

Dick Trammel

Chairman, Arkansas Highway Commission



American Public Works Association

Thursday, October 6, 2016



A little history!



Prior to 1913

“We are always yapping about the ‘Good Old Days’ and how we look away back and enjoy it, but I tell you there is a lot of hoey to it.”

– Will Rogers





The Teens

- ***First Commission Created***
 - ✓ ***No Highway Department***
 - ✓ ***No Highway System***
- ***\$72,000 Total Budget***
- ***36,000 Miles of Public Roads***

Highway 71 near Bella Vista



The Twenties

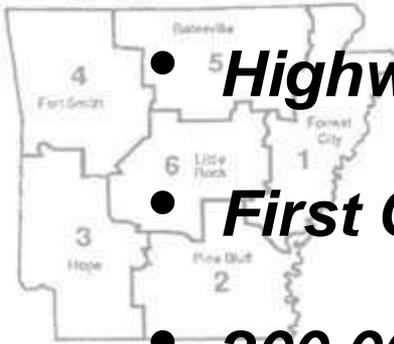


Repair Shop of State
Highway Department,
Little Rock, early 1930s



- **Highway System Created**

Highway Districts 1923



- **Highway Department Created**

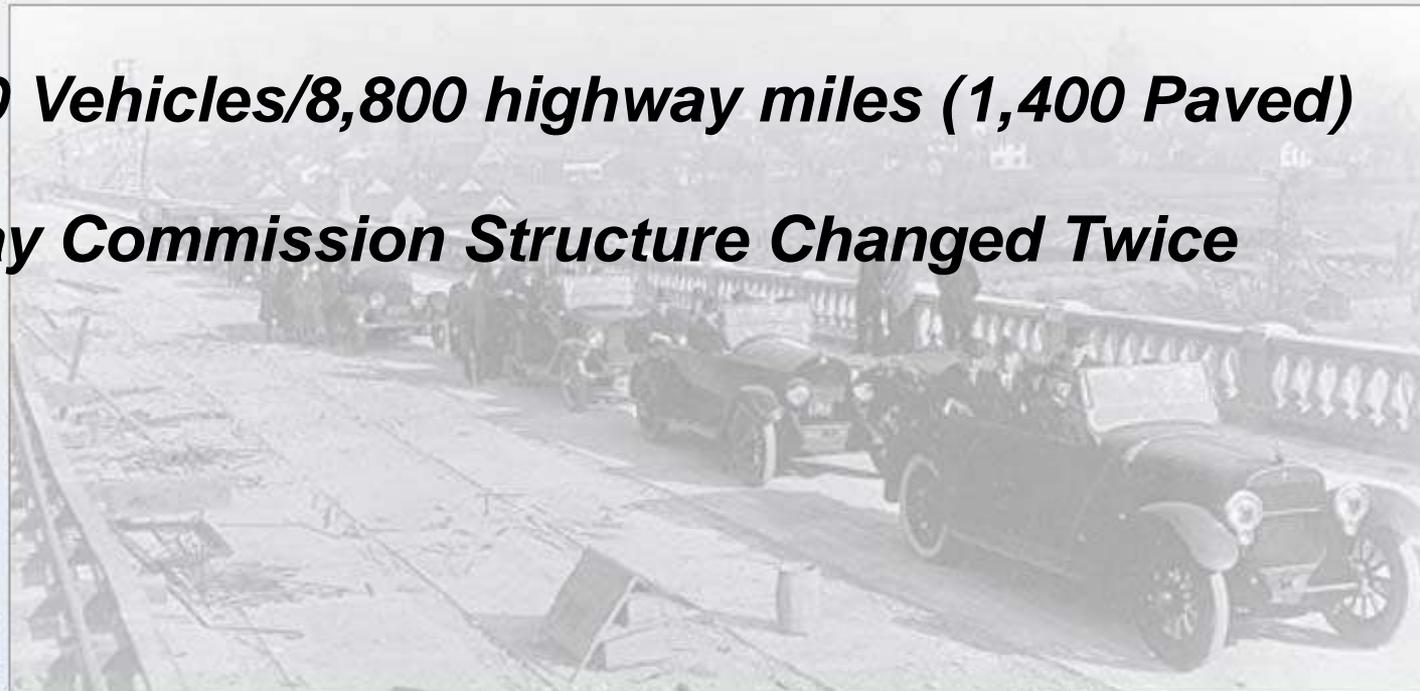
- **First Gas Tax – 1 cent per gallon**

- **200,000 Vehicles/8,800 highway miles (1,400 Paved)**

Highway Districts 1925



- **Highway Commission Structure Changed Twice**



Broadway Bridge dedication,
1922. View is looking towards
North Little Rock



The Thirties and Forties



Operation of the Henderson Ferry at Norfolk Lake cost \$117,981 for 1947-48.

During this period 189,856 vehicles were ferried over at an average cost of 1.2¢ per vehicle.

- **Gas Tax Raised to 6.5 cents per Gallon**
✓ **1960's Before Next Increase**
- **Commission Structure Changed Two More Times**
- **9,700 Highway Miles (4,900 Paved)**



- **Commission Structure Changed Two More Times**
- **Too much Political Influence on Highways**
– **Growing Discontent**



Magnet Truck, Picked up an average of 20 lbs of metal per mile



The Fifties



- **1951 - Highway Audit Commission Report**

- ✓ **“the advice, counsel and expert know-how which is available from the Department’s own technical and administrative staffs has scant weight indeed when they are in conflict with the political pressures and political promises of the moment.”**

- **9 Legislative Acts Restructured Commission since 1913**
- **1952 – Mack Blackwell Amendment**

Widening Hwy 67 near Malvern, 1956





The Sixties and Seventies

- ***No changes to Commission Structure***
- ***Department became Debt Free***



- ***Legislature transferred nearly 4,400 more miles of County Roads to Highway System***

South Terminal, Lawrence Blackwell burning bonds at a ceremony in 1975.

- ***Department adds "Transportation" to its name – Authority Expanded***

- ***1st State to Complete its Interstate System (1975)***
- ***16,000 Highway Miles (15,000 Paved)***



Toad Suck Ferry on Arkansas River at Highway 60, 1970



I-430 River Bridge, 1973



The Eighties and Nineties

- **1985 – Rural Road Program – out of the mud**
- **Early Retirements – huge workforce turnover**
- **1991 – Highway Improvement Program**
- **1993 – Last Federal Gas Tax Increase**



Section of Hwy 7
named first Scenic
Byway of Arkansas.

- **1999 – Last State Gas Tax Increase**

1991 Highway Improvement Program authorized to
improve or replace approximately 560 bridges.

- **1999 – Interstate Rehabilitation Program –
First Highway Bond Issue in 50 years**

- **I-540 (now I-49) and I-530 Completed**

- **16,400 Highway Miles**

Hopper Tunnel, 1999





The New Millennium



- **2011 – 2nd Interstate Rehabilitation Program**
- **2012 – Connecting Arkansas Program**



Winter Weather in Dec 2000 and Jan 2001 cost almost \$60 M.

- **2016 – Highway Improvement Plan**

Governor's Working Group

- **16,400 miles State Highways**



New White River Bridge on Hwy 64 at Augusta opened in 2001.



Current 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



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)



Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
2016 Special Session					
Long Term Reserve Fund (formerly named Arkansas Rainy Day Fund)	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 up to 25% of Future GIF 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



Funding

Prior to the FAST Act

After the FAST Act
and Special Session

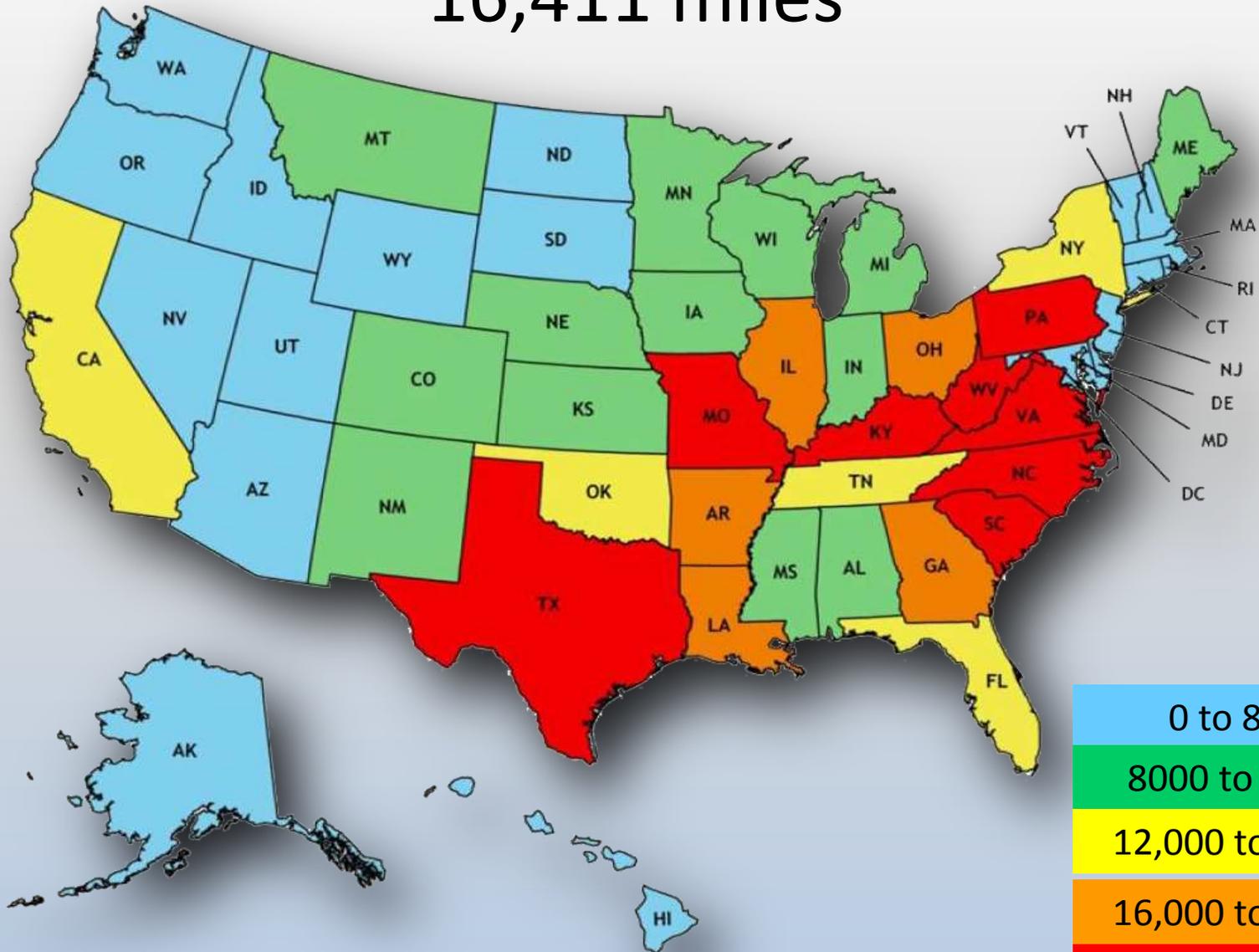


\$100 Million Difference



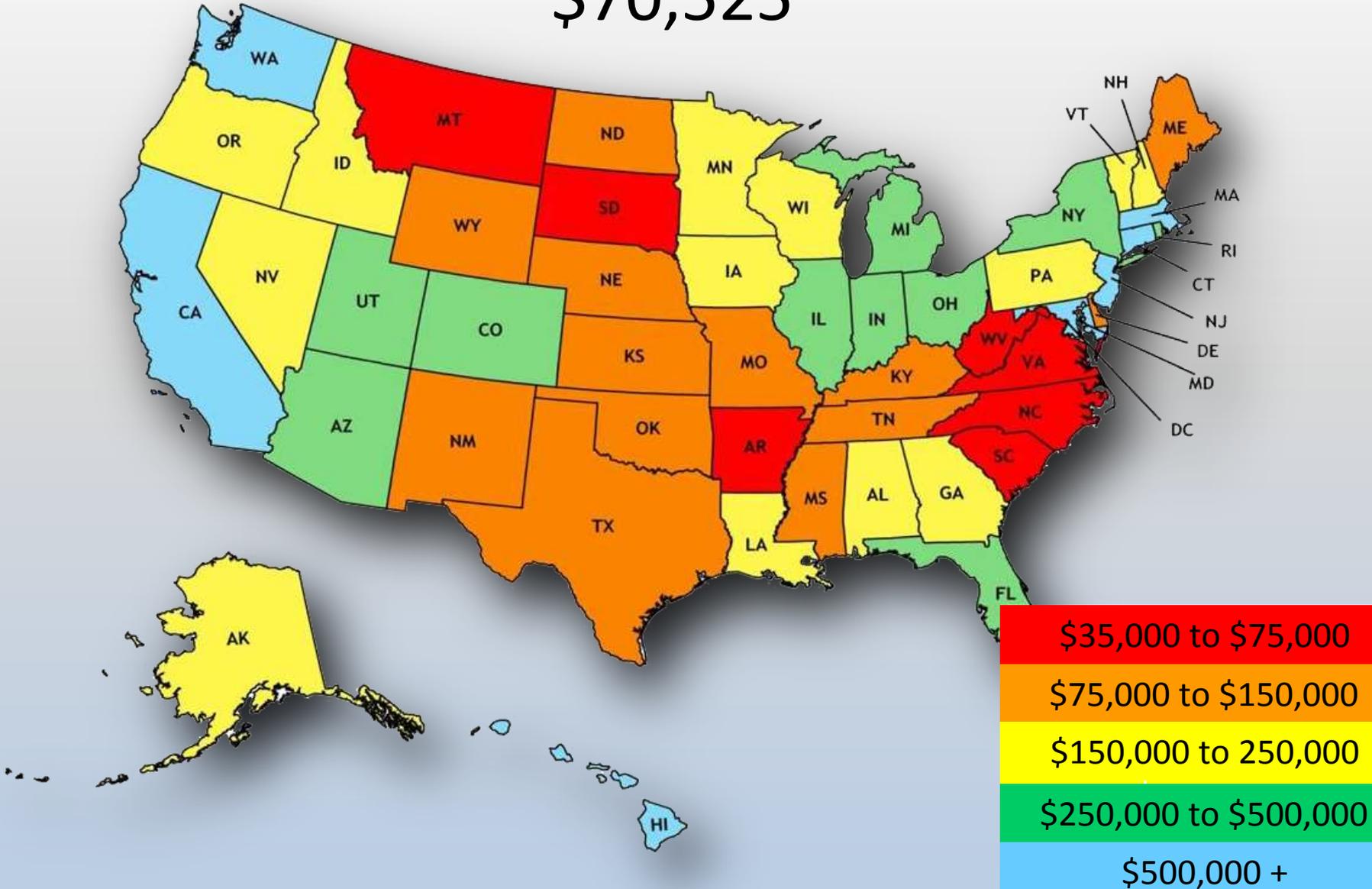
12th in Number of Miles

16,411 miles



40th in Revenue Per Mile

\$70,525



Future Needs





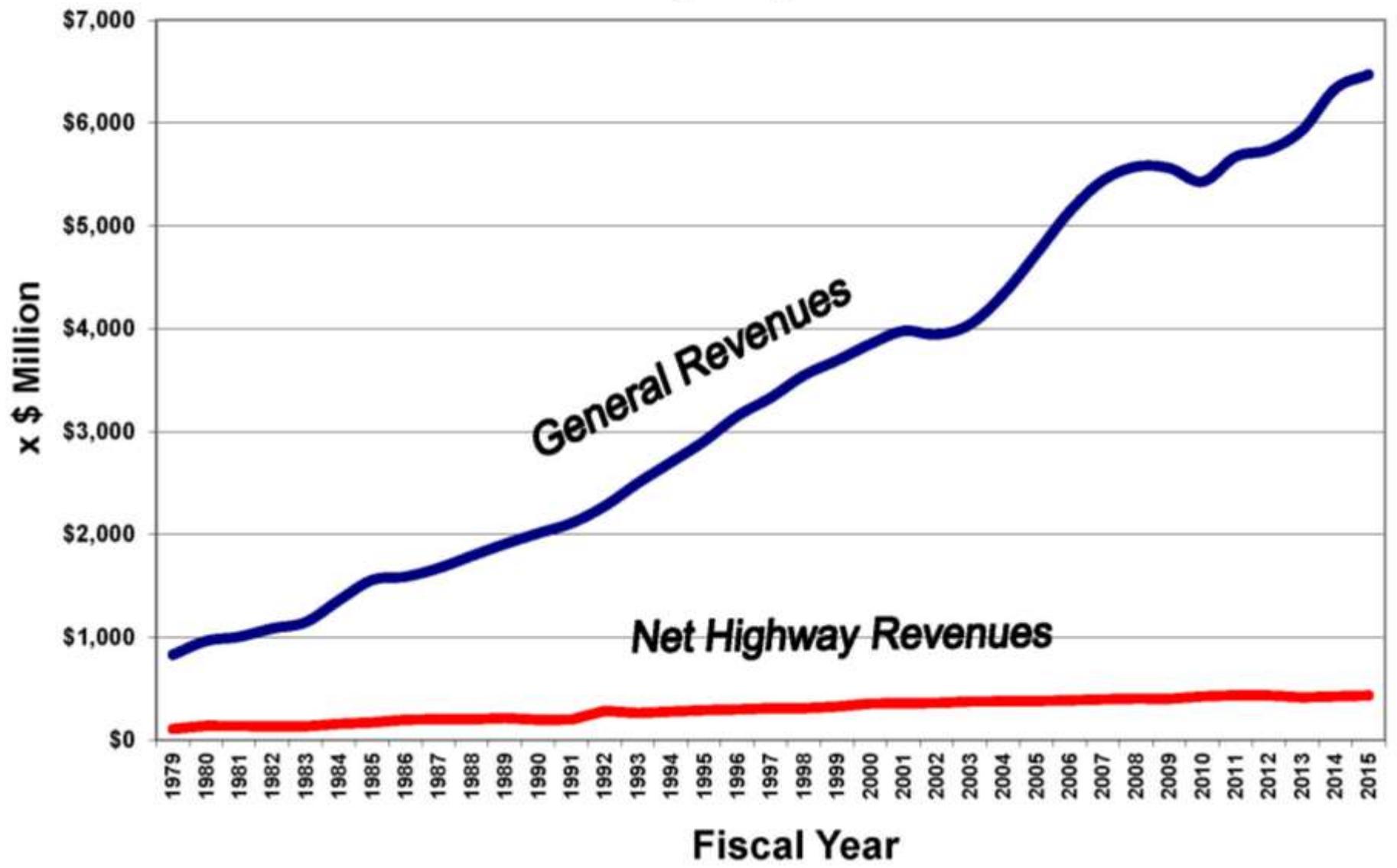
Summary of Needs vs Revenue

	AMOUNT (x \$1 M)
ESTIMATED REVENUE⁽¹⁾ Federal-aid + State	4,415
TOTAL NEEDS⁽²⁾ Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS	9,001
SHORTFALL	(4,586)

(1) Revenue Not Currently Dedicated to Routine Maintenance, Administration and Operations

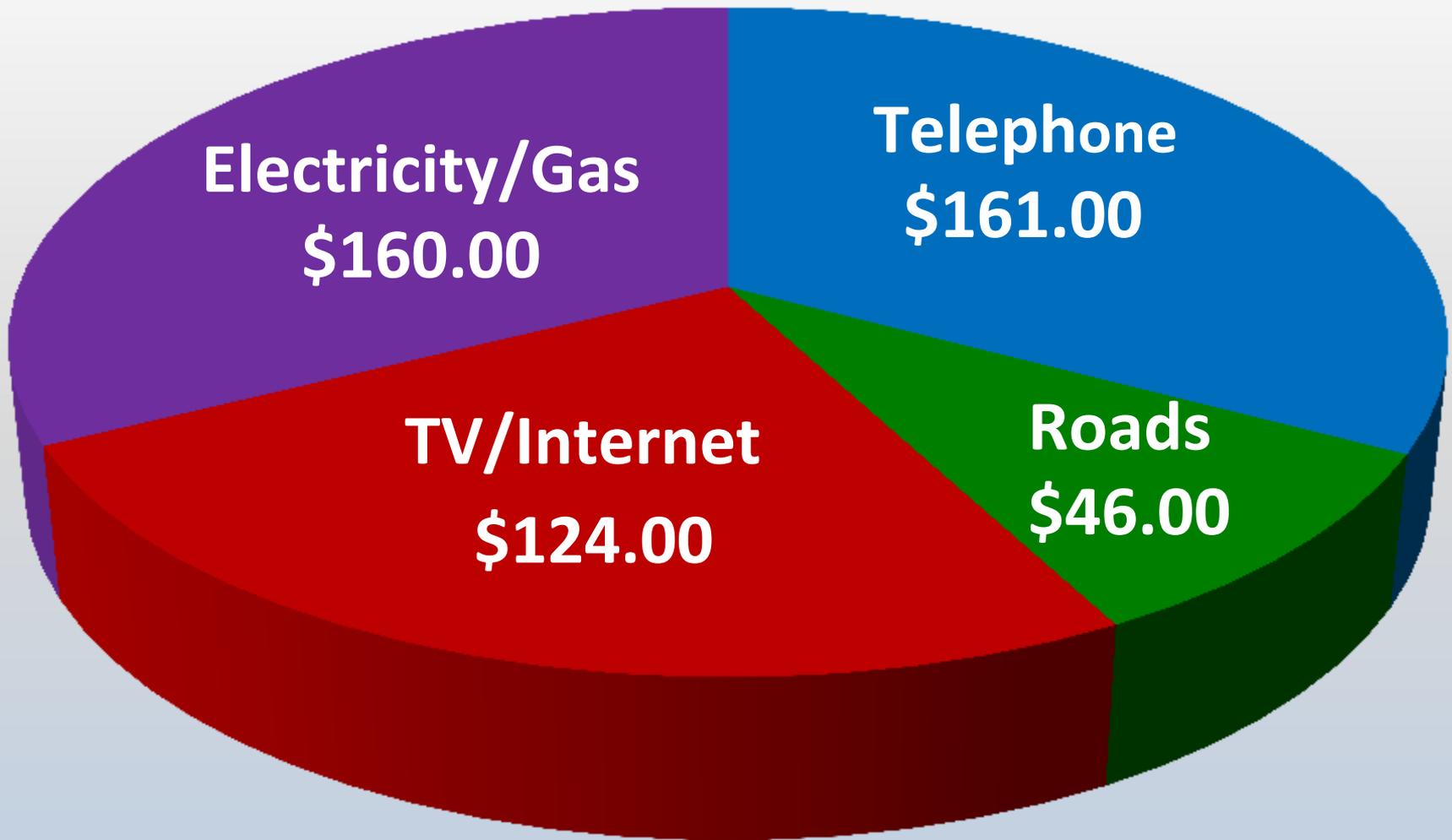
(2) Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors

Arkansas State General Revenues vs AHTD Net Highway Revenues





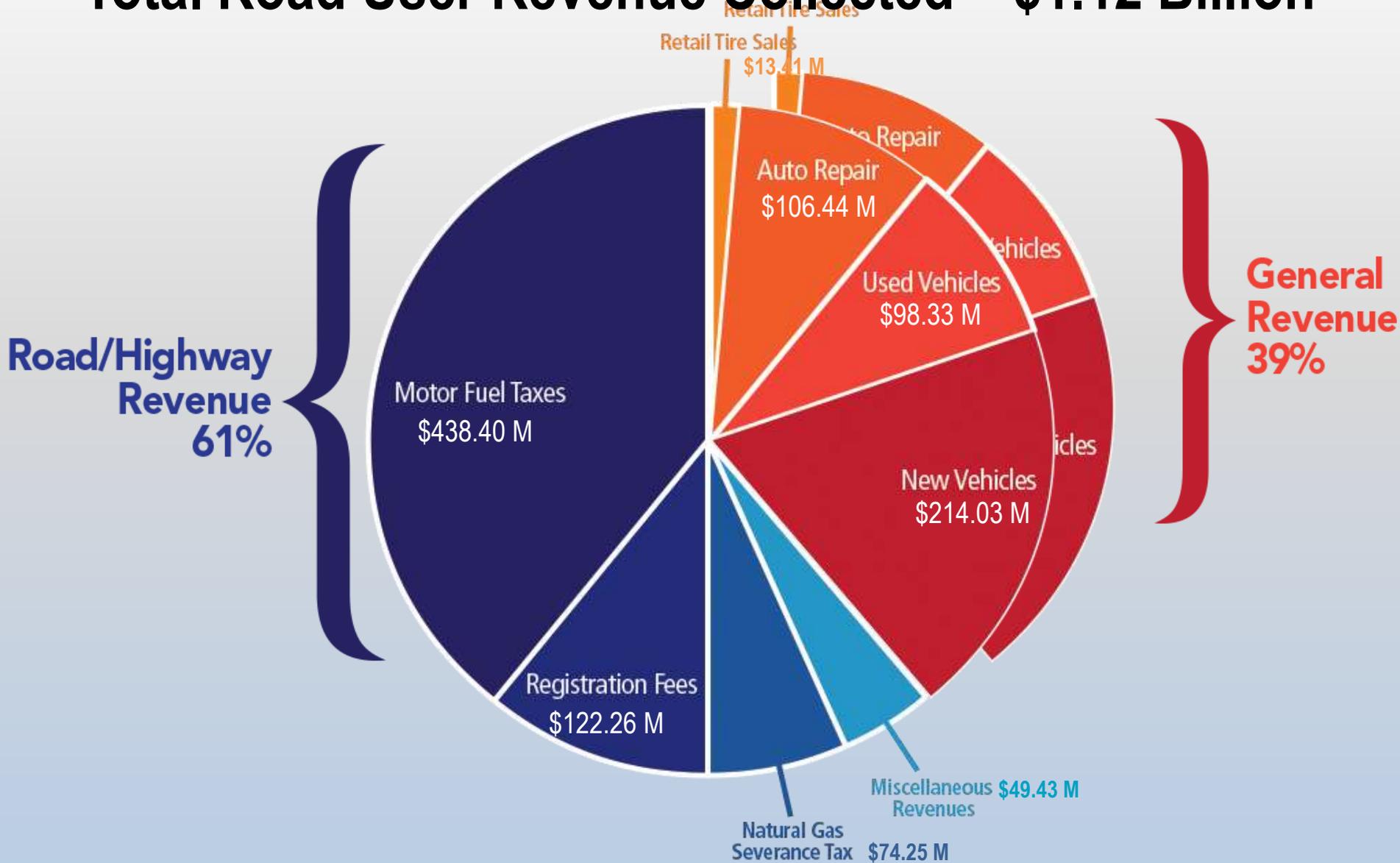
Average Monthly Household Expenditures





2015 Road User Related Tax Revenue

Total Road User Revenue Collected = \$1.12 Billion

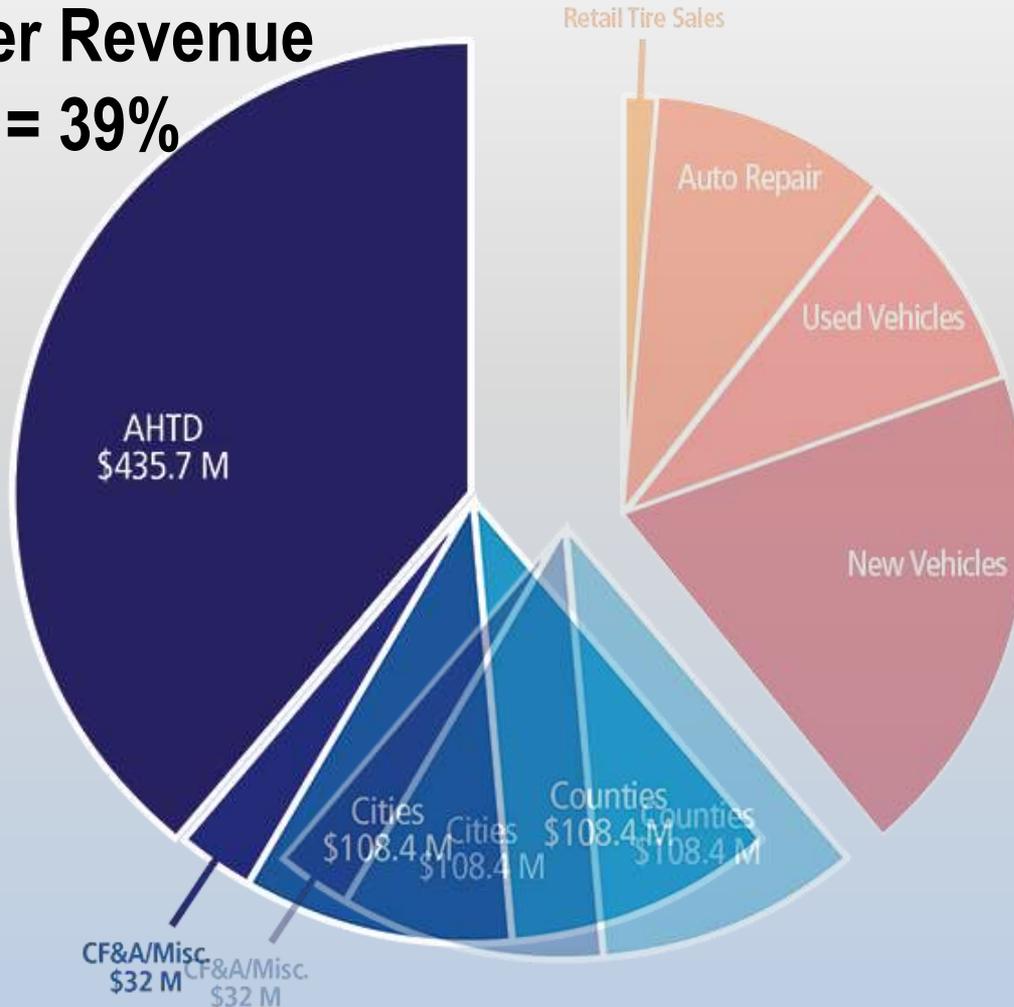




2015 Road User Related Tax Revenue

Total Road User Revenue Collected = \$1.12 Billion

**AHTD Road User Revenue
= \$435.7 M = 39%**

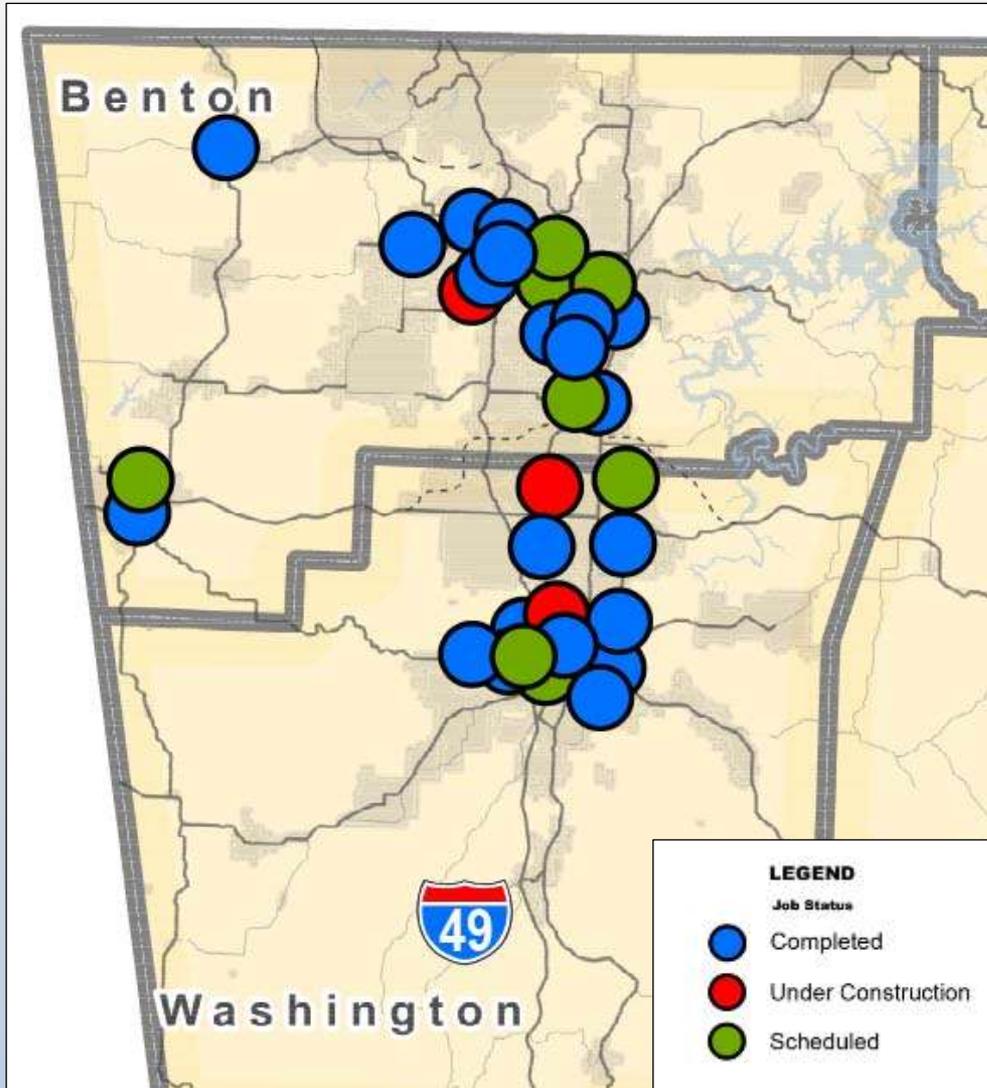


Partnerships





Partnering



CITY OF
Siloam Springs



Partnering



- Minute Order in 1984
- Contract in 1996
- City responsible for Utility relocations



**Widening 112 Spur
Garland to I-49**



Partnering

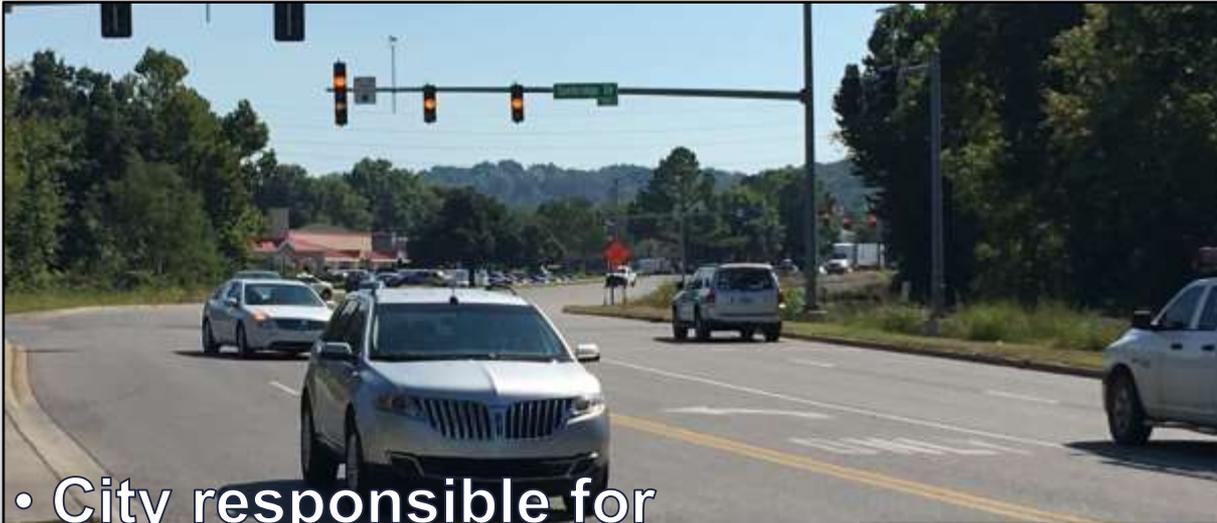
- Minute Order in 1985
- Contract in 1999
- City responsible for Right of Way and Utility relocations

**Widening Hwy. 265
Hwy. 16 to Hwy. 45**





Partnering



- City responsible for Right of Way and Utility relocations
- City accepted ownership upon project completion



**Widening Hwy. 180
(Gregg Ave.)**

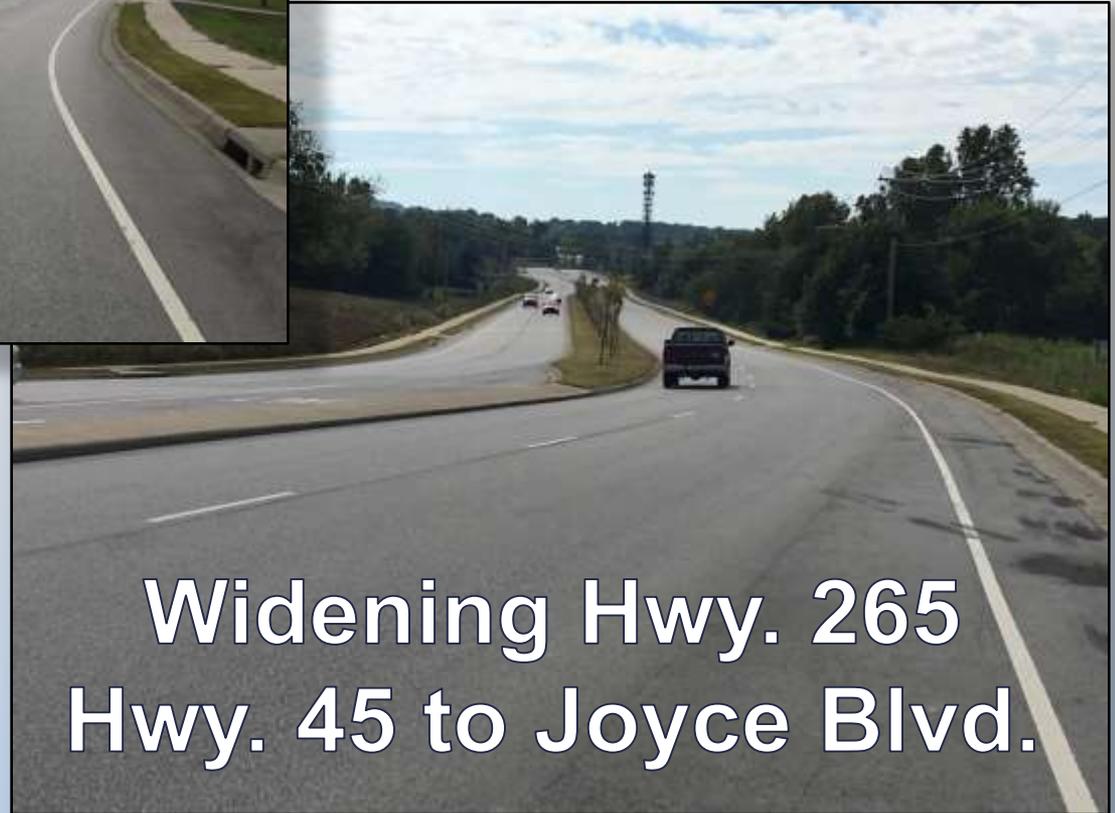


Partnering



- City paid 50% of Construction costs up to \$7,700,000

Widening Hwy. 265
Hwy. 45 to Joyce Blvd.

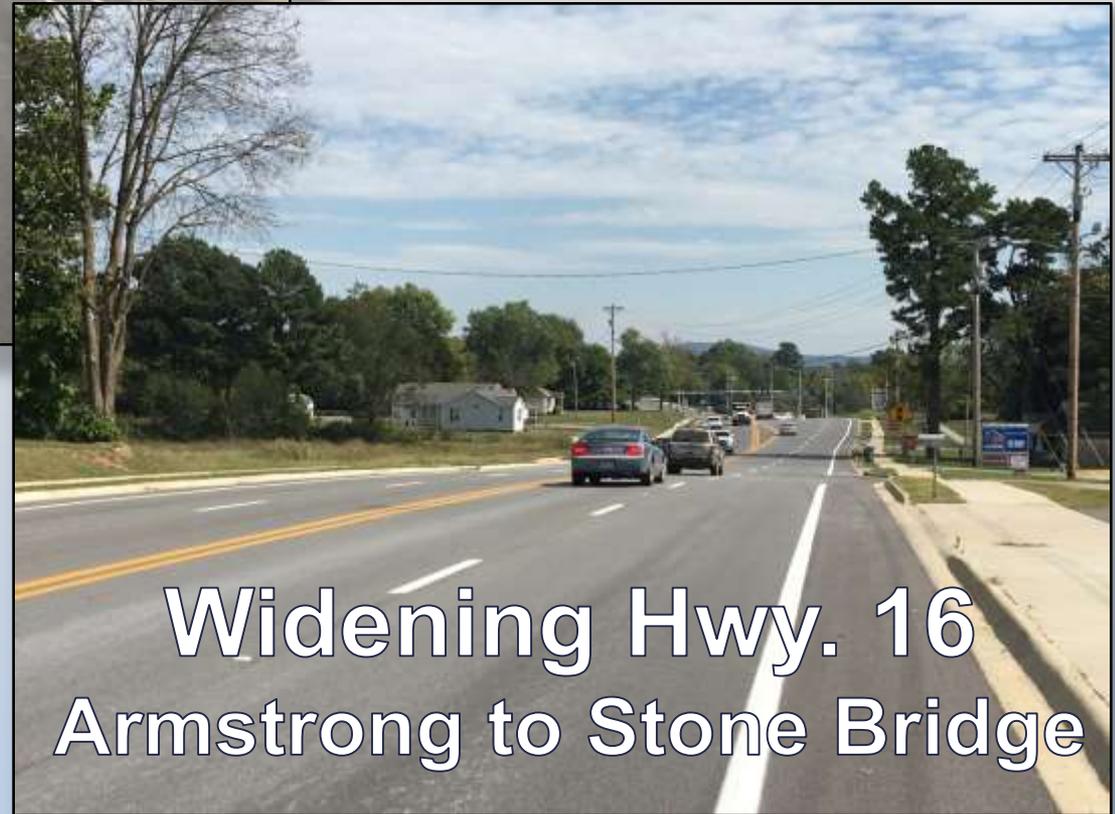




Partnering



- City paid 50% of Construction costs up to \$5,000,000



**Widening Hwy. 16
Armstrong to Stone Bridge**



Partnering

- City committed \$4,200,000 for Right of Way, Utilities, and Construction costs



**I-49 & Hwy. 112/71B
Widening & Interchange**



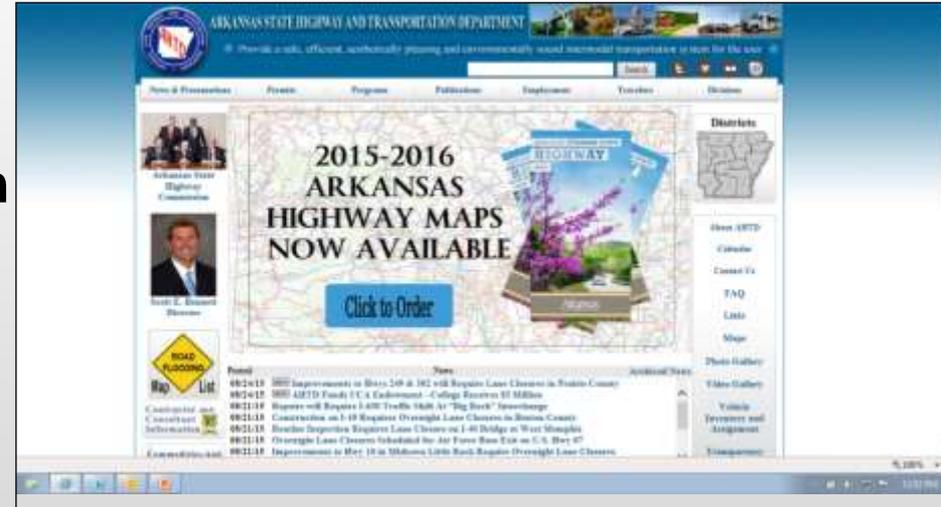
A Different kind of Partnering

Makeshift raft successfully crosses Bull Shoals!





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



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