## Arkansas State Highway Commission Meeting

Wednesday, January 28, 2015

# Item 1 Minutes December 17, 2014 Meeting

## Item 2 **Consideration of Minute Orders**

## Item 3 Arkansas Highway Revenue Update

#### December 2014 Revenues and Consumption

July - December	FY 2014	FY 2015	Variance	% Change
Motor Fuels Tax	\$134.9	\$136.1	\$1.2	0.9%
Registration Fees	\$37.9	\$39.7	\$1.8	4.8%
Permits & Penalties	\$8.8	\$9.0	\$0.2	2.3%
Other	\$2.9	\$3.5	\$0.6	20.7%
Total User Revenues	\$184.5	\$188.3	3.8	2.1%
Natural Gas Severance Tax	\$20.5	\$28.2	\$7.7	37.6%
RRA Interest	\$1.6	\$1.4	(\$0.2)	-12.5%
Less: Diesel Tax for Bonds	(\$8.2)	(\$8.2)	(\$0.0)	0.0%
Total Revenues Available	\$198.4	\$209.7	\$11.2	5.7%
Fiscal 2015 Projected vs. Actual July - December	Budget (millions)	Actual (millions)	Variance (millions)	% Variance
Motor Fuels Tax	\$135.4	\$136.1	\$0.7	0.5%
Registration Fees	\$37.9	\$39.7	\$1.8	4.8%
Permits & Penalties	\$8.8	\$9.0	\$0.2	2.3%
Other	\$2.7	\$3.5	\$0.8	29.6%
Total User Revenues	\$184.8	\$188.3	\$3.5	1.9%
Natural Gas Severance Tax	\$20.8	\$28.2	\$7.4	35.6%
RRA Interest	\$1.2	\$1.4	\$0.2	16.7%
Less: Diesel Tax for Bonds	(\$8.3)	(\$8.2)	\$0.1	-1.2%
Total Revenues Available	\$198.5	\$209.7	\$11.2	5.6%
Fuel Consumption in Gallons July-December	FY 2014 (millions)	FY 2015 (millions)	Difference (millions)	% Change
Gasoline	702.3	710	7.8	1.1%
Diesel	301.9	304.2	2.3	0.8%
Total	1,004.2	1,014.3	10.1	1.0%



## Arkansas Fuel Consumption Rolling 12 month Comparison

Fuel	Previous 12 Months (millions)	Current 12 Months (millions)	Variance
Gasoline	1,386,563,031	1,387,306,926	0.05%
Diesel	598,849,431	601,570,298	0.45%
Alternative	774,558	1,023,092	32.09%
Total	1,986,187,020	1,989,900,316	

#### Fiscal Year 2015 Sales Tax

Mon	Projected Net	Actual Receipts	Variance	Monthly Var.	Annual Var.
Jul	\$13,230,000.00	\$13,583,127.73	\$353,127.73	2.67%	2.67%
Aug	\$13,230,000.00	\$13,913,216.00	\$683,216.00	5.16%	3.92%
Sept	\$13,790,000.00	\$13,760,323.55	\$(29,676.45)	-0.22%	2.50%
Oct	\$12,880,000.00	\$13,774,519.33	\$894,519.33	6.95%	4.07%
Nov	\$13,090,000.00	\$13,352,878.00	\$262,878.00	2.01%	3.27%
Dec	\$14,140,000.00	\$13,859,868.65	(280,131.35)	-1.98%	2.34%
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	\$82,243,933.26	\$1,883,933.26		

## Projected Revenue vs. Actual Since Inception

	Projected Net	Actual Receipts		Variance Percent
NOT THE REAL PROPERTY.	\$236,180,000.00	\$233,497,127.76	\$(2,682,872.24)	-1.14%



## Federal Highway & Transit Funding Issues

- Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21)
  - Expired September 30, 2014
- Highway and Transportation Funding Act of 2014
  - Expires May 31, 2015
- Cromnibus
  - Expires September 30, 2015

#### MAP-21 Reauthorization

- Legislation Introduced
- \$1 Trillion Investment over 5 Years
  - \$75 Billion to the Highway Trust Fund
- No Identification of Funding
- Backed by
  - American Society of Civil Engineers
  - Laborers' International Union of North America



#### SIGNIFICANT LOSS OF PURCHASING POWER

Sample of Nominal Prices Relative to Federal Gas Tax, 1993 and 2010

ITEM	UNIT/DESCRIPTION	1993	2010	PERCENT CHANGE
<b>College Tuition</b>	Average Tuition and Required Fees	\$ 3,517	\$ 9,136	160%
Gas	Per Gallon	\$ 1.12	\$ 2.73	144%
Movie Ticket	Average Ticket Price	\$ 4.14	\$ 7.89	91%
House	Median Price	\$ 126,500	\$ 221,800	75%
Bread	Per Pound	\$ 1.08	\$ 1.76	62%
Income	Median Household	\$ 31,272	\$ 49,167	57%
Stamp	One First-class Stamp	\$ 0.29	\$ 0.44	52%
Beef	Per Pound of Ground Beef	\$ 1.57	\$ 2.28	46%
Car	Average New Car	\$ 19,200	\$ 26,850	40%
Federal Gas Tax	Per Gallon	\$ 0.184	\$ 0.184	0%

Sources: U.S. Census Bureau, U.S. Department of Transportation, U.S. Postal Service, U.S. Department of Commerce, U.S. Department of Education, National Association of Theater Owners





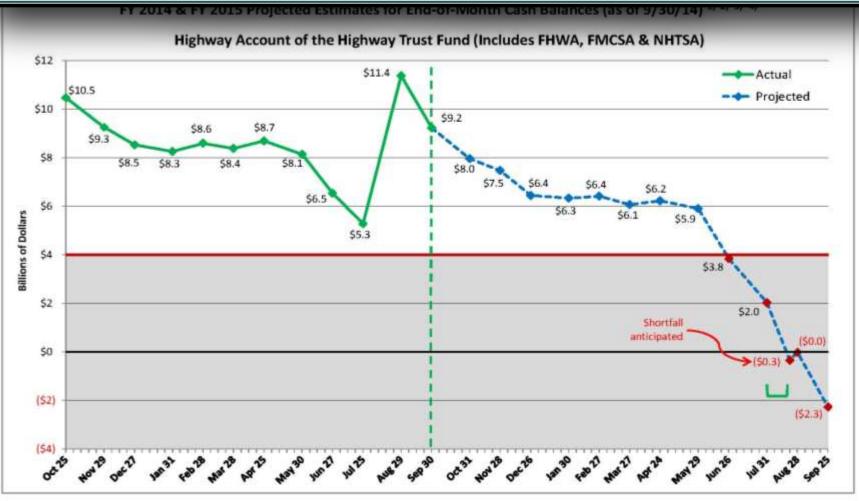
### ILLUSTRATIVELY, SHORING UP HTF WOULD NOT PRESENT AN UNREASONABLE BURDEN

- Average household pays \$46 in federal and state gas tax per month. This is less than per monthly cost of:
  - Electricity and gas: \$160
  - Cell phone: \$161
  - Cable and internet access: \$124
- For example, a 10-cent increase in the federal gas tax translates to \$1.15 more for the average driver per week—an action that would fix the Highway Trust Fund shortfall





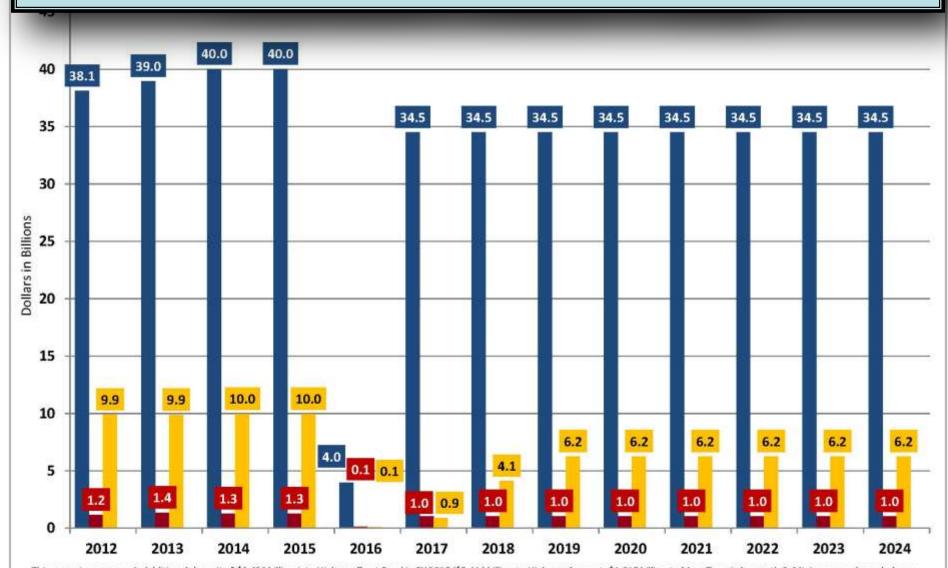
#### **HIGHWAY TRUST FUND**



- 1/ Graph reflects actual data through 9/30/14 and end-of-month projections for FY 2015.
- 2/ Total receipt and outlay projections are based on FY 2015 Mid-Session Review 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.
- 4/ The shaded area represents when the Highway Account balance drops below \$4 billion, at which point cash management procedures may become necessary.

Source: FHWA

#### **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.

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## STATE CASH BALANCE FORECASTING SYSTEM

## MAIN PHILOSOPHY MONEY IN - MONEY OUT OVER A PERIOD OF TIME



## 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)

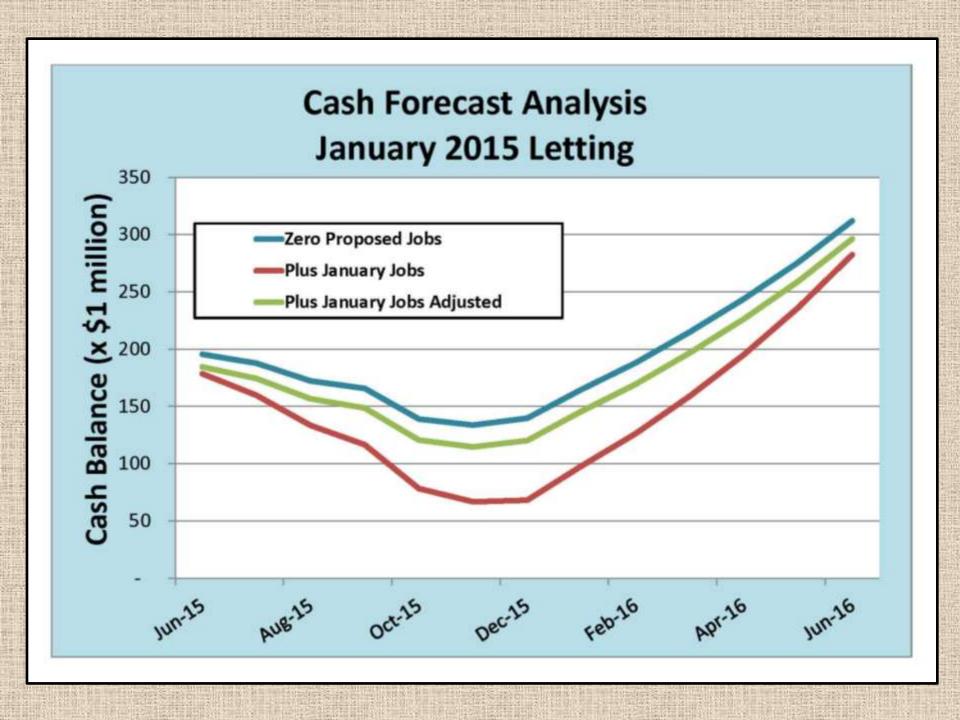
#### **SEASONAL CURVES**

(Historical Seasonal Payout Data)



## State Fiscal Year 2016 Cash Forecast Projects Under Contract + Proposed January Letting

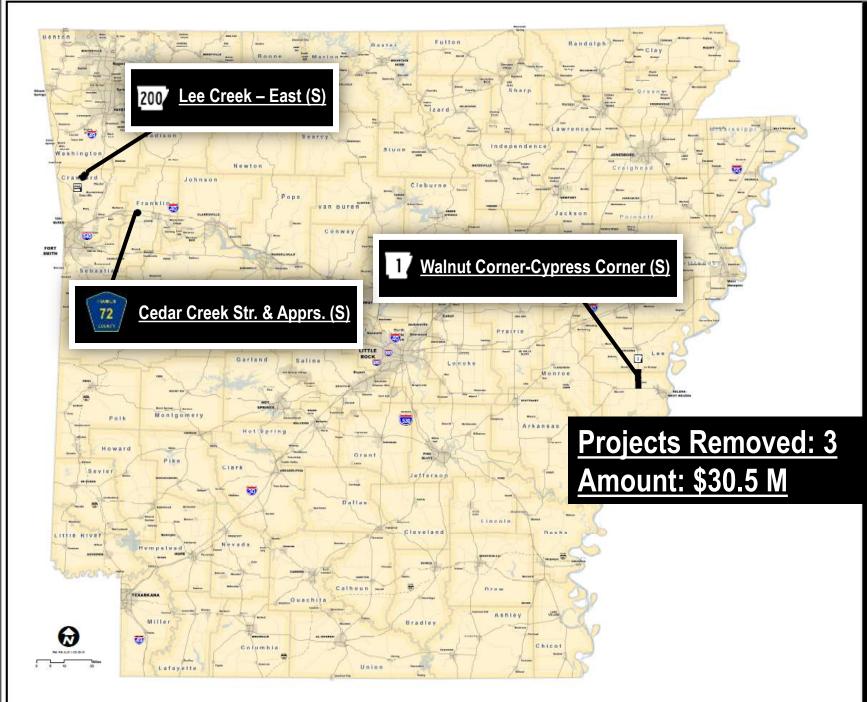
Parinning Cook D	dance	July	August	September	October	November	December	January	February	March	April	May	June	-
Beginning Cash B	alance	\$432,488,737	\$392,509,533	\$377,696,529	\$379,330,666	\$343,475,293	\$323,503,655	\$536,363,578	\$551,386,390	\$555,470,599	\$552,894,461	\$546,631,544	\$541,881,466	
REVENUE		Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Total
Highway User Revenue	Project Variance	31,057,487 33,804,853 (2,747,995)	32,140,888 32,580,218 (439,329)	33,121,211 31,424,389 1,696,822	31,236,308 30,007,632 1,228,676	30,375,165 29,614,608 760,558	29,325,465	32,306,132	27,759,624	30,342,744	33,321,390	30,685,392	31,827,556	373,499,360 373,000,000 499,360
Other State Revenue	Actual Project Variance	9,558,322 4,664,247 4,894,075	5,722,663 3,556,330 2,167,265	11,551,578 5,983,907 5,967,671	26,694,829 4,427,437 22,267,392	6,244,757 5,837,626 407,131	5,392,642	6,139,795	5,925,179	7,624,629	6,345,292	7,319,879	7,389,010	105,908,575 70,605,041 35,303,534
Miscellaneous	Actual Project Variance	693,344 1,766,374 (1,073,030)	190,039 1,150,240 (960,201)	182,238 1,443,625 (1,261,388)	1,103,907 2,17,41 (1,7-8,5)	2,611,967 1,517,0 1,094,78	23 368 509	95 66	.047.618	1,378,697	1,415,235	1,409,877	1,706,783	243,765,770 247,669,112 (3,903,342)
Other Federal	Actual Project Variance	2,758,900 2,551,880 207,020	2,902,242 2,318,490 583,752	2,745,168 2,676,476 68,692	2,499,369 1,819,397 679,969	2,502,746 3,299,411 (796,665)	2,335,294	3,022,975	3,040,962	2,472,088	2,607,408	3,800,209	3,055,379	33,742,738 32,999,969 742,769
Federal Ald	Actual Project Variance	43,946,939 70,557,063 (26,610,124)	57,924,941 85,748,741 (27,823,800)	62,443,165 76,745,804 (14,302,639)	40,641,139 86,823,007 (46,181,868)	36,495,566 74,617,506 (38,121,940)	66,673,442 2,130,791	42,012,563 1,595,278	33,610,022 2,004,642	51,964,995 3,549,843	67,514,923 6,417,040	74,875,915 9,030,971	74,626,579 10,965,206	652,730,189 805,770,561 (153,040,372)
RRB	Actual Project Variance		493,473 493,473	672,666 137,73 <del>8</del> 534,928	776,747 830,330 (53,582)	766,817 766,602 216	337,731	230,518	201,923	97,277	206,707	199,560	192,621	4,175,041 3,200,006 975,034
RRC	Actual Project Variance	13,507 (13,507)	124,621 13,507 111,114	13,507 (13,507)	13,507 (13,507)	13,507 (13,507)	13,507	13,507	13,507	13,507	13,507	13,507	13,507	219,171 162,085 57,086
REVENUE TOTAL	Actual Project Variance	88,014,992 113,357,924 (25,342,932)	99,498,869 125,366,594 (25,867,725)	110,716,025 118,425,446 (7,709,421)	102,952,296 126,728,725 (23,776,429)	78,996,919 115,666,340 (36,669,421)	336,877,381	86,678,423	73,603,476	97,443,779	117,841,503	127,334,311	129,776,641	1,414,040,845 1,569,100,544 (119,365,929)
EXPENSES		Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Total
Administration		2,136,505	1,252,818	1,606,468	1,968,792	1,342,053	1,679,174	1,413,143	1,338,562	1,330,863	1,397,127	2,217,172	1,996,539	19,679,205
<b>Budgeted Construction</b>		5.452,769	7,565,711	5,847,053	8,367,588	6,587,687	6,208,825	4,993,082	5,067,011	5,070,119	5,761,651	8,362,666	8,015,837	77,300,000
Operations		2,186,192	2,236,387	2,320,380	3 337,497	2,617,322	3,469,040	3 122 761	3.131,141	3 253 500	4,250,870	3,620,881	5,346,196	38,892,176
Maintenance		10,576,864	12,75,400	13,1 3,052	18,411, 9	14,37 566	1 22,4	14 62 491	14 65 45	8 926 967	5,962,950	16,048,864	19,666,783	179,608,369
Construction Jobs		96,890,768	74,900,670	64, 3,824	B9 1109	58,71 807	103	2 12019	2/157	5,809,735	7,412,488	82,733,729	79,369,576	812,880,174
Construction		13,373,805	9,986,041	11,200,100	0,670,650	0,000,441	8,240,111	0,277,071	4.000.070	3,302,113	10,949,794	9,857,351	9,050,701 3,607,744	118,199,539
Right of Way		4,059,916 1,731,404	2,459,980 1,911,962	1,832,875 1,731,985	2,670,056 956,090	3,348,671 2,020,593	2,635,101 1,221,729	2,131,374 1,699,323	1,952,878	3,790,981	2,677,703 1,072,726	3,832,721 1,743,534	1,623,010	35,000,000 18,582,128
Public Transportation Debt Service		1,731,404	1,911,962	8,798,882	1,646,213	1,415,328	4,230,739	4,343,847	4.236,001	4.244.457	4,619,111	4,667,471	3,988,051	45,000,000
EXPENSE TOTAL		127,994,595	114,316,424	111,397,934	138,335,669	99,041,467	124,017,458	71,655,611	69,519,267	100,019,917	124,104,420	132,084,389	132,654,439	1,345,141,591
Ending Cash Balan	ce	\$392,509,533	\$377,696,529	330,66	\$3 47. 93	\$3,503,65	36,363	51,386,390	\$55 70,5	our 194, I	\$546,631,544	\$541,881,466	\$539,003,669	
Remaining Bond			->			753,48	10,44 46	95,049,6	39 18 9	382,054,	370,604,605	354,256,734	343,476,771	
And Bulletin and the second						200	A100 A100 A100 A100 A100 A100 A100 A100	W 40	W 1000			(Allered September 1997)	112000000000000000000000000000000000000	



#### **HIGHWAY TRUST FUND**

January "No Go" List

ROAD	1				
CLOSED	District	County	Route	Job Name	Estimate
Name and Address of the Owner, where the Owner, which is the Owner, where the Owner, which is the Owner	1	Lee & Phillips	1	Walnut Corner – Cypress Corner (Widening)	\$25,000,000
	4	Crawford	220	Lee Creek-East (Surfacing)	\$5,000,000
	4	Franklin	CR 72	Cedar Creek Str. & Apprs.	\$500,000
			*****	Total	\$30,500,000

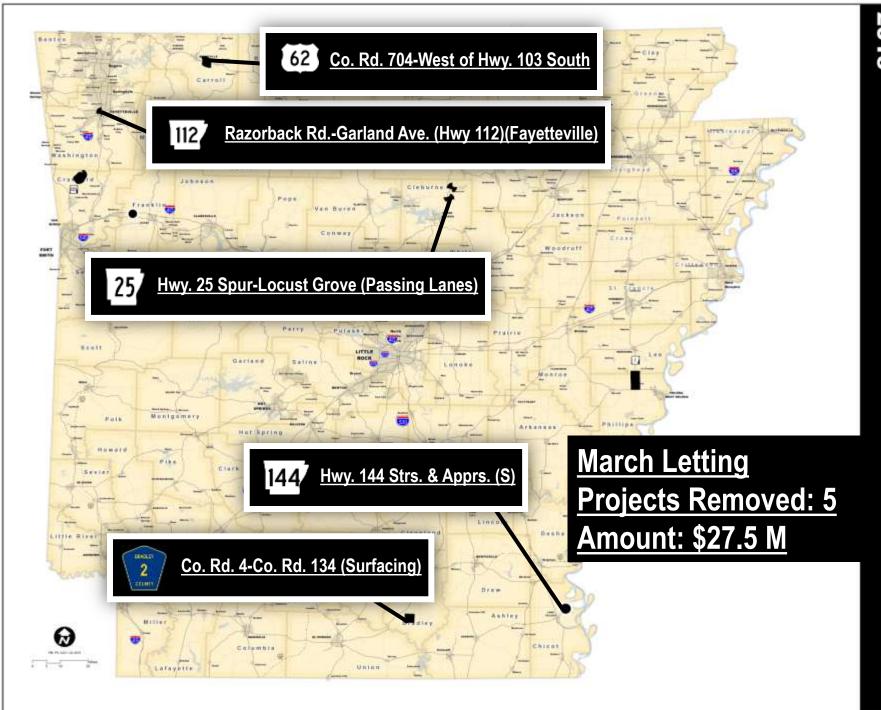




#### **HIGHWAY TRUST FUND**

March "No Go" List

ROAD					
CLOSE	District	County	Route	Job Name	Estimate
CLUSE	2	Chicot	144	Hwy. 144 Strs. & Apprs.	\$2,000,000
	4	Washington	112	Razorback RdGarland Ave. (Widening)	\$2,500,000
	5	Cleburne	25	Hwy. 25 Spur-Locust Grove (Passing Lanes)	\$5,000,000
	9	Carroll	62	Co. Rd. 704-West of Hwy. 103 South (Widening)	\$17,000,000
TARREST OF	7	Bradley	CR 2	Co. Rd. 4-Co. Rd. 134 (Surfacing)	\$1,000,000
		Married Married		Total	\$27,500,000





#### **Impacts to Arkansas**

January Letting
March Letting

3 Projects Removed

**5 Projects Removed** 

\$30.5 million

\$27.5 million



#### POTENTIAL RISK

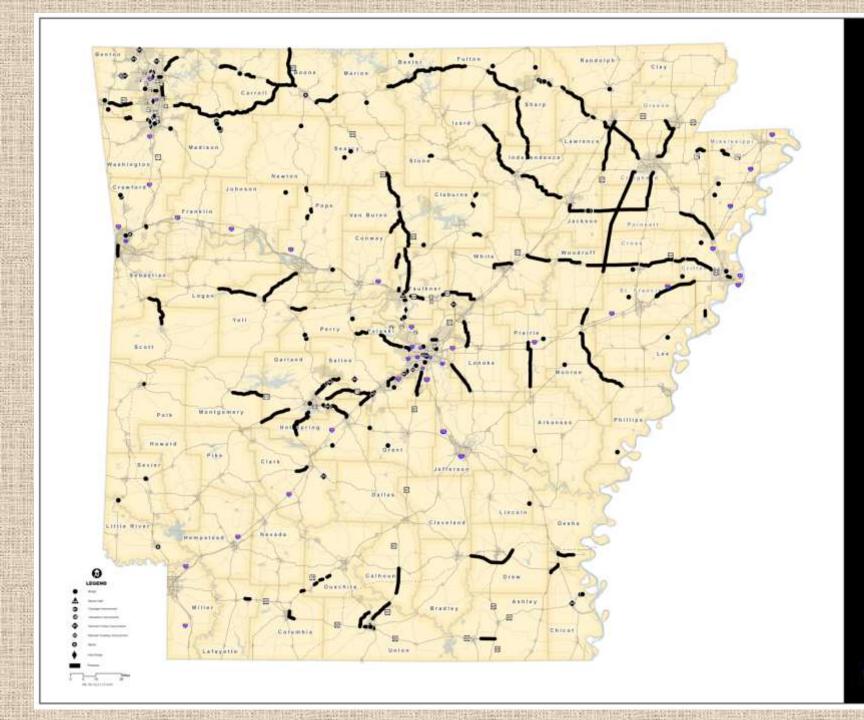
#### FFY 2015

120 Projects \$490 Million

#### **FFY 2016**

130 Projects \$520 Million





#### **Actions Addressing Highway Trust Fund**

### NATION AT Crossroads

Without a strong transportation network, America goes nowhere.

And without federal investment, our system falls apart.

What happens to our economic future if the Highway Trust Fund (HTF) dead-ends?

https://invest.transportation.org/

#### Federal Lands Access Program (FLAP)



Highway 220
Crawford and Washington Counties
Lee Creek – Devil's Den
Reconstruct and Surface Gravel Road



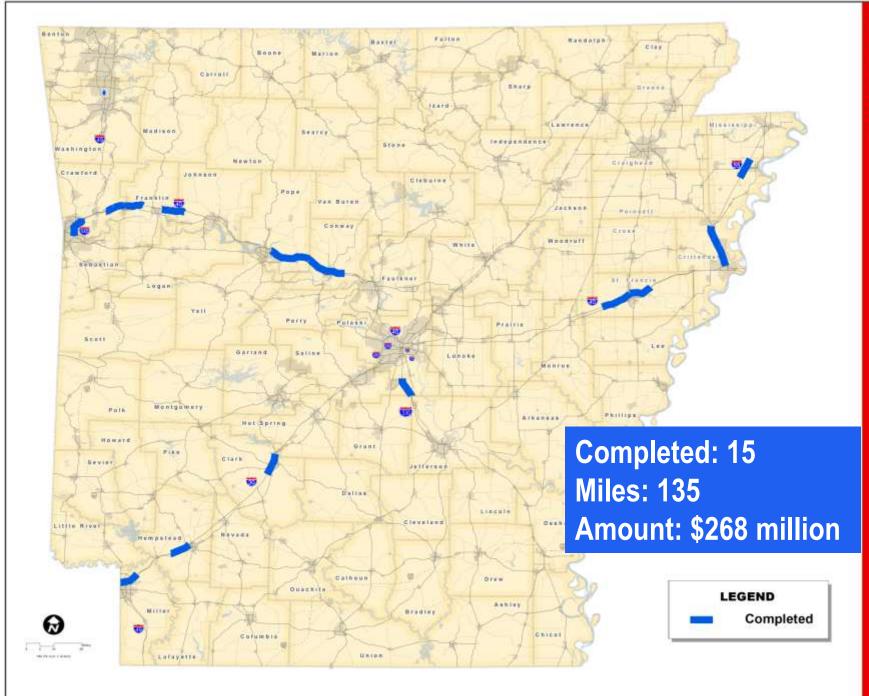
### Item 5

2011 Interstate Rehabilitation Program
Connecting Arkansas Program
State Aid City Street Program

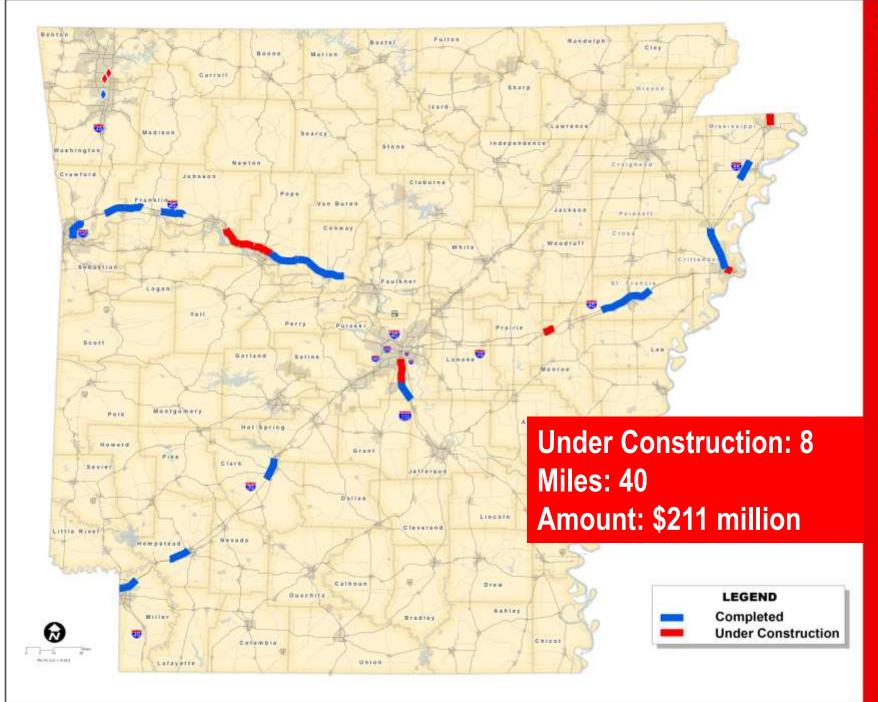


## **Job Status**

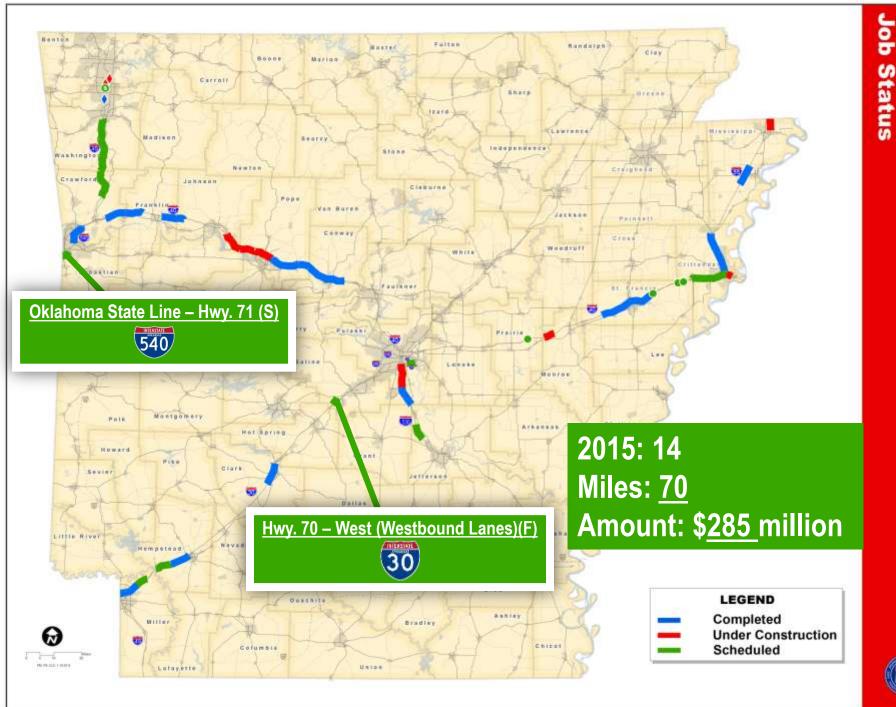




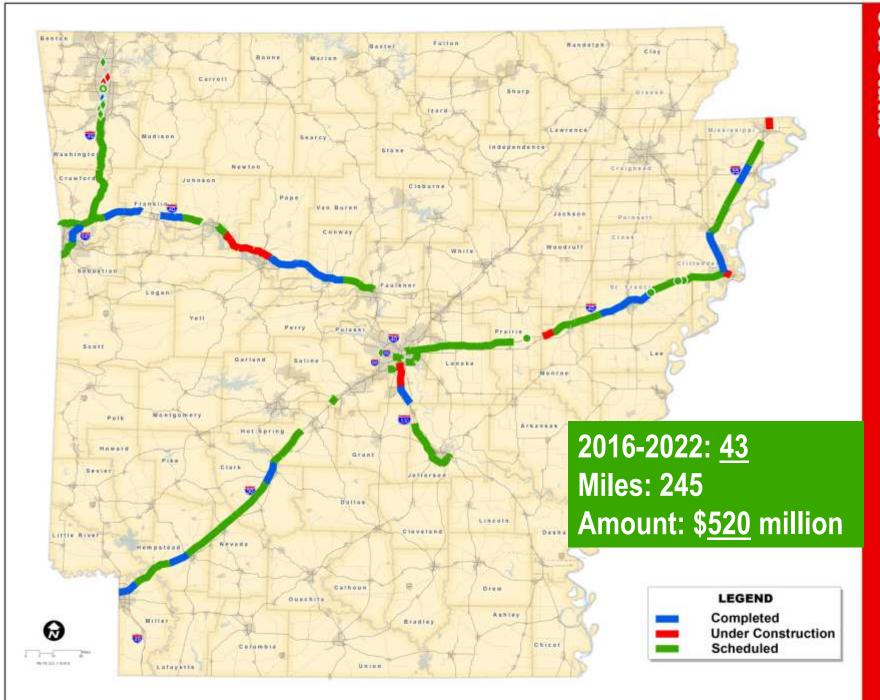






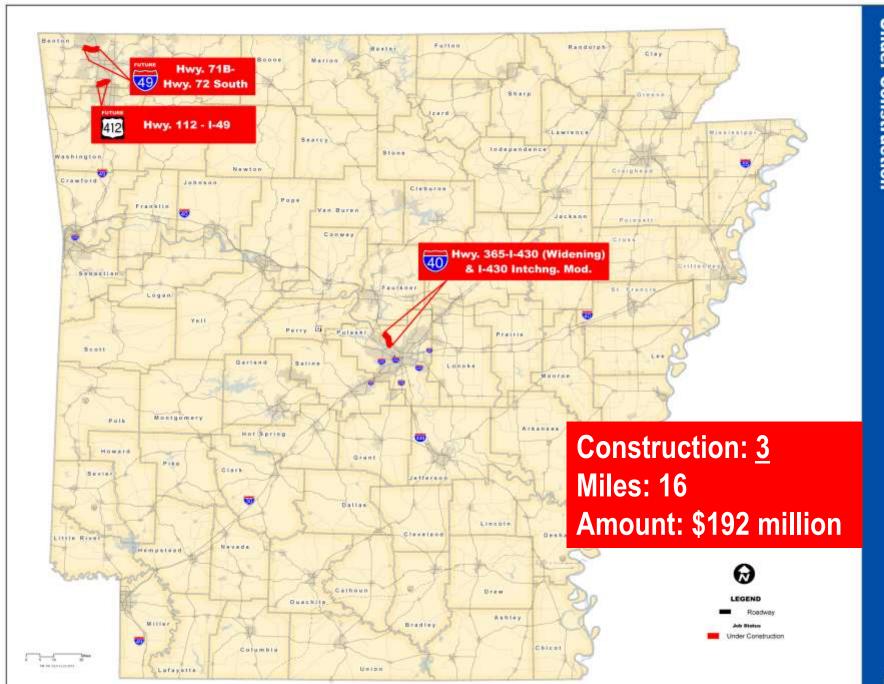










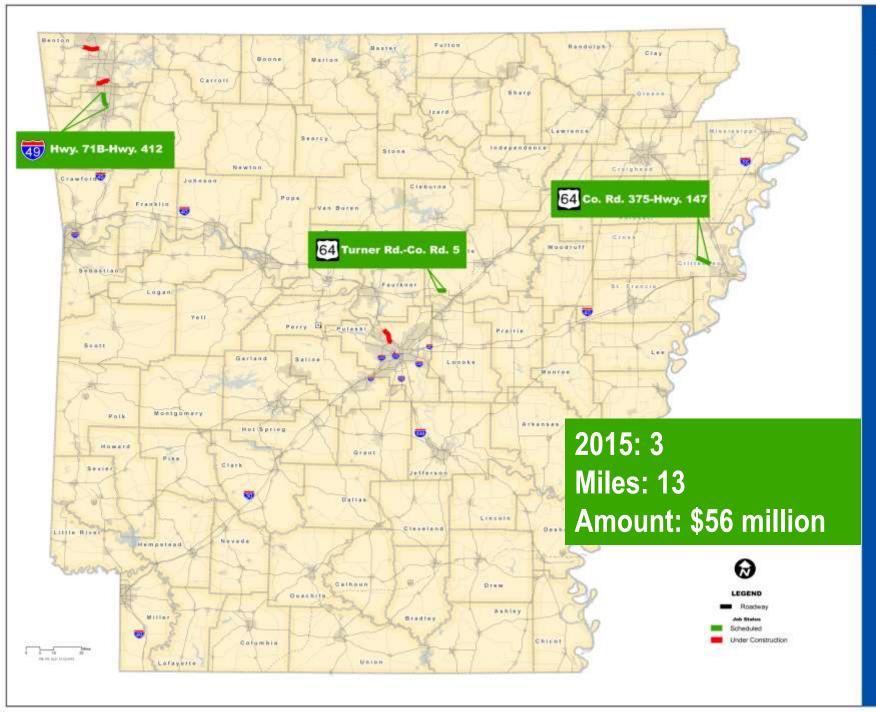


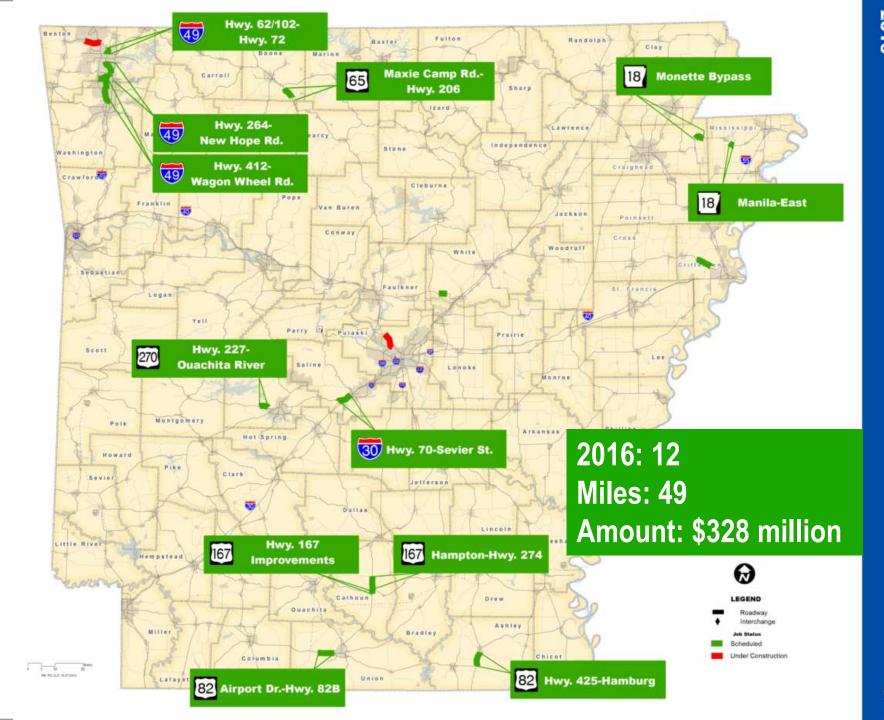




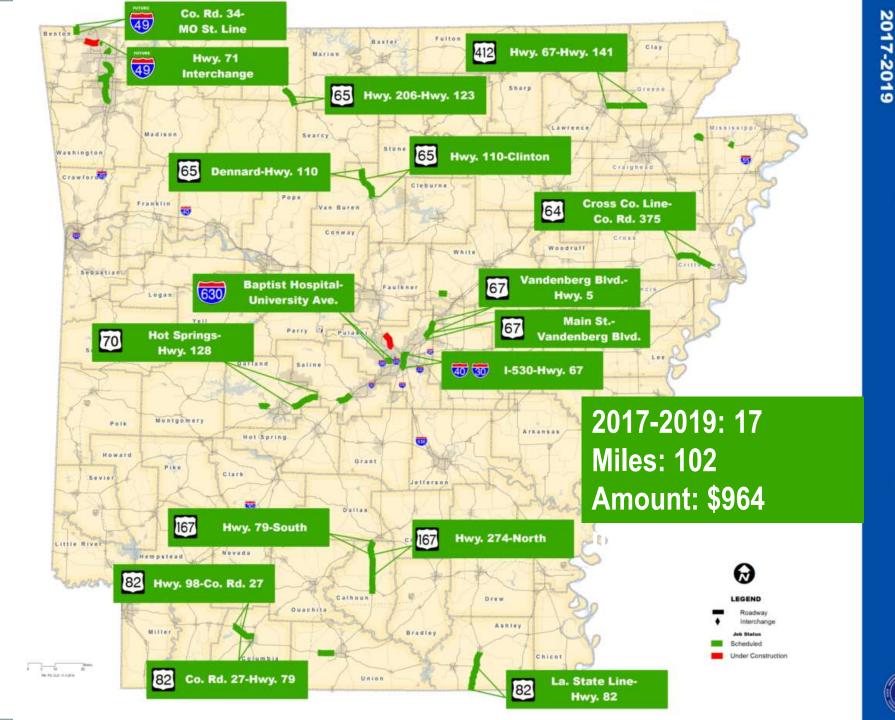


























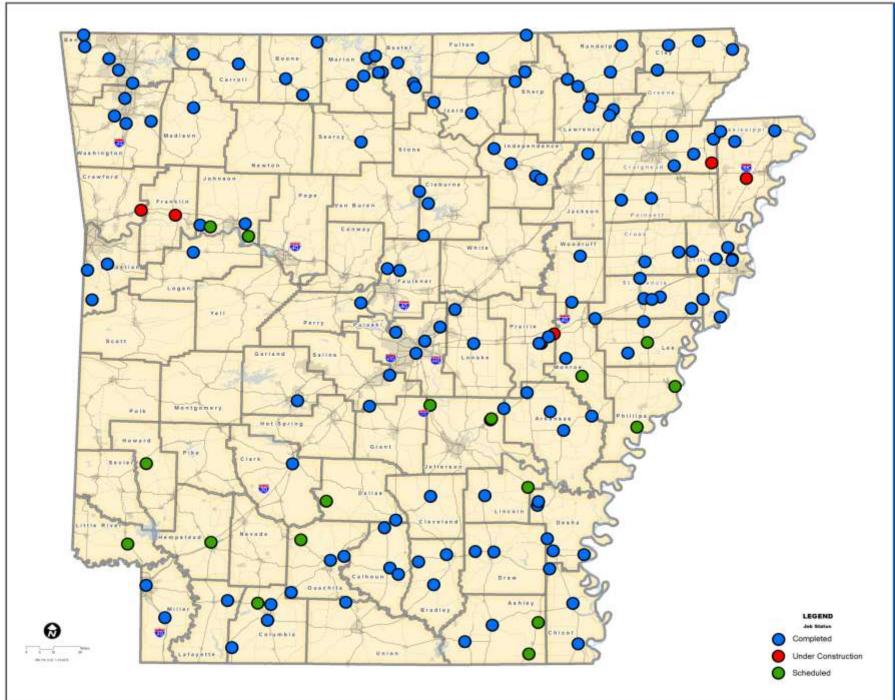




State Aid
City Street Program







## Item 6 90th General Assembly (Status Report)



- Appropriation Bills filed January 20
- Bills of Interest Filed to Date:
  - ✓ HB1048 by Representative Kim Hendren
  - ✓ HB1111 by Representative Warwick Sabin
  - √ SB61 by Senator Bill Sample

#### **AHTD Legislative Package**

#### To Be Filed This Week

- √ Children's Education Activity Leave
- ✓ Design-Build/Design-Build Finance
- ✓ Airport Highway Additions
- ✓ Good Neighbor Policy
- ✓ License Plate Scanners
- ✓ Property Transfer Law
- ✓ Attorneys' Fees for Eminent Domain
- ✓ Mediation
- √Garnishment of Tax Refunds

- ✓ Oversize/Overweight Permit Fees
- √ Public-Private Partnerships
- ✓ Registration Fee for All-Electric Vehicles
- ✓ Equivalent Tax Rate for Alternative Fuels
- ✓ Vehicle Miles Traveled Tax
- ✓ State Infrastructure Bank
- ✓ Road User Distribution



#### **Weekly Meetings**

House Public Transportation Committee Meeting

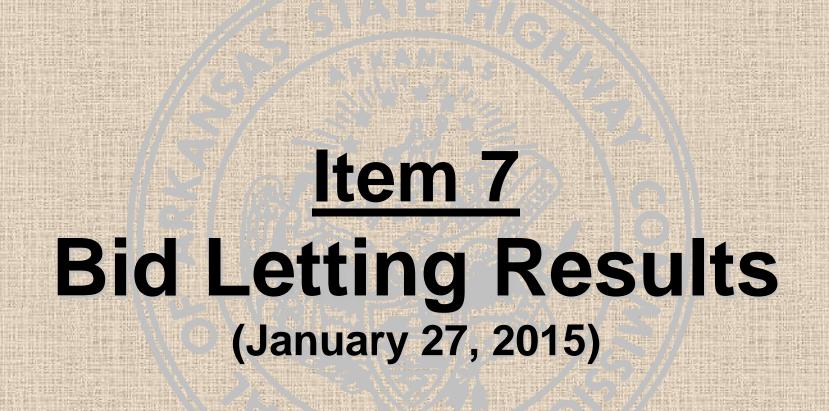
Tuesdays and Thursdays 10:00 a.m. Room B, MAC Building



#### Weekly Meetings

Senate Committee on Transportation, Technology & Legislative Affairs

Wednesdays
Upon Adjournment of Senate
Room 309, Capitol



#### Summary of the January 27th Bid Letting

Type Projects	Number of Projects	Bid Amount
State	5	\$27,656,450.66
City	13	\$4,224,618.86
Total	18	\$31,881,069.52



## Details of the January 27<sup>th</sup> Bid Letting State Projects

Route	Job Name	Apparent Low Bidder	Bid Amount
165	Hwy. 208-Hwy. 65 (Rehab.)(Sel. Secs.) (Phase I)	Johnsville Company, LLC	\$1,509,813.75
INTERSTATE ANDARGAS	Oklahoma State Line-Hwy. 71	Diamond Surface, Inc.	\$1,630,714.83
30	Hwy. 70-West (Westbound Lanes)	Koss Construction Co.	\$16,602,205.04
201	Hwy. 62-Hwy. 5 (Mountain Home)	Dilbeck Excavation, Inc.	\$4,471,950.92
VAR	Shoulder Rumble Strips/Stripes (Sel. Secs.) (Dists. 2, 3, 7)	Surface Preparation Technologies, LLC	\$3,441,766.12

### Details of the January 27<sup>th</sup> Bid Letting <u>City Street Projects</u>

Job Name	Apparent Low Bidder	Bid Amount
Portland & Wilmot Overlay (Sel. Secs.)	Pine Bluff Sand & Gravel Co.	\$374,964.30
Waldo Overlay (Sel. Secs.)	Jet Asphalt & Rock Co., Inc.	\$248,764.00
Sparkman Overlay & Rehab. (Sel. Secs.)	Jet Asphalt & Rock Co., Inc.	\$273,943.97
Hope Overlay (Sel. Secs.)	C & F Const. Co., Inc.	\$299,935.70
Dierks Overlay (Sel. Secs.)	C & F Const. Co., Inc.	\$203,579.50
Redfield Overlay (Sel. Secs.)	Redstone Const. Group, Inc.	\$236,330.06
Wabbaseka Overlay (Sel. Secs.)	Redstone Const. Group, Inc.	\$179,209.36

### Details of the January 27<sup>th</sup> Bid Letting <u>City Street Projects</u>

Job Name	Apparent Low Bidder	Bid Amount
Knoxville & Hartman Overlay (Sel. Secs.)	Blackstone Construction, LLC	\$363,784.53
Gould Overlay (Sel. Secs.)	Riley Paving Co.	\$276,426.00
Ashdown Overlay (Sel. Secs.)	C & F Const. Co., Inc.	\$289,525.50
Chidester Pleasant Hill Rd. & Tates Bluff Rd. Overlay	Jet Asphalt & Rock Co., Inc.	\$254,777.64
Marianna & Helena – West Helena Overlay (Sel. Secs.)	Crisp Contractors, Inc.	\$629,850.30
Elaine & Holly Grove Overlay (Sel. Secs.)	APAC-Tennessee, Inc.	\$593,528.00

## Item 8 Other Business & Discussion

# Arkansas State Highway Commission Meeting

Wednesday, January 28, 2015