

Scott E. Bennett, P.E.

Director of Highways and Transportation



ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

AGC ARKANSAS

Wednesday, January 25, 2016



New Faces





Arkansas Highway Commission





District Engineers



Bruce Street
District Engineer
District Five



Brad Smithee
District Engineer
District Ten



Where We've Been





Programs



Promises Made



Promises Kept



1999 Interstate Rehabilitation Program



50 Projects
356 Miles
\$973 Million

Prior to Program
63% Poor or
Mediocre

After Program
72% Good



2011 Interstate Rehabilitation Program

Completed:

30 Projects

198 miles

\$593 Million





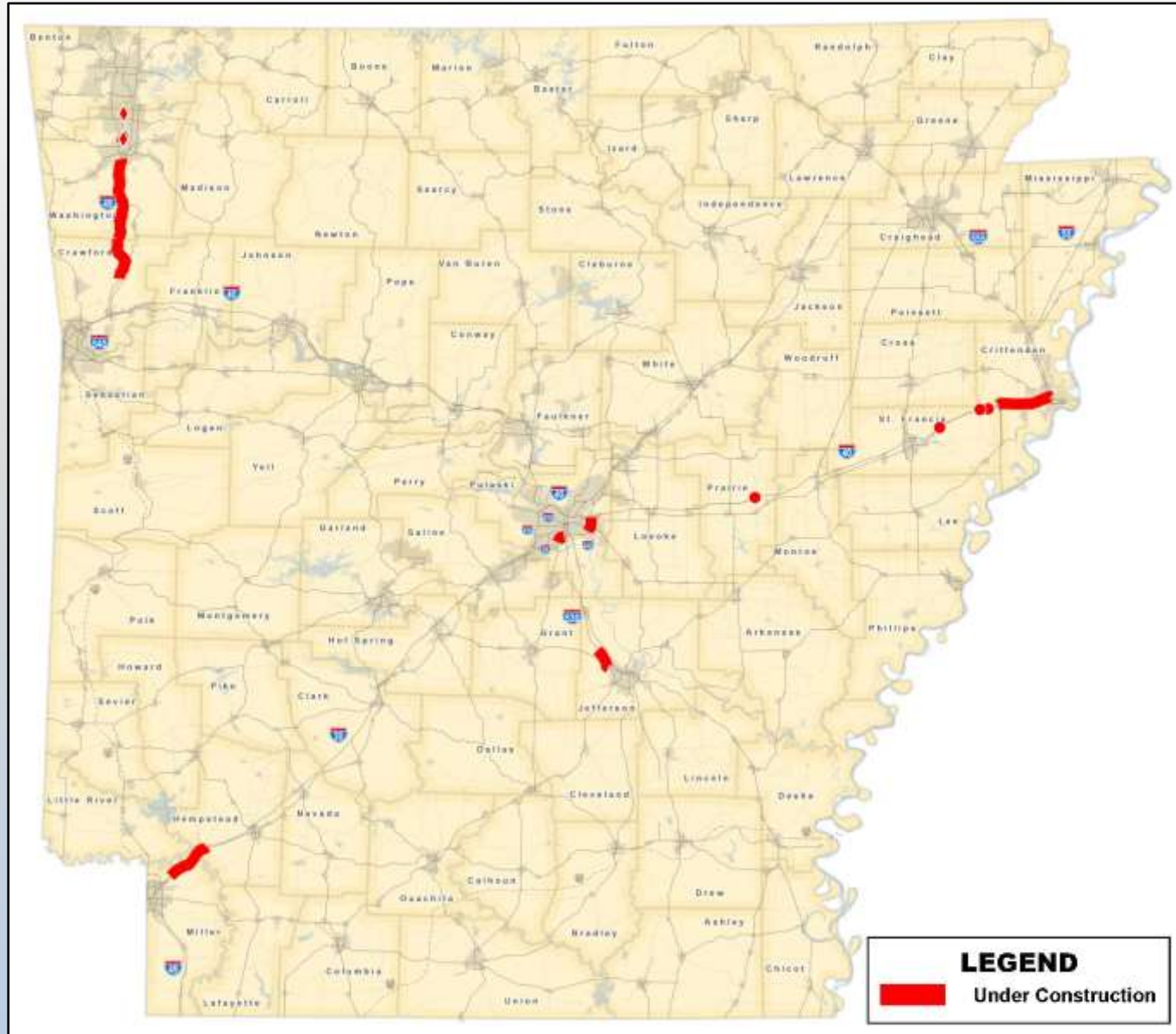
2011 Interstate Rehabilitation Program

Under Construction:

14 Projects

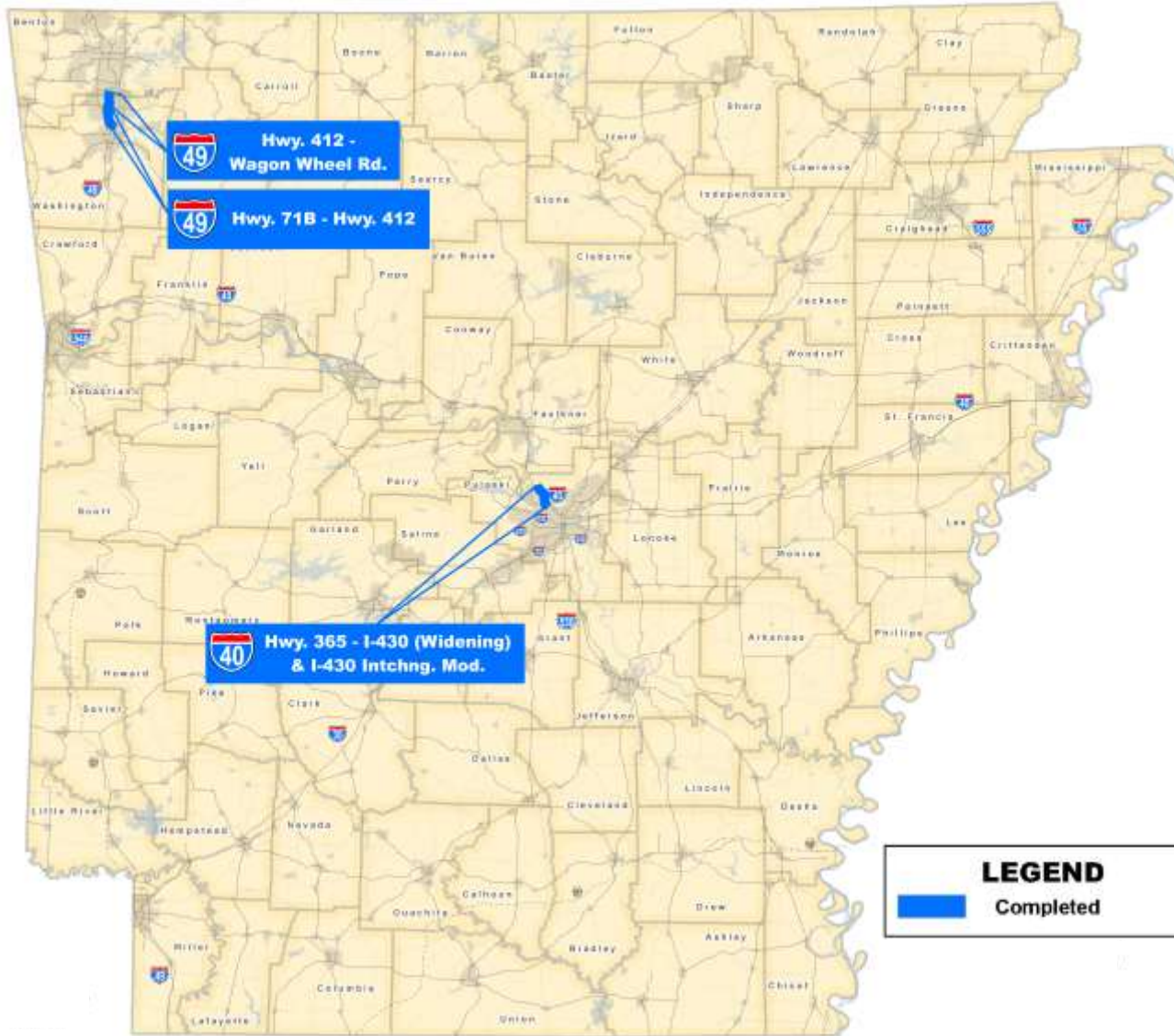
71 miles

\$487 Million





Connecting Arkansas Program

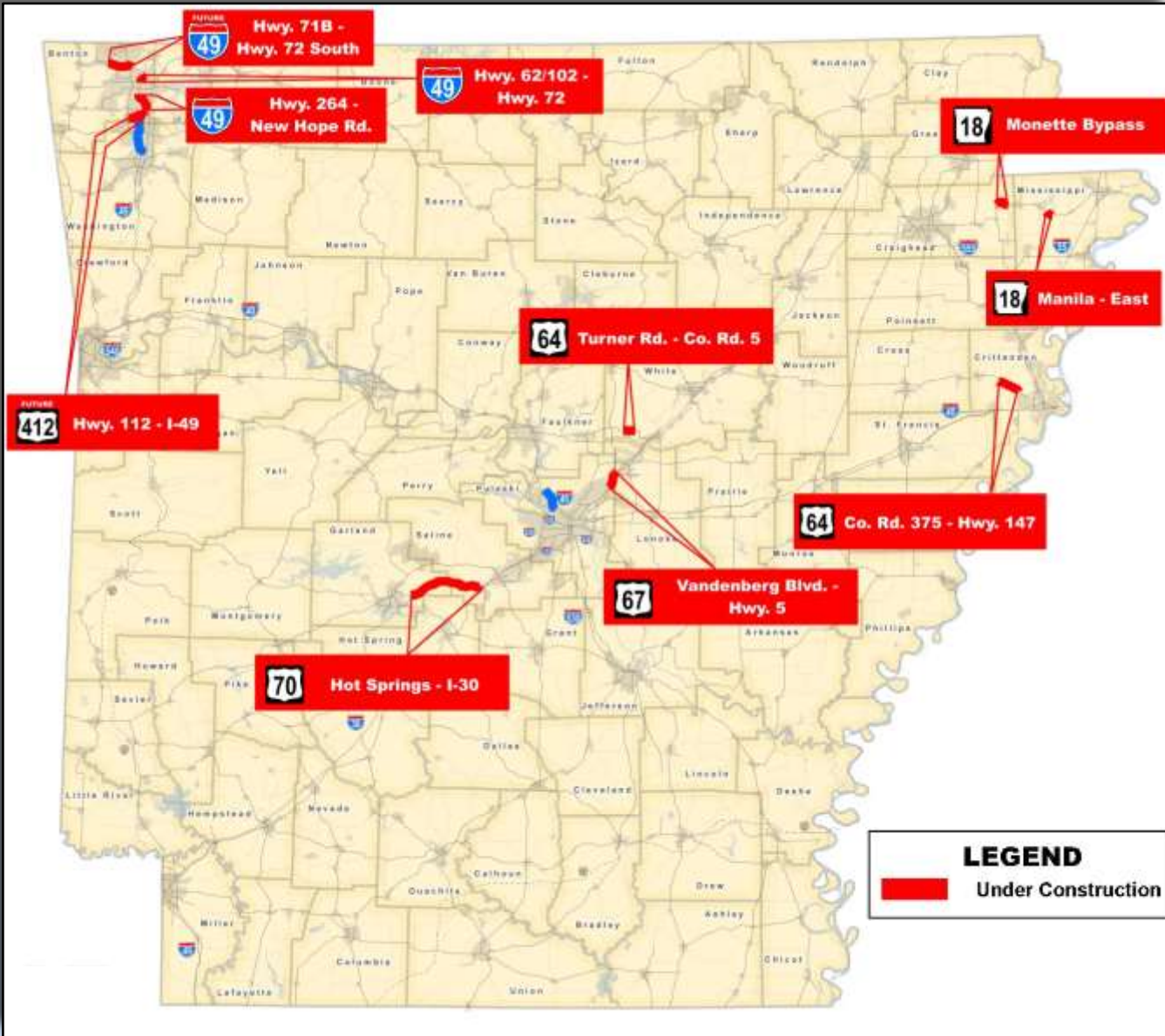


Completed:
3 Projects
12 miles
\$88 Million





Connecting Arkansas Program



Under Construction:
10 Projects
55 miles
\$458 Million

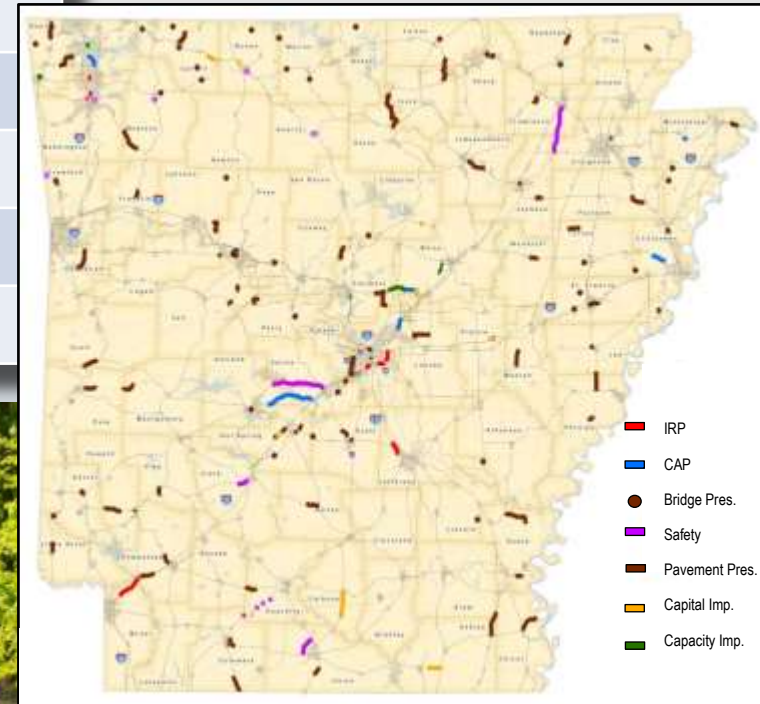




Project Let to Contract in 2016

263 Projects 871 miles \$1.21 Billion

Program	Number of Projects	Length (Miles)	Cost (Millions)
CAP	7	41	\$ 291
IRP	9	28	\$ 336
Federal-Aid	119	389	\$ 532
State-Aid	84	291	\$37
City-Aid	44	122	\$ 17
Totals	263	871	\$ 1,210





Federal and State Funding





Federal 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
- \$250 Million Increase for Arkansas over 5 Years
 - \$250 Million Increase from FFY 2015



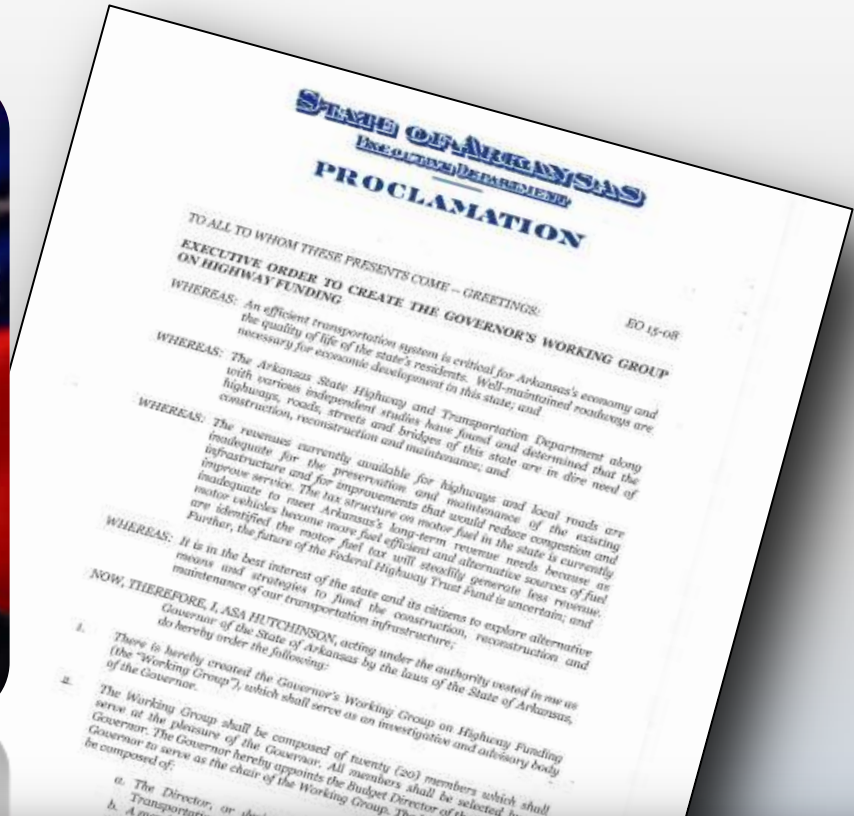


Federal Funding

- **Changes in Washington**
- **Continuing Resolution**
- **State Funding Shortfall**



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

GOVERNOR'S WORKING GROUP ON HIGHWAY FUNDING

Short-Term Recommendation



December 15, 2015

Presented to:

The Honorable Asa Hutchinson, Governor

Compiled and drafted by:

Chairman Duncan Baird, State Budget Administrator

Tori B. Gordon, Policy Advisor, Office of Governor Asa Hutchinson



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
<ul style="list-style-type: none"> • Ultimate (10+ Years) 	<ul style="list-style-type: none"> • \$1.68 Billion 	<ul style="list-style-type: none"> • Economic Development Projects Completed • 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 	

2016 Special Session



Act 1 - Arkansas Highway Improvement Plan of 2016



- Additional Funds
- Rule Review
- Reporting
- Structured Communication



Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
2016 Special Session					
Provide Governor's Rainy Day Funds	40.0				
Securities Reserve Fund	1.5	20.0	20.0	20.0	20.0
Redirect the \$4 Million of the Diesel Tax that goes to General Revenue to Highways (70/30 split)		2.7	2.7	2.7	2.7
Eliminate the State Central Services Deduction from 1/2 Cent Sales Tax (70/30 split)	5.4	5.4	5.4	5.4	5.4
Sub-Totals 2016 Special Session	46.9	28.1	28.1	28.1	28.1
Potential in Future Years					
Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)		48.0	48.0	48.0	48.0
Totals 2016 Special Session and Potential in Future Years	46.9	76.1	76.1	76.1	76.1



AHTD & AGC Partnering Leadership Circle





AHTD and AGC Leadership Circle

- **New Leadership**
- **Continued Support**
- **Issues**
 - ✓ **Liquidated Damages**
 - ✓ **Incentives and Disincentives on Asphalt**





E-Construction

Construction Documentation

Subcontracts





Where We're Going





Programs





2011 Interstate Rehabilitation Program

Scheduled
for 2017:

4 Projects

35 miles

\$74 Million





Connecting Arkansas Program



Scheduled
for 2017:

8 Projects

48 miles

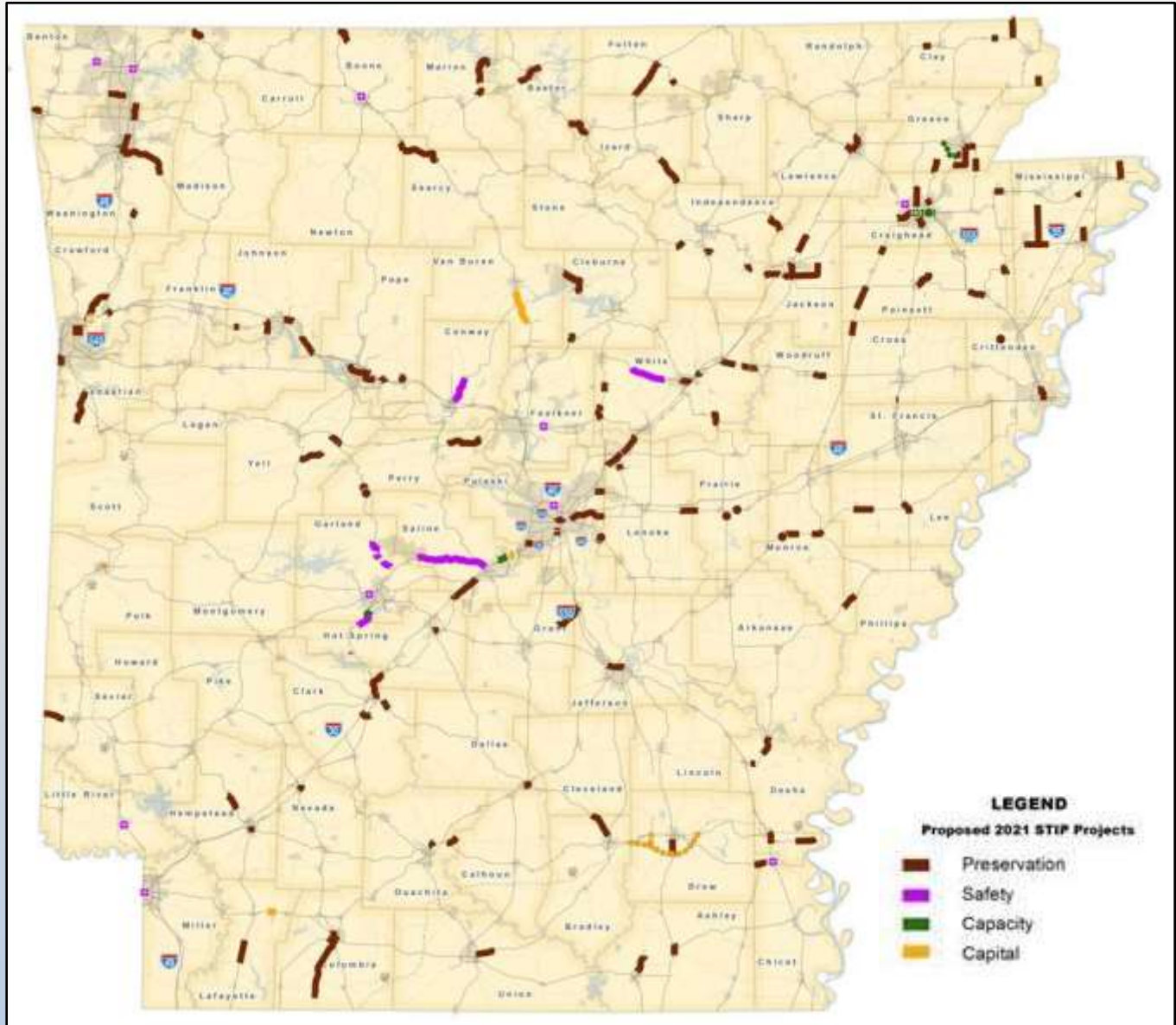
\$286 Million





Projects Scheduled in 2017

Scheduled:
296 Projects
1,027 miles
\$488 Million





Projects Scheduled in 2017

Project Type	Number of Jobs	Length (Miles)	Estimated Cost (Millions)
System Preservation	108	485	\$ 143
Reconstruction	6	24	\$ 55
Widening	5	14	\$ 61
New Location	4	28	\$ 63
Bridges	11	3	\$ 23
Safety	7	44	\$ 45
Intersection/Interchange Improvements	11	-	\$ 9
City-Aid	59	142	\$ 24
State-Aid	79	284	\$ 28
Other	6	3	\$ 37
TOTALS	296	1,027	\$ 488



Federal and State Funding





Federal Funding

- **Second Continuing Resolution for FFY 2017**
- **Expires April 28th**
- **Funding at 2016 Levels**
- **Allows for Trump Administration to Weigh In on Budget Issues**



President Trump's Infrastructure Plan

- **\$1 Trillion Over 10 Years**
- **Relies on Private Funding**
- **Details of Plan in Summer 2017**
- **Other Priorities**
 - **Repealing Obamacare**
 - **Overhauling the tax code**
 - **Easing regulations**





President Trump's Infrastructure Plan

“We’re just going to throw it up against the wall and see if it sticks.”



Steve Bannon
Chief Strategist and
Senior Advisor



Elaine Chao
Transportation
Secretary Nominee

- ✓ *Supports More Direct Federal Spending*
- ✓ *Fixing Trust Fund Among Top Priorities*

Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
2016 Special Session					
Provide Governor's Rainy Day Funds	40.0				

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Act 1 - Arkansas Highway Improvement Plan of 2016

91st Session Account of the GIF 2017-2019 Biennium

Estimated Available Funds:

Unobligated Balance from the 90th Session Account	\$14,194,758
FY16 General Revenue Surplus	\$177,413,001
FY17 General Revenue Surplus	\$0
Recouped General Revenue Balances from FY16	\$5,845,301
Recouped General Revenue Balances from FY17 (Estimate)	\$5,000,000
Old Projects Recoupment (Estimate)	\$2,000,000
Outlawed Warrants	\$0
90th Rainy Day Set-Aside Balance (Sec 3 of Act)	\$25,000,000
Carry Forward of 90th Executive General Improvement (Sec 4 of Act)	\$0
Total Estimated Funds for 2017-2019 Biennium	\$229,453,060

FY17 General Revenue Surplus

\$0

Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				

2016 Special Session

Provide Governor's Rainy Day Funds	40.0				
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FY18 (Act 1 Needs)	FY18 (Governor's Projection)	Difference
\$50M	\$28.1M	-\$21.9M

Potential in Future Years

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2017 Legislative Session

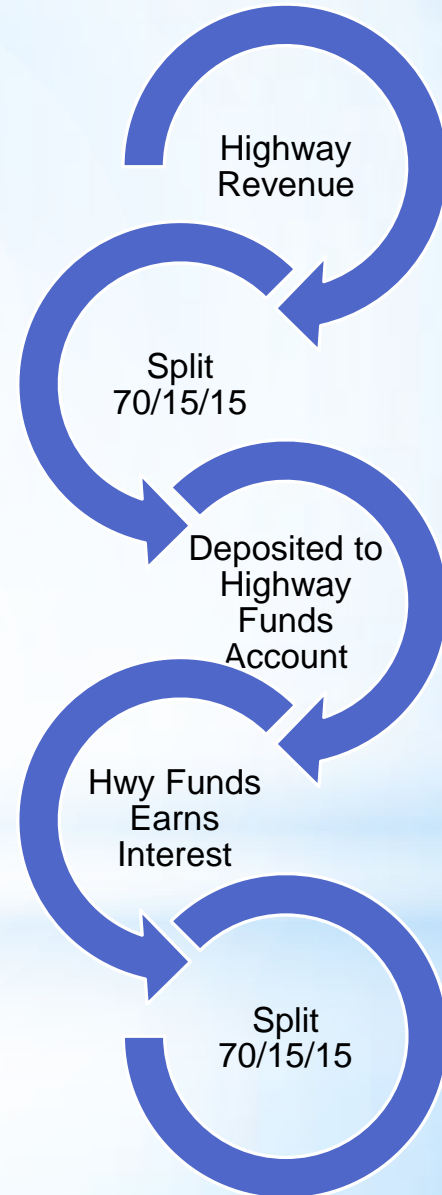




Existing Revenue Sources

Possible Legislation

- Highway Funds Interest
- Open Container Law



New Revenue Sources





Good Roads Foundation

Good Roads. Good for All.

Potential Net Revenue to AHTD (in Millions)

Concept	FY19	FY20	FY21	FY22	FY23	FY24
6.5% Excise Tax on Motor Fuels at Wholesale Level	\$ 147	\$ 150	\$ 165	\$ 176	\$ 187	\$ 198
*3-year Phase-in of Excise Tax above	\$ 45 (2%)	\$ 92 (4%)	\$ 165 (6.5%)			
Make ½-cent Sales Tax Permanent (begin in FY24)	-	-	-	-	-	\$ 206
Totals without Phase-in	\$ 147	\$ 150	\$ 165	\$ 176	\$ 187	\$ 404
*Totals with Phase-in	\$ 45	\$ 92	\$ 165			



AHTD & AGC Partnering Leadership Circle





Wage Rates

Current Davis-Bacon Wage Rates

47 Different Wage Rates

Increases Difficulty of Payroll Documentation

Classifications Not Consistent Across State



Proposed Davis-Bacon Wage Rates

Uses 8 Planning and Development Districts

Classifications Consistent Across State





Asphalt Specifications

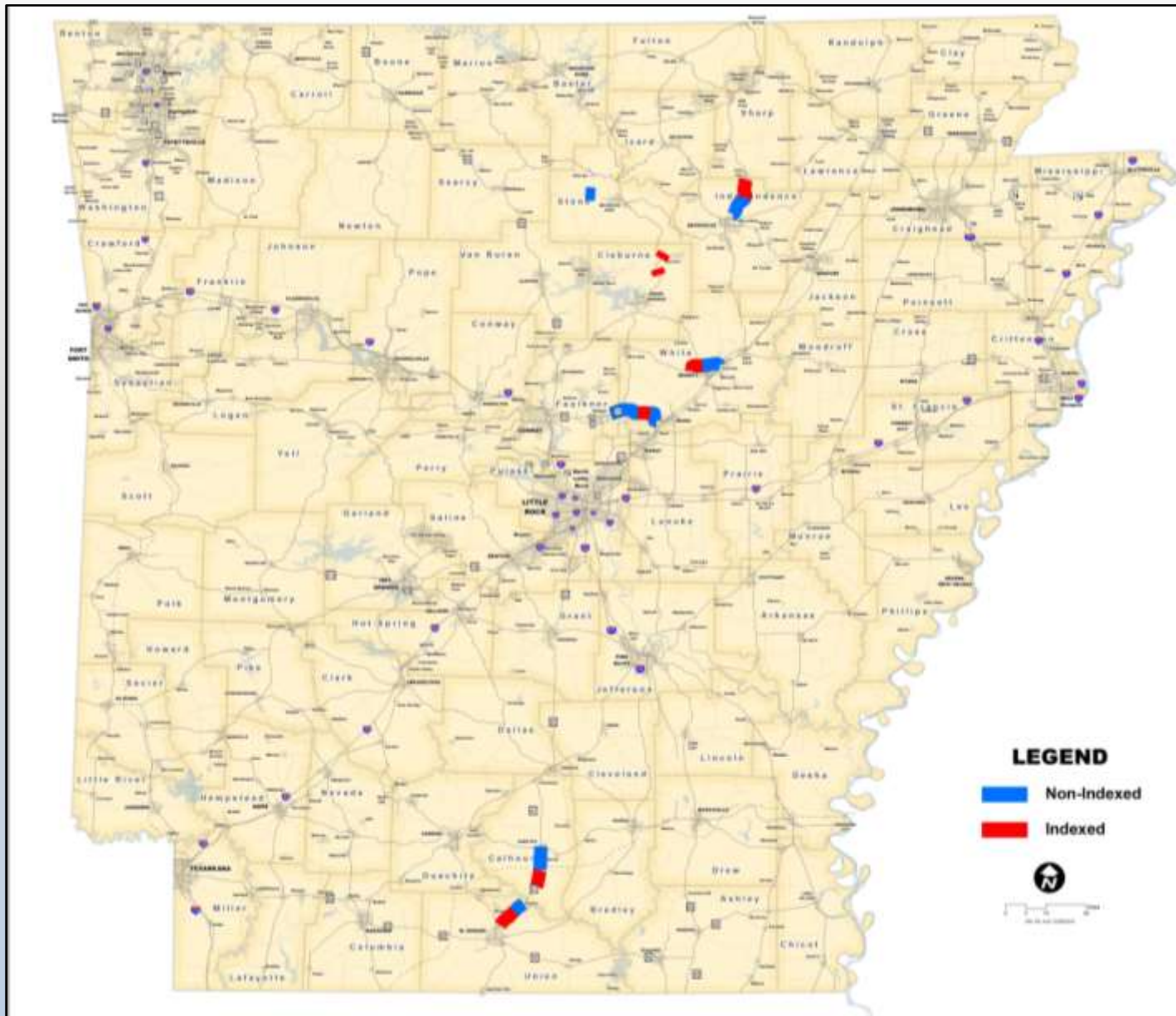


Minimum Bid Price

Indexing



Asphalt Indexing





E-Construction



Payrolls

Civil Rights & Labor Management



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



@AHTD





Questions?

