

# Arkansas State Highway and Transportation Department



**Springdale Chamber of Commerce  
Leadership Springdale  
Tuesday, February 3, 2015**

# Arkansas Highway Commission

**Dick Trammel, Chairman – Rogers**

**Thomas B. Schueck, Vice Chairman – Little Rock**

**Robert S. Moore Jr., – Arkansas City**

**Frank D. Scott Jr., – Little Rock**

**Dalton Alec Farmer, Jr. - Jonesboro**



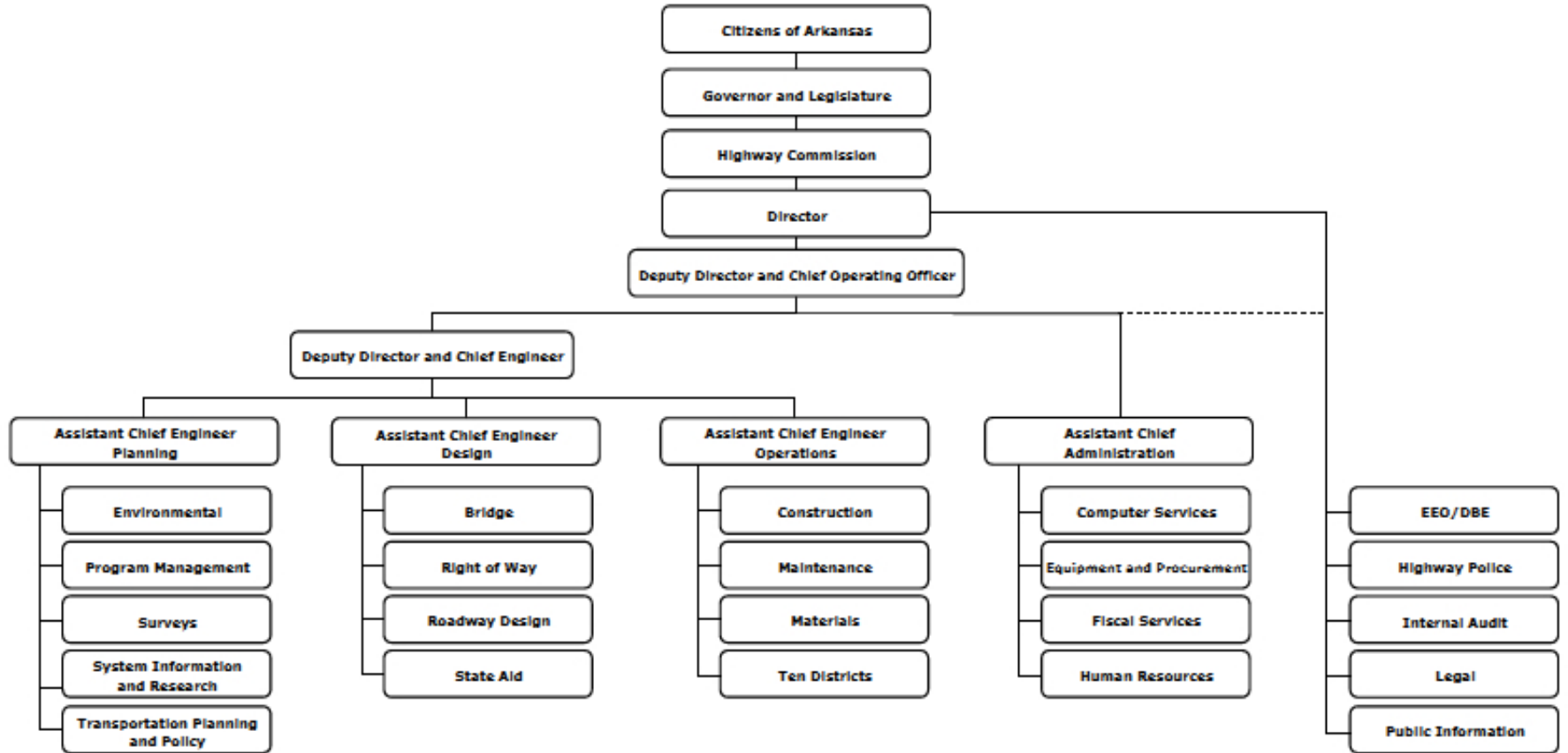
# Department Staff

- Scott E. Bennett** - Director of Highways and Transportation
- Lorie H. Tudor** - Deputy Director and Chief Operating Officer
- Emanuel Banks** - Deputy Director and Chief Engineer
- Kevin Thornton** - Assistant Chief Engineer-Planning
- Michael Fugett** - Assistant Chief Engineer-Design
- Tony Sullivan** - Assistant Chief Engineer-Operations
- Rita Looney** - Chief Legal Counsel
- Larry Dickerson** - Chief Fiscal Officer
- Mike Sebren** - State Construction Engineer
- Joe Sartini** - State Maintenance Engineer
- Crystal Woods** - Division Head, Human Resources
- Ron Burks** - Chief, Highway Police
- Randy Ort** - Public Information Officer





# Organizational Chart





# AHTD *Quick Facts*

- 3rd Largest State Agency (3,634 employees)
- Maintain 16,416 miles of highway and 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.



# Highway Districts



District Headquarters





# Other Programs/Activities

State Aid Programs for Cities and Counties

Game & Fish Roads

State Park Roads

Institutional Roads

Airport Access Roads

Welcome Centers & Rest Areas

Arkansas Recreational Trails

Transportation Alternatives Program







# Other Programs/Activities

Arkansas Commercial Truck Safety and Education Program

Historic Bridge Program

Adopt-A-Highway Program

Litter Hotline

Public Transportation Programs

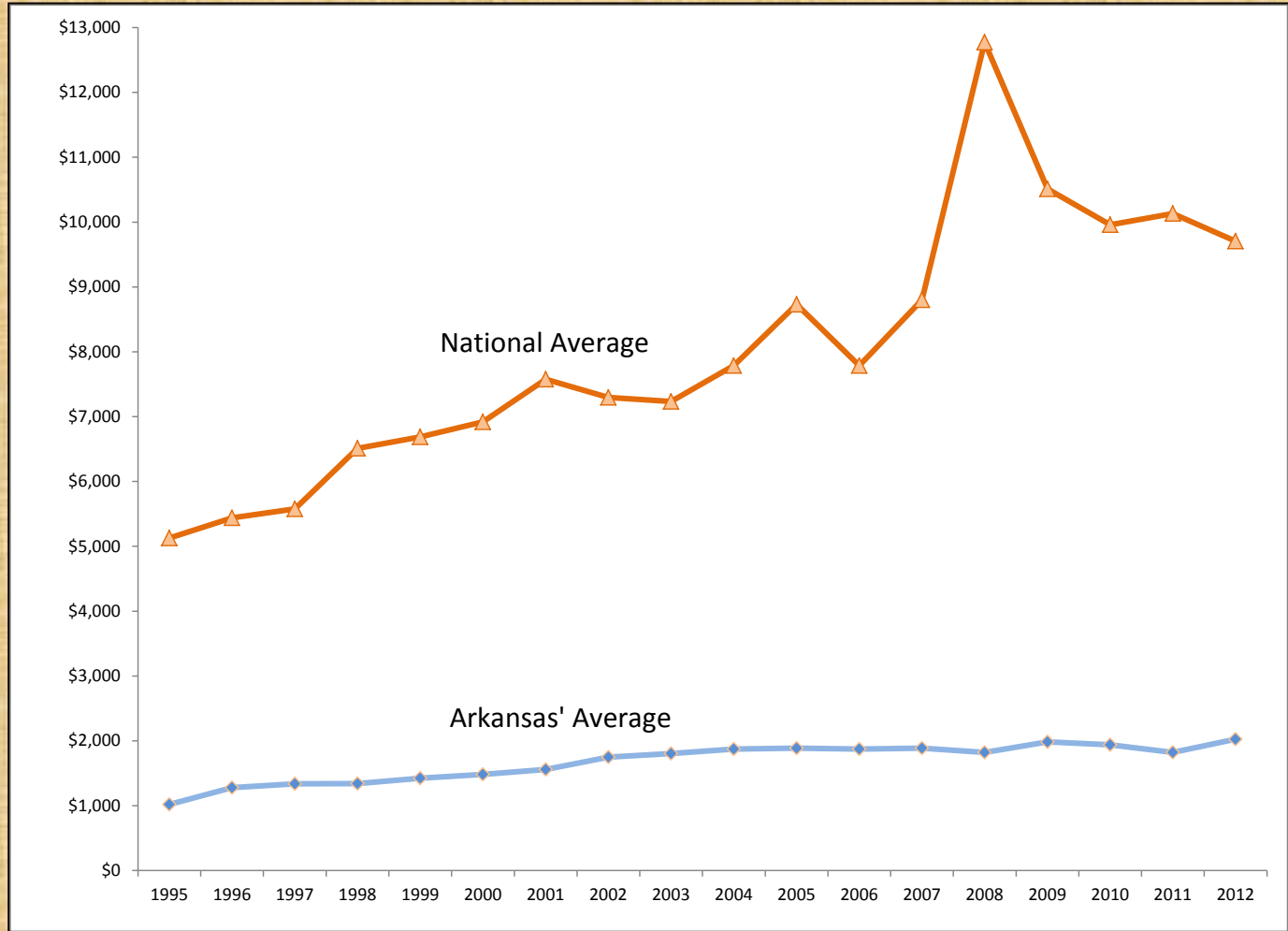
Wildflower Program

Research Grants to State Universities

Scholarships for Engineering Students



# AHTD Administrative Costs Per Mile



National Average = \$9,705/mile

Surrounding States' Average = \$4,905/mile

Arkansas = \$2,024/mile

Arkansas' Rank = 48<sup>th</sup>





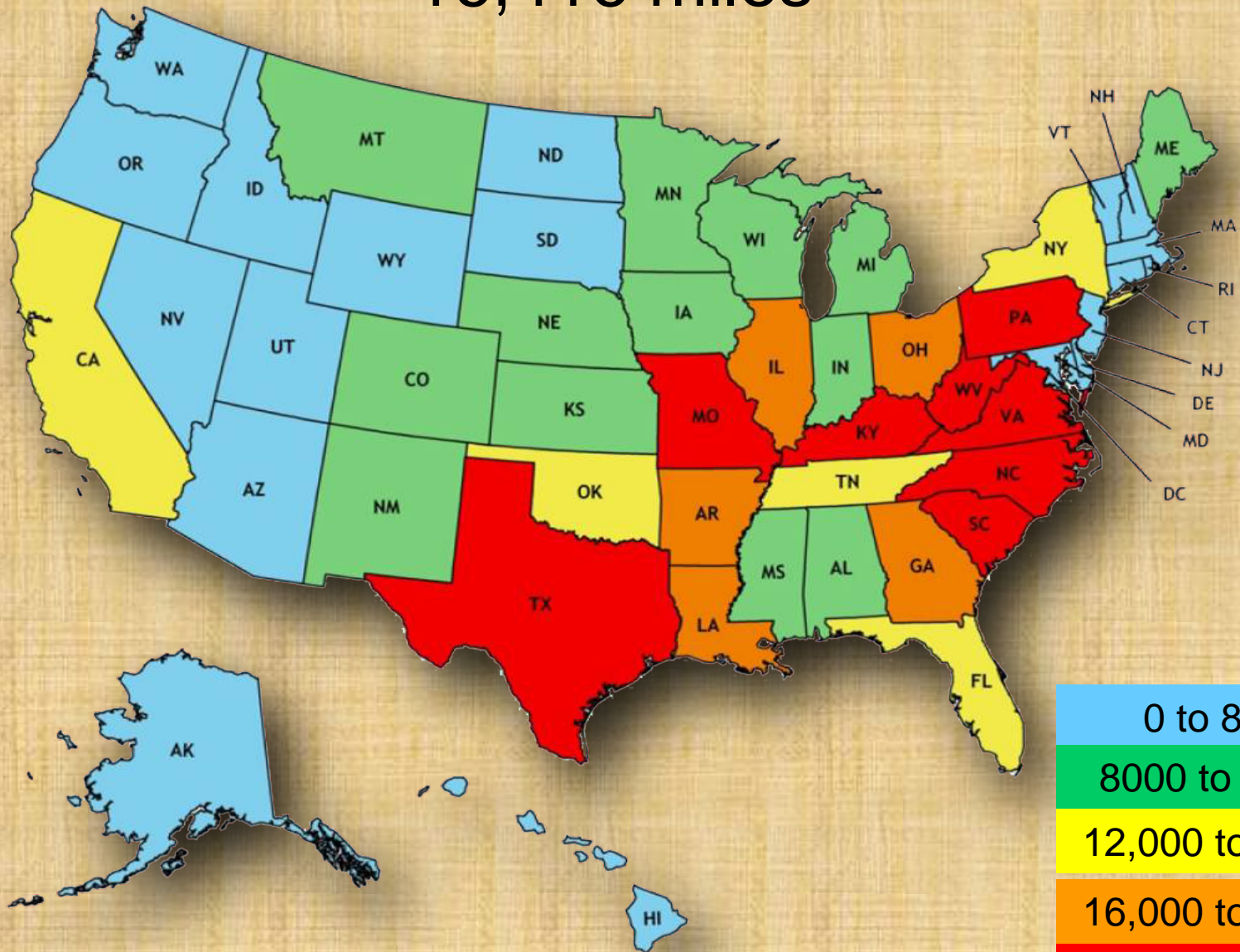
# Employment Levels

Year	Employees
2014	3,634
2002	3,801
1992	4,016
1982	3,770
1972	3,892
1965	3,620

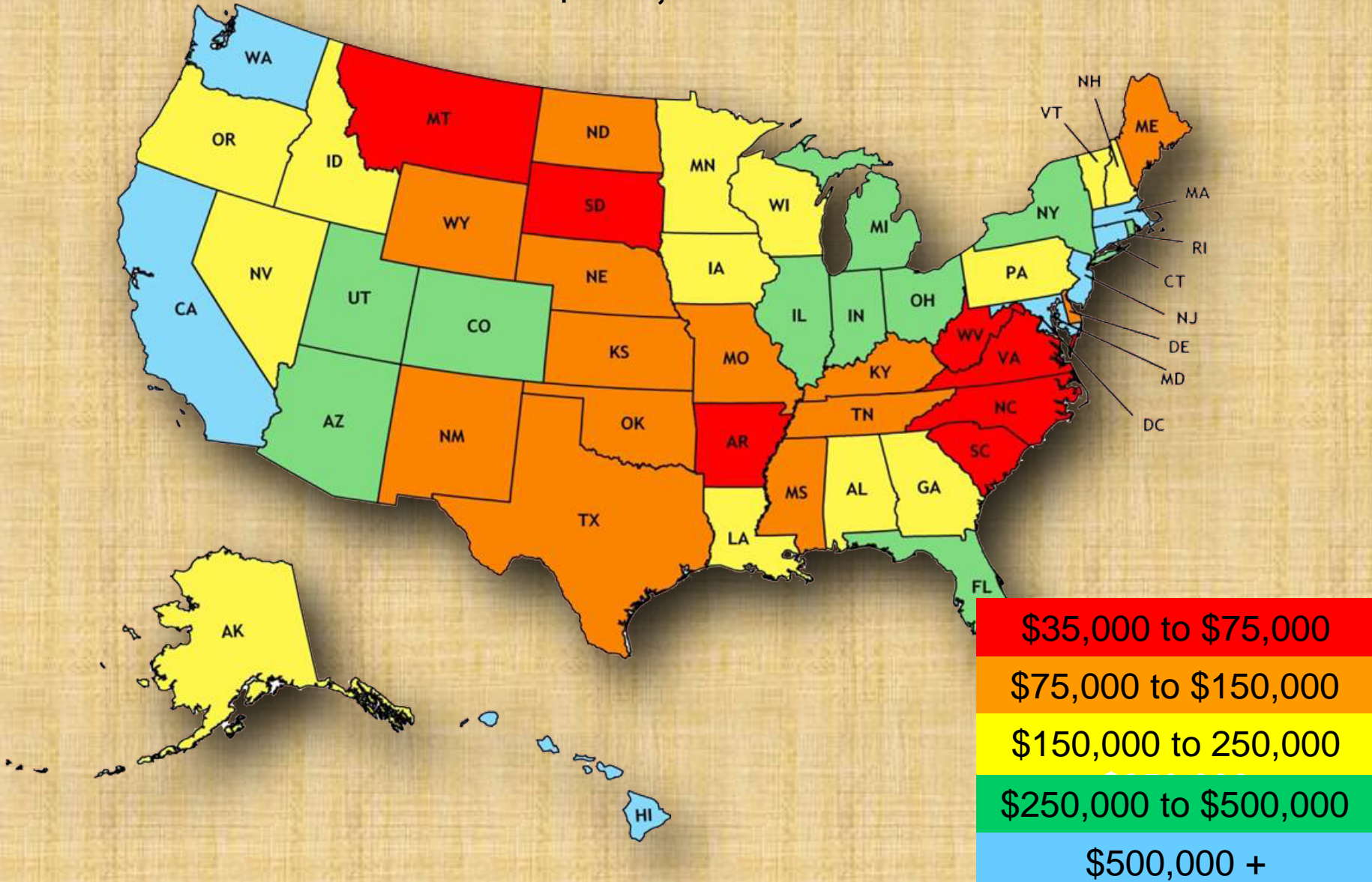




# Arkansas ranks 12<sup>th</sup> in number of miles 16,416 miles



# Arkansas ranks 44<sup>th</sup> in revenue per mile \$71,494



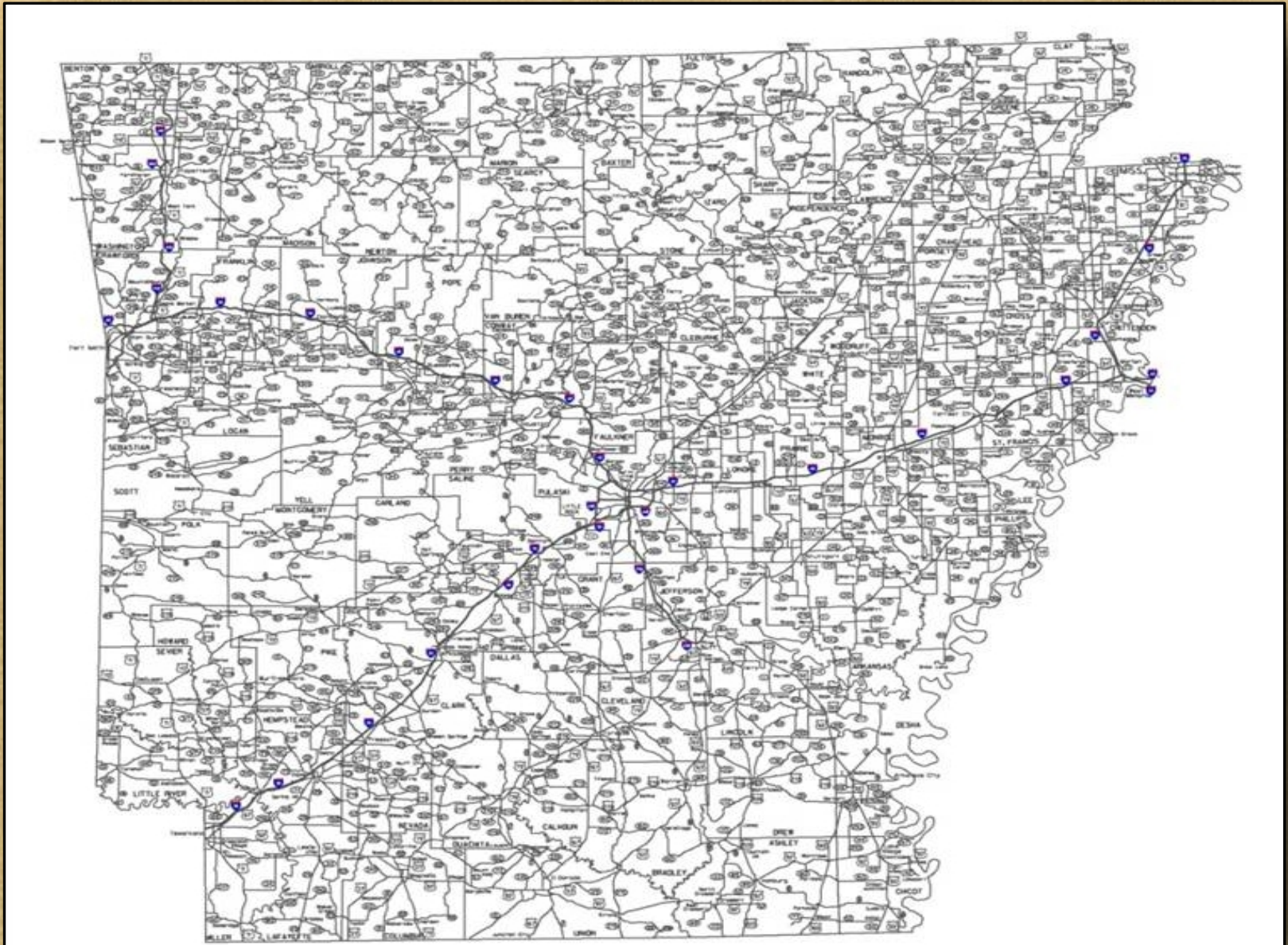


# State Highway Systems

State	Mileage
<b>Arkansas</b>	<b>16,416</b>
Illinois	16,161
California	15,225
New York	15,033
Tennessee	13,793
Florida	12,084

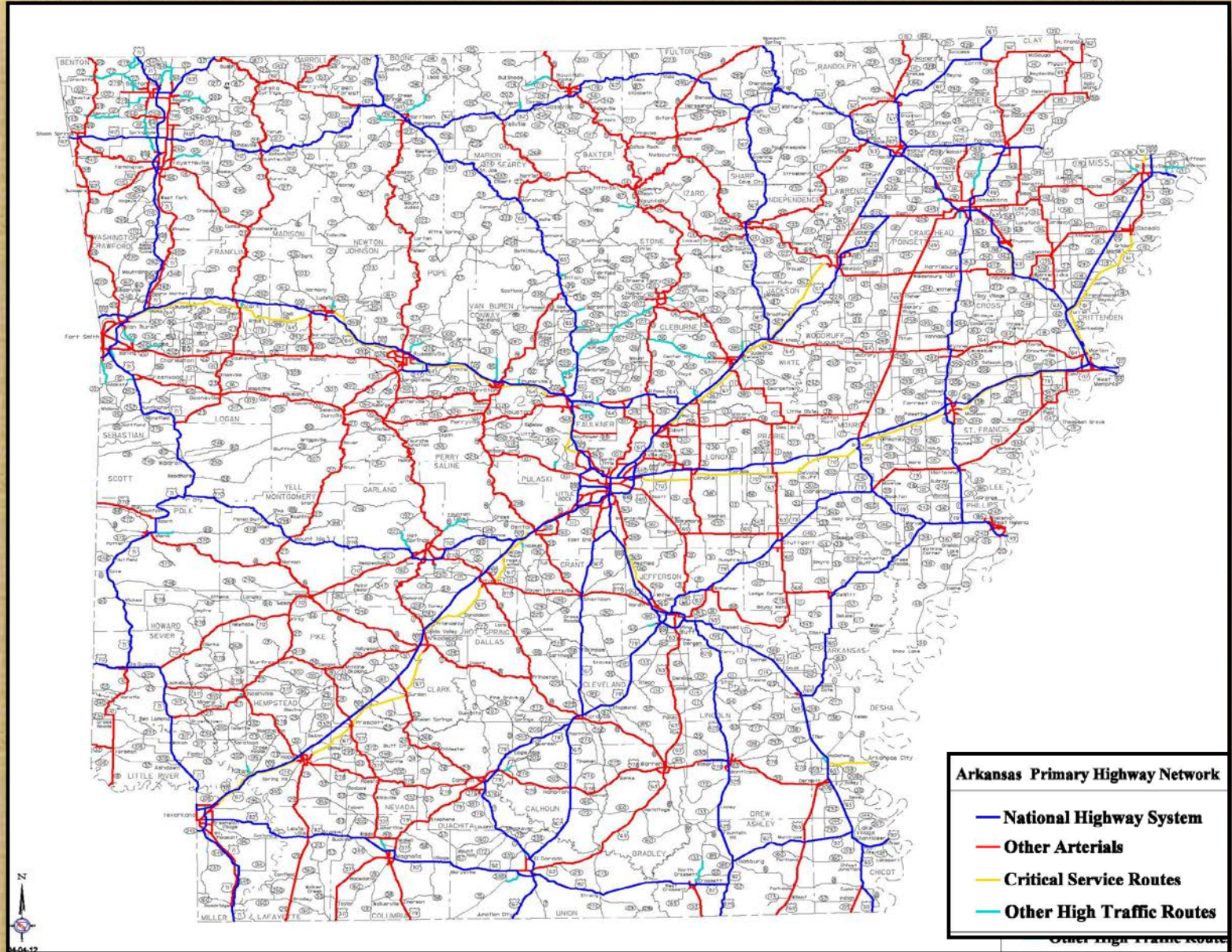


# Arkansas Highway System



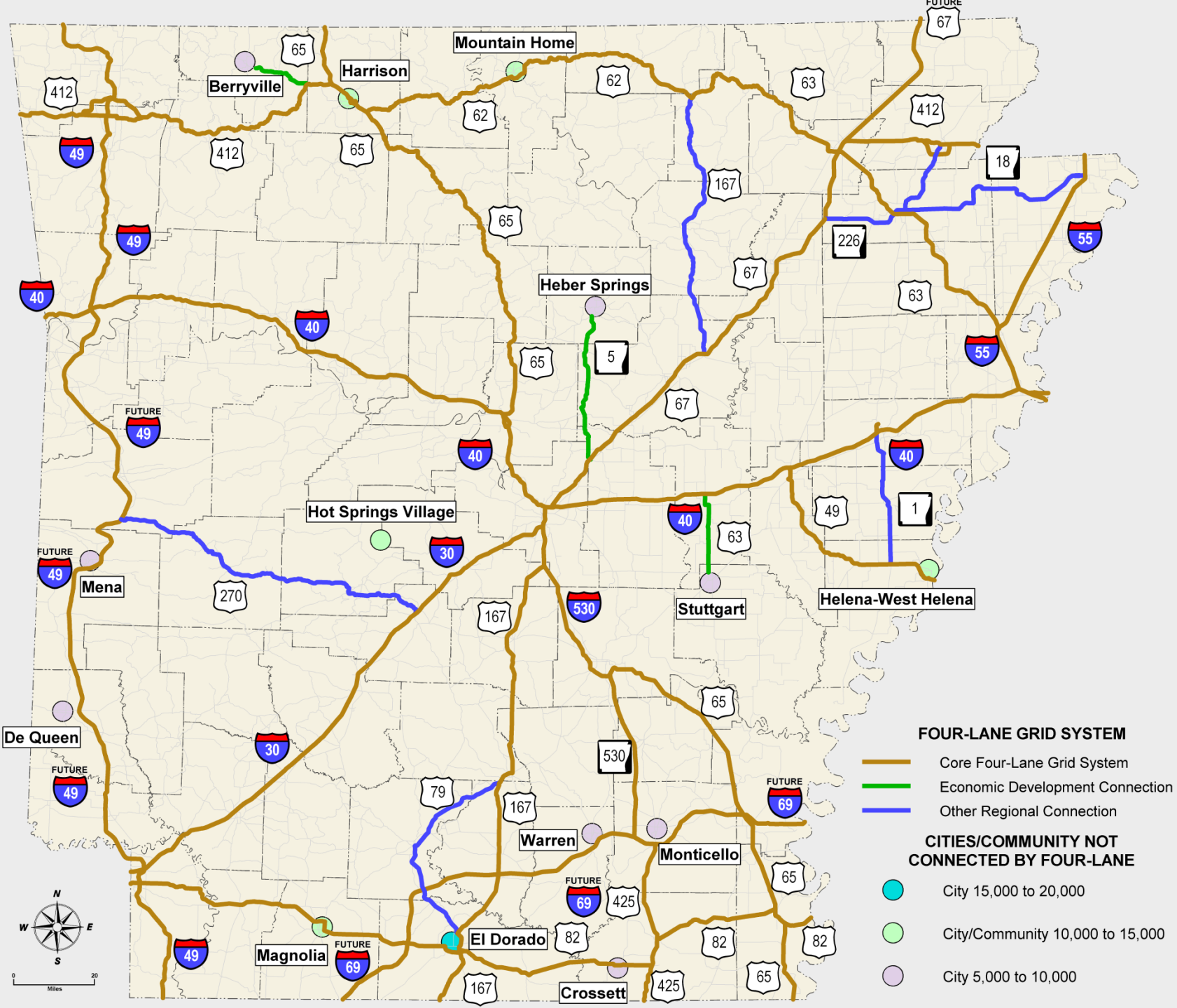


# Arkansas Primary Highway Network





# 4-Lane Grid System







# Challenges

➤ **12<sup>th</sup>** largest system in the country

➤ **44<sup>th</sup>** in highway revenue per mile.

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➤ **\$20.4 billion** in needs

➤ **\$3.6 billion** in available revenue



# Improvements vs. Revenues

## 10 Year Projection

(x \$1 million) (Revenue and Needs are in 2014 Dollars)		
<b>ESTIMATED FEDERAL-AID AND STATE REVENUE</b>	<b>\$</b>	<b>3,555</b>
<b>NEEDS</b>		
	<b>AMOUNT</b>	
PAVEMENT	\$	3,060
BRIDGES	\$	1,102
CAPACITY	\$	2,880
SAFETY	\$	700
EQUIPMENT	\$	180
FACILITIES	\$	62
ITS	\$	27
<b>SUB-TOTAL</b>	<b>\$</b>	<b>8,011</b>
<b>CAPITAL IMPROVEMENT</b>		
	<b>AMOUNT</b>	
FOUR LANE GRID SYSTEM	\$	11,300
NEW LOCATION / NEW OR MODIFIED INTERCHANGES	\$	820
OTHER MAJOR WIDENING	\$	230
<b>SUB-TOTAL</b>	<b>\$</b>	<b>12,350</b>
<b>GRAND TOTAL</b>	<b>\$</b>	<b>20,361</b>
<b>SHORTFALL</b>	<b>\$</b>	<b>(16,806)</b>

Per Gallon Tax is **primary funding** source  
for highways

Fuel Consumption

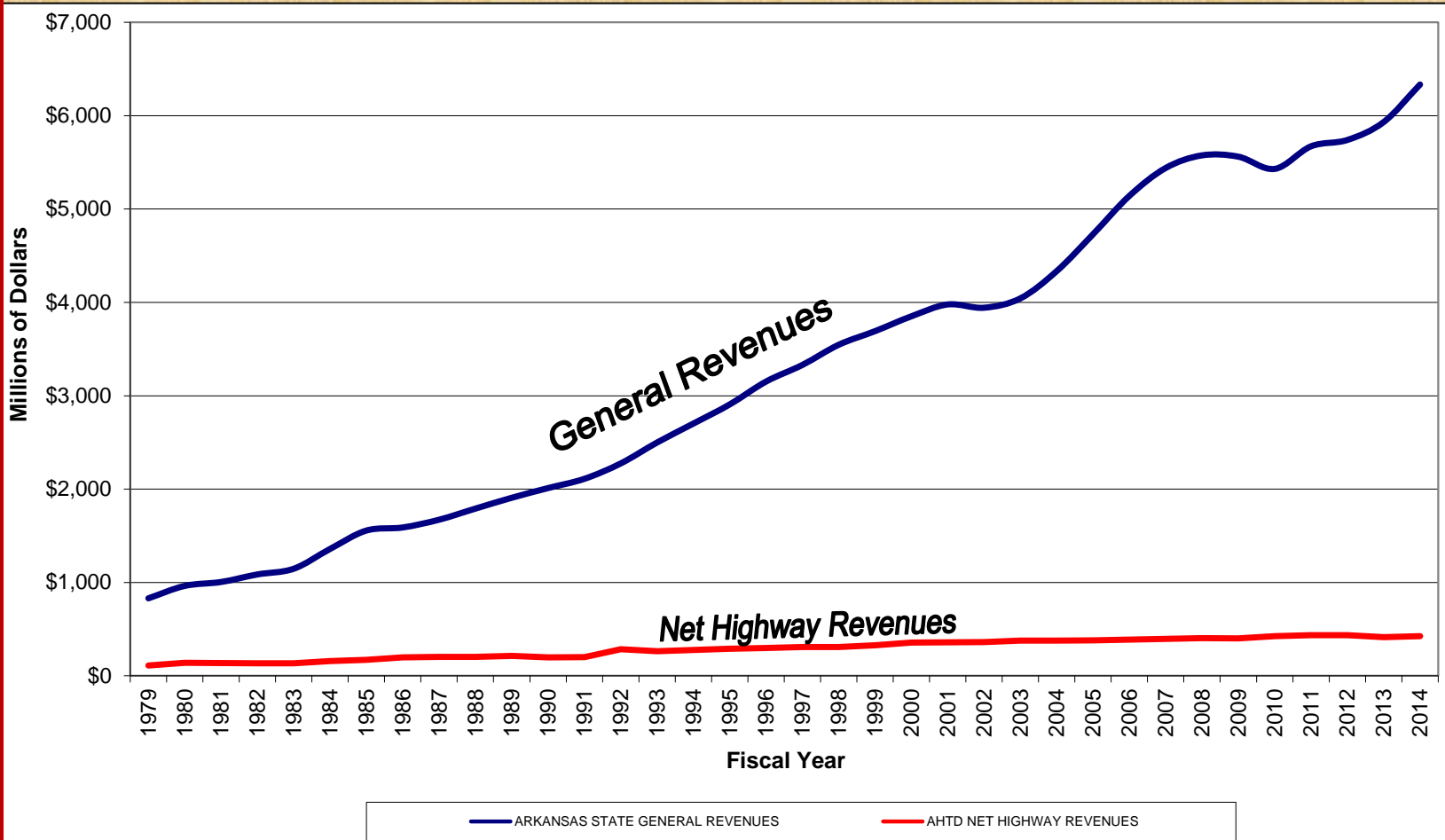


Highway Revenue from Fuel





# State General Revenues vs. AHTD Net Highway Revenues



Excludes County & City aid funds  
Prepared by: Transportation Planning and Policy, 8/15/2014



# Current Hwy. Funding Sources

## State

Per-Gallon Motor Fuel Taxes  
Vehicle Registration Fees  
License/Permit/Inspection Fees  
Severance Taxes  
Temporary Sales Tax Increase










# Arkansas Travel Trends

2007-2014

	2007	2014	Difference
<b>Gas &amp; diesel Consumption</b>	2.095 billion	1.980 billion	 115 million
<b>Gas &amp; diesel Revenue</b>	\$454 million	\$392 million	 \$62 million
<b>Miles Traveled</b>	32.4 billion	33.8 billion	 1.4 billion

# Current Highway Funding Sources

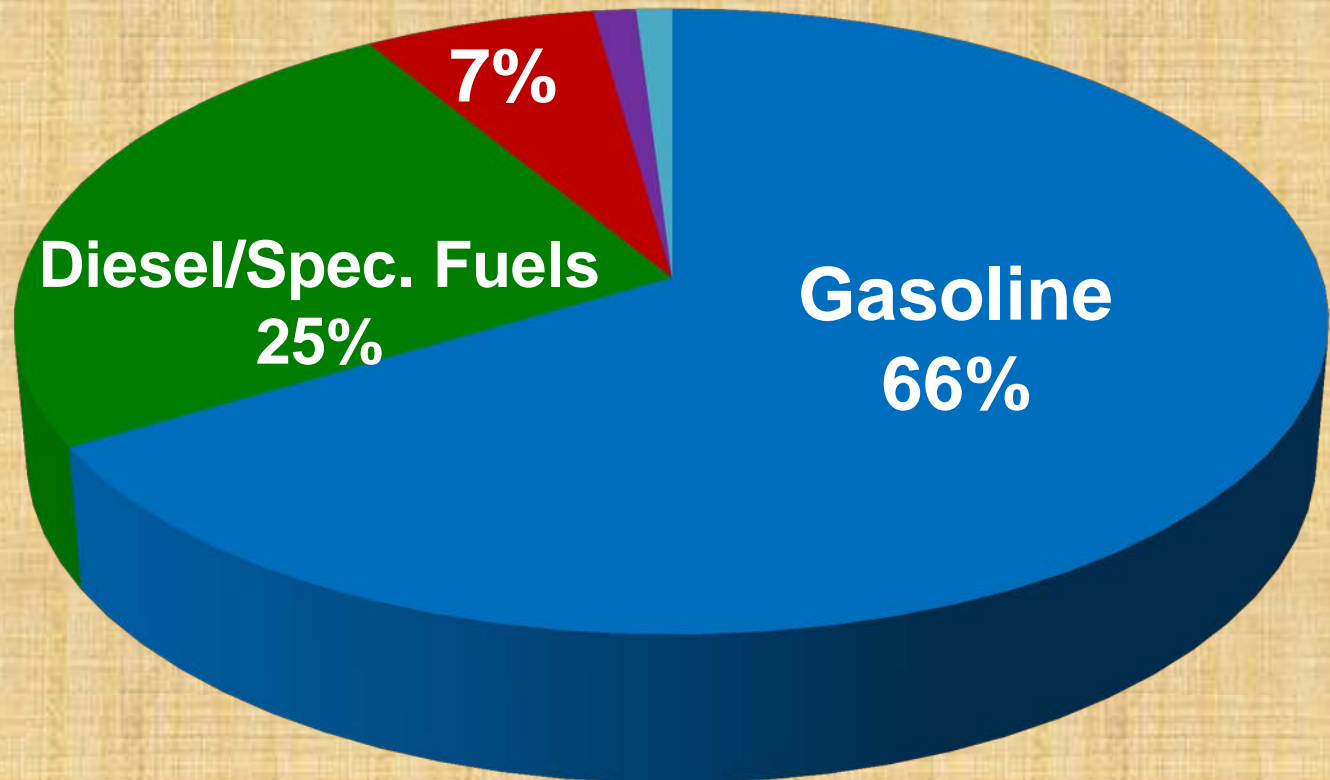
## Federal

Per-Gallon Motor Fuel Tax – 91%

**Truck/Bus/Trailer**  
7%

**Tires**  
1.0%

**Heavy Vehicle Tax**  
0.1%







AMERICAN ROADS

I DON'T UNDERSTAND... SHE HELD UP PERFECTLY WELL FOR THE LAST 53 YEARS.

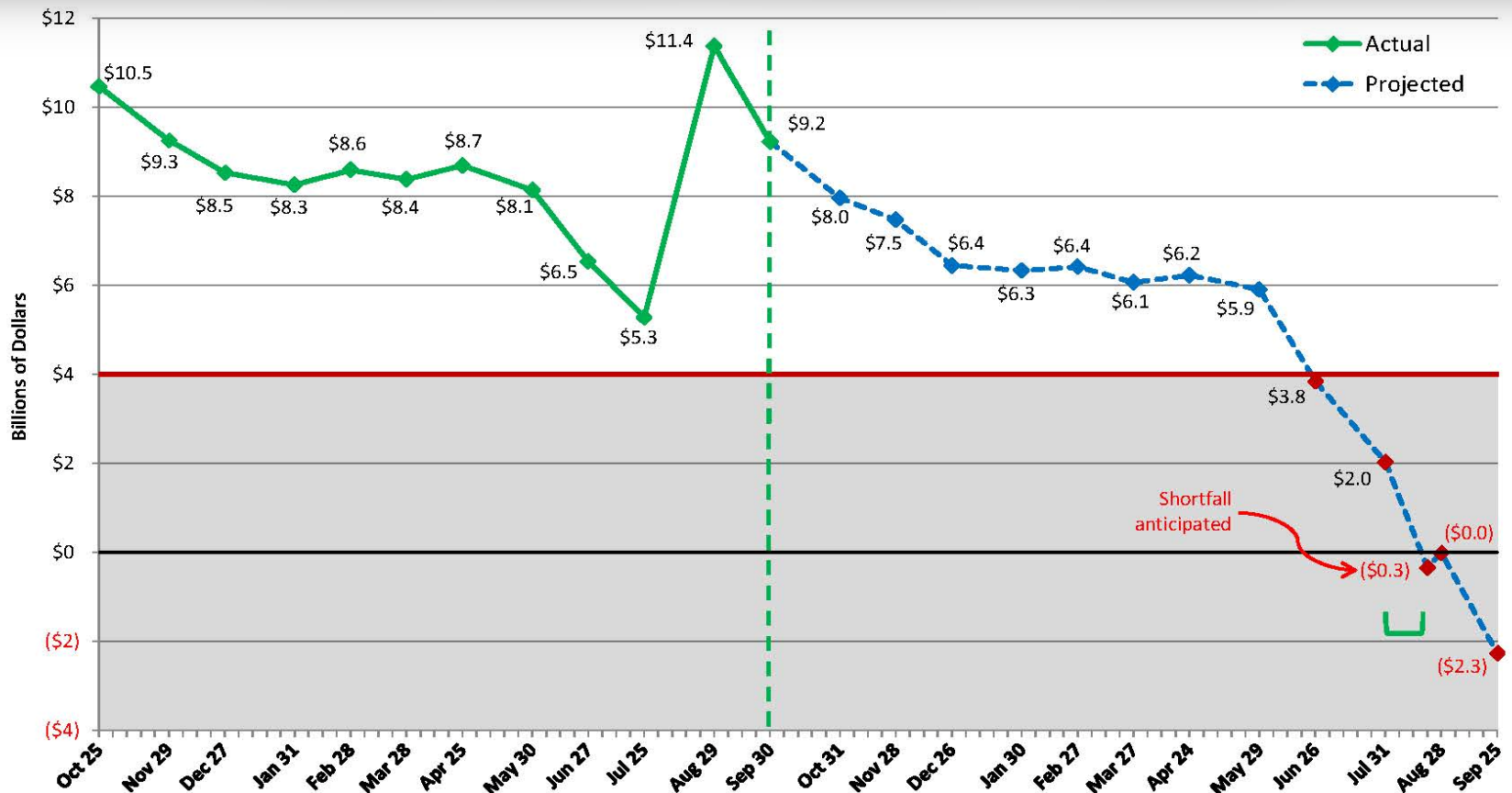
GAS TAX

FEDERAL HIGHWAY TRUST FUND

GARY MCCOY © 11/2008  
CAGLECARTOONS.COM

# HIGHWAY TRUST FUND

Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



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.

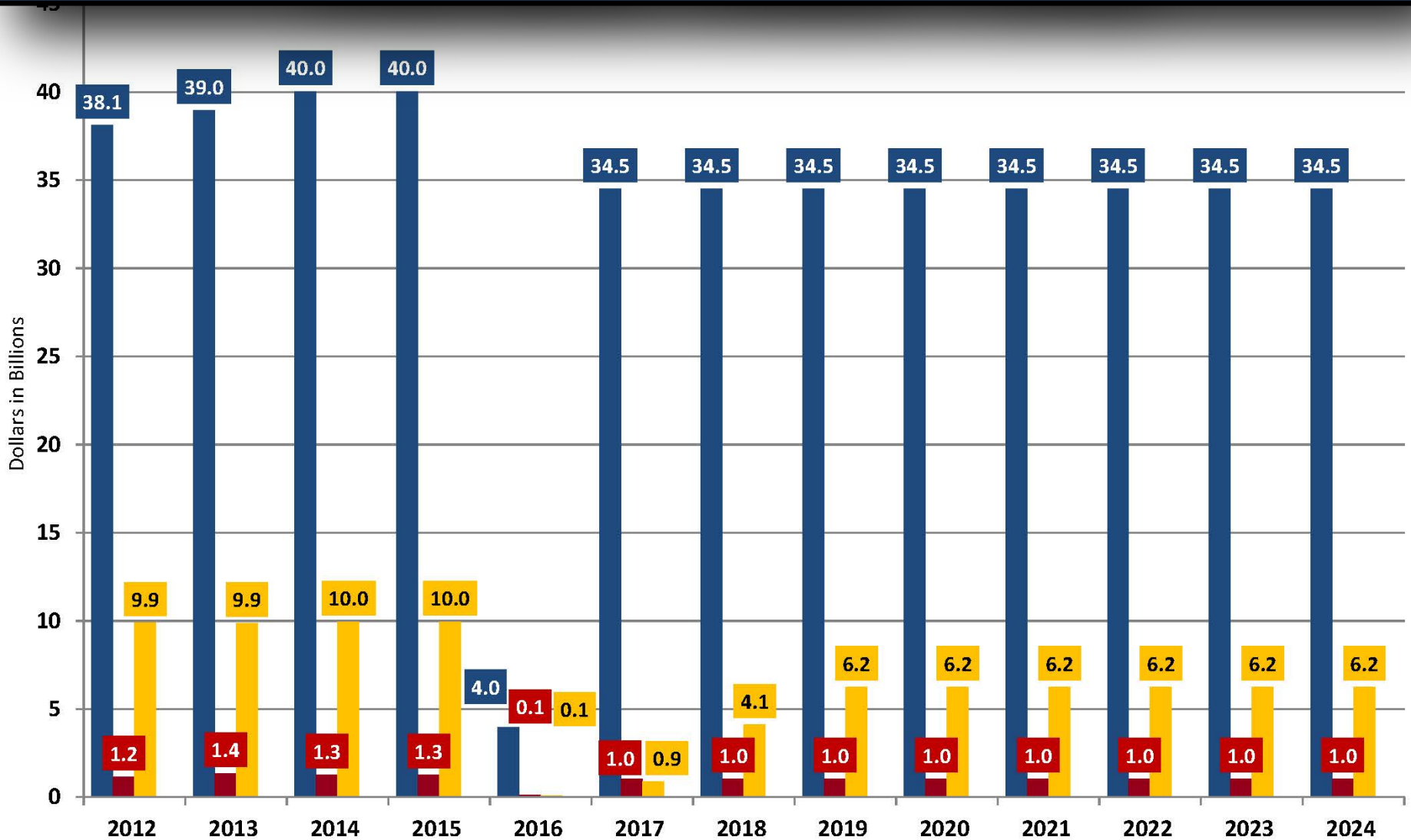
3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

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



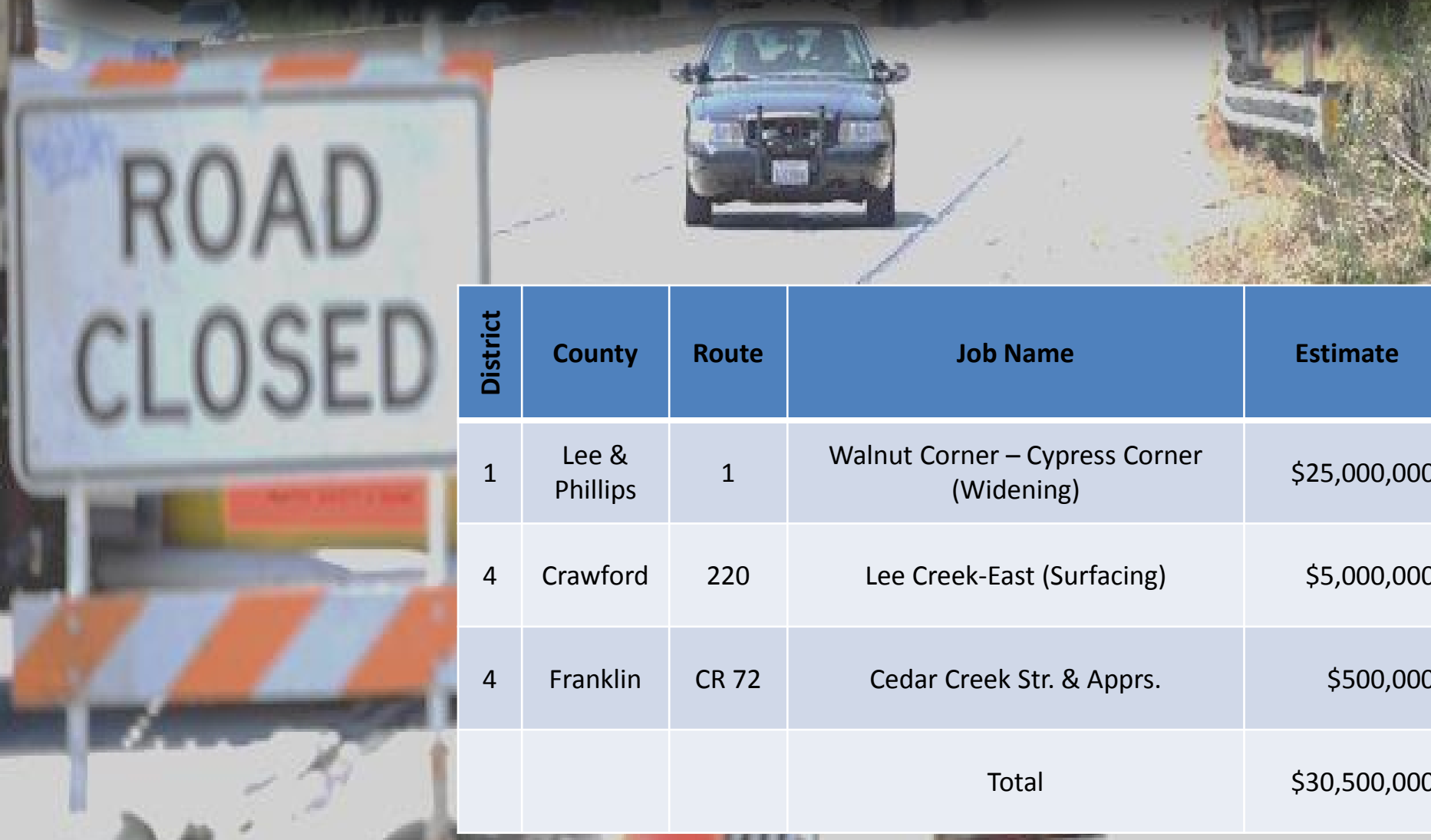
# HIGHWAY TRUST FUND



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.

# HIGHWAY TRUST FUND

## January "No Go" List



District	County	Route	Job Name	Estimate
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



District	County	Route	Job Name	Estimate
2	Chicot	144	Hwy. 144 Strs. & Apprs.	\$2,000,000
4	Washington	112	Razorback Rd.-Garland 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
7	Bradley	CR 2	Co. Rd. 4-Co. Rd. 134 (Surfacing)	\$1,000,000
			Total	\$27,500,000

# Impacts to Arkansas

January Letting	3 Projects Removed	\$30.5 million
March Letting	5 Projects Removed	\$27.5 million



## POTENTIAL RISK

### FFY 2015

120 Projects  
\$490 Million

### FFY 2016

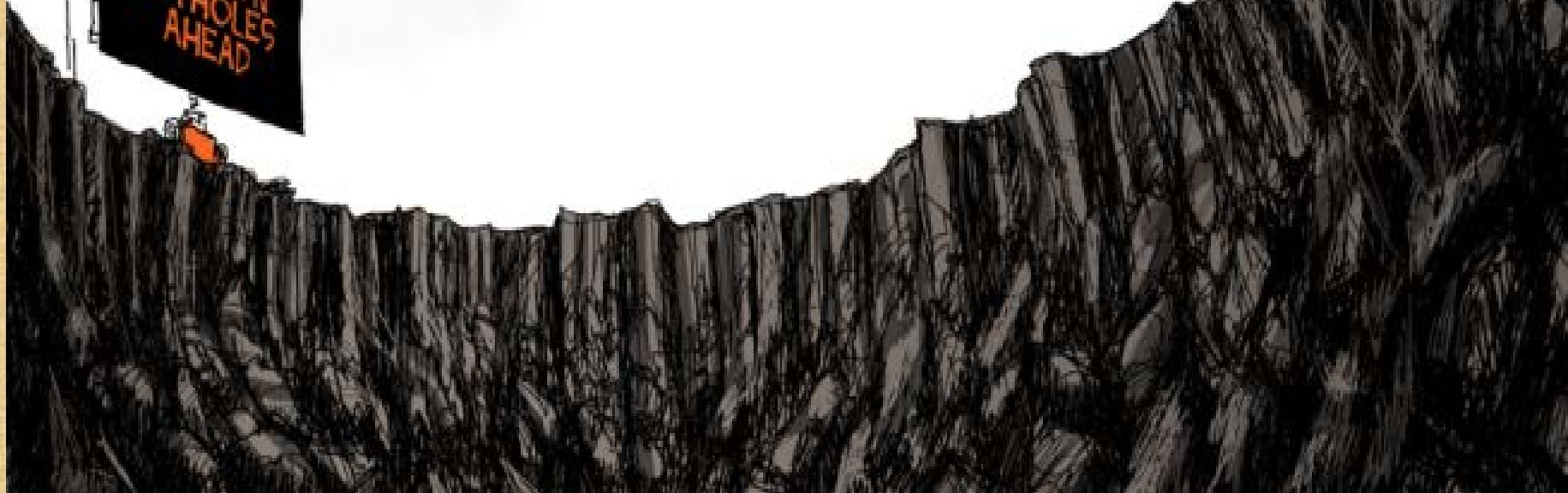
130 Projects  
\$520 Million



ON  
SECOND THOUGHT,  
PERHAPS THE  
IDEA OF  
A GAS TAX  
INCREASE HAS  
SOME  
MERIT.

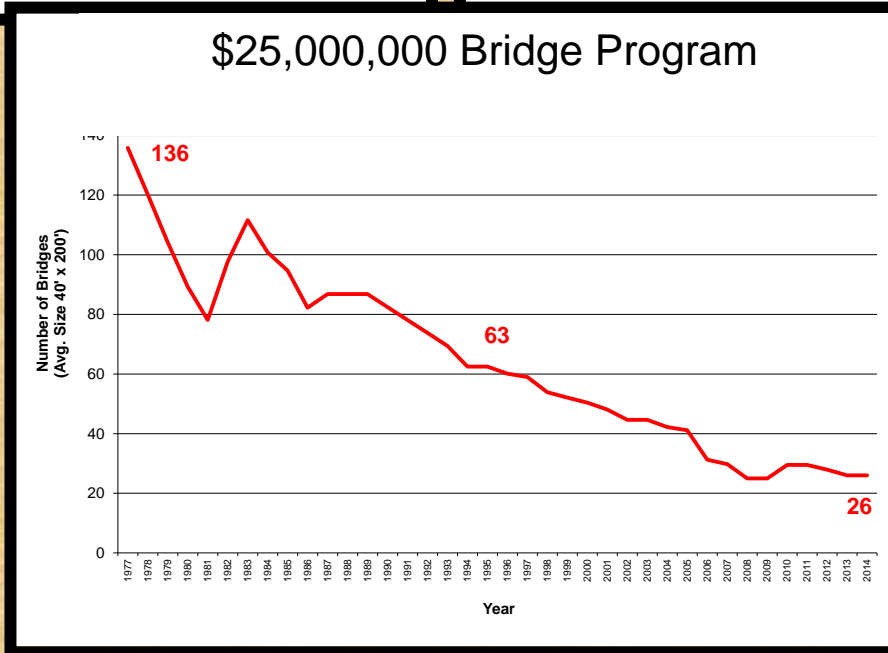
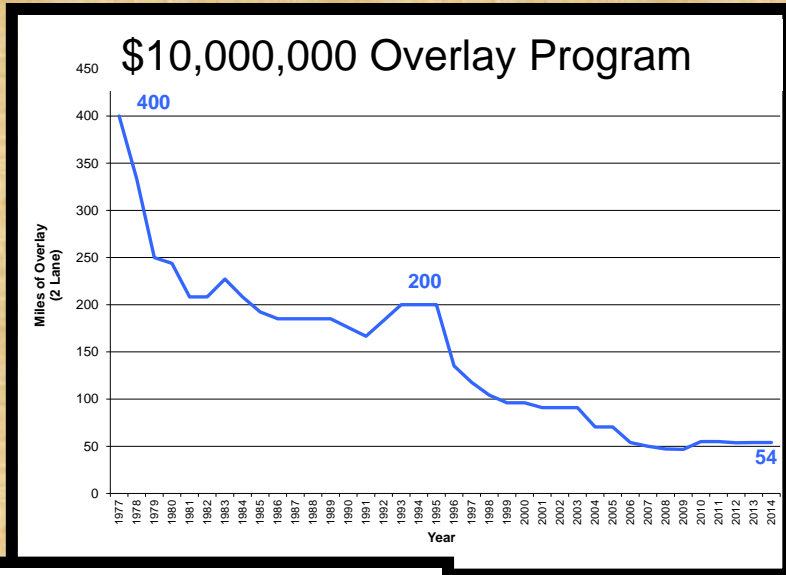
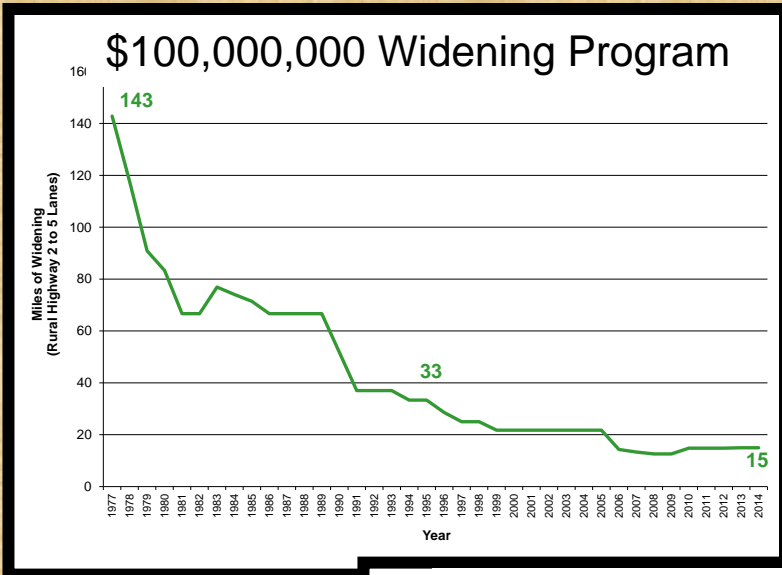


CAUTION  
POTHOLES  
AHEAD





# Challenges



# 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	<b>160%</b>
<b>Gas</b>	Per Gallon	\$ 1.12	\$ 2.73	<b>144%</b>
<b>Movie Ticket</b>	Average Ticket Price	\$ 4.14	\$ 7.89	<b>91%</b>
<b>House</b>	Median Price	\$ 126,500	\$ 221,800	<b>75%</b>
<b>Bread</b>	Per Pound	\$ 1.08	\$ 1.76	<b>62%</b>
<b>Income</b>	Median Household	\$ 31,272	\$ 49,167	<b>57%</b>
<b>Stamp</b>	One First-class Stamp	\$ 0.29	\$ 0.44	<b>52%</b>
<b>Beef</b>	Per Pound of Ground Beef	\$ 1.57	\$ 2.28	<b>46%</b>
<b>Car</b>	Average New Car	\$ 19,200	\$ 26,850	<b>40%</b>
<b>Federal Gas Tax</b>	<b>Per Gallon</b>	<b>\$ 0.184</b>	<b>\$ 0.184</b>	<b>0%</b>

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



COST

REVENUE



COST

**How do you  
fill the gap?**

REVENUE





**COST**

**Only 2 Options:**

- Raise Taxes**
- Reallocate Existing Revenue**

**REVENUE**





**Blue Ribbon**  
Committee  
on Highway Finance  
[BlueRibbonHighways.com](http://BlueRibbonHighways.com)

## **FINAL REPORT**

**December 1, 2010**

Presented to:

The Honorable Mike Beebe, Governor  
House Interim Committee on Public Transportation  
Senate Interim Committee on Transportation, Technology and Legislative Affairs  
House Interim Committee on Revenue and Taxation  
Senate Interim Committee on Revenue and Taxation  
Arkansas Legislative Council  
Arkansas State Highway Commission  
Association of Arkansas Counties  
Arkansas Municipal League





“....70% of our highway, road and street funding comes from a consumption based tax, while it is a national goal to reduce consumption. The trend... is simply a losing proposition.

We're moving backward.”







# Revenue Proposals



- ✓ Reissue LE Bonds for a New Interstate Rehabilitation Program **APPROVED**
- ✓ Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program **APPROVED**
- ✓ State Program for Cities **APPROVED**
- Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries

# Needs vs. *Revenue*



+



**Total = 630 miles**

**3.8%**

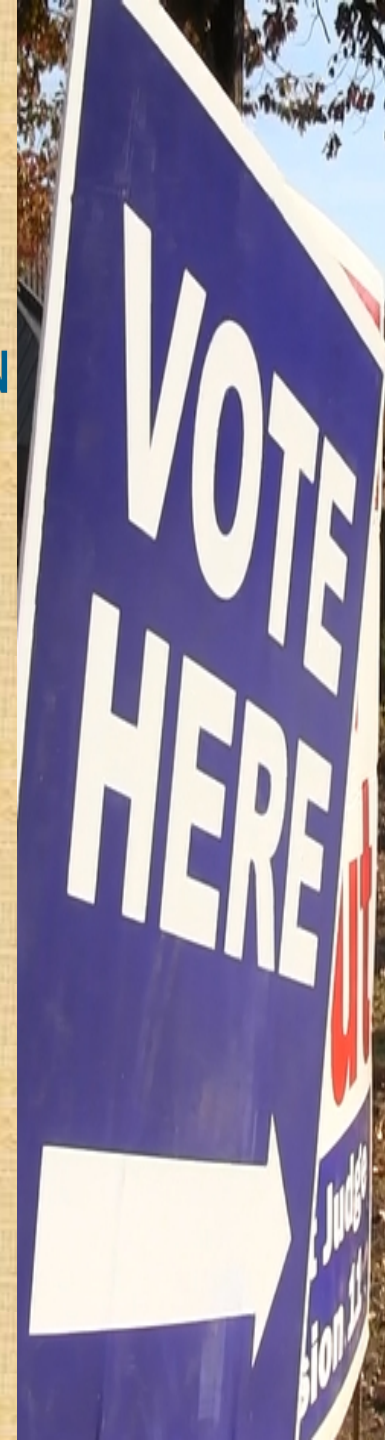




**2011**



**2012**



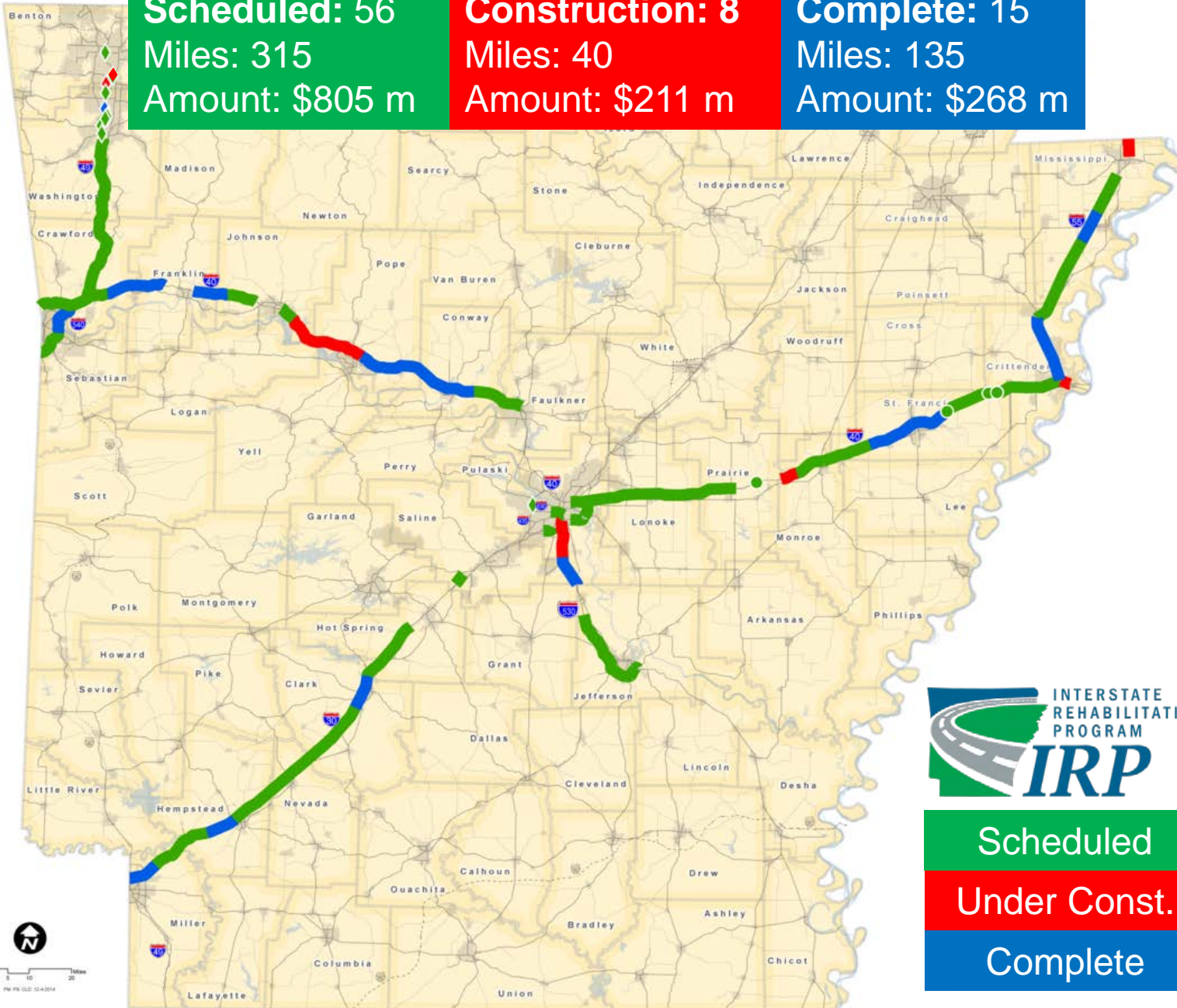


# Interstate Rehabilitation Program

**Scheduled: 56**  
Miles: 315  
Amount: \$805 m

**Construction: 8**  
Miles: 40  
Amount: \$211 m

**Complete: 15**  
Miles: 135  
Amount: \$268 m



Scheduled

Under Const.

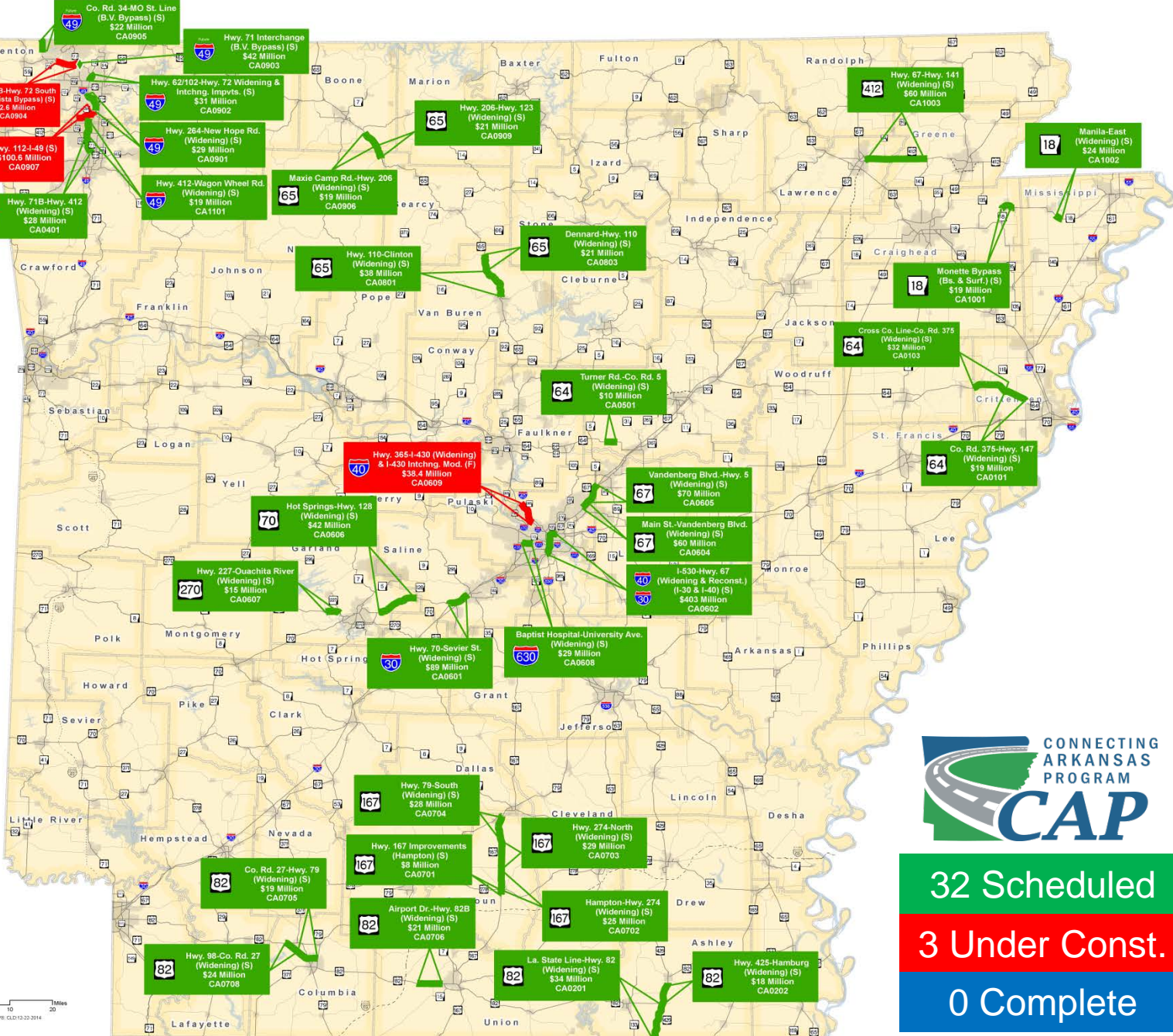
Complete





# Connecting Arkansas

# Program



32 Scheduled  
 3 Under Const.  
 0 Complete

0 5 10 20 Miles  
 PR PS: CLO/12/22/2014

# Revenue Proposals



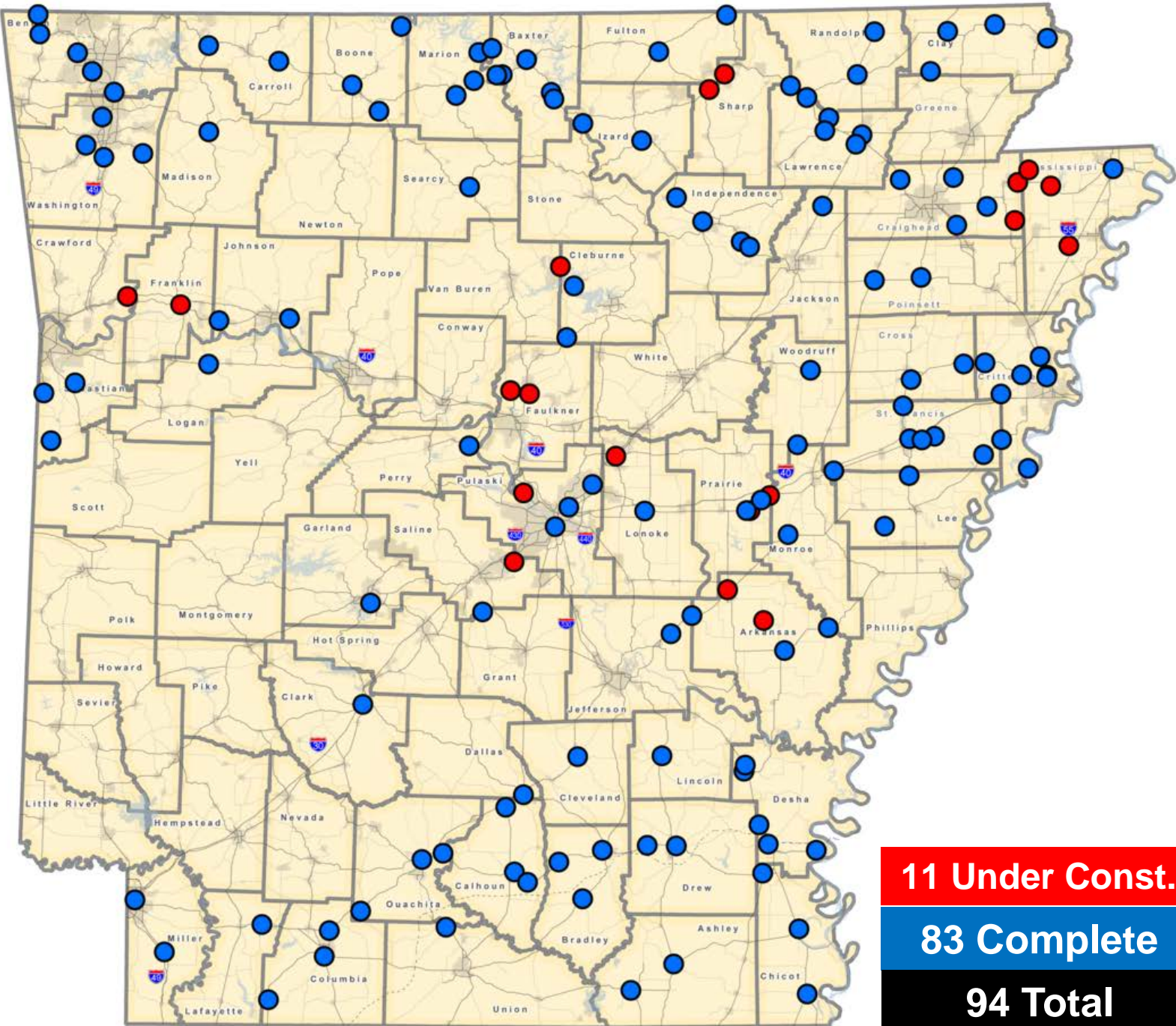
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## State Aid Program for Cities

- Dedicate 1¢ Per Gallon of Existing Motor Fuel Tax
- Similar to County Aid Program
- Funds Distributed by 9-Member Panel
- Passed in 2011; Triggered by Issue #1 Vote



# State Aid Street Program



**11 Under Const.**

**83 Complete**

**94 Total**

# Benton & Washington County

Projects	Miles	Cost
Complete (Last 10 Years)	296	\$316 million
Under Construction	52	\$349 million
Programmed	155	\$616 million
<b>Total</b>	<b>503</b>	<b>\$1,281 million</b>



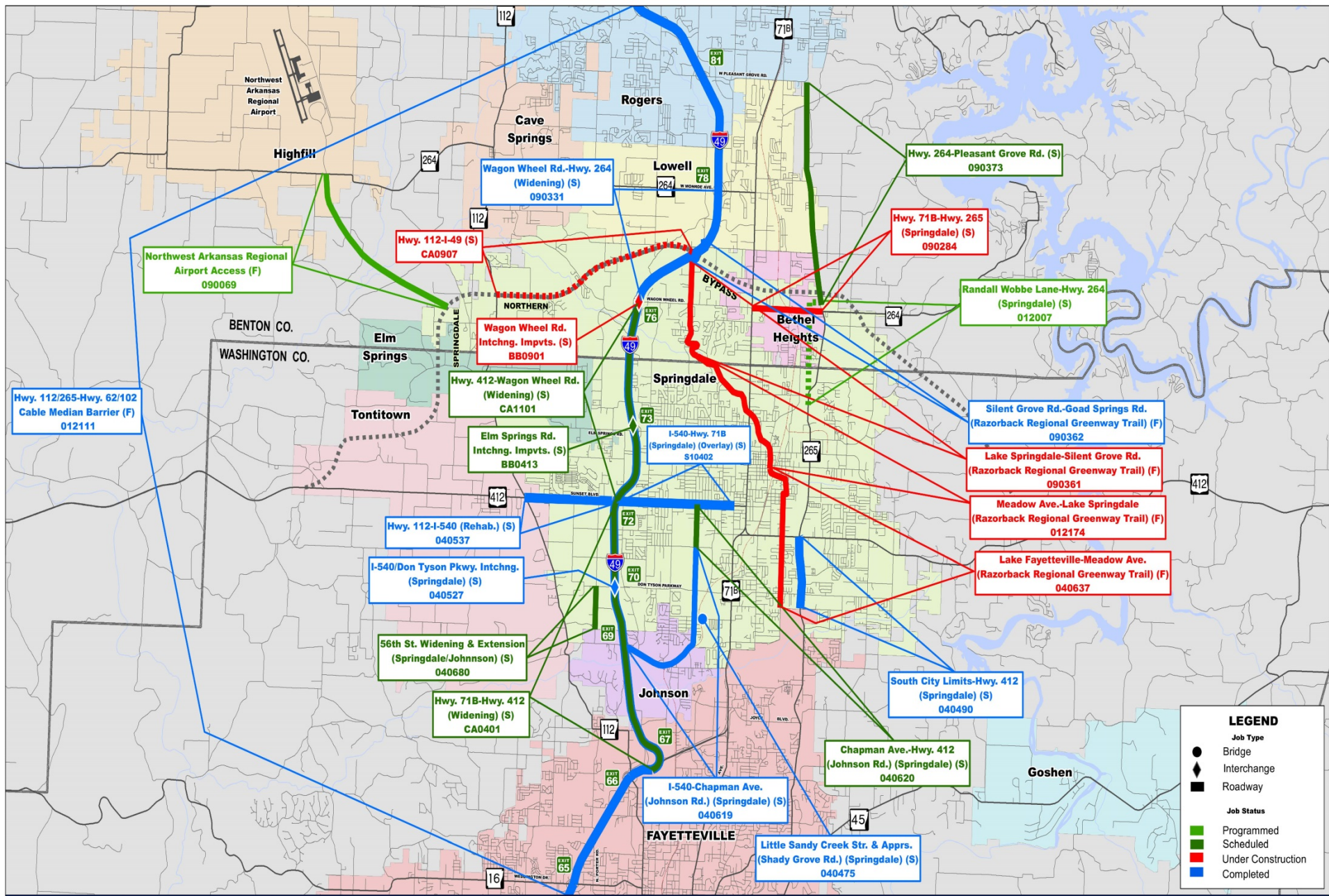


# Springdale Area Projects

Projects	Number	Cost
Complete	14	\$54 million
Under Construction	6	\$112 million
Scheduled/Programmed	32	\$304 million
<b>Total</b>	<b>52</b>	<b>\$470 million</b>







# Springdale Area Map

## Benton and Washington Counties



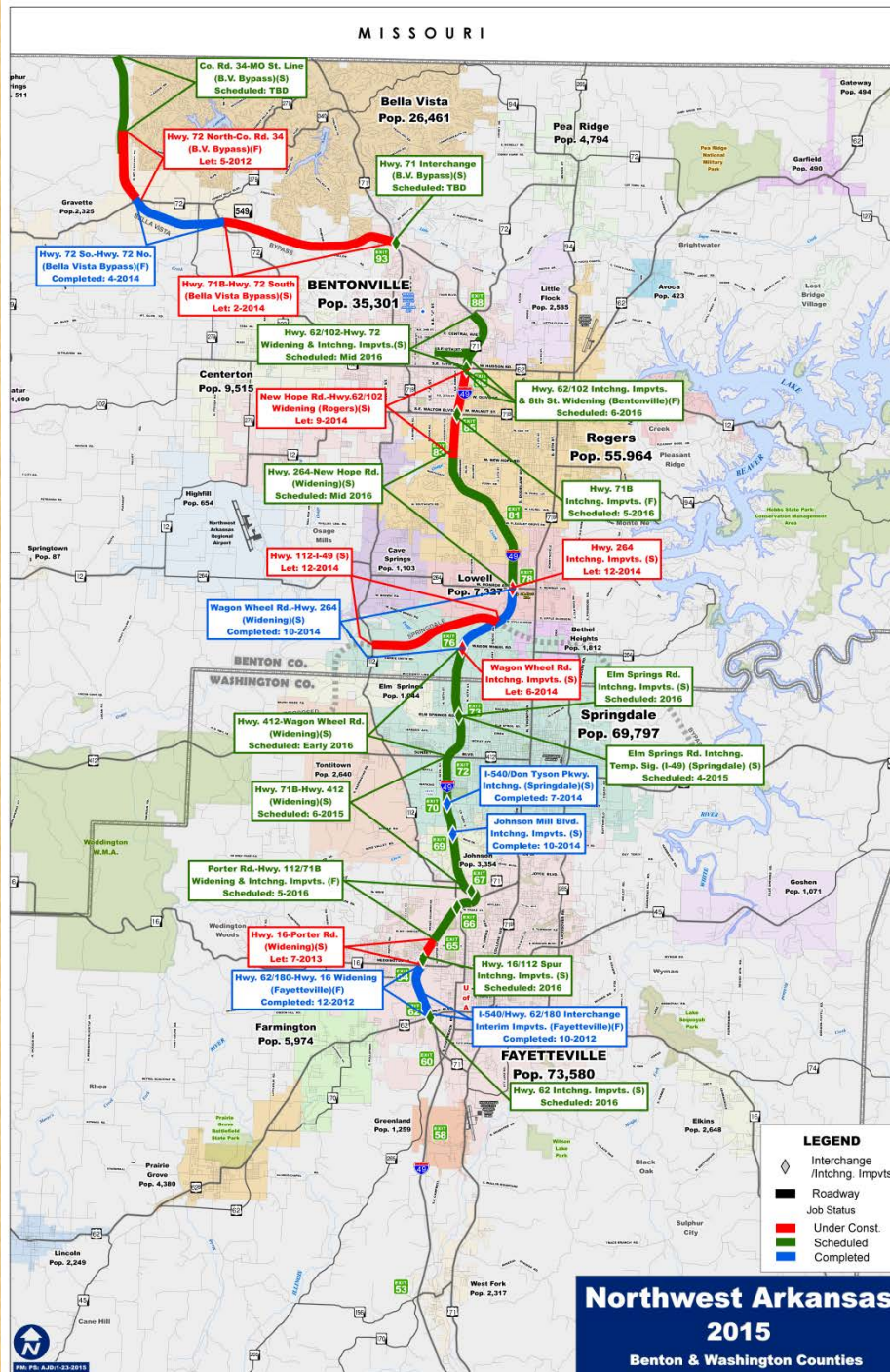
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# Northwest Arkansas Projects





# Springdale Bypass

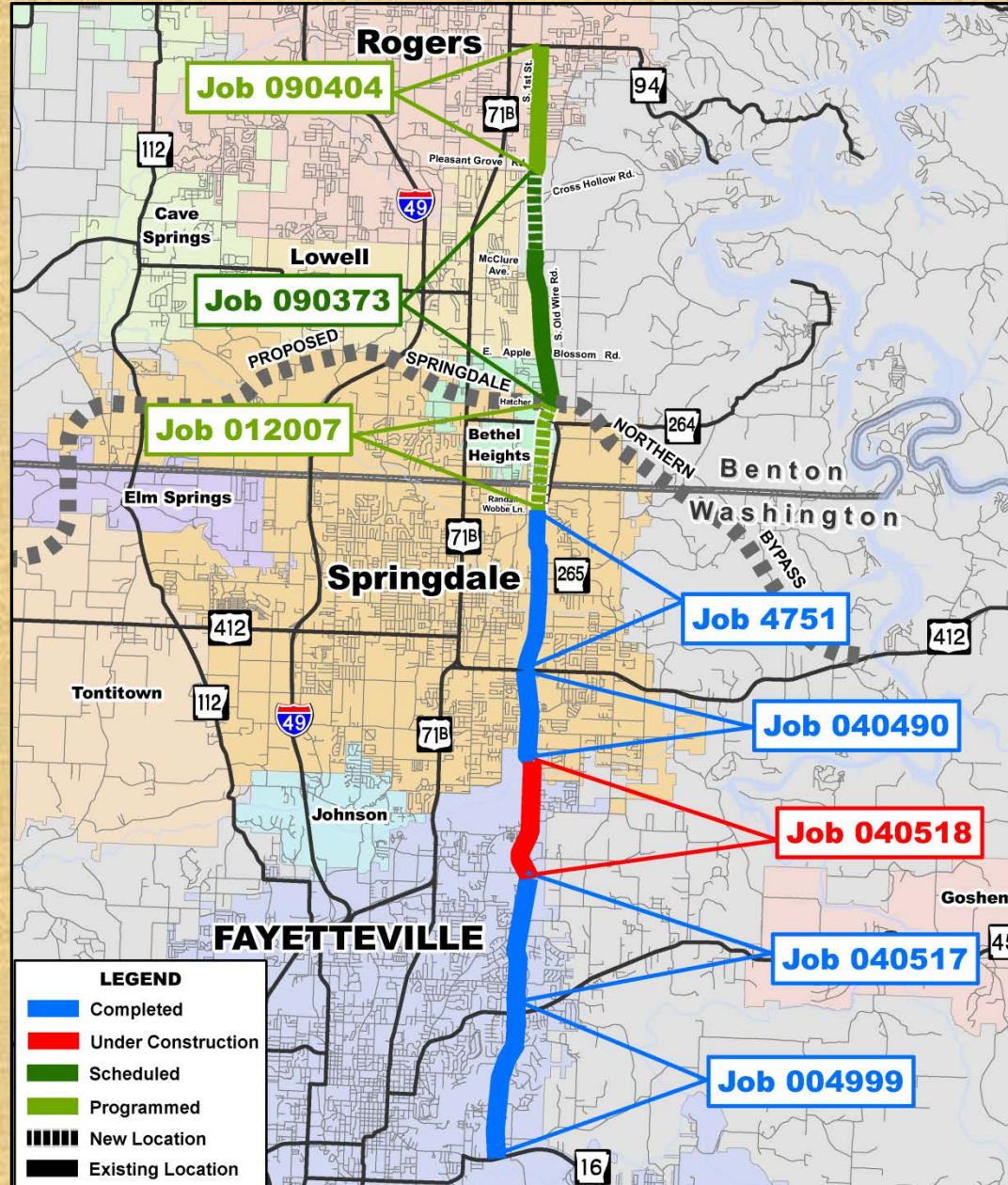
Northwest Arkansas  
Projects

Highway 412  
Hwy. 112 - I-49  
\$100 million  
Complete: Summer 2020





# Eastern North-South Corridor



Northwest Arkansas  
Projects





**@AHTD**

**Litter Hotline 866-811-1222**

