Arkansas State Highway Commission Meeting

September 15, 2021
Consideration of Minute Orders
03
Updates
State Highway Revenue

Patrick Patton
Chief Fiscal Officer
## 2021-2022 OPERATIONS BUDGETED REVENUE

### August

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021 (Millions)</th>
<th>FY 2022 (Millions)</th>
<th>Variance</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Fuel Registration Permits &amp; Penalties</td>
<td>$48.9</td>
<td>$51.7</td>
<td>$2.8</td>
<td>5.7%</td>
</tr>
<tr>
<td>Registration</td>
<td>$17.0</td>
<td>$18.8</td>
<td>$1.8</td>
<td>10.6%</td>
</tr>
<tr>
<td>Permits &amp; Penalties</td>
<td>$2.6</td>
<td>$2.6</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>$1.5</td>
<td>$0.6</td>
<td>-$0.9</td>
<td>-60.0%</td>
</tr>
<tr>
<td>Natural Gas Severance Tax</td>
<td>$0.3</td>
<td>$3.1</td>
<td>$2.8</td>
<td>933.3%</td>
</tr>
<tr>
<td>Interest</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$70.3</td>
<td>$76.8</td>
<td>$6.5</td>
<td>9.3%</td>
</tr>
</tbody>
</table>
2021-2022 OPERATIONS – BUDGETED vs. ACTUAL

August

<table>
<thead>
<tr>
<th>VARIANCE</th>
<th>% CHANGE</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.5</td>
<td>3.0%</td>
<td>$1.8</td>
<td>$0.0</td>
</tr>
<tr>
<td>$0.0</td>
<td>0.0%</td>
<td>-$0.9</td>
<td>$2.8</td>
</tr>
<tr>
<td>-$0.9</td>
<td>-60.0%</td>
<td>$2.8</td>
<td>$0.0</td>
</tr>
<tr>
<td>$2.8</td>
<td>933.3%</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>$0.0</td>
<td>0.0%</td>
<td>$5.2</td>
<td>$76.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>BUDGETED</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$50.2</td>
<td>$51.7</td>
</tr>
<tr>
<td>REGISTRATION</td>
<td>$17.0</td>
<td>$18.8</td>
</tr>
<tr>
<td>PERMITS &amp; PENALTIES</td>
<td>$2.6</td>
<td>$2.6</td>
</tr>
<tr>
<td>OTHER</td>
<td>$1.5</td>
<td>$0.6</td>
</tr>
<tr>
<td>NATURAL GAS SEVERANCE TAX</td>
<td>$0.3</td>
<td>$3.1</td>
</tr>
<tr>
<td>INTEREST</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$71.6</td>
<td>$76.8</td>
</tr>
</tbody>
</table>
### 2021-2022 ACT 416 – BUDGETED REVENUE

#### August

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>VARIANCE</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$9.5</td>
<td>$9.9</td>
<td>$0.4</td>
<td>4.2%</td>
</tr>
<tr>
<td>ELECTRIC/HYBRID FEES</td>
<td>$0.4</td>
<td>$0.4</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>CASINO TAX</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$9.9</td>
<td>$10.3</td>
<td>$0.4</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

**Total Variance:** $0.4

**Total % Change:** 4.0%

**MOTOR FUEL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021 (MILLIONS)</th>
<th>FY 2022 (MILLIONS)</th>
<th>VARIANCE (MILLIONS)</th>
<th>% CHANGE</th>
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</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$9.5</td>
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<td>4.2%</td>
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</tbody>
</table>

**ELECTRIC/HYBRID FEES:**

<table>
<thead>
<tr>
<th>Description</th>
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<th>FY 2022 (MILLIONS)</th>
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<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$0.4</td>
<td>$0.4</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**CASINO TAX:**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021 (MILLIONS)</th>
<th>FY 2022 (MILLIONS)</th>
<th>VARIANCE (MILLIONS)</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**TOTAL:**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021 (MILLIONS)</th>
<th>FY 2022 (MILLIONS)</th>
<th>VARIANCE (MILLIONS)</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOTOR FUEL</td>
<td>$9.9</td>
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<td>$0.4</td>
<td>4.0%</td>
</tr>
<tr>
<td>VARIANCE</td>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>% CHANGE</td>
<td>BUDGET</td>
</tr>
<tr>
<td>----------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>MOTOR FUEL</td>
<td>$9.7</td>
<td>$9.9</td>
<td>2.1%</td>
<td>$0.4</td>
</tr>
<tr>
<td>ELECTRIC/HYBRID FEES</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
</tr>
<tr>
<td>CASINO TAX</td>
<td>$0.0</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$10.1</td>
<td>$10.3</td>
<td>2.0%</td>
<td>$0.2</td>
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</table>
2021-2022 FUEL CONSUMPTION

August

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td>264.0</td>
<td>249.6</td>
</tr>
<tr>
<td>DIESEL</td>
<td>108.4</td>
<td>105.2</td>
</tr>
<tr>
<td>ALTERNATIVE FUELS</td>
<td>0.328</td>
<td>0.301</td>
</tr>
<tr>
<td>TOTAL</td>
<td>372.7</td>
<td>355.1</td>
</tr>
</tbody>
</table>

VARIANCE

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td>-14.4</td>
<td>-5.5%</td>
</tr>
<tr>
<td>DIESEL</td>
<td>-3.2</td>
<td>-3.0%</td>
</tr>
<tr>
<td>ALTERNATIVE FUELS</td>
<td>-0.03</td>
<td>-8.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-17.6</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>

% CHANGE

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GASOLINE</td>
<td>-14.4</td>
<td>-5.5%</td>
</tr>
<tr>
<td>DIESEL</td>
<td>-3.2</td>
<td>-3.0%</td>
</tr>
<tr>
<td>ALTERNATIVE FUELS</td>
<td>-0.03</td>
<td>-8.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-17.6</td>
<td>-4.7%</td>
</tr>
</tbody>
</table>
## Arkansas Fuel Consumption

**ROLLING 12-MONTH COMPARISON**

<table>
<thead>
<tr>
<th></th>
<th>Previous 12 Months (gallons)</th>
<th>Current 12 Months (gallons)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>1,450,668,529</td>
<td>1,490,433,123</td>
<td>2.74%</td>
</tr>
<tr>
<td>Diesel</td>
<td>666,100,516</td>
<td>709,688,453</td>
<td>6.54%</td>
</tr>
<tr>
<td>Alternative</td>
<td>2,269,054</td>
<td>1,878,349</td>
<td>-17.22%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,119,038,099</strong></td>
<td><strong>2,201,999,925</strong></td>
<td><strong>3.92%</strong></td>
</tr>
<tr>
<td></td>
<td>Projected Net</td>
<td>Actual Receipts</td>
<td>Variance</td>
</tr>
<tr>
<td>----</td>
<td>---------------</td>
<td>-----------------</td>
<td>----------</td>
</tr>
<tr>
<td>Jul</td>
<td>20,020,000</td>
<td>20,642,228</td>
<td>622,228</td>
</tr>
<tr>
<td>Aug</td>
<td>20,510,000</td>
<td>20,730,514</td>
<td>220,514</td>
</tr>
<tr>
<td>Total</td>
<td>40,530,000</td>
<td>41,372,742</td>
<td>842,742</td>
</tr>
</tbody>
</table>
## Half-Cent Sales Tax

### PROJECTED vs. ACTUAL

<table>
<thead>
<tr>
<th>Projected Net</th>
<th>Actual Receipts</th>
<th>Variance</th>
<th>Percent Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,501,468,512</td>
<td>$1,526,756,752</td>
<td>$25,288,240</td>
<td>1.68%</td>
</tr>
</tbody>
</table>
Federal Highway and Transit Issues

Kevin Thornton
Assistant Chief - Administration
Infrastructure Investment and Jobs Act – IIJA

- Passed out of the U.S. Senate
- Currently under consideration by the U.S. House
- $110B for roads, bridges and major projects
- 35% increase over FAST Act spending levels
- Arkansas’ share is $3.6B over 5 years
- U.S. House to vote on or before September 27
Consultant Selection
On-Call Certified Public Accountant Review Services
On-Call Certified Public Accountant Review Services

- Booth Management Consulting, LLC
  Columbia, Md.

- MH Miles Company, CPA, PC
  Decatur, Ga.

- Stambaugh Ness, Inc.
  York, Pa.
Architectural Services
Arkansas Welcome Center
Bella Vista
Arkansas Welcome Center
Bella Vista

- Crafton Tull & Associates, Inc.
  Fayetteville, Ark.

- Cromwell Architects Engineers, Inc.
  Little Rock, Ark.

- Garver, LLC
  North Little Rock, Ark.
05
Highway Commission Review
and Advisory Subcommittee Study
Recommendations
Implementation Rules
2019
Act 298 of the 92nd General Assembly

September 24
Guidehouse began work on the study

November 20
ALC adopted the final report

Findings
13 Recommendations across 6 Focus Areas

2021
Act 739 of the 93rd General Assembly

TODAY
Rules for implementing Recommendations
FOCUS AREA

Organizational Structure
Finalize KPIs and implement performance management

- Establish the ARDOT Key Performance Indicators (KPIs) Oversight Committee.
- Hold internal meetings with key ARDOT staff members to finalize development of operational effectiveness KPIs and recommend performance targets for each one that will support and evaluate ARDOT's accomplishment of its Strategic Plan.
- Solicit stakeholder comments regarding operational KPIs and performance targets.
- Make final adjustments to the operational effectiveness KPIs and performance targets based on the comments received.
- Develop a dashboard to monitor and evaluate how ARDOT is meeting the performance measure for each KPI.
- Develop annual review to identify successes and address areas of needed improvement.
Strengthen knowledge management in anticipation of increased retirement

- The ARDOT Human Resources Division has been assigned the responsibility to oversee the implementation and long-term management of ARDOT’s Knowledge Management Program.

- Continue reviewing all ARDOT positions to identify which ones are at risk of knowledge loss and identify responsibilities and associated processes, workflows, and critical areas of expertise.

- Continue with knowledge interviews and further develop methods for knowledge capture of high-risk work responsibilities, processes, and workflows.

- Identify staff in each Division or District who will be responsible for management of the knowledge captured and transfer of the knowledge to appropriate parties.

- Develop annual review of ARDOT’s KM Program to ensure alignment with current.
FOCUS AREA
Portfolio Planning
3. Publish status of construction projects and maintenance activities

- Evaluate existing reporting platforms currently in use and document project information provided through them.
- Identify additional project information that could be provided through currently used reporting platforms for construction projects and maintenance projects.
- Hold internal meetings with key ARDOT staff members to select project information that will be provided and how this information should be presented.
- Solicit stakeholder comments regarding project information that will be provided and how this information should be presented.
- Finalize project information that will be provided and how this information should be presented.
Implement a platform that tracks all stakeholder inquiries to resolution

- Establish the ARDOT Customer Service Oversight (ACSO) Committee.
- Hold internal meetings with key ARDOT staff members and evaluate existing resources to identify the quantity, scope, and type of customer inquiries.
- Conduct a targeted survey of ARDOT inquiries to assess and analyze customer’s needs.
- Establish goals for customer experience.
- Solicit stakeholder comments regarding the establish goals for customer experience.
- Select a consultant to provide software which can be integrated into ARDOT’s website that allows input, tracking, and documentation of response to customer inquiries.
- The consultant provided software will provide a reporting structure that summarizes information regarding customer inquiries to ARDOT administration and the public.
- Establish metrics and performance measurements to evaluate customer service goals progress.
FOCUS AREA

Procurement
Implement efficiencies in procurement and purchasing

Procurement of Construction Projects / Procurement of Equipment and Materials

- Select focus areas to evaluate related to this portion of the recommendation.
- Identify needed data to be able to evaluate the current processes and procedures.
- Identify needed data that is not currently tracked, identify and implement methods of capturing it.
- Evaluate current processes and procedures and document the best practices.
- Identify new or improved processes and procedures.
Implement construction contractor performance measurement

- Establish the Contractor Performance Evaluation Committee (CPEC)
- Solicit stakeholder comments regarding the implementation of this recommendation.
- Identify metrics that define quality and desired performance.
- Develop guidance for the type or size of projects where this evaluation will be used.
- Establish protocols that ensure subjectivity.
- Develop a form to be used by the ARDOT Resident Engineer to document performance evaluation.
- Establish a review process of the final evaluation with the prime contractor.
- Establish an appeal process for the prime contractor.
- Finalize the process.
FOCUS AREA
Expenditures
Implement project and portfolio management frameworks

Construction and Maintenance Projects

- Evaluate the need for a Construction Project Management Office.
- Evaluate the need for a Maintenance Project Management Office.
- Review existing planning and construction project and maintenance management protocols and software.
- Identify best practices in other states.
- Select identified systems and processes.
- Provide needed training to implement the selected systems and processes.
Implement best practices in construction project design

- Establish formal procedures for practical design, value engineering, and a comparison of engineer’s estimates against final cost.
- Establish the analysis which will identify benefits, cost savings, and return of investment from the use of practical design, value engineering, and a comparison of engineer’s estimates against final cost.
- Establish processes which will identify needed changes to design approach for projects most likely to have change orders, that exceed estimated completion dates, and are likely to benefit from practical design solutions.
FOCUS AREA
Information Technology
Build an IT Governance Structure to guide to the Department’s IT investments

- Establish an Information Technical (IT) Governance Committee made up of ARDOT leadership including the appropriate Assistant Chiefs and Division Head that reports through the Deputy Director and Chief Operating Officer to the Director.
- Establish a framework and charter for the committee.
- Establish governance focus areas and priorities.
- Establish needed subcommittees to address each focus area.
- Establish a framework and charter for each subcommittee.
- Establish frequency for committee and subcommittee meetings.
- Identify KPIs to evaluate performance.
Determine preliminary ARDOT data governance and application development standards.

Complete the existing application and database inventory including known policies, procedures, training and database schema categorized by business function.

Establish application and database scoring system based on business function relevancy, risks, and cost of ownership.

Review and validate scoring assessment with internal subject matter experts.

Create an overall assessment for all applications and databases in the inventory, which will, in part, evaluate the security and configuration of each one.

Establish a phased approach for implementation based on the needed actions as identified in the assessment as follows:

- Phase 1 – Retain as is or eliminate
- Phase 2 – Re-engineer
- Phase 3 – Migrate
Develop critical pillars necessary to establish IT as an effective business partner

- Evaluate industry standards and protocols for Information Technology Project Management (ITPM).
- Select a preliminary set of ITPM tools, templates, and success metrics.
- Establish and provide training to staff members to implement the ITPM tools, templates, and success metrics.
- Complete implementation of the Information Technology Service Management (ITSM) already selected and installed at ARDOT including:
  - Service desk capabilities;
  - Service catalog management;
  - Risk management;
  - Asset catalog;
  - Project Management capabilities including tracking and reporting.
- Establish a multi-year long range plan for management and use of the ITSM.
FOCUS AREA
People Capabilities
12. Ensure staff can develop in their careers at the Department

13. Improve staff capabilities to align with current/future organizational needs

- Continue to monitor turnover and identify high turnover positions that are important to ARDOT’s continuity of operations for accomplishment of the Strategic Plan.
- Continue implementing the existing Workforce Strategic Plan, and adjust as needed, in order to mitigate the impact of turnover and increase employee engagement.
- Continue to establish how pooled positions can be used to properly align our employee’s compensation with their competencies and responsibilities.
- Identify and publicize the steps required for advancement within career paths with respect to competencies, experience, training, and certifications.
Consider the benefit of a compensation study.

Evaluate the ACE employee performance evaluation process to ensure that the accomplishment of training, attendance, completion of projects and assignments, and increased competencies are taken into consideration.

Continue to identify and fill training gaps, and prioritize training where it will have the most impact.

Encourage supervisors to utilize employee development plans, including training and other activities, as part of the performance evaluation process.

Ensure staff can develop in their careers at the Department

Improve staff capabilities to align with current/future organizational needs
12. Ensure staff can develop in their careers at the Department

13. Improve staff capabilities to align with current/future organizational needs

- Continue providing manager training both in-house and by utilizing our existing external partners.
- Implement a Leadership Development Program to further develop existing leaders at all levels, as well as to prepare future leaders.
- Continue cross-training in high turnover areas and for high turnover positions.
- Complete implementation of the Maintenance Training Academy, which offers formalized practical training, including but not limited to equipment operation.
COVID-19 Update

Crystal Woods
Division Head – Human Resources
ARDOT Positive Cases

**SOURCE OF EXPOSURE**

- **Work**: 43%
- **Household**: 28%
- **Extended Family (non-household)**: 15%
- **Other (friend, church, travel)**: 9%
- **Unknown**: 5%
ARDOT Positive Cases

BY REGION

- Central: 277
- Northwest: 183
- Northeast: 169
- Southwest: 117
- Southeast: 49

Total: 795
ARDOT Workplace Exposures

850 POTENTIAL EXPOSURES

86% Not Positive
14% Positive
ARDOT Vaccinations

2,157 EMPLOYEES

- On-Site Vaccine Clinic, April: 1,022
- Bonus Payments, Mid-July: 435
- Bonus Payments, Late August: 700
Additional COVID-19 Mitigation Efforts

• Provide paid time off for vaccination
• Allow up to 80 hours paid time off for employees who test positive or have to quarantine
• Invited local physicians to visit with county crews
• Share news and information from Governor’s press conferences and other sources
• Reinforce safety protocols
Jimmy Beams, 57
OCTOBER 05, 1963 - DECEMBER 16, 2020
Mechanic
District 5 Shop
16 Years of Service
Eric Hall, 54
DECEMBER 11, 1966 - JANUARY 31, 2021

Storeroom Assistant
District 6 Storeroom
3 Years, 9 Months of Service
Jimmy Cansler, 68
JULY 16, 1952 - MAY 17, 2021
Area Headquarters Attendant
District 1 Woodruff Co. Maintenance Crew
17 Years, 10 Months of Service
Alex Golden, 44
NOVEMBER 5, 1976 - JULY 16, 2021
Maintenance Specialist
District 7 Sealing Crew
10 Years, 8 Months of Service
Darren Smith, 53
JULY 18, 1968 - AUGUST 21, 2021
Data Collection Technician
System Information & Research Division
19 Years, 7 Months of Service
Matthew “Chandler” Moore, 34
APRIL 8, 1987 - SEPTEMBER 5, 2021
AHP Sergeant
Highway Police District 5
11 Years, 1 Month of Service
What’s Next?

1st Dose
COVID-19 Vaccine

2nd Dose
COVID-19 Vaccine

Booster Dose
COVID-19 Vaccine
07

Upcoming Events
UPCOMING EVENTS

SEPTEMBER 15
Highway Commission Review Advisory Subcommittee Meeting
Director Tudor
2:30 p.m. | Capitol, Little Rock, Ark.

SEPTEMBER 20-23
Congressional Delegation Meetings
Commissioner Gibson, Director Tudor
Washington, D.C.

SEPTEMBER 28
AAPA Partnering Meeting
Director Tudor
11 a.m. | ARDOT Central Office

SEPTEMBER 29
Little Rock Road Show
Director Tudor
8:15 a.m. | Holiday Inn Airport

SEPTEMBER 30
Bella Vista Bypass Ribbon Cutting
Director Tudor
10 a.m. | I-49 AR-MO Stateline

OCTOBER 1
Kiwanis Presentation
Director Tudor
7 a.m. | Gravette, Ark.
Events

**OCTOBER 7**
Golden Triangle Annual Dinner
Director Tudor
6 p.m. | SAU Tech, Camden, Ark.

**OCTOBER 11 & NOVEMBER 15**
Legislator Orientation
ARDOT Central Office

**OCTOBER 12**
Highway 270 Groundbreaking
Commissioners, Director Tudor
11 a.m. | Garland County

**OCTOBER 13**
Western Arkansas Intermodal Authority
Director Tudor
11 a.m. | Ft. Smith, Ark.

**OCTOBER 25-29**
AASHTO Annual Meeting
Director Tudor
San Diego, Calif.

**NOVEMBER 3**
Arkansas Highway Commission Meeting
Commissioners, Director Tudor
10 a.m. | ARDOT Central Office
08
Other Business and Discussion
Chairman Robert S. Moore, Jr. named Distinguished Ouachita Baptist University Alumnus

- Chairman Moore graduated from OBU in 1966
- Recognized for his many years of Public Service to Arkansas
Arkansas State Highway Commission Meeting

September 15, 2021