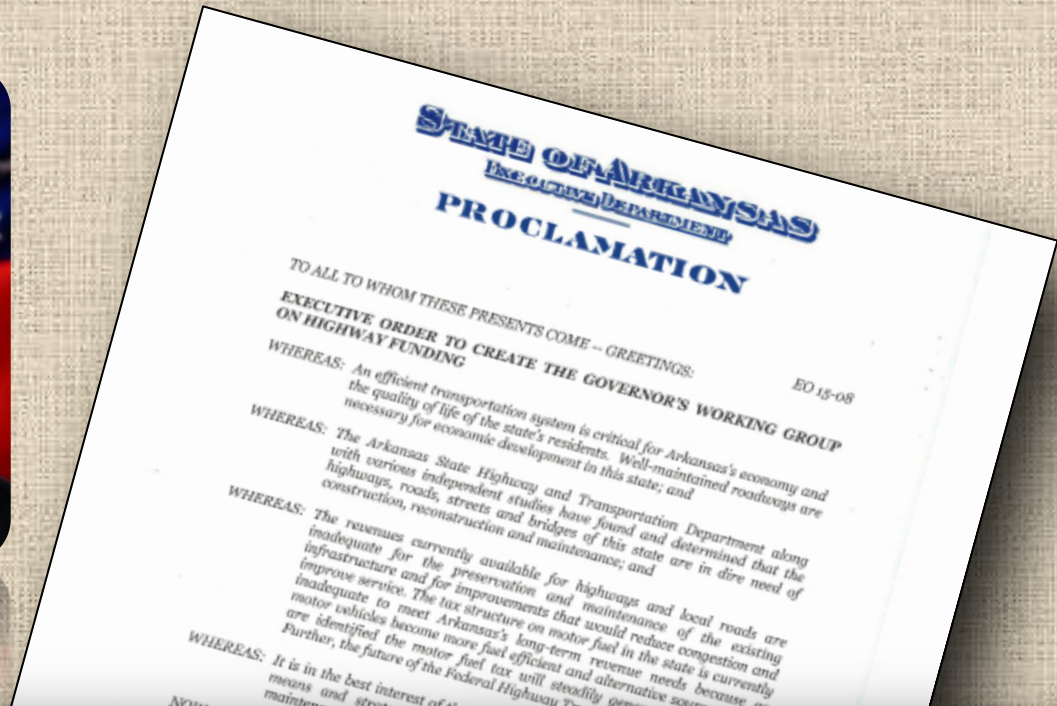
SB4, Corrected the Arkansas DWI statute to ensure compliance with federal safety requirements.

- Leeka v. State, 2015 Ark. 183, potentially made Arkansas non-compliant with Federal requirements, putting up to \$63 million in Federal funding at risk
- This bill corrected the law to bring it in compliance, and ensure continued federal funding

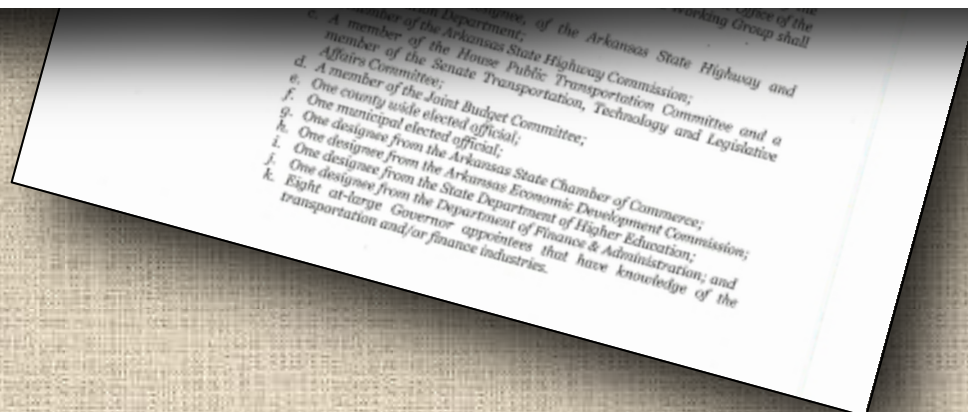
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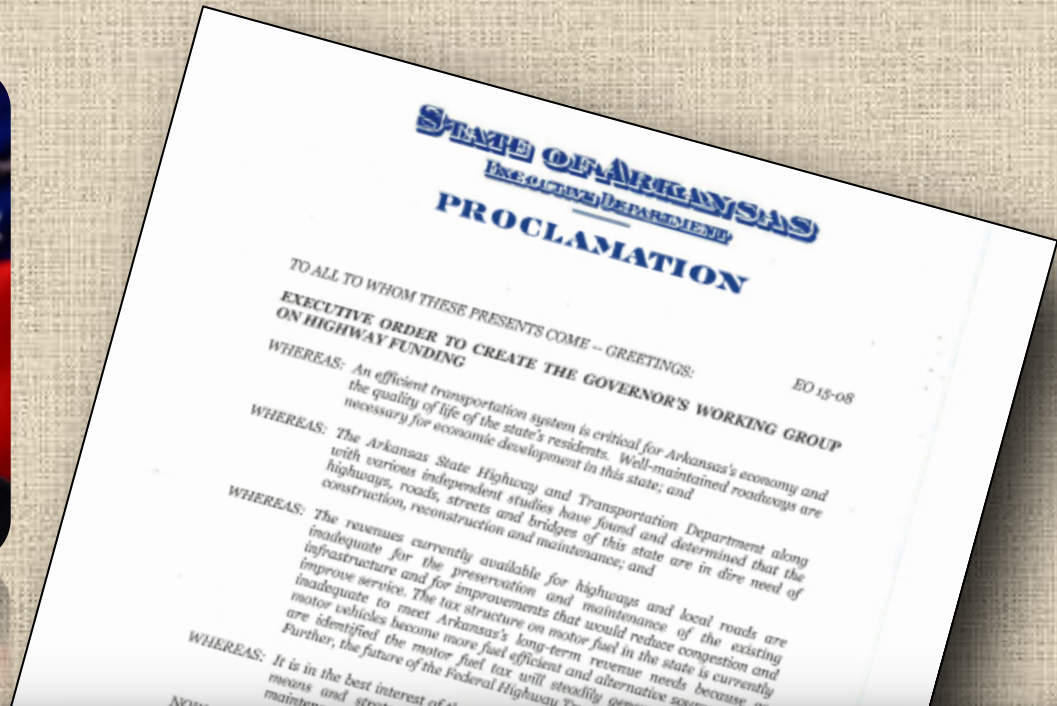
Item 4

**Governor's Task Force on
Highway Funding**



“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”





“The revenues currently available for highways and local roads are inadequate for the preservation and maintenance of the existing infrastructure and for improvements that would reduce congestion and improve service.”



Task Force Participants

Name	Title
Duncan Baird	Budget Director
Scott Bennett	AHTD Director
Robin Bowen	President, Ark. Tech
Andy Davis	State Rep.- Little Rock
Dan Douglas	State Rep.- Bentonville
Craig Douglass	Arkansas Good Roads
Alec Farmer	AHTD Commission
Prissy Hickerson	State Rep.-Texarkana
Jerry Holmes	Cleburne Co. Judge
Scott McGeorge	Material Supplier / Contractor

Name	Title
Shannon Newton	Ark.Trucking Assoc.
Harold Perrin	Jonesboro Mayor
Brett Powell	ADHE Director
Sen. Bill Sample	Hot Springs
Frank Scott	AHTD Commissioner
Philip Taldo	Griffin Realtors
Larry Walther	DF&A
Guy Washburn	Asphalt Pav. Assoc.
Jack Williams	Attorney
Randy Zook	State Chamber

The background of the slide 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 "SEAL OF THE ARKANSAS STATE HIGHWAY COMMISSION" around the inner edge. In the center of the seal is the state seal of Arkansas, which depicts a woman holding a scale and a sword, surrounded by stars and the word "ARKANSAS".

Item 5
**Other Business &
Discussion**

2015-2016 BUDGET HIGHLIGHTS

- Maintenance Budgets (Districts): +5.0% (\$3.5M)
- Inclement Weather Reserve: +\$2 million
- Salaries, Overtime, Additives: +0.6% (\$1.3M)
 - ✓ Includes COLA, merit bonuses, service recognition
- All other operating budgets: -1.0%
- Reserve for building construction/renovation: \$5.1M
- Total budget: -0.4% (\$1.3M)

ROAD CLOSURES



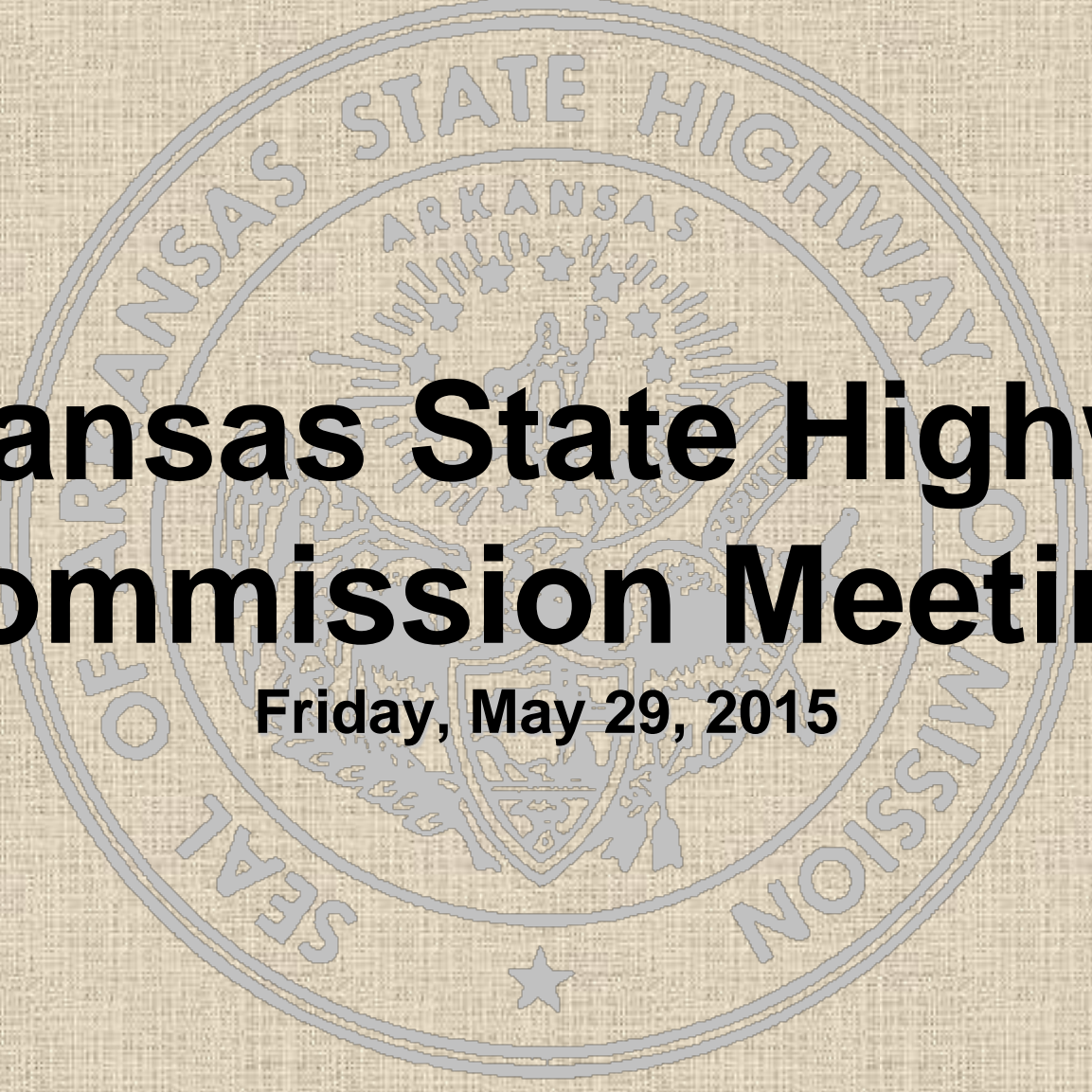
Closure Report

Last updated 05-29-2015 at 11:20 AM CDT

County	Location	Reason	Date/Time
Franklin	Hwy 23 Section 7 at log mile 22, north of Cass	Landslide	05-20-2015 at 4:24 PM CDT
Little River	Hwy 71 Section 4 log mile 0 to 2.3	High Water	05-29-2015 at 7:41 AM CDT
Little River	Hwy 41 Sec 3 at the Junction of Hwy 32 to the Red River Bridge. Rerouting traffic onto Hwy 32 to Ashdown	High Water	05-28-2015 at 4:32 AM CDT
Miller	Hwy 71 Section 3 log mile 8.30 to 8.47	High Water	05-29-2015 at 7:41 AM CDT
Ouachita	Hwy 7 Section 4 @ log mile 2.0 near Camden	High Water	05-28-2015 at 11:19 AM CDT
Pope	Hwy 105 Section 2 at log mile 4.7	High Water	05-28-2015 at 10:54 PM CDT
Sebastian	Hwy 96 Section 3 log mile 9.5 to 10.2	High Water	05-25-2015 at 8:26 AM CDT
Sebastian	Hwy 252 Section 4 log mile 7.0 to 7.3 at Onion Creek	High Water	05-24-2015 at 8:13 PM CDT
Sebastian	Hwy 255 Section 2 log mile 2.2 at Hickman Bluff Road	High Water	05-24-2015 at 7:22 PM CDT
Perry	Hwy 216 Section 1 log mile 3.75 to 4.9 near Perryville	High Water	05-27-2015 at 3:00 PM CDT
Yell	Hwy 28 Section 4A from log mile 0.0 to 5.0 by Plainview	High Water	05-26-2015 at 9:24 PM CDT

UPCOMING EVENTS

- June 10th – Commission Meeting and Jacksonville Chamber luncheon
- June 11th – ROADeo finals
- June 11th – AR Good Roads Meeting featuring Governor
- June 15th – Governor's Working Group kickoff?
- June 19th – Arkadelphia bridge groundbreaking
- June 25th – Chamber Talks Transportation
- June 25th-July 5th – My vacation!
- July 7th or 8th – Big Rock interchange dedication
- July 13th, 14th, or 15th – Fort Chaffee Crossing dedication

The seal of the Arkansas State Highway Commission is a circular emblem. It features a central shield with a figure holding a staff, surrounded by stars and the word "ARKANSAS". The outer ring of the seal contains the text "SEAL OF THE ARKANSAS STATE HIGHWAY COMMISSION" and a single star at the bottom.

Arkansas State Highway Commission Meeting

Friday, May 29, 2015