



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF BUDGET
1509 West Seventh Street, Suite 402
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-1941
Fax: (501) 682-1086
<http://www.dfa.arkansas.gov>

August 7, 2019


Senator Bruce Maloch, Co-Chair
Representative DeAnn Vaught, Co-Chair
Performance Evaluation & Expenditure Review Committee
Arkansas Legislative Council
State Capitol Building
Little Rock, AR 72201

RE: FY20 Appropriation and/or Fund Transfer Request(s)

Dear Co-Chairs:

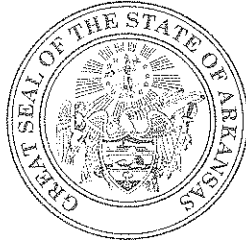
Please find attached items that were submitted to the Department of Finance and Administration that do not require my approval as Chief Fiscal Officer of the State, but which require approval of the Arkansas Legislative Council.

Sincerely,


Larry W. Walther
Director

LWW:ald

Attachment(s)



STATE OF ARKANSAS

ASA HUTCHINSON
GOVERNOR

July 31, 2019

Senator Cecile Bledsoe, Co-Chair
Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
315 State Capitol
Little Rock, AR 72201

Dear Co-Chairs:

Attached you will find a request from the Arkansas Department of Transportation to transfer funds in the amount of \$73,851,004.84 from the Arkansas Highway Transfer Fund to the State Highway and Transportation Department Fund. This will provide the department with funding to meet the required state match for Federal Fiscal Year (FFY) 2019 Federal Funds, expedite flood damage repairs, and expedite pavement preservation projects.

Please accept this letter as my recommendation that this transfer request be reviewed and approved by the Arkansas Legislative Council, as required by 19-6-832(c).

I appreciate your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Asa Hutchinson", written over a horizontal line.

Asa Hutchinson

cc: Scott Bennett, P.E.
Director of the Arkansas Department of Transportation

ARKANSAS STATE HIGHWAY COMMISSION

THOMAS B. SCHUECK
CHAIRMAN
LITTLE ROCK



PHILIP TALDO
SPRINGDALE

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P.O. Box 2261 • Little Rock, Arkansas 72203-2261
Phone (501) 569-2000 • Voice/TTY 711 • Fax (501) 569-2400
www.ARDOT.gov • www.IDriveArkansas.com

SCOTT E. BENNETT, P.E.
DIRECTOR

July 17, 2019

The Honorable Asa Hutchinson
Governor of Arkansas
State Capitol, Room 250
500 Woodlane Avenue
Little Rock, Arkansas 72201

Dear Governor Hutchinson:

Reference is made to Act 1 of the 90th General Assembly's Third Extraordinary Session, the Arkansas Highway Improvement Plan of 2016 (hereinafter called the Plan).

Section 13 of the Plan, Arkansas Code 19-6-832 (c) reads as follows:

In the event revenues to the department are insufficient to fully address the highway construction and maintenance needs of the state, the department may provide a written document to the Governor outlining the reasons that additional funding is needed and requesting that the Governor provide a recommendation to the Legislative Council or the Joint Budget Committee for review and approval of the transfer of funds in the Arkansas Highway Transfer Fund to the State Highway and Transportation Department Fund.

The Plan established the Arkansas Highway Transfer Fund which includes funding that can be utilized by the Arkansas Department of Transportation (ARDOT). A breakdown of the funding received in Federal Fiscal Year 2019 is as follows:

Transfer Source	Amount Received
Redirect the \$4 million of the Diesel Tax from General Revenue to the Highway Fund (70/30 split)	\$2,700,000.00
Eliminate the State Central Services Deduction from 1/2 cent sales tax	\$5,400,000.00
Securities Reserve Fund	\$20,000,000.00
Total Received	\$28,100,000.00

The Honorable Asa Hutchinson
July 17, 2019

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According to Act 1, ARDOT is now eligible to request 25% of the State Surplus that has been deposited into the Arkansas Highway Transfer Fund in the amount of \$73,851,004.84. A breakdown of the need for these funds is as follows:

Transfer Source – 25% of State Surplus	\$73,851,004.84
Fund Description	Amount Requested
Additional Needed for the Required State Match to Maximize the Use of Federal Fiscal Year 2019 Federal Funds	\$21,900,000.00
Expedite Repair of Recent Flood Damage	\$30,000,000.00
Expedite Pavement Preservation Projects	\$21,951,004.84

The Department respectfully requests your recommendation to the appropriate legislative body to transfer these funds from the Arkansas Highway Transfer Fund to the State Highway and Transportation Fund.

Thank you for your work to address our State's highway funding shortfall. I look forward to working with you to educate the public on the benefits of the long-term funding solution that will be presented to the voters in November 2020.

Sincerely,



Scott E. Bennett, P.E.
Director

- c: Highway Commission
- Deputy Director and Chief Operating Officer
- Deputy Director and Chief Engineer
- Assistant Chiefs
- Fiscal Services
- Governmental Relations Office
- Program Management
- Public Information
- Transportation Planning and Policy