

Danny Straessle
Public Information Officer

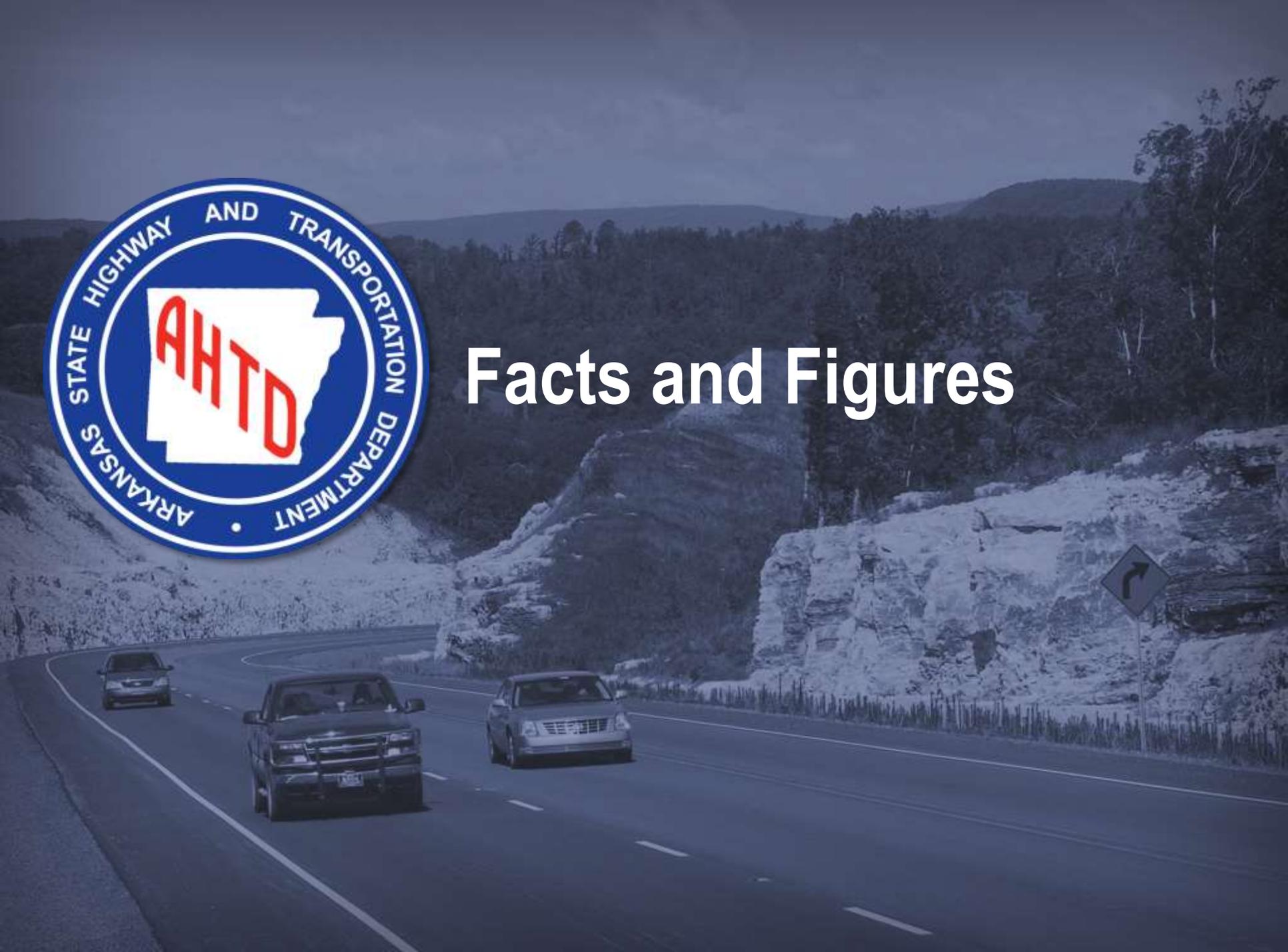


ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

Regional Community Real Estate Council
Thursday, April 14, 2016



Facts and Figures





AHTD Quick Facts

3rd Largest State Agency
(3,634 Employees)

Maintains

16,418 miles of Highway
7,335 Bridges

Central Offices in Little Rock

10 Districts Statewide

Mission:

Provide a safe, efficient, aesthetically pleasing and environmentally sound intermodal transportation system for the user.





Other Programs & Activities

- State Aid Programs for Cities and Counties
- Game & Fish Roads
- State Park Roads
- Institutional Roads
- Airport Access Roads
- Arkansas Recreational Trails
- Public Transportation Programs
- Transportation Alternatives Program





Other Programs & Activities

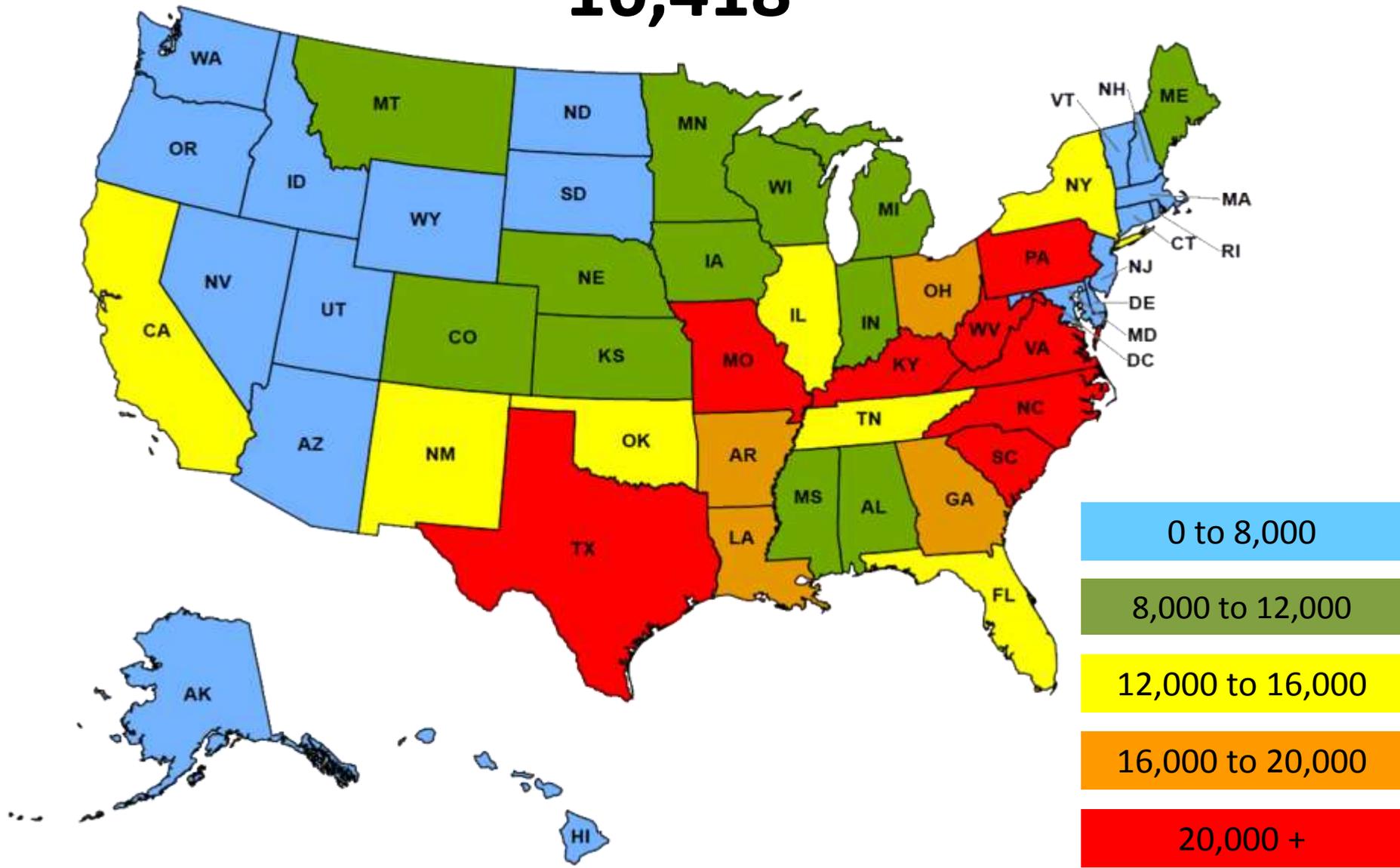
- Arkansas Commercial Truck Safety and Education Program
- Adopt-A-Highway Program
- Litter Hotline
- Research Grants to State Universities
- Wildflower Program
- Historic Bridge Program
- Welcome Centers & Rest Areas
- Scholarships for Engineering Students





12th in the Nation for Number of Highway Miles

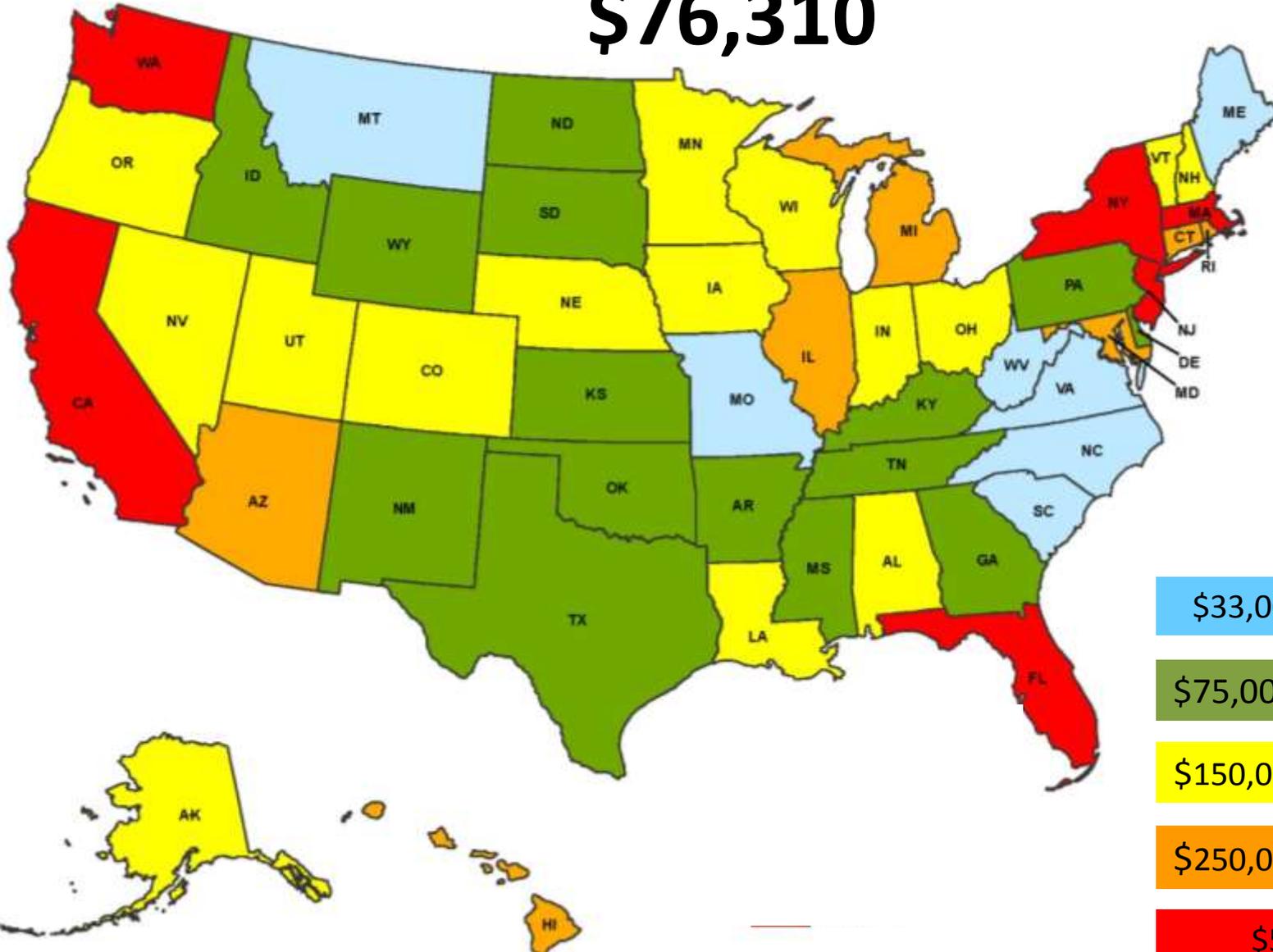
16,418





43rd in the Nation for Revenue per Mile

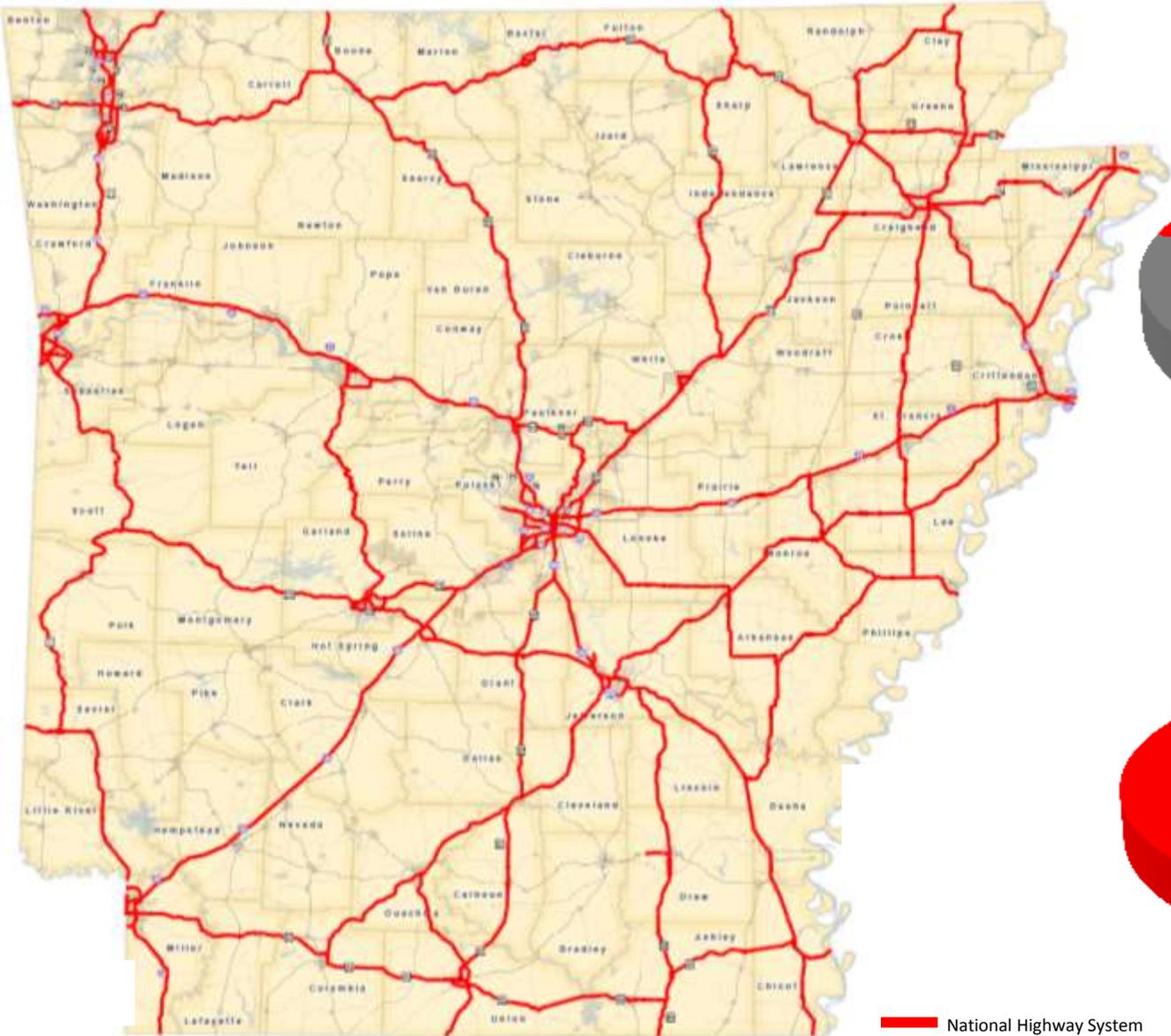
\$76,310



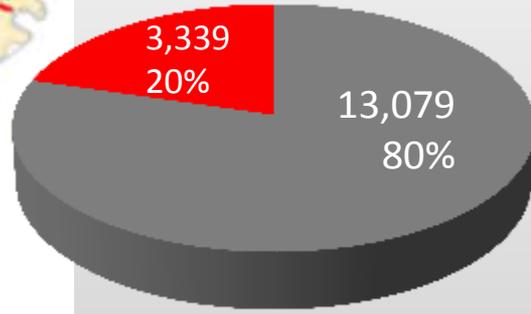


National Highway System

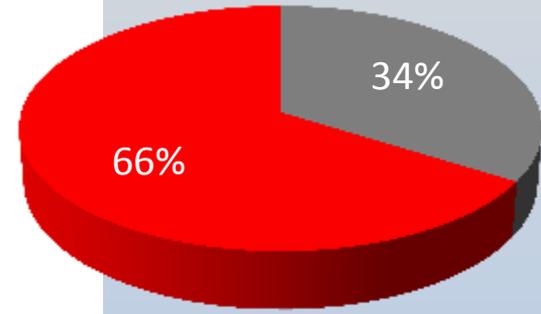
Arkansas Primary Highway Network



Miles



Traffic

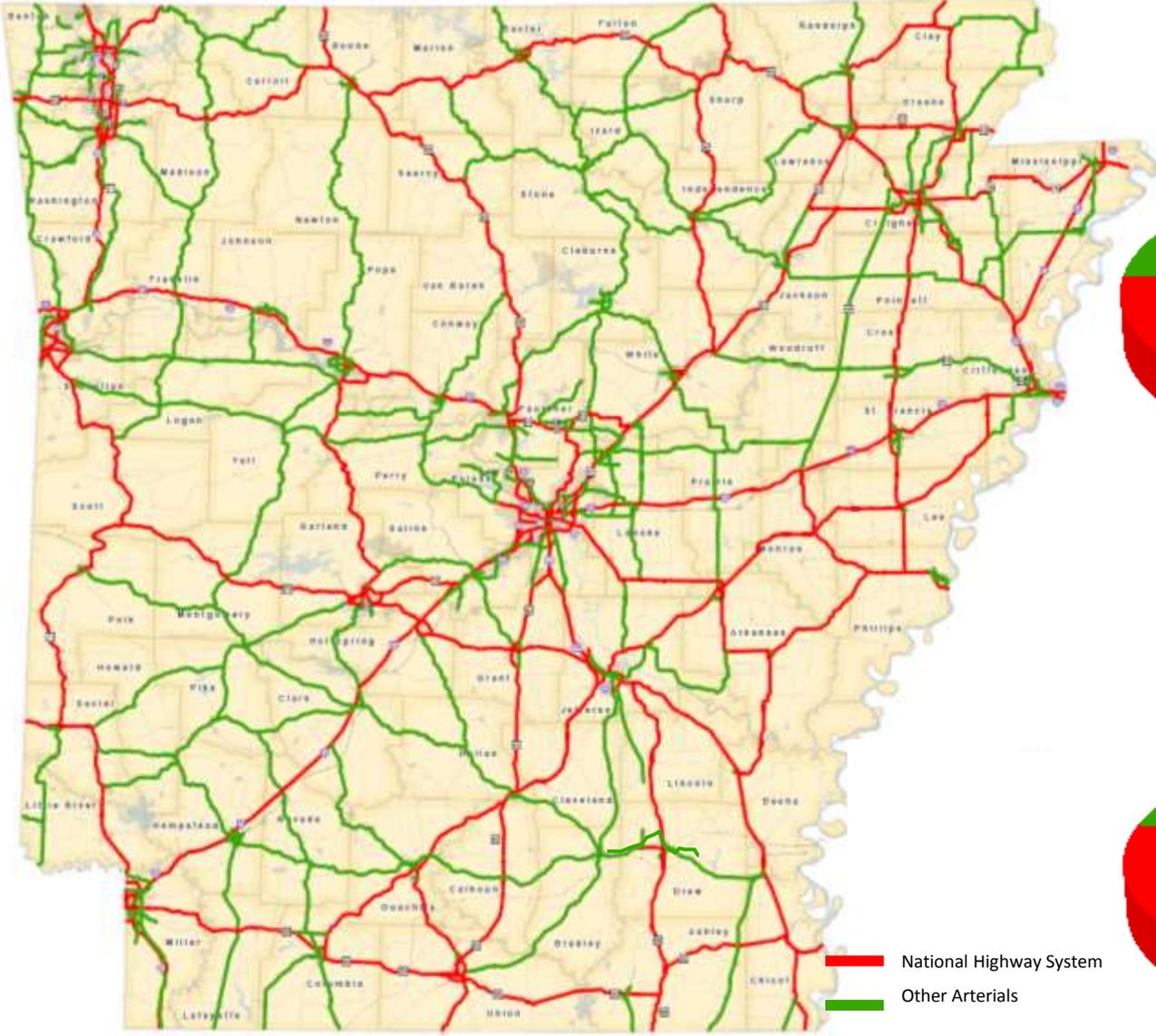


— National Highway System

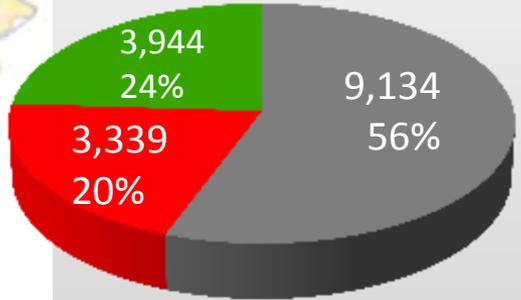


Other Arterials

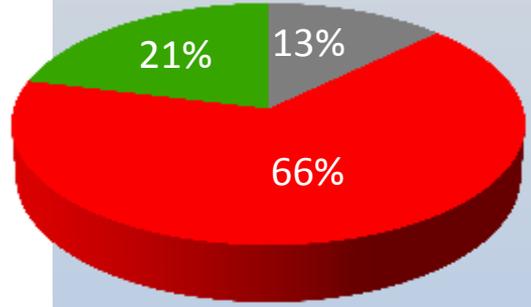
Arkansas Primary Highway Network



Miles



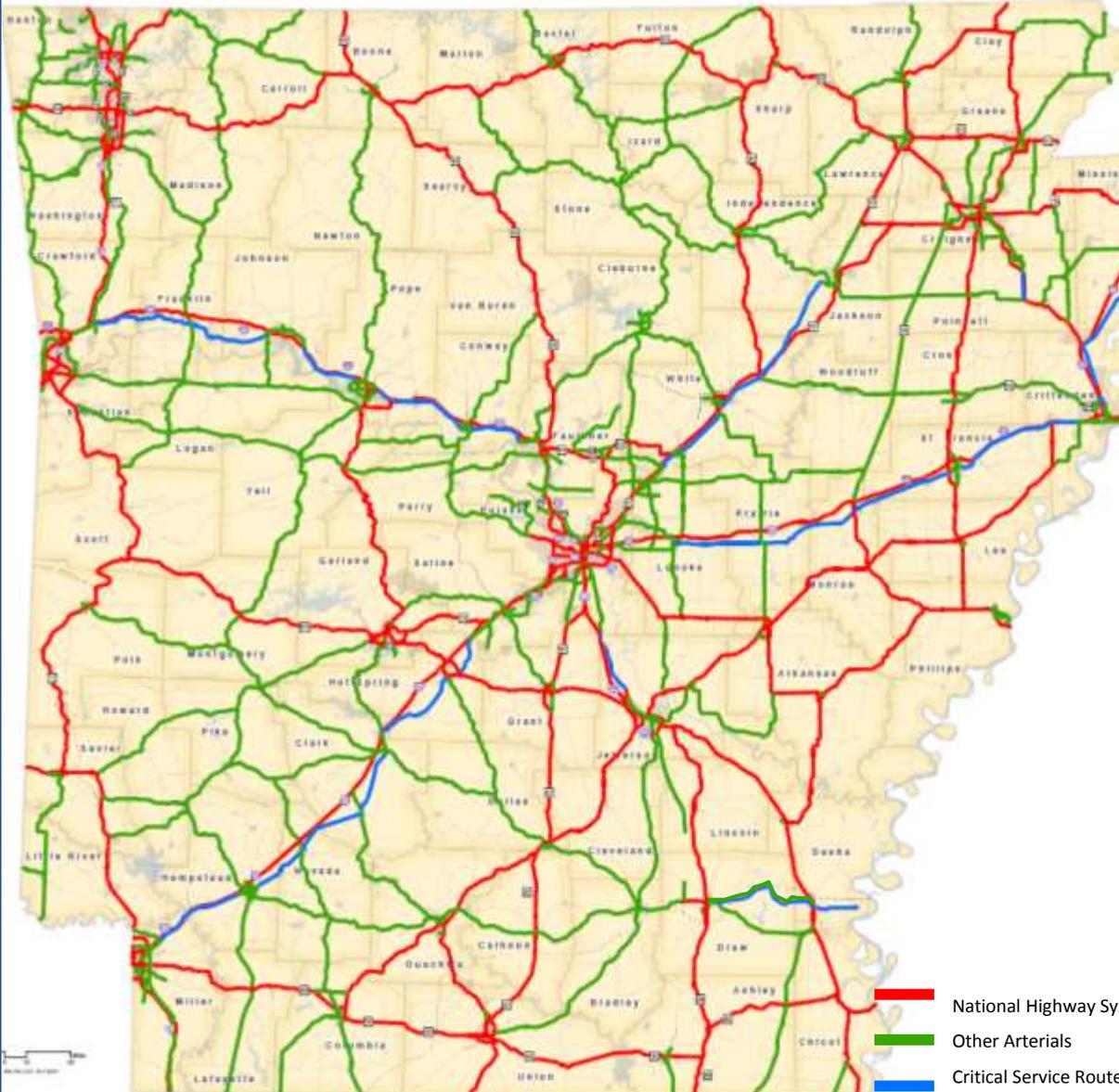
Traffic



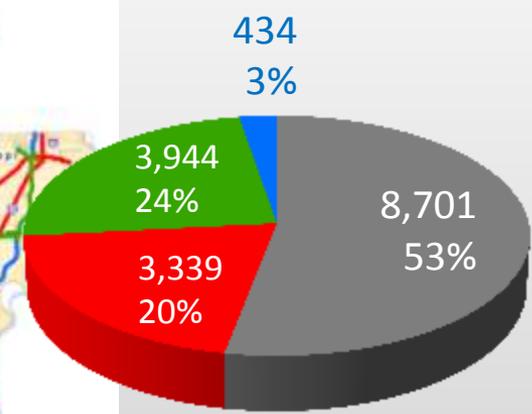


Critical Service Routes

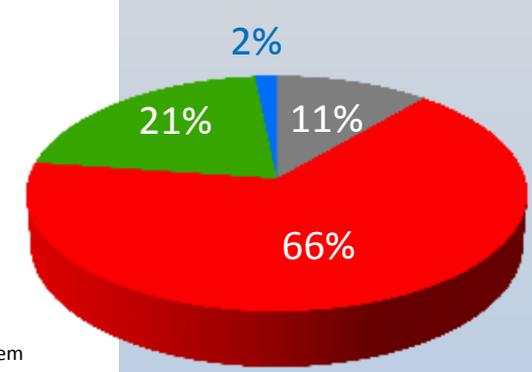
Arkansas Primary Highway Network



Miles



Traffic



- National Highway System
- Other Arterials
- Critical Service Routes

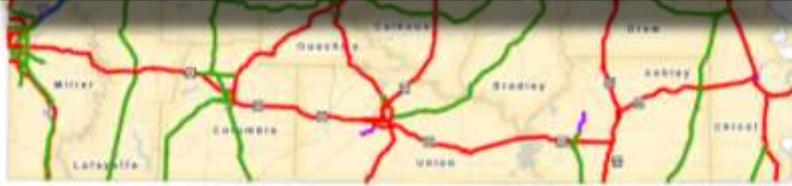
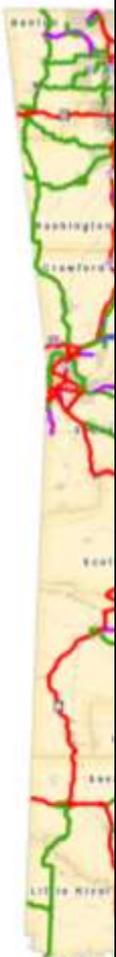


All of the APHN

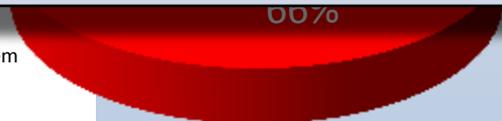
Arkansas Primary Highway Network

Miles

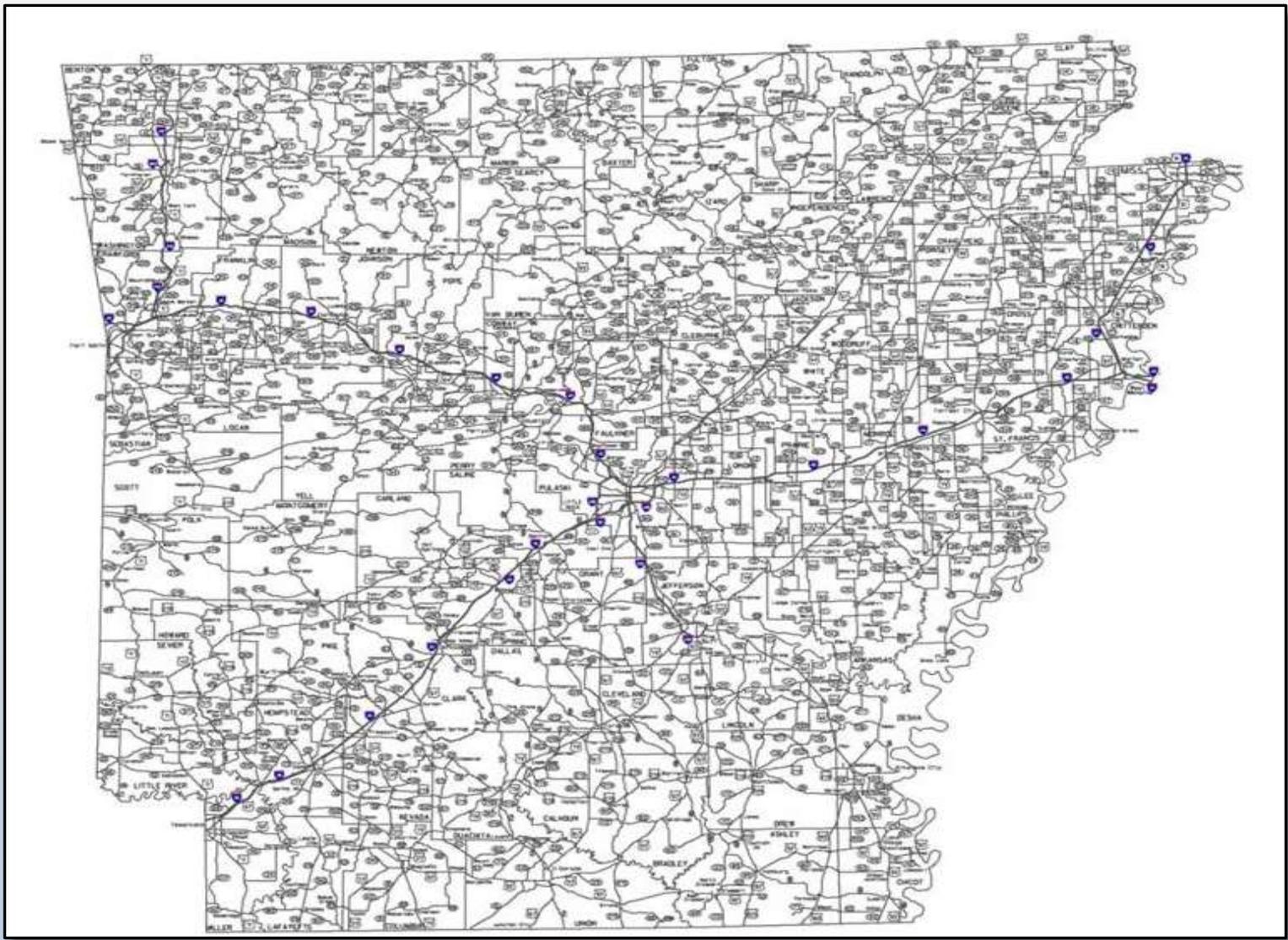
| Level | Miles | Traffic |
|---------------------------|-------|---------|
| National Highway System | 20% | 66% |
| Other Arterials | 24% | 21% |
| Critical Service Routes | 3% | 2% |
| Other High Traffic Routes | 1% | 1% |
| Totals | 48% | 90% |



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

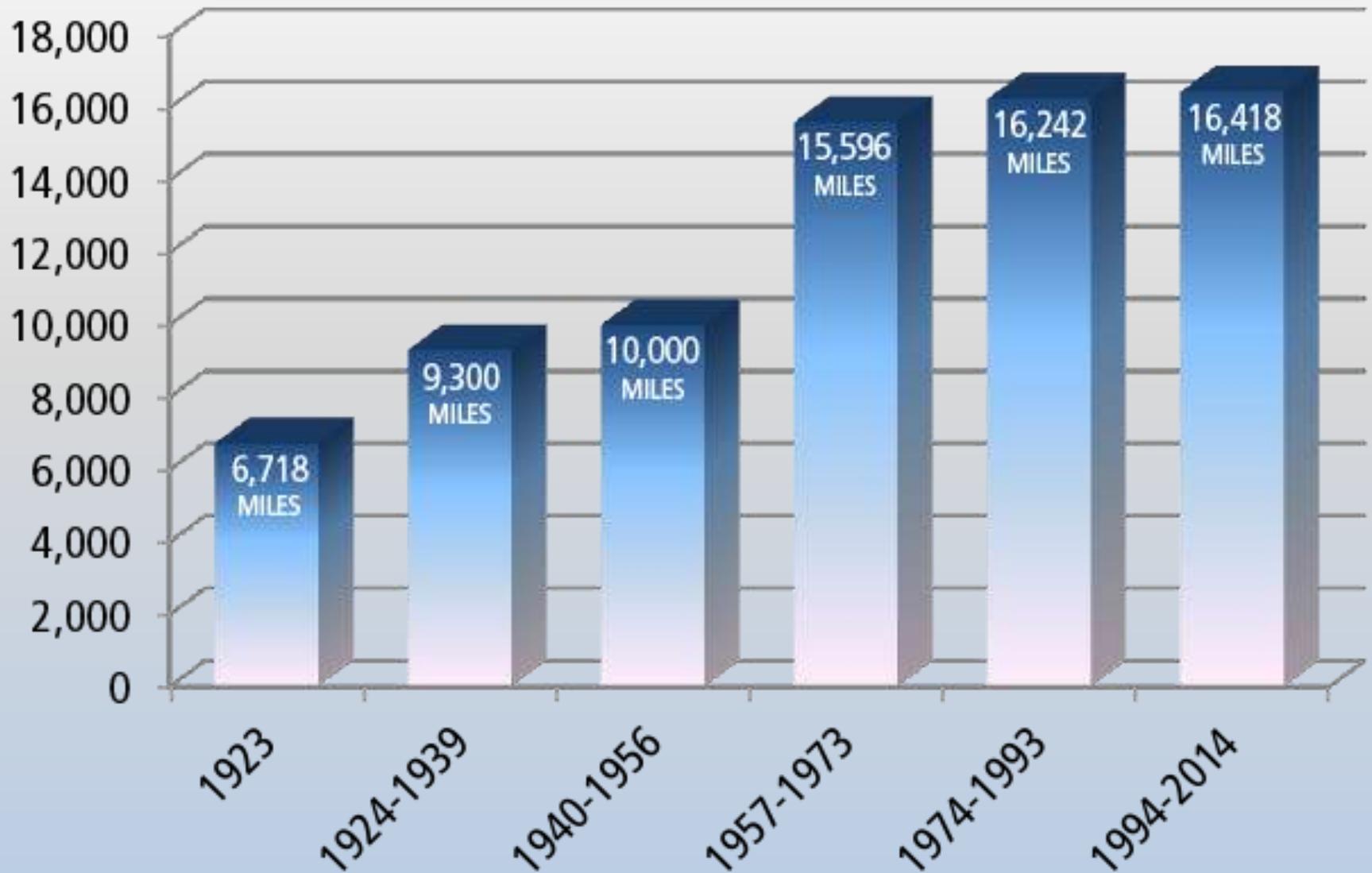


16,418 Miles on the Map



GROWTH OF THE HIGHWAY SYSTEM

MILES





Projects Close to You





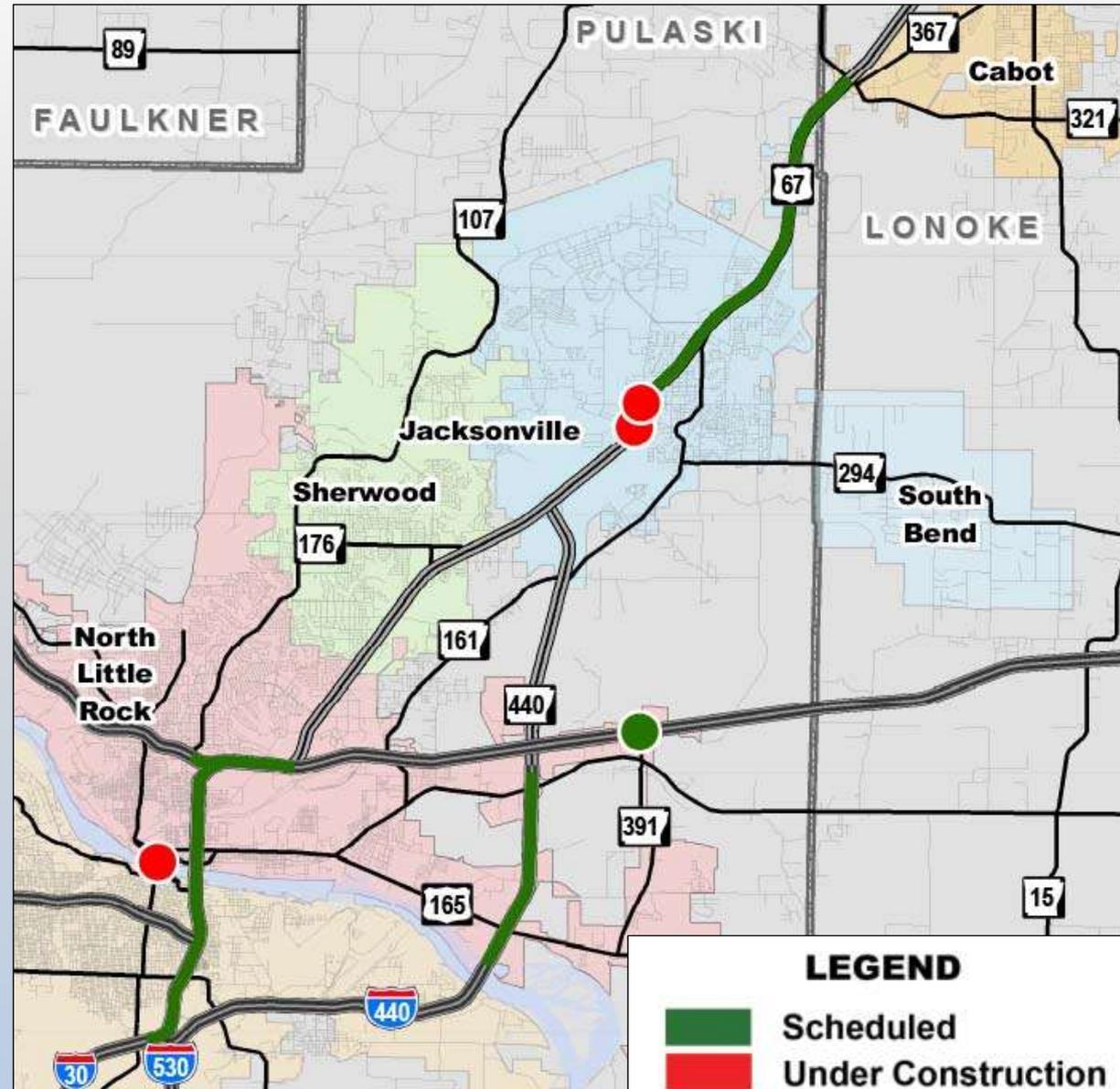
North Little Rock to Jacksonville

Under Construction:

- Broadway Bridge
- Redmond Road & Main Street Overpasses

Planned:

- 30 Crossing
- Widening between Main St. & Vandenberg Blvd.
- Widening between Vandenberg Blvd. & Hwy 5
- Interchange Improvements at I-40/Hwy 391
- Rehabilitate I-440 from Arkansas River Bridge to I-40





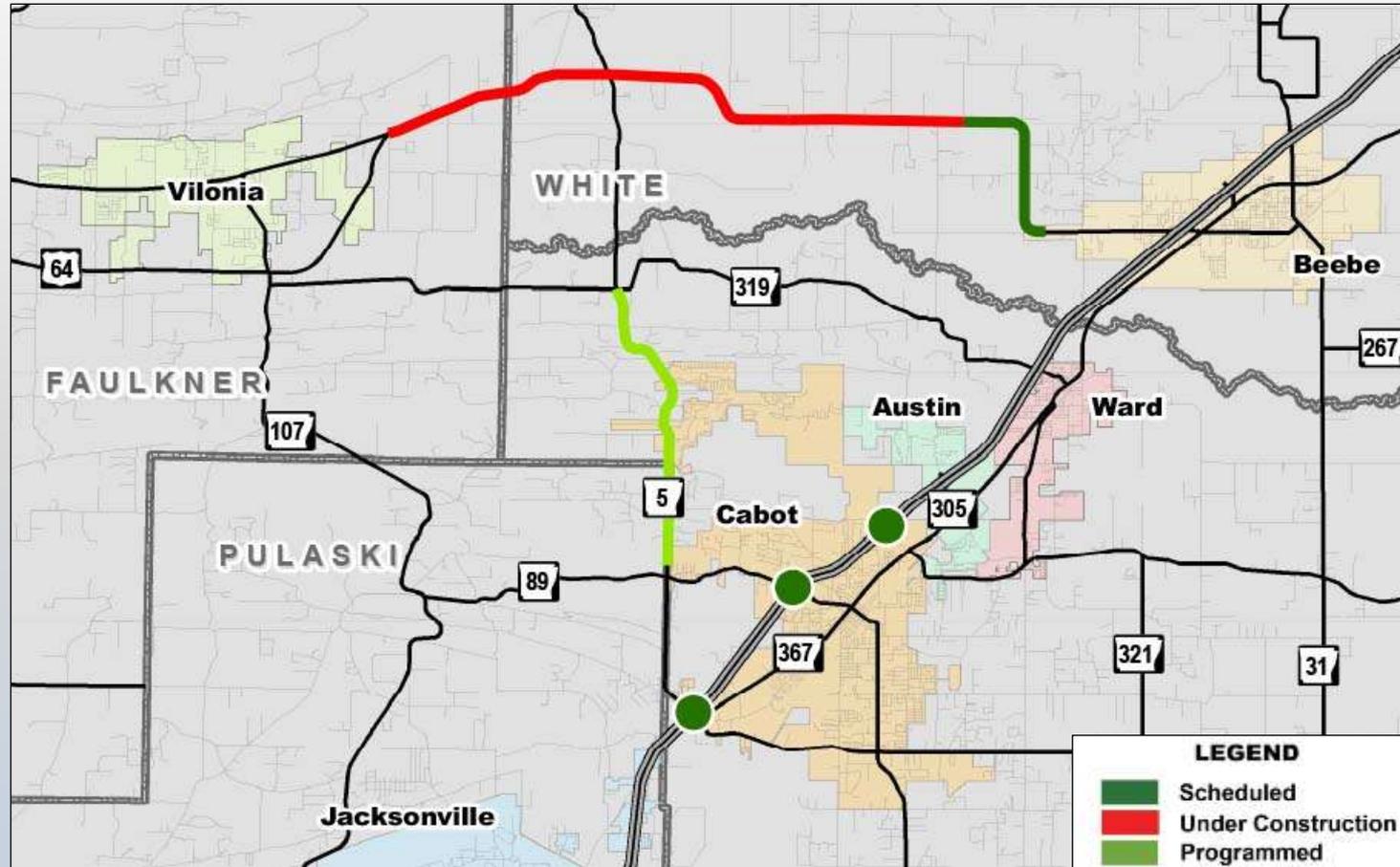
Cabot to Beebe

Under Construction:

- Widening Highway 64 from the Vilonia Bypass to County Road 5

Planned:

- Widening Hwy 5 from Hwy 89 to Hwy 319
- Widening Hwy 64 from Beebe to County Road 5
- Interchange Improvements for Hwy 67 at Hwy 5 and Hwy 89 and N of Cabot





Arkansas Highway Funding



Fixing America's Surface Transportation (FAST) Act

- Authorizes 5 Years of Funding
 - Federal Fiscal Years (FFYs) 2016-2020
- \$225.2 Billion for Highway Investment
- Over 5 Years:
 - \$20.2 Billion Increase from FFY 2015
 - \$250 Million Increase for Arkansas





Funding Challenges

- **Additional State Highway Funds Needed to Match Federal Highway Funds**
 - ✓ Typically 80% Federal 20% State Funds
 - ✓ Use or Lose

STATE FISCAL YEARS 2016-2020

ESTIMATED STATE HIGHWAY REVENUE ANALYSIS

x \$1,000,000

| | 2016 | 2017 | 2018 | 2019 | 2020 | AVG |
|---|------------------|------------------|------------------|------------------|------------------|-----------------|
| Sources and Revenues: | | | | | | |
| Motor Fuels and Registration Fees | \$ 356.4 | \$ 358.2 | \$ 360.0 | \$ 361.8 | \$ 363.6 | |
| 4¢ Diesel Tax - Committed to the Interstate Rehab. Program (IRP) | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | |
| Natural Gas Severance Tax | \$ 29.0 | \$ 29.7 | \$ 30.4 | \$ 31.2 | \$ 32.0 | |
| TOTAL | \$ 401.9 | \$ 404.4 | \$ 406.9 | \$ 409.5 | \$ 412.1 | \$ 407.0 |
| Less Fixed Expenditures: | | | | | | |
| Maintenance | \$ 221.8 | \$ 222.9 | \$ 224.0 | \$ 225.1 | \$ 226.3 | |
| Administration | \$ 21.8 | \$ 21.9 | \$ 22.0 | \$ 22.1 | \$ 22.2 | |
| Operations | \$ 26.2 | \$ 26.4 | \$ 26.5 | \$ 26.6 | \$ 26.8 | |
| Budgeted Construction w/o Right of Way | \$ 44.9 | \$ 45.1 | \$ 45.4 | \$ 45.6 | \$ 45.8 | |
| IRP Debt Service | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | |
| TOTAL | \$ 331.3 | \$ 332.8 | \$ 334.4 | \$ 336.0 | \$ 337.6 | \$ 334.5 |
| Total State Highway Funds Available for Highway Construction Program | \$ 70.6 | \$ 71.6 | \$ 72.5 | \$ 73.5 | \$ 74.5 | \$ 72.5 |
| Less Required State Highway Matching Funds for Federal Highway Funds | \$ 116.7 | \$ 119.4 | \$ 121.9 | \$ 124.8 | \$ 127.8 | \$ 122.1 |
| Shortfall in State Highway Matching Funds Needed for Federal Highway Funds | (\$ 46.1) | (\$ 47.8) | (\$ 49.4) | (\$ 51.3) | (\$ 53.3) | (\$49.6) |





Funding Challenges

- **Additional State Highway Funds Needed to Match Federal Highway Funds**

- ✓ Typically 80% Federal Hwy. Funds are Matched by 20% State Hwy. Funds
- ✓ Use or Lose

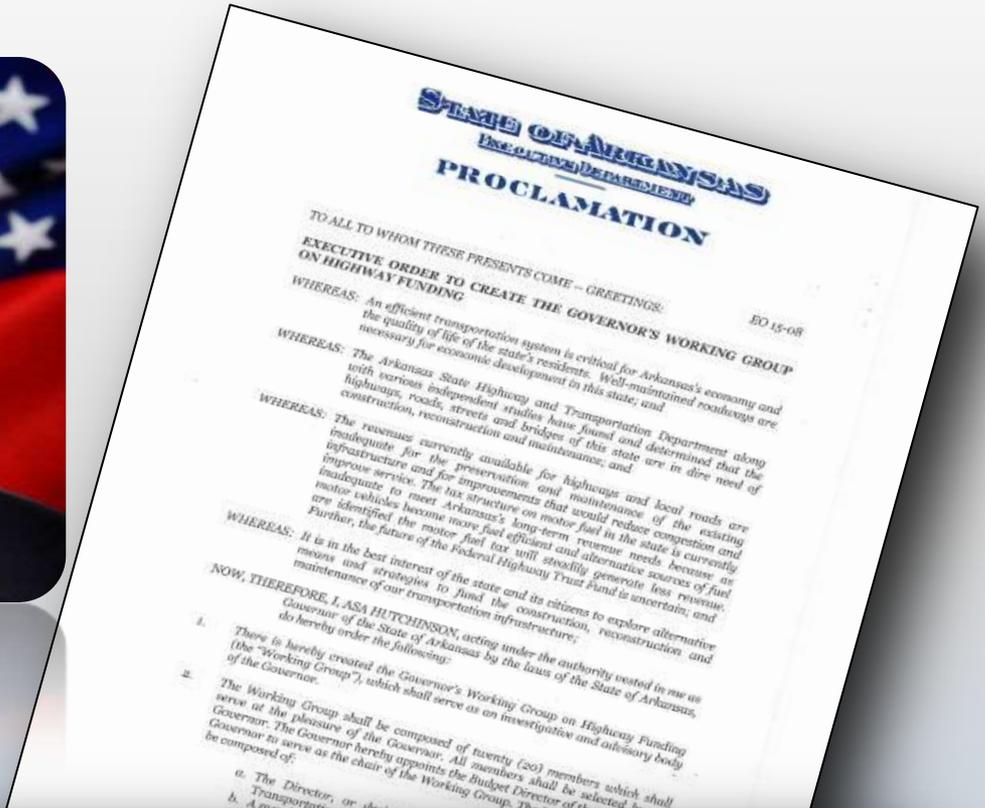
- **Reduction in Annual State Highway Revenue Available to Match Federal Highway Funds**

- ✓ Arkansas State Aid City Street Program - \$ 14 M
- ✓ Increased Maintenance Budget - \$ 18 M
- ✓ Declining Natural Gas Severance Tax Revenue - \$ 20 M

Total Annual Reduction - \$ 52 M



Governor's Working Group on Highway Funding



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



Governor's Working Group on Highway Funding

GOALS

| Needs | Net to AHTD (x \$1 M) | Cumulative Amount (x \$1 M) | Benefits |
|---------------------------------------|-----------------------|-----------------------------|---|
| Immediate/Short-Term (within 2 years) | \$110 | \$110 | <ul style="list-style-type: none"> • Critical Needs • Match Federal Highway Funds • Overlays |
| Mid-Term (within 3-5 years) | \$140 | \$250 | <ul style="list-style-type: none"> • Enhanced Maintenance Program <ul style="list-style-type: none"> ✓ Pavement Restoration of 50% of the State Highway System every 15-20 years |
| Long-Term (within 6-10 years) | \$150 | \$400 | <ul style="list-style-type: none"> • Enhanced Economic Development Program |

| | | |
|----------------------|----------------|---|
| Ultimate (10+ Years) | \$1.68 Billion | <ul style="list-style-type: none"> • Economic Development Projects Completed <ul style="list-style-type: none"> ✓ I-49, I-69 ✓ Four-lane Grid System ✓ State of Good Repair for Bridges and Pavement ✓ AHTD Equipment Fleet – Average Age 8 Years ✓ All AHTD Facilities Modernized |
|----------------------|----------------|---|



Governor's Working Group on Highway Funding





Governor's Working Group on Highway Funding

January 19, 2016
Press Conference





Highway Funding Option Presented by Governor Hutchinson 2016 Special Session

| Item | Source | 2017 (x \$1M) | 2018 (x \$1M) | 2019 (x \$1M) | 2020 (x \$1M) | 2021 (x \$1M) |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|
| Transfer 2015 Unobligated Funds | Surplus | \$20.0 | | | | |
| Transfer from Governor | Rainy Day Fund | \$20.0 | | | | |
| Transfer Sales Tax New & Used Vehicles | General Revenue | \$ 1.5 | \$ 8.0 | \$15.0 | \$20.0 | \$25.0 |
| Redirect Diesel Tax | General Revenue | | \$ 2.7 | \$ 2.7 | \$ 2.7 | \$ 2.7 |
| Eliminate Deduction - Temporary ½ cent Sales Tax | State Central Services | \$ 5.4 | \$ 5.4 | \$ 5.4 | \$ 5.4 | \$ 5.4 |
| Total | | \$46.9 | \$16.1 | \$23.1 | \$28.1 | \$33.1 |

Estimate based on 10-Year Average

| | | | | | | |
|---|---------|---------------|---------------|---------------|---------------|---------------|
| Allocate 25% of General Improvement Funding | Surplus | | \$48.0 | \$48.0 | \$48.0 | \$48.0 |
| Total | | \$46.9 | \$64.1 | \$71.1 | \$76.1 | \$81.1 |



Funding Challenges

GOVERNOR'S PROPOSAL



SPECIAL SESSION



FAST ACT

THE FIXING AMERICA'S SURFACE TRANSPORTATION ACT



Funding Challenges

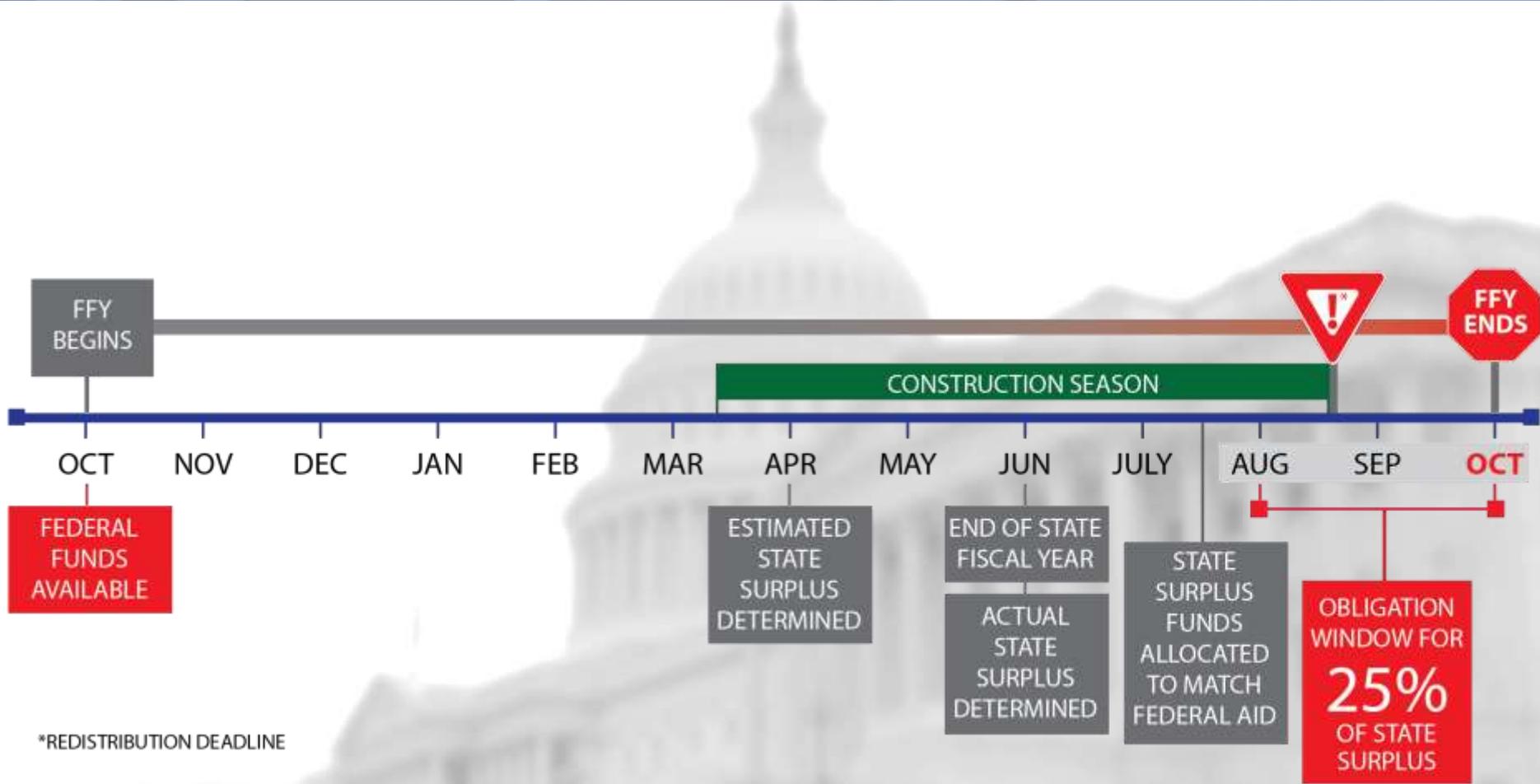
“Arkansas Works”

- Governor's Health Care Reform
 - Special Session--April 6
 - Fiscal Session--April 13



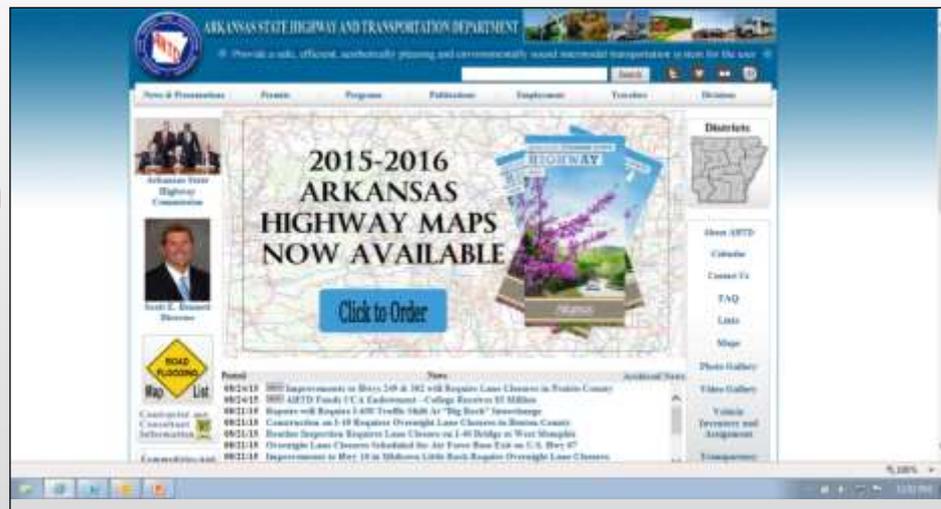


Funding Challenges





- ArkansasHighways.com
- ConnectingArkansasProgram.com
- Vimeo.com/AHTD
- IDriveArkansas.com
- [Twitter.com @AHTD](https://twitter.com/AHTD)



@AHTD





Questions?

