

Arkansas Department of Transportation
 Biennial Appropriation State Fiscal Years 2022 - 2023
Budget Details with State Commitment Items

This report is in response to the October 14 Budget Hearing request regarding information for each of the Arkansas Department of Transportation (ARDOT) funding accounts as shown on pages 11-21 of the Comparing Appropriations and Operations for the 2019-2021 Biennium with Requests for the 2021-2023 Biennium for the Arkansas Department of Transportation and the State Highway Employees Retirement System.

Account Breakdown	2019-20 Actual	2019-20 Authorized	2020-21 Authorized	2021-22 Total	2022-23 Total
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RRA0000 - Operating Account

Description: All ARDOT revenues (except the proceeds from the current temporary ½-cent sales tax) are deposited in the RRA0000 account. This is the general operating account for ARDOT.

Regular Salaries	\$ 177,289,536	\$ 196,000,000	\$ 200,000,000	\$ 200,000,000	\$ 200,000,000
Overtime	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Personal Service Matching	\$ 56,318,556	\$ 66,000,000	\$ 70,000,000	\$ 70,000,000	\$ 70,000,000
Operating Expenses	\$ 118,186,947	\$ 280,000,000	\$ 240,000,000	\$ 240,000,000	\$ 240,000,000
Conference Fees/Travel	\$ 115,264	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Professional Fees and Services	\$ 41,599,155	\$ 80,000,000	\$ 85,000,000	\$ 80,000,000	\$ 80,000,000
Capital Outlay	\$ 573,612,981	\$ 1,000,000,000	\$ 1,100,000,000	\$ 1,000,000,000	\$ 1,000,000,000
Transportation Grants and Aid	\$ 24,703,526	\$ -	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Debt Service	\$ 67,270,721	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000	\$ 75,000,000
Claims and Awards					
Totals	\$ 1,059,096,687	\$ 1,707,300,000	\$ 1,820,300,000	\$ 1,715,300,000	\$ 1,715,300,000

Account Breakdown	2019-20 Actual	2019-20 Authorized	2020-21 Authorized	2021-22 Total	2022-23 Total
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Page 12 RRA4LHC - 4-Lane Highway Construction

Description: ARDOT's portion of the revenue from the current temporary ½-cent sales tax implemented by Amendment 91 are deposited in the RRA4LHC account. This revenue is dedicated to development and construction of Connecting Arkansas Program (CAP) projects.

Operating Expenses	\$ 218,638			\$ 10,000,000	\$ 10,000,000
Professional Fees and Services	\$ 20,577,346			\$ 25,000,000	\$ 25,000,000
Capital Outlay	\$ 253,494,520			\$ 810,000,000	\$ 610,000,000
Debt Service	\$ 51,130,096			\$ 155,000,000	\$ 155,000,000
Totals	\$ 325,420,600	\$ 900,000,000	\$ 1,000,000,000	\$ 1,000,000,000	\$ 800,000,000

Page 13 RRB0000 - State Aid Roads

Description: This account is for the State Aid Program for County Roads that was established by Act 445 of 1973 (Arkansas Code Title 27, Chapter 72, Subchapter 3) and is funded through one penny of the State's per gallon motor fuels tax. Funds are allocated to each county based on a formula found in the Code, and the County Judge controls the timing and use of these funds. ARDOT's State Aid Division assists the counties with project development and implementation, but the use of these funds is determined by the decisions of the individual counties. Operating Expenses have been coded in AASIS in the past, so we have modified our historical single line item request to account for possible Operating Expense entries in the future.

Operating Expenses	\$ 261,099			\$ 1,000,000	\$ 1,000,000
Grants/Aid	\$ 18,177,876			\$ 33,000,000	\$ 33,000,000
Totals	\$ 18,438,975	\$ 34,000,000	\$ 34,000,000	\$ 34,000,000	\$ 34,000,000

Account Breakdown

2019-20
Actual

2019-20
Authorized

2020-21
Authorized

2021-22
Total

2022-23
Total

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RRC0000 - State Aid Streets

Description: This account is for the State Aid Program for City Streets that was created in 1975 but amended to its current structure by Act 1032 of 2011 (Arkansas Code Title 27, Chapter 72, Subchapter 4), and implemented through the passage of Amendment 91. It is funded through one penny of the State's per gallon motor fuels tax. Funds are distributed through grants to cities as determined by a 9-member Council of Mayors as established in Arkansas Code. ARDOT's State Aid Division assists the cities with project development and implementation, but the use of these funds is determined by the decisions of the cities and the Council of Mayors. A small amount of Operating Expense was shown in AASIS in a recent year, so we have modified our historical single line item request to account for possible Operating Expense entries in the future.

Operating Expenses	\$	307,385			\$	1,000,000	\$	1,000,000
Grants/Aid	\$	23,140,428			\$	33,000,000	\$	33,000,000
Totals	\$	23,447,813	\$	34,000,000	\$	34,000,000	\$	34,000,000

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TPF0100 - Arkansas Public Transit Trust

Description: This is for the Arkansas Public Transit Trust fund was created by Act 949 of 2001. Revenue is provided through a tax on short-term rental vehicles. This is essentially a pass-through account that provides funds to local transit agencies for use in matching Federal Transit Administration funds. Funding is allocated to Public Transit Agencies by the Arkansas Public Transportation Coordination Council, which was established under A.C.A. § 27-3-103. The Public Transit Agencies use their discretion when deciding how to expend the funds for operating expense, capital outlay, etc. ARDOT does not determine the subcategories of these funds .

Grants/Aid	\$	4,035,158			\$	6,000,000	\$	6,000,000
Totals	\$	4,035,158	\$	5,000,000	\$	5,000,000	\$	6,000,000

Account Breakdown	2019-20 Actual	2019-20 Authorized	2020-21 Authorized	2021-22 Total	2022-23 Total
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Page 16 **SIR0000 - Commercial Truck Safety (ACTSEP)**

Description: This account is for a grant program created by Act 1176 of 2013 from a portion of revenue generated from registration fees on heavy trucks. The funding is to advance state interests in roadway safety by improving the safety of the commercial truck industry through cooperative public-private programs that focus on increased enforcement, regulatory compliance, industry training, and educational programs to ensure the safe movement of goods on Arkansas' roadways. Grants are awarded to recipients through a competitive application process administered by the Arkansas Highway Commission. This funding is intended for competitive grants, but a small amount of Operating Expense is occasionally incurred for advertising the availability of the grants. Therefore, we have modified our historical single line item request to account for Operating Expense entries in the future.

Operating Expenses	\$ 3,000			\$ 100,000	\$ 100,000
Grants/Aid	\$ 524,385			\$ 6,900,000	\$ 6,900,000
Totals	\$ 527,385	\$ 5,000,000	\$ 5,000,000	\$ 7,000,000	\$ 7,000,000

Page 17 **SIS0000 - Road and Bridge Repair**

Description: This account was amended to its current structure by Act 1019 of 2017. A portion of the Natural Gas Severance Tax is deposited into this account, and that money is distributed monthly to counties in the Fayetteville Shale area of the State based on the number of active wells in a county as a percentage of the number of active wells in the State. The money is used at the discretion of the County Judge for repairs to county roads and bridges. ARDOT does not determine the subcategories these funds.

Grants/Aid	\$ 754,885			\$ 2,000,000	\$ 2,000,000
Totals	\$ 754,885	\$ 5,000,000	\$ 5,000,000	\$ 2,000,000	\$ 2,000,000

Account Breakdown

	2019-20 Actual	2019-20 Authorized	2020-21 Authorized	2021-22 Total	2022-23 Total
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Page 18 HUA0701 - NOAA Radio System

Description: This is funded through General Revenue and is used to pay the utility bills for a NOAA Weather Warning System that is located on ARDOT property near Star City. No other expenses are authorized from this account.

Operating Expenses	\$ 326			\$ 4,000	\$ 4,000
Totals	\$ 326	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000

Page 19 HUA0702 - Public Transportation

Description: This is funded through General Revenue and is a pass-through account. Funds are distributed to transit agencies through a formula. ARDOT does not determine the subcategories of these funds.

Grants/Aid	\$ 346,393			\$ 350,000	\$ 350,000
Totals	\$ 346,393	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000

Page 20 TRR0000 - Arkansas State Highway Employee Retirement System (ASHERS)

Description: This is the operating account for the Retirement System. No salaries are paid from this account. These funds belong to the participants of the Department's Retirement System, so a certain degree of liquidity/flexibility must be maintained. Individual participant funds total nearly \$250 million that could be withdrawn at any time. The original appropriation request of \$300 million has been reduced to \$200 million.

Operating Expenses	\$ 8,773			\$ 20,000	\$ 20,000
Professional Fees and Services	\$ 8,747,027			\$ 12,000,000	\$ 12,000,000
Benefits	\$ 120,900,483			\$ 184,980,000	\$ 184,980,000
Refunds/Reimbursements	\$ 1,878,580			\$ 3,000,000	\$ 3,000,000
Totals	\$ 131,534,864	\$ 300,000,000	\$ 300,000,000	\$ 200,000,000	\$ 200,000,000

Account Breakdown	2019-20 Actual	2019-20 Authorized	2020-21 Authorized	2021-22 Total	2022-23 Total
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Page 21 RRA0100 - Intermodal Facilities Grants

Description: This fund was created by Act 705 of 2017. Revenue is provided through interest earnings on ARDOT's treasury account per A.C.A.§14-143-130, which states that the first \$525,000 earned each year is to be distributed equally between Regional Intermodal Transportation Authorities (RITA's) in the State. The RITA's use their discretion when deciding how to expend the funds for operating expense, capital outlay, etc. ARDOT does not determine the subcategories of these funds.

Grants/Aid	\$ 525,000			\$ 525,000	\$ 525,000
Totals	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>	<u>\$ 525,000</u>

Page 22 MFT0000 - Future Transportation Research Grants

Description: This fund was also created by Act 705 of 2017 with revenue being provided through interest earnings on ARDOT's treasury account per ACA 14-143-130. After the first \$525,000 earned each year is provided to the RITA's, the next \$500,000 is deposited into this account where it is used for Transportation-Related Research purposes at Arkansas colleges and universities. The purpose is to support the study of materials and sources in order to establish facts and reach new conclusions to provide resilient and sustainable logistics, processes, materials, and methods to ensure cost-effectiveness and the furtherance of education and economic development concerning all forms of transportation. These funds are awarded through competitive grants. ARDOT does not determine the subcategories of these funds.

Grants/Aid	\$ 1,354,811			\$ 1,500,000	\$ 2,000,000
Totals	<u>\$ 1,354,811</u>	<u>\$ 1,500,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ 2,000,000</u>

Grand Total	<u>\$ 1,565,482,897</u>	<u>\$ 2,992,679,000</u>	<u>\$ 3,206,179,000</u>	<u>\$ 3,000,679,000</u>	<u>\$ 2,801,179,000</u>
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