The seal of the Arkansas State Highway Commission is centered in the background. It is a circular emblem with a double border. The outer border contains the text "ARKANSAS STATE HIGHWAY COMMISSION" at the top and "SEAL" at the bottom, separated by a five-pointed star. The inner circle features the state seal of Arkansas, which includes a figure holding a bow and arrow, a plow, and a sheaf of wheat, with the word "ARKANSAS" and a sunburst above it.

# Arkansas State Highway Commission Meeting

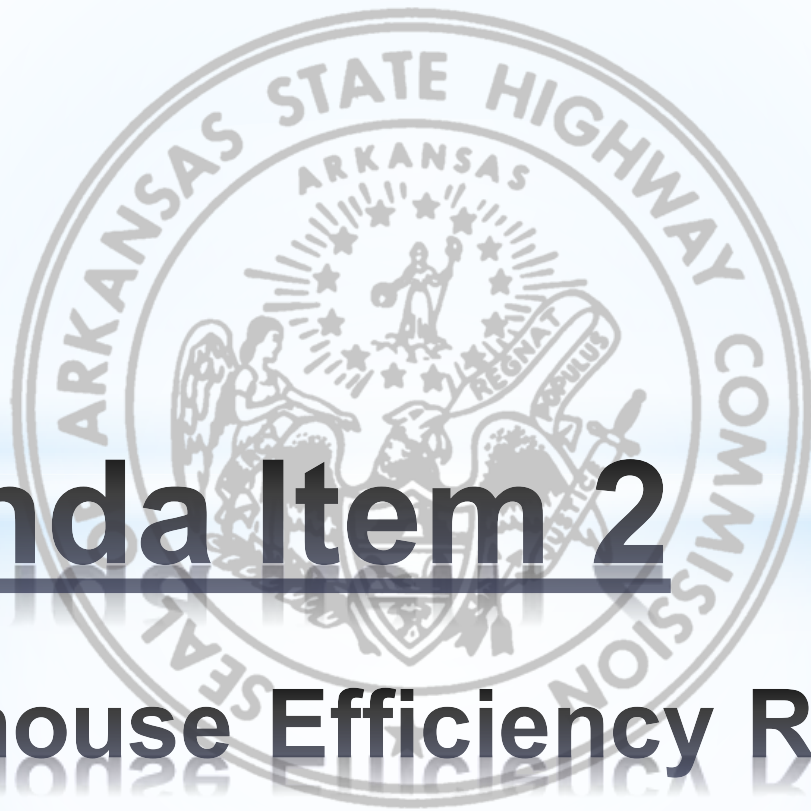
**Wednesday, June 10, 2020**

The seal of the Arkansas State Highway Commission is a circular emblem. The outer ring contains the text "ARKANSAS STATE HIGHWAY COMMISSION" at the top and "COMMISSION" at the bottom. Inside the ring, the word "ARKANSAS" is written in an arc above a central figure. The central figure is a woman holding a scale and a sword, with a banner below her that reads "REGNIAT POPULUS". The seal is set against a light blue background with a subtle gradient.

# Agenda Item 1

Meeting Minutes

May 13, 2020



# Agenda Item 2

**Guidehouse Efficiency Review**

## History

### 92<sup>nd</sup> General Assembly of 2019 - Act 298

- Study of the Processes, Procedures, Procurement Processes, Projects, Appeals Procedures and Expenditures
- Establish an Annual Review
- Guidehouse Selected by the Highway Commission Review and Advisory Subcommittee

# Efficiency Review

- Review Began September 24, 2019
- 64 Interviews with 86 Key Subject Matter Experts
- 1,100 Documents and Data Sets Submitted
- Current State Assessment Submitted to HCRAS on March 13, 2020
  - ✓ 23 Key Findings Across 6 Focus Areas
- Current State Assessment Presented to HCRAS on May 14, 2020
  - ✓ 10 Key Takeaways Across 6 Focus Areas



# Arkansas Highway Commission Review and Advisory Subcommittee Meeting

Current State Assessment  
Presentation

May 14<sup>th</sup>, 2020



## General Questions

- Please clarify the thought process behind what was emphasized in the Current State Assessment Presentation
- Will the recommendations include the estimated cost and manpower to implement?
- Will there be an estimated cost savings for each recommendation that includes a timeframe of when cost savings will begin to be realized?

# Summary of Key Takeaways



## Organizational Structure

1. Executive reporting **does not emphasize operational effectiveness**. Additionally, ArDOT's unique governance structure **limits performance reporting directly to the legislature**



## Portfolio Planning

2. ArDOT has **limited proactive communication of project changes** and **does not comprehensively track and manage customer inquiries**

3. **Maintenance projects and budgets** are based on **historically allocated financial resources** and conducted activities



## Procurement

4. Construction procurement **does not consider prior contractor performance**

5. Alternative contracting and project delivery methods can be **strengthened to help manage construction quality and cost**.

6. ArDOT **lacks formal systems to identify and implement procurement efficiencies** outside of construction



## Expenditures

7. Lack of formalized project and portfolio management practice **limit ArDOT's ability to optimize projects and maintenance activities**

8. **Opportunities** may currently exist **to yield project development cost savings**



## Information Technology

9. **IT investments** are **not clearly tied to business need** and **lack ArDOT specific governance**



## People Capabilities

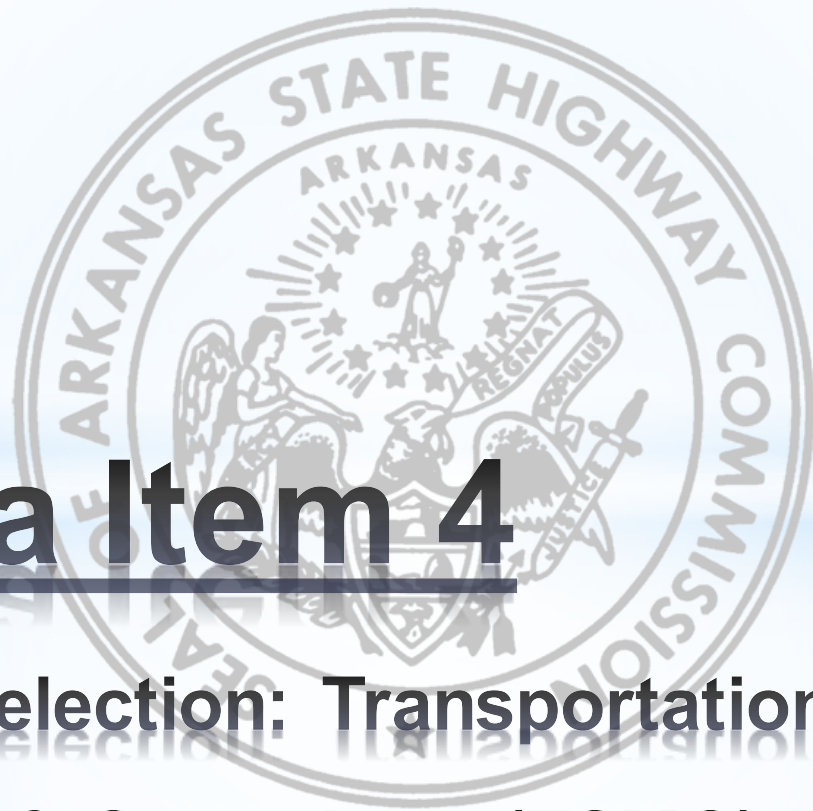
10. **Limited human capital programming to mitigate current and future talent retention and recruitment challenges**



The seal of the Arkansas State Highway Commission is centered in the background. It features a circular border with the text "ARKANSAS STATE HIGHWAY COMMISSION" around the top and "MISSISSIPPI" at the bottom. Inside the circle, there is a central figure holding a scale and a sword, surrounded by stars and the word "REGNAT".

# Agenda Item 3

## Consideration of Minute Orders



# Agenda Item 4

**Consultant Selection: Transportation Systems  
Management & Operations (TSMO) Plan**

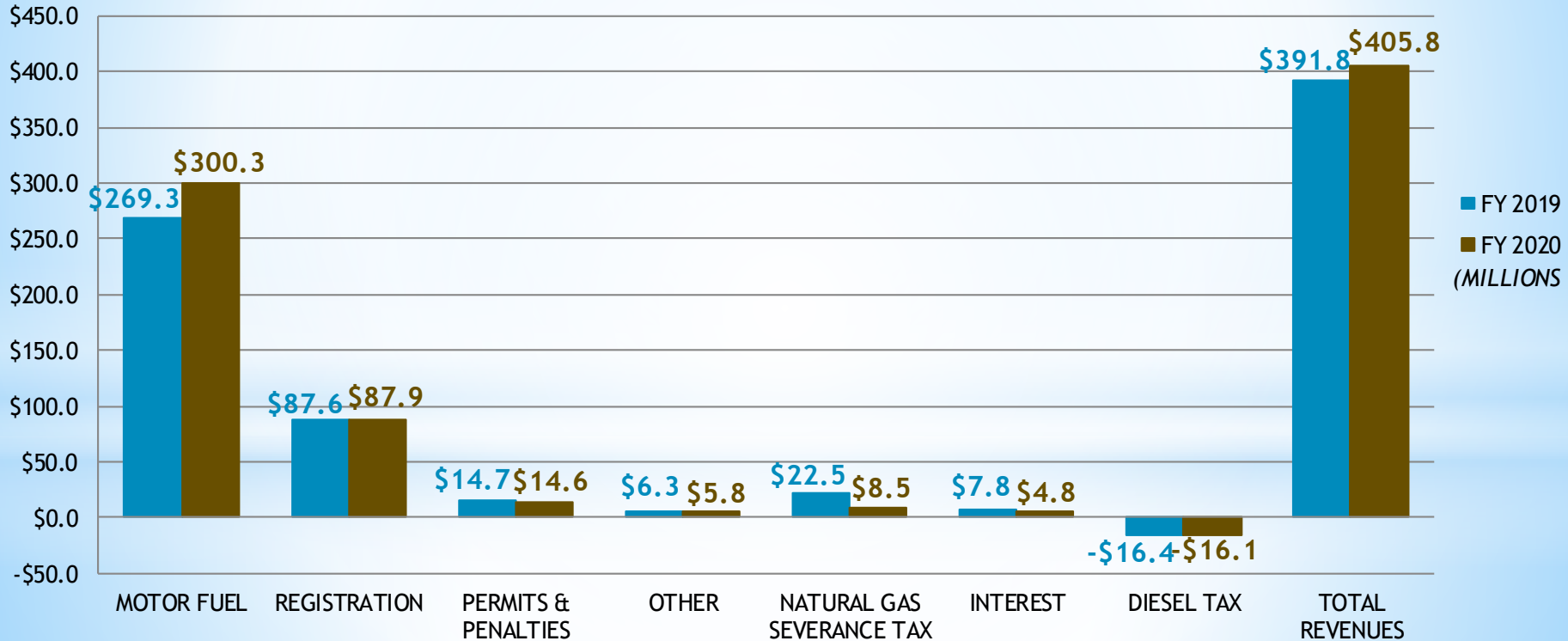
The seal of the Arkansas State Highway Commission is a circular emblem. It features a central figure holding a torch, surrounded by stars and the word "ARKANSAS". Below this, a banner reads "REGNAT POPULUS". The outer ring of the seal contains the text "ARKANSAS STATE HIGHWAY COMMISSION".

# Agenda Item 5

State Highway Revenue and COVID-19 Update

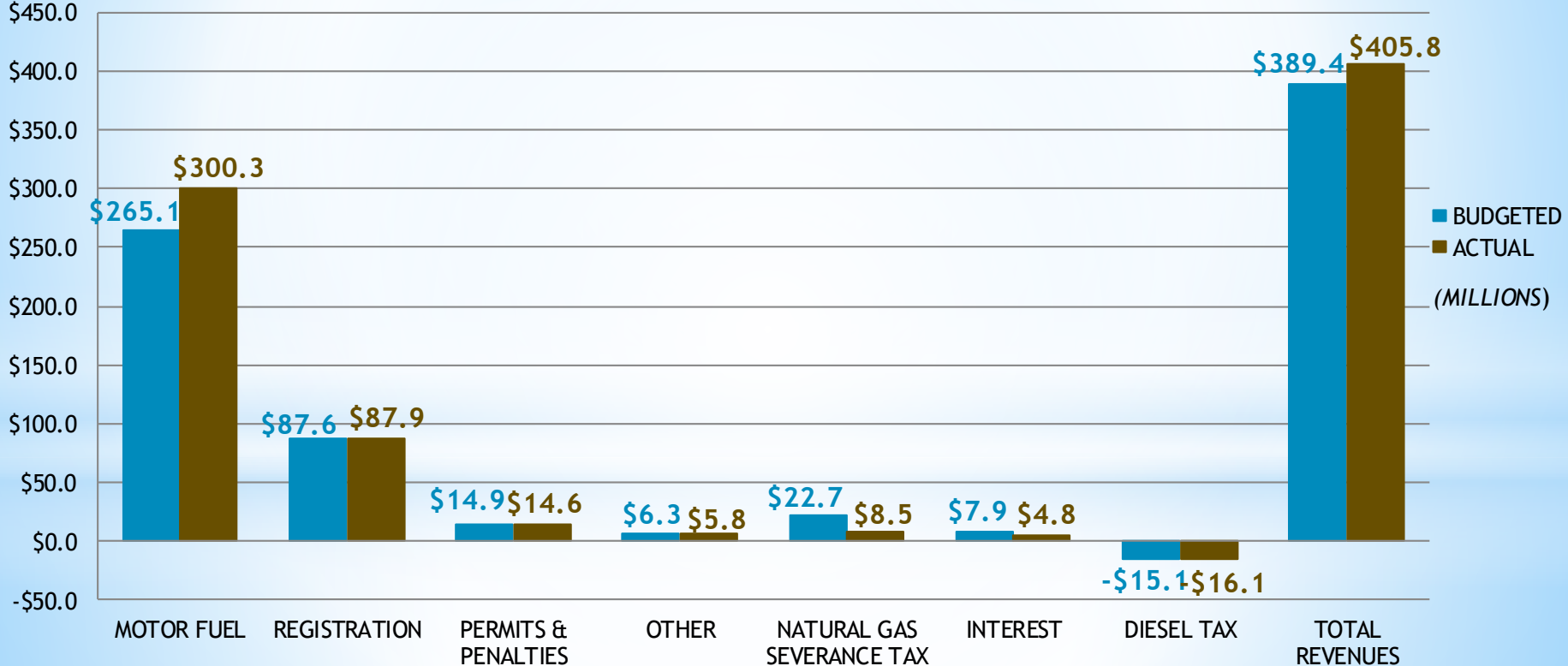
# MAY 2019-2020 REVENUE

VARIANCE	\$31.0	\$0.3	-\$0.1	-\$0.5	-\$14.0	-\$3.0	\$0.3	\$14.0
% CHANGE	11.5%	0.3%	-0.7%	-7.9%	-62.2%	-38.5%	1.8%	3.6%



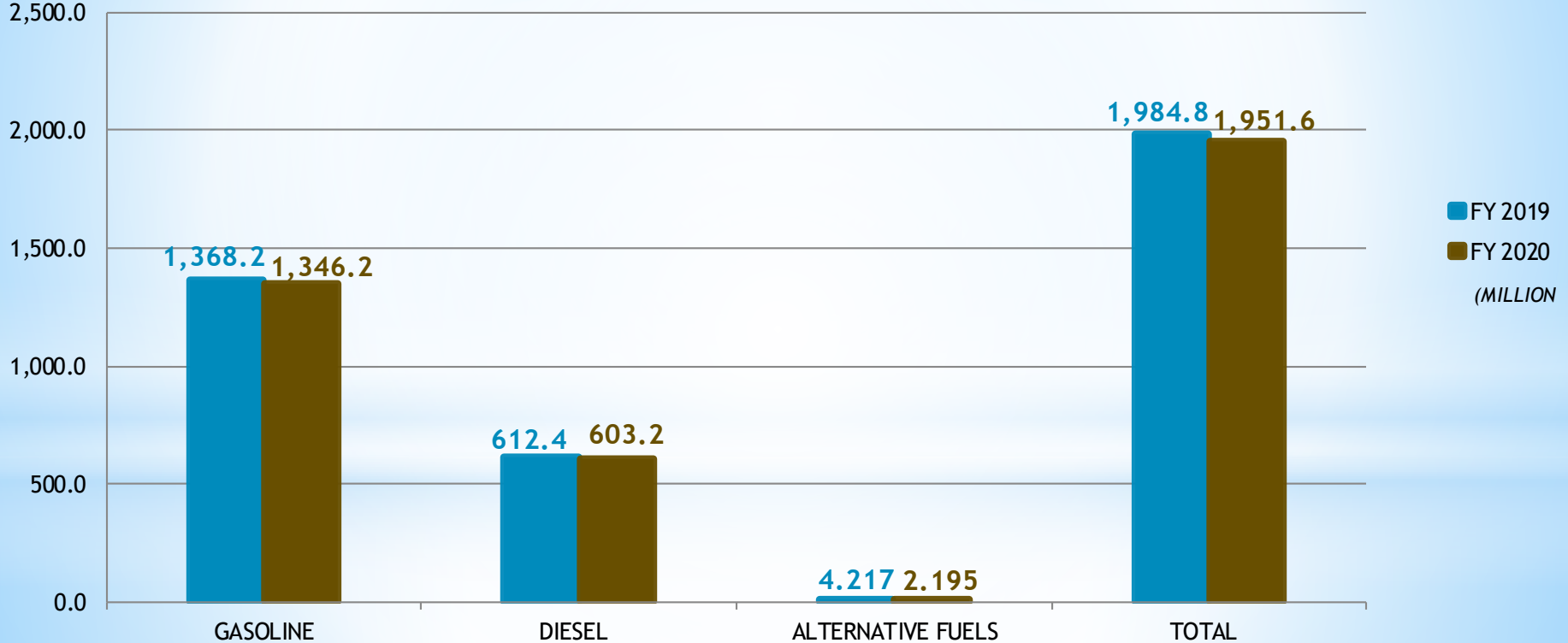
# FY 2020 BUDGETED VS. ACTUAL - MAY

	MOTOR FUEL	REGISTRATION	PERMITS & PENALTIES	OTHER	NATURAL GAS SEVERANCE TAX	INTEREST	DIESEL TAX	TOTAL REVENUES
VARIANCE	\$35.2	\$0.3	-\$0.3	-\$0.5	-\$14.2	-\$3.1	-\$1.0	\$16.4
% CHANGE	13.3%	0.3%	-2.0%	-7.9%	-62.6%	-39.2%	-6.6%	4.2%



# MAY 2019-2020 FUEL CONSUMPTION

VARIANCE	-22.0	-9.2	-2.02	-33.2
% CHANGE	-1.6%	-1.5%	-47.9%	-1.7%







# *Arkansas Fuel Consumption*

## *Rolling 12-month Comparison*

<b>Fuel</b>	<b>Previous 12 Months (gallons)</b>	<b>Current 12 Months (gallons)</b>	<b>Variance</b>
<b>Gasoline</b>	<b>1,503,875,647</b>	<b>1,482,292,363</b>	<b>-1.44%</b>
<b>Diesel</b>	<b>678,826,523</b>	<b>670,156,491</b>	<b>-1.28%</b>
<b>Alternative</b>	<b>4,361,745</b>	<b>2,397,262</b>	<b>-45.04%</b>
<b>Total</b>	<b>2,187,063,915</b>	<b>2,154,846,116</b>	<b>-1.47%</b>

# State Fiscal Year 2020 Sales Tax

Mon	Projected Net	Actual Receipts	Variance	Monthly Variance	Annual Variance
Jul	16,800,000	16,246,419	(553,581)	-3.30%	-3.30%
Aug	17,010,000	17,749,502	739,502	4.35%	0.55%
Sept	16,870,000	16,852,268	(17,732)	-0.11%	0.33%
Oct	16,100,000	17,076,071	976,071	6.06%	1.71%
Nov	16,520,000	17,026,192	506,192	3.06%	1.98%
Dec	17,360,000	17,908,732	548,732	3.16%	2.18%
Jan	16,660,000	17,915,477	1,255,477	7.54%	2.94%
Feb	15,190,000	15,485,666	295,666	1.95%	2.83%
Mar	16,590,000	16,787,566	197,566	1.19%	2.65%
Apr	16,450,000	15,431,970	(1,018,030)	-6.19%	1.77%
May	16,310,000	16,399,650	89,650	0.55%	1.66%
Jun					
<b>Total</b>	<b>181,860,000</b>	<b>184,879,514</b>	<b>3,019,514</b>		

# *Half-Cent Sales Tax Projected vs Actual*

Projected Net	Actual Receipts	Variance	Percent Variance
<b>\$1,228,783,640</b>	<b>\$1,224,365,112</b>	<b>\$(4,418,528)</b>	<b>-0.36%</b>

## COVID-19 Impacts

Month	Previous 12 Months	Current 12 Months	Percent Change	Previous 12 Months	Current 12 Months	Percent Change	Previous 12 Months	Current 12 Months	Percent Change
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### State Highway Revenue - Without Act 416 Funds

	Motor Fuel Tax			Registration Fees			Total		
March	\$ 22,634,672	\$ 24,339,660	7.53%	\$ 8,514,474	\$ 8,705,848	2.25%	\$ 31,149,146	\$ 33,045,508	6.09%
April	\$ 24,636,026	\$ 23,101,291	-6.23%	\$ 9,142,662	\$ 9,609,977	5.11%	\$ 33,778,688	\$ 32,711,268	-3.16%
May	\$ 24,344,595	\$ 19,437,241	-20.16%	\$ 10,619,201	\$ 9,619,852	-9.41%	\$ 34,963,796	\$ 29,057,093	-16.89%
<b>Total</b>	<b>\$ 296,540,177</b>	<b>\$ 295,023,202</b>	<b>-0.51%</b>	<b>\$ 95,773,520</b>	<b>\$ 95,856,144</b>	<b>0.09%</b>	<b>\$ 392,313,697</b>	<b>\$ 390,879,346</b>	<b>-0.37%</b>

### Consumption

	Gasoline Gallons			Diesel Gallons			Total		
March	108,866,016	117,499,658	7.93%	60,394,411	63,714,295	5.50%	169,260,427	181,213,953	7.06%
April	120,199,534	115,296,560	-4.08%	52,600,192	52,632,873	0.06%	172,799,726	167,929,433	-2.82%
May	128,393,498	94,986,173	-26.02%	51,408,241	45,854,063	-10.80%	179,801,739	140,840,236	-21.67%
<b>Total</b>	<b>1,503,875,647</b>	<b>1,482,292,363</b>	<b>-1.44%</b>	<b>678,826,523</b>	<b>670,156,491</b>	<b>-1.28%</b>	<b>2,182,702,170</b>	<b>2,152,448,854</b>	<b>-1.39%</b>

# Impact of COVID-19

- **Reduction in State Revenues**
- **Significant Reduction in Travel**
  - ✓ **Low Point of Travel in early April**
  - ✓ **Slowly Increasing**
- **No Changes in Bid Letting Plans**
- **Proceeding Cautiously**

# COVID-19 Update

- **Executive Team Continues to Monitor Situation**
- **Department Continues to Support Essential Services**
- **Transportation of Additional Supplies**





# COVID-19 Update

- **Distribution of Return Plan**
- **Goals**
- **Timeline**
- **Thermal Cameras Installed**
- **App for Screening Questions**
- **Stockpile of Needed Supplies**



# Agenda Item 6

Update on Renew Arkansas Highways Program



# Issue 1 Benefits



- **Support 3,600 Jobs Annually**
- **Provide \$8.2 Billion in Economic Activity over 10 Years**
- **Maintain Interstates in a State of Good Repair**
- **Increase Safety**
- **Implement a 2nd Connecting Arkansas Program (CAP-2)**
- **Repair or Replace Poor Condition and Posted Bridges over 10 Years**
- **Improve Approx. 7,000 Miles of Non-Interstate Highways over 10 years**

## Economy / Jobs / Safety / State of Good Repair





# 2020 Regional Meetings



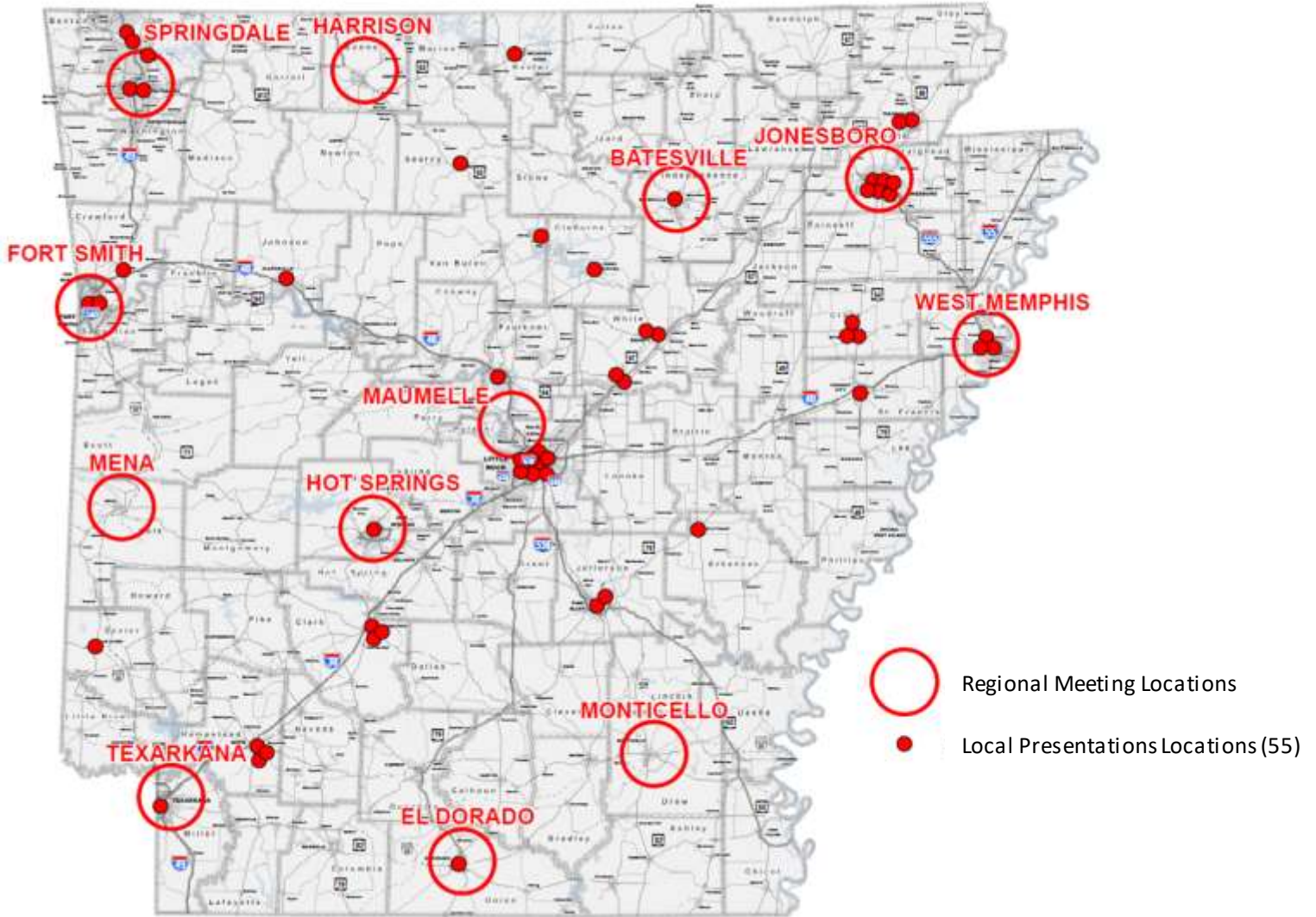
# 2020 Regional Meetings



- **Regional Meetings**
  - ✓ Remaining
  - ✓ Potential
- **Needed In-Person Meeting Capabilities**
  - ✓ No Limit to Number of People at Meeting
  - ✓ No Social Distancing
- **Local Presentations to Civic Organizations**



# 2020 Regional Meetings



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# Agenda Item 7

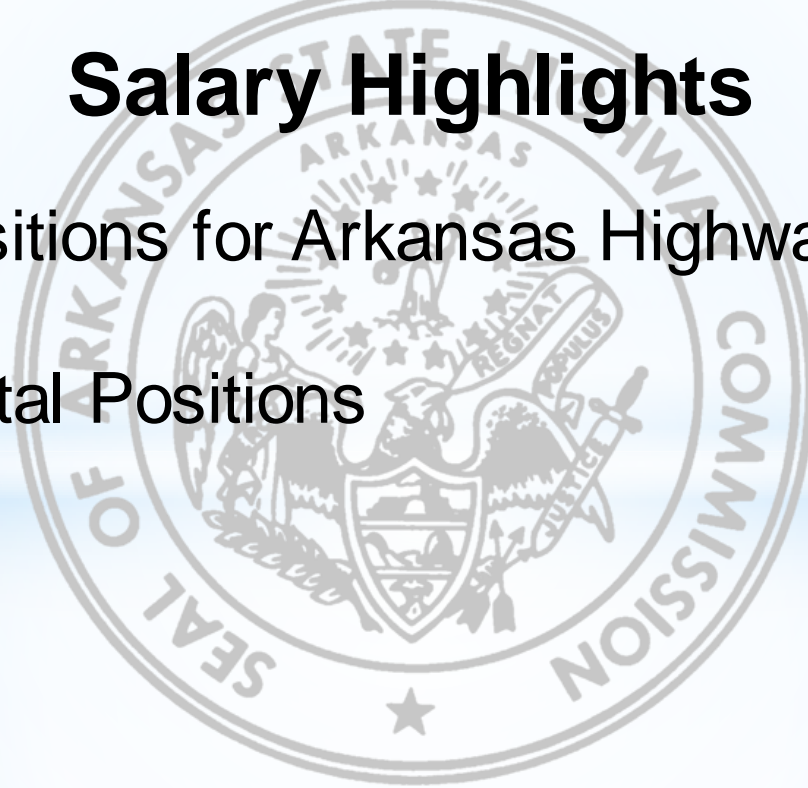
Proposed 2020-2021

Operating Budget

# *Proposed Operating Budget - SFY 2021*

## **Salary Highlights**

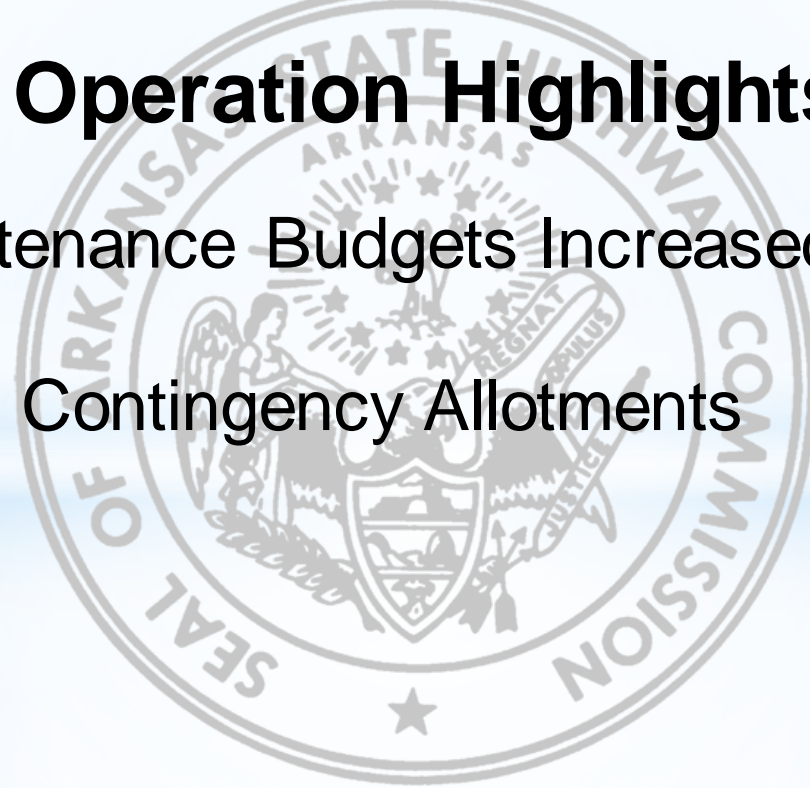
- Increase in Positions for Arkansas Highway Police Recruits
- Decrease in Total Positions



# *Proposed Operating Budget - SFY 2021*

## **Operation Highlights**

- District Maintenance Budgets Increased 1%
- Reduction in Contingency Allotments



# Proposed Operating Budget - SFY 2021

Category	SFY 2021	SFY 2020	Difference	Percent Change
Salaries Overtime Payroll Additives	\$ 224,195,000	\$ 227,259,000	-\$ 3,064,000	-1.3%
Operating Expenses	\$ 169,195,900	\$ 172,061,900	-\$ 2,866,000	-1.7%
<b>Total Budget</b>	<b>\$ 393,390,900</b>	<b>\$ 399,320,900</b>	<b>-\$ 5,930,000</b>	<b>-1.5%</b>

# Proposed Operating Budget - SFY 2021

Source	Estimated State Funds
<b>Traditional Revenue</b>	
State Highway Fund Receipts	383,648,086
Less 4 ¢ Diesel Designated for Bond Program	(17,000,000)
Natural Gas Severance Tax	13,376,336
Interest Income	6,379,136
Total Projected State Revenue	386,403,558
State Funds Committed in Operating Budget	350,131,800
<b>Operating Funds Available for Federal Matching</b>	<b>36,271,758</b>
<b>Act 1</b>	
1/2¢ Sales Tax Treasurer Fee Waiver	5,900,000
Securities Reserve Fund	20,000,000
Return of Diesel Tax	2,700,000
25% General Revenue Surplus/Rainy Day Fund	21,400,000
<b>Total Act 1 Funds</b>	<b>50,000,000</b>
<b>Act 416 of 2019</b>	
Fuel Tax	55,912,000
Alternative Fuel Fees	2,000,000
New Casino Tax	35,000,000
<b>Total Act 416 Funds</b>	<b>92,912,000</b>
<b>State Funds Available for Projects</b>	<b>179,183,758</b>



# Proposed Operating Budget - SFY 2021

Budget Section	Salaries	Overtime	Payroll Additives	Operating Expenses	Less Federal Portion	State Funds	Totals
Director	16,660,500	513,500	4,294,500	5,693,000	4,614,100	22,547,400	27,161,500
AC - Administration	8,854,500	15,500	2,218,000	12,115,000	119,000	23,084,000	23,203,000
ACE - Planning	15,472,500	15,500	3,872,500	3,280,000	9,884,000	12,756,500	22,640,500
ACE- Design	10,710,500	2,000	2,679,000	1,235,000	5,137,500	9,489,000	14,626,500
ACE - Operations	123,959,500	3,147,000	31,780,000	103,540,000	22,391,500	240,035,000	262,426,500
Capital Outlay	0	0	0	27,168,000	1,113,000	26,055,000	27,168,000
Special Allotments	0	0	0	16,164,900	0	16,164,900	16,164,900
<b>Totals</b>	<b>175,657,500</b>	<b>3,693,500</b>	<b>44,844,000</b>	<b>169,195,900</b>	<b>43,259,100</b>	<b>350,131,800</b>	<b>393,390,900</b>

*Proposed Operating Budget - SFY 2021*

**Overall Decrease in  
Budget Request**

**1.5% - \$5.93 Million**

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# Agenda Item 8

## Upcoming Events

# Upcoming Events

**June 22**

Springdale Rotary | Director Tudor

12:00 p.m. | On-line

**June 24**

Metroplan | Director Tudor

10:00 a.m. | North Little Rock

**June 25**

Arkansas Good Roads Executive Board Meeting | Director Tudor

10:30 a.m. | TBD

# Upcoming Events

**June 30**

**Bentonville Kiwanis Club | Director Tudor**

12:00 p.m. | Bentonville, AR

**July 22**

**Arkansas Highway Commission Meeting**

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# Agenda Item 9

Other Business★




# Smart Cities Challenge: Transforming Intersections

## Grand Prize Awarded for Improvements to Rogers Avenue in Fort Smith

- Awarded by Parsons Engineering
- Partnership Effort
  - Frontier Metropolitan Planning Organizations
  - City of Fort Smith
  - Arkansas Department of Transportation
- Provides Intelligent Intersections Solutions
- 21 Signals Involved



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# Arkansas State Highway Commission Meeting

**Wednesday, June 10, 2020**