



Arkansas State Highway Commission Meeting

December 7, 2022

01

Meeting Minutes of November 2, 2022

02

Consideration of Minute Orders

03

Updates

State Highway Revenue

Patrick Patton

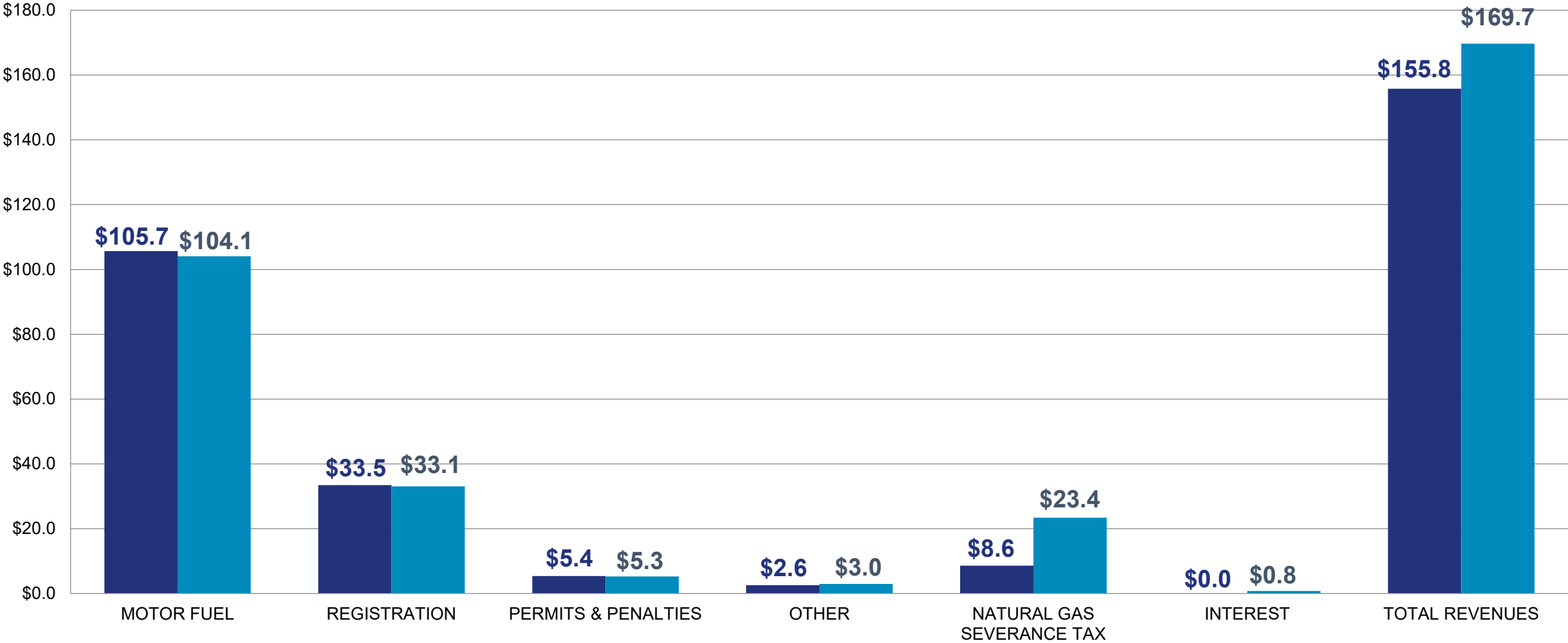
Chief Fiscal Officer

SFY 2022 vs. SFY 2023 Actual Revenue

■ FY 2022 ■ FY 2023
(MILLIONS)

October

| | | | | | | | |
|----------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|
| VARIANCE | -\$1.6 | -\$0.4 | -\$0.1 | \$0.4 | \$14.8 | \$0.8 | \$13.9 |
| % CHANGE | -1.5% | -1.2% | -1.9% | 15.4% | 172.1% | 80.0% | 8.9% |



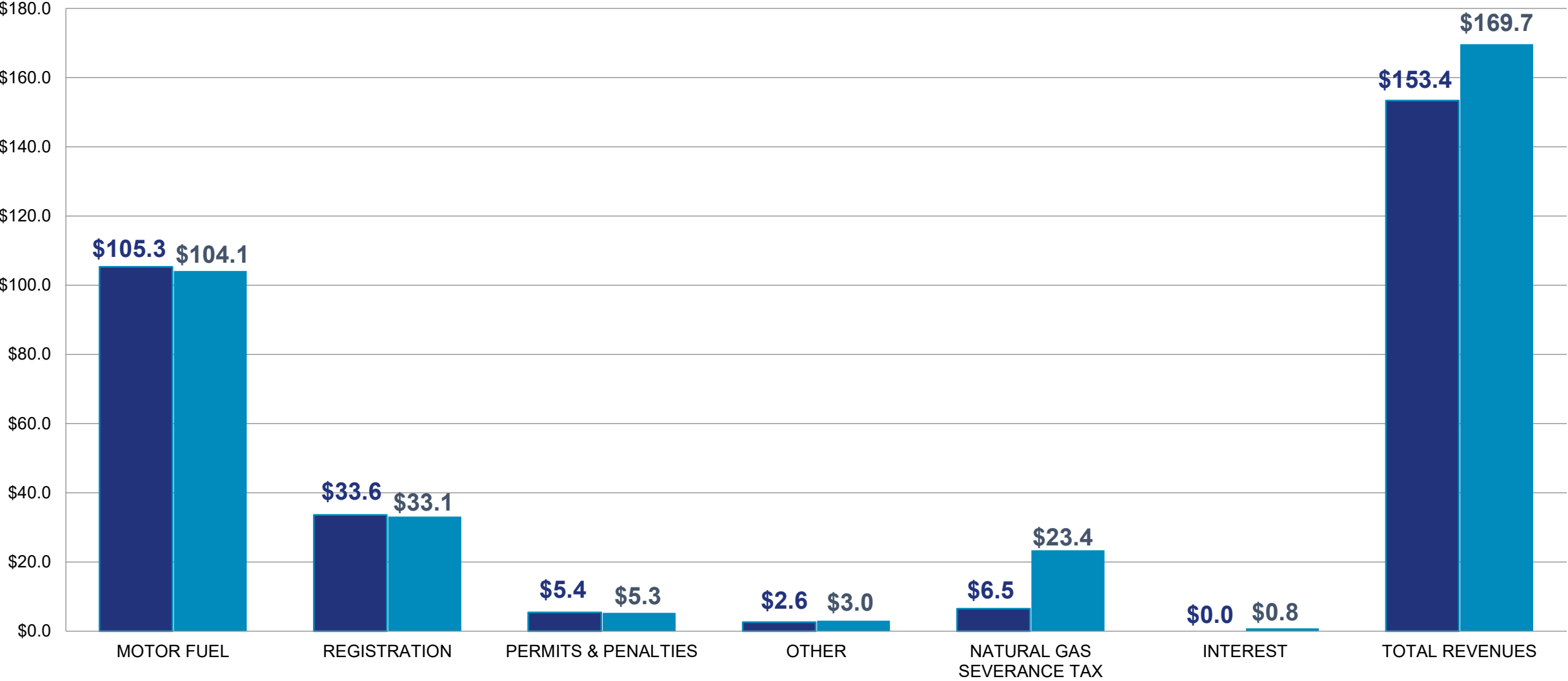
SFY 2023 Budgeted vs. Actual Revenue

■ BUDGETED ■ ACTUAL

October

(MILLIONS)

| | | | | | | | |
|----------|---------------|---------------|---------------|--------------|---------------|--------------|---------------|
| VARIANCE | -\$1.2 | -\$0.5 | -\$0.1 | \$0.4 | \$16.9 | \$0.8 | \$16.3 |
| % CHANGE | -1.1% | -1.5% | -1.9% | 15.4% | 260.0% | 80.0% | 10.6% |



SFY 2022 vs. SFY 2023 Act 416 Actual Revenue

October

■ FY 2022 ■ FY 2023
(MILLIONS)

| | | | | |
|----------|--------------|---------------|--------------|--------------|
| VARIANCE | \$0.6 | -\$0.1 | \$0.0 | \$0.5 |
| % CHANGE | 3.0% | -11.1% | 0.0% | 2.4% |



SFY 2023 Budgeted vs. Act 416 Actual Revenue

October

■ BUDGET ■ ACTUAL
(MILLIONS)

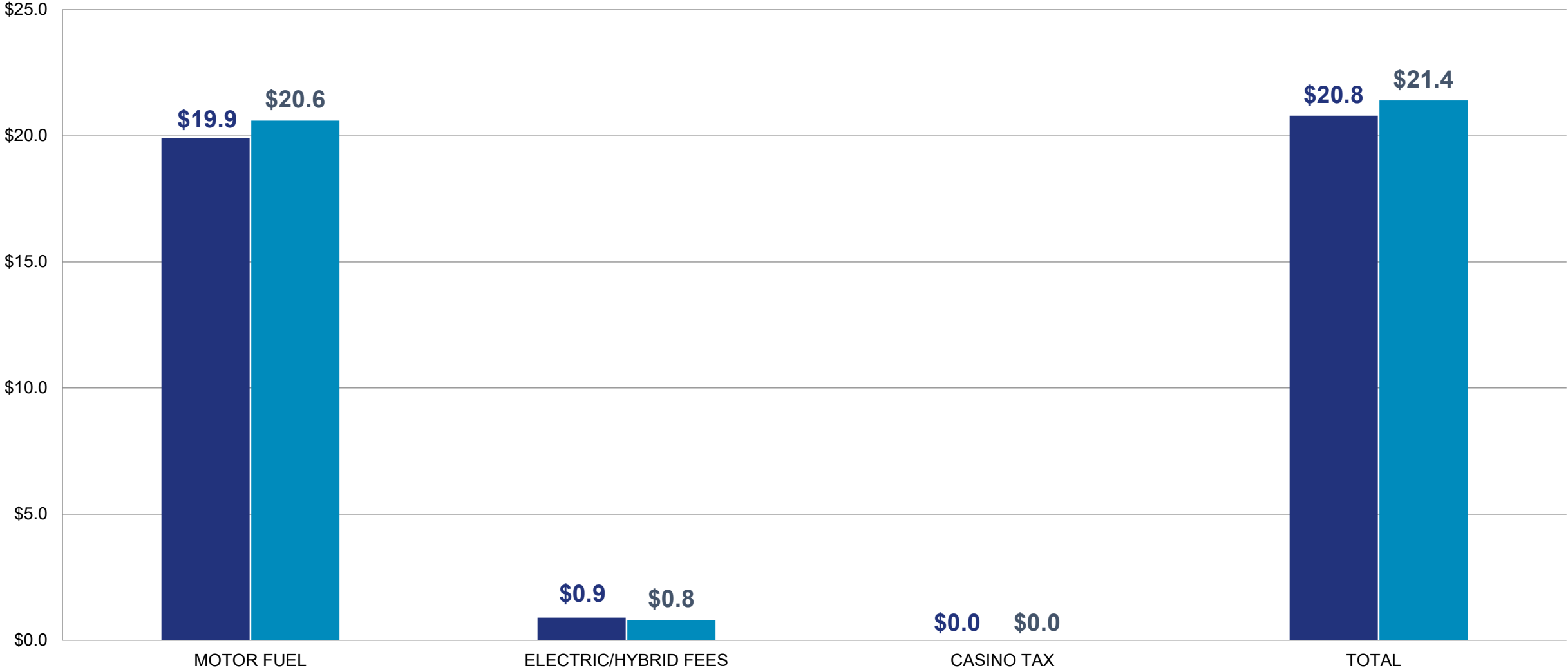
VARIANCE
% CHANGE

\$0.7
3.5%

-\$0.1
-11.1%

\$0.0
0.0%

\$0.6
2.9%



SFY 2022 vs. SFY 2023 Fuel Consumption

October

■ FY 2022 ■ FY 2023

(MILLION GALLONS)

VARIANCE
% CHANGE

-10.0

-1.9%

-0.4

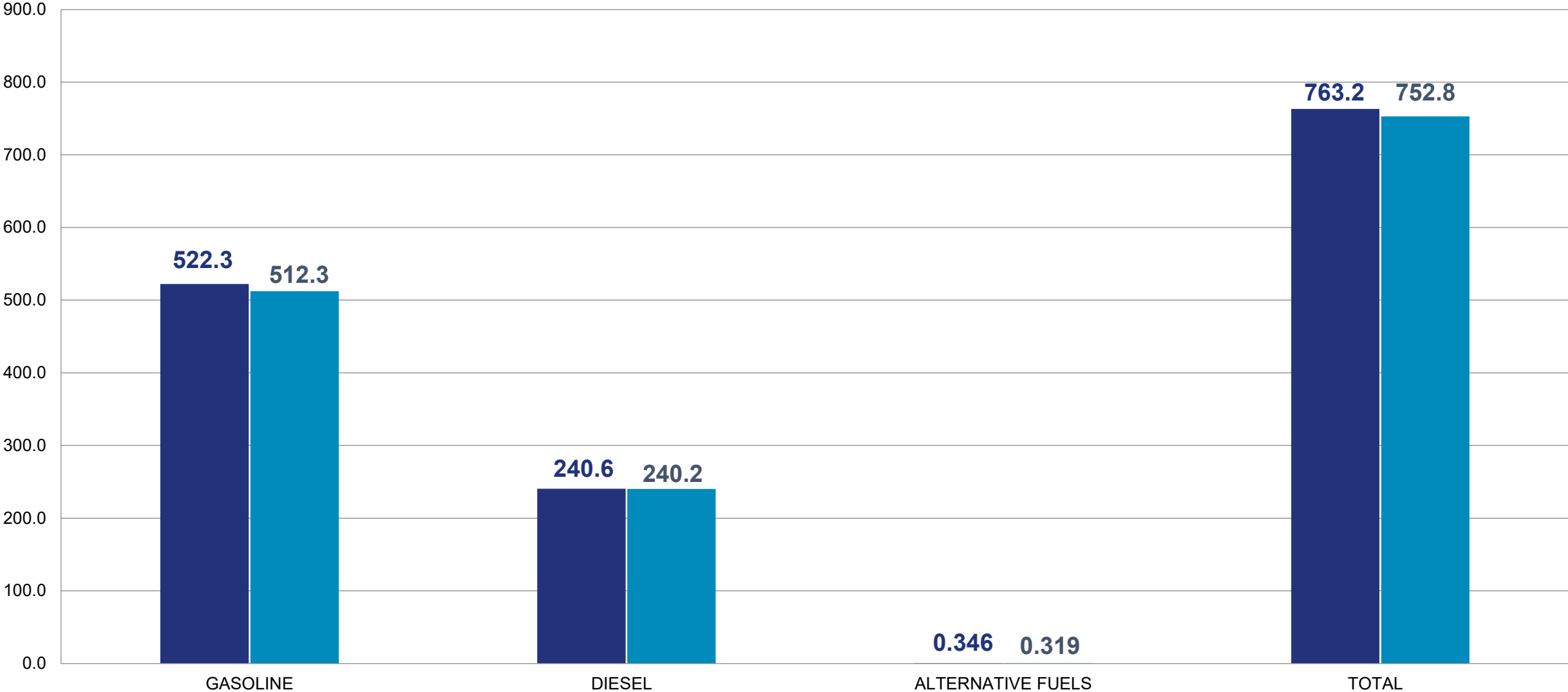
-0.2%

-0.03

-7.8%

-10.4

-1.4%





Arkansas Fuel Consumption

ROLLING 12-MONTH COMPARISON

| | Previous 12 Months (gallons) | Current 12 Months (gallons) | Variance |
|-------------|---------------------------------|--------------------------------|---------------|
| Gasoline | 1,499,324,553 | 1,501,856,092 | 0.17% |
| Diesel | 723,641,301 | 719,989,115 | -0.50% |
| Alternative | 1,894,518 | 1,877,360 | -0.91% |
| Total | 2,224,860,372 | 2,223,722,567 | -0.05% |

STATE FISCAL YEAR

2023 Sales Tax

| | Projected Net | Actual Receipts | Variance | Monthly Variance | Actual Variance |
|--------------|-------------------|-------------------|-------------------|------------------|-----------------|
| Jul | 20,160,000 | 22,003,743 | 1,843,743 | 9.15% | 9.15% |
| Aug | 20,720,000 | 23,216,299 | 2,496,299 | 12.05% | 10.62% |
| Sept | 20,370,000 | 23,399,767 | 3,029,767 | 14.87% | 12.03% |
| Oct | 19,810,000 | 23,096,241 | 3,286,241 | 16.59% | 13.15% |
| Nov | | | | | |
| Dec | | | | | |
| Jan | | | | | |
| Feb | | | | | |
| Mar | | | | | |
| Apr | | | | | |
| May | | | | | |
| Jun | | | | | |
| Total | 81,060,000 | 91,716,050 | 10,656,050 | | |



Half-Cent Sales Tax

Projected vs. Actual Since Inception

| Projected Net | Actual Receipts | Variance | Percent Variance |
|-----------------|-----------------|--------------|------------------|
| \$1,780,978,512 | \$1,830,315,192 | \$49,336,679 | 2.77% |

Federal Highway and Transit Issues

Kevin Thornton

Assistant Chief - Administration

Infrastructure Investment and Jobs Act (IIJA)

We are Still Operating Under a Continuing Resolution

The Continuing Resolution Expires December 16

Negotiations are Ongoing



RAISE Grant Application

Jared Wiley, P.E.

Assistant Chief Engineer for Planning



RAISE Grant Application

Rebuilding American Infrastructure
with Sustainability and Equity

FY 2023 RAISE Grant Program



- Application period opened November 30
- Applications must be submitted by February 28
- Available funding is \$1.5 Billion

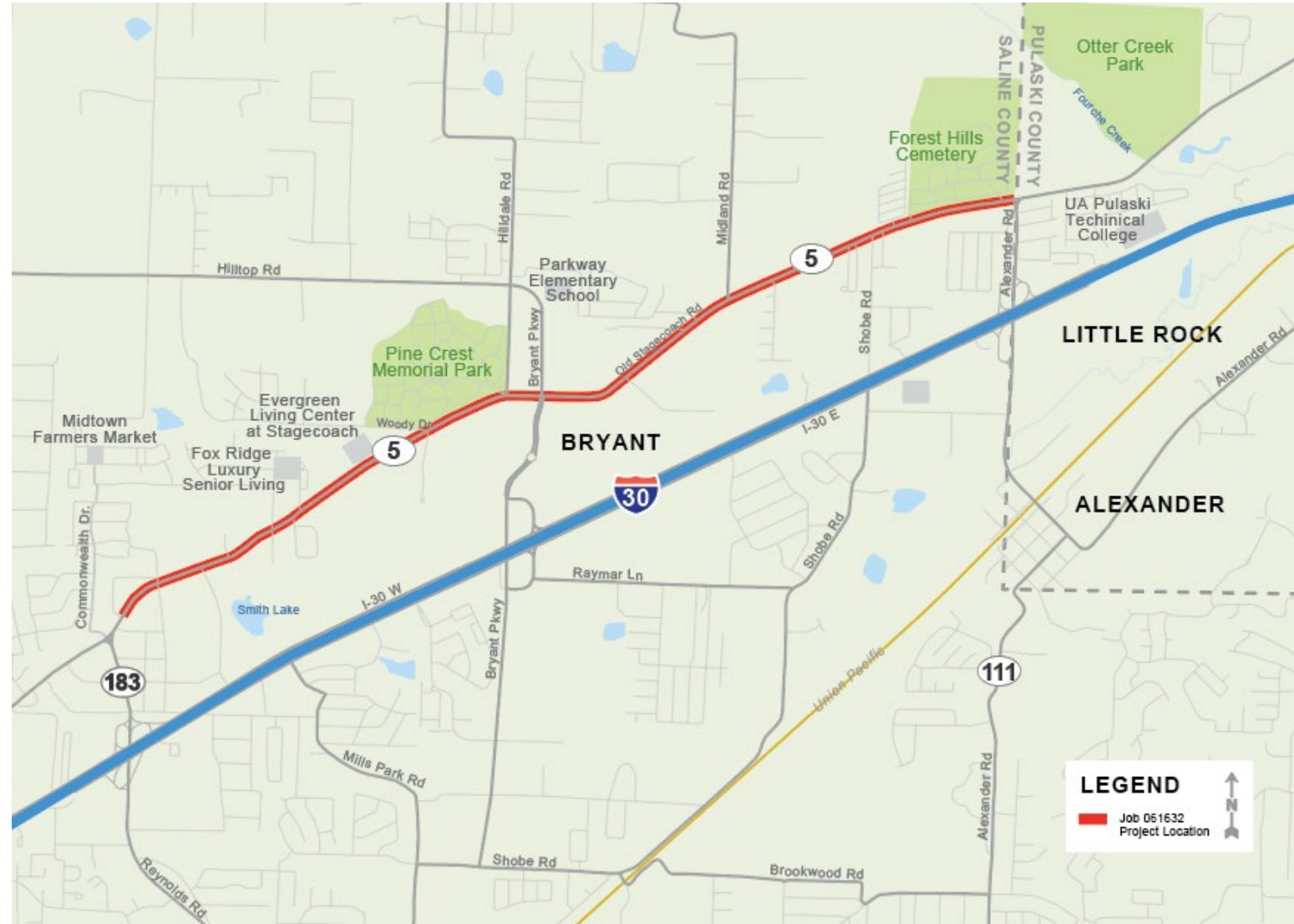


Recommended Project

Saline County

Highway 5

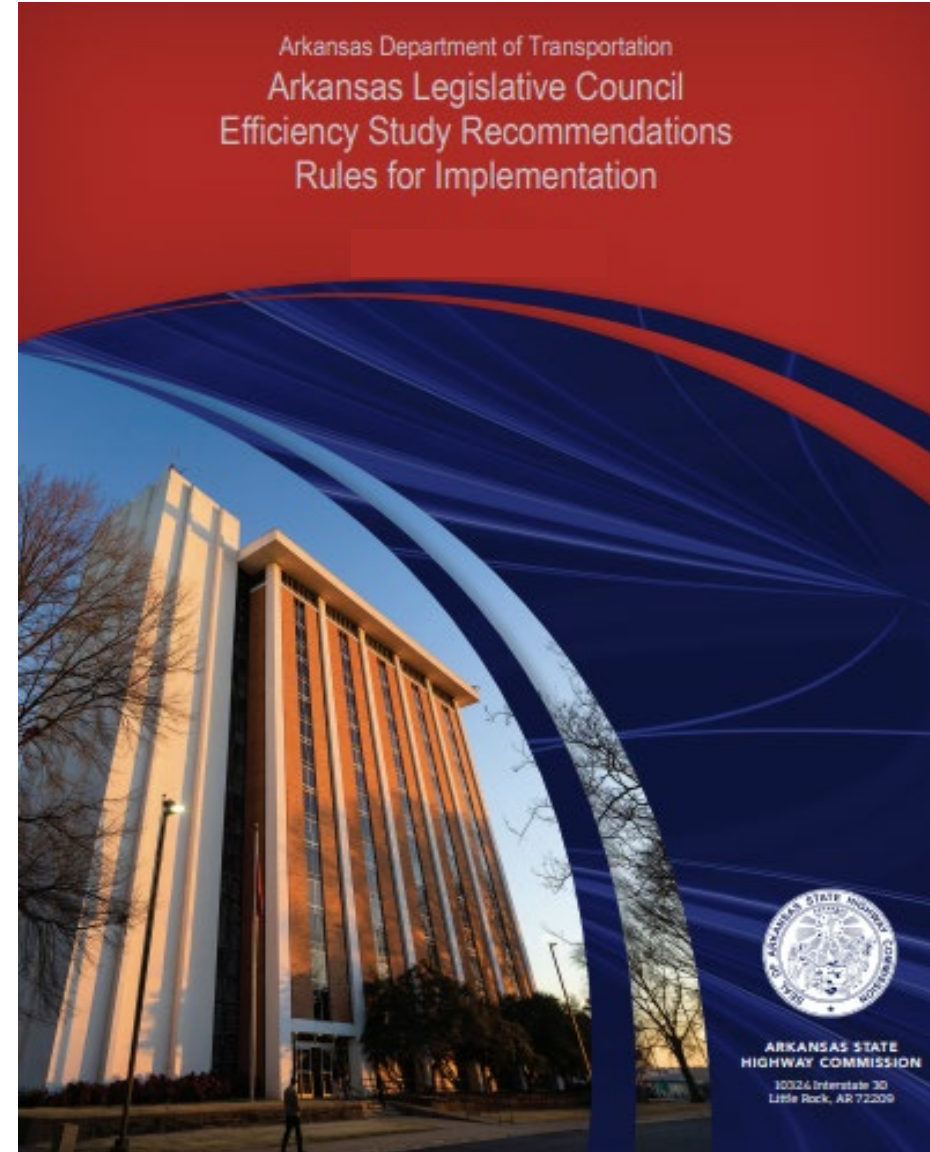
Highway 183 to the Pulaski County Line



Efficiency Review

Recommendation Implementation

Arkansas Legislative Council Efficiency Study Recommendations



Review by Office of Internal Audit (OIA)

- Required Efficiency Review (Guidehouse)
- Identified 13 Recommendations
- Also Requires Review by Office of Internal Audit
 - ✓ Review of Accomplishment of 13 Recommendations
 - ✓ Annual Process Review of the Department
- First Report Due October 1, 2023



Review by Office of Internal Audit (OIA)

- First meeting occurred on April 20, 2022
- Letter of Engagement reviewed by HCRAS
- Selected Divisions/Sections for Annual Process Review
- OIA has held nine meetings with selected Divisions/Sections
- A total of 330 documents have been submitted

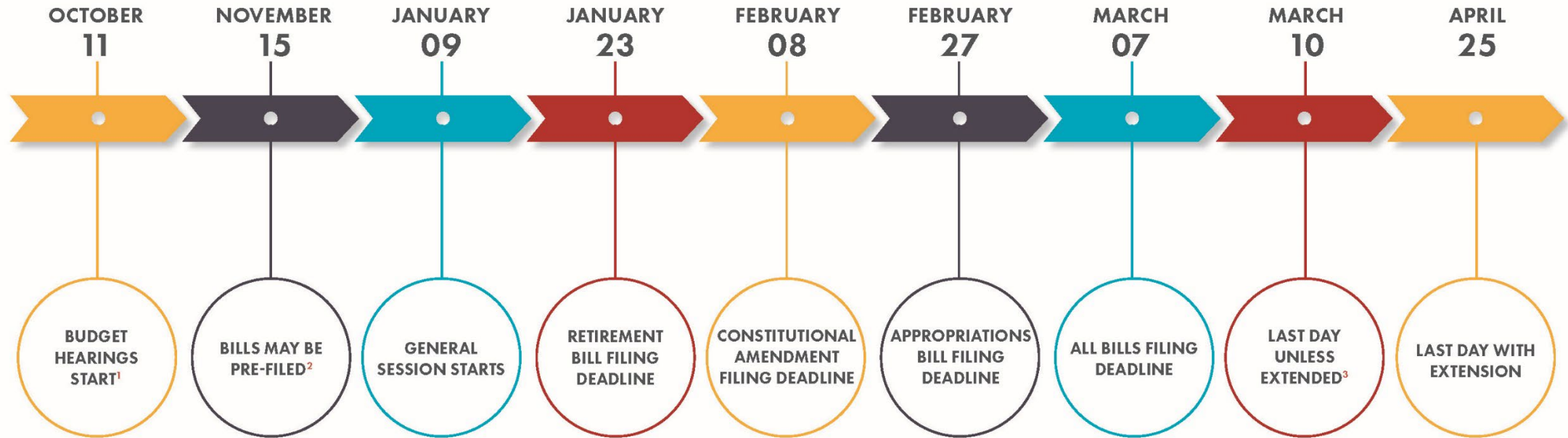


04

94th General Assembly Update

94th General Assembly

Important General Session Dates



¹OCTOBER 20 - ARDOT BUDGET HEARING

²THE DIRECTOR OF DFA IS REQUIRED TO PROPOSE A BALANCED BUDGET AND REVENUE FORECAST NO LATER THAN 60 DAYS BEFORE THE START OF THE SESSION.

³NO BILL MAY BE FILED THE LAST THREE DAYS OF A SESSION

State Legislature

94th General Assembly

SENATE

35 Total Members

13 New Members

11 Republicans

2 Democrats

Republicans gain 2 seats

HOUSE

100 Total Members

27 New Members

26 Republicans

1 Democrat

Republicans gain 4 seats

94th General Assembly

Outgoing Members - Senate



Senator
**Bob
Ballinger**



Senator
**Charles
Beckham**



Senator
**Cecile
Bledsoe**



Senator
**Joyce
Elliott**



Senator
**Colby
Fulfer**



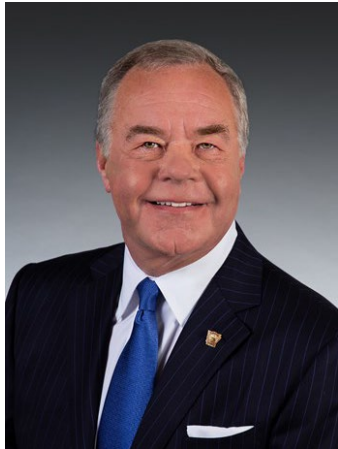
Senator
**Trent
Garner**



Senator
**Jim
Hendren**

94th General Assembly

Outgoing Members - Senate



Senator
**Keith
Ingram**



Senator
**Mathew
Pitsch**



Senator
**Jason
Rapert**



Senator
**Bill
Sample**



Senator
**James
Sturch**



Senator
**Larry
Teague**

Incoming Members - Senate



Senator
**Matt
Stone**
District 2



Senator
**Steve
Crowell**
District 3



Senator
**Matt
McKee**
District 6



Senator
**Reginald
Murdock**
District 9



Senator
**Fred
Love**
District 15



Senator
**John
Payton**
District 22



Senator
**Justin
Boyd**
District 27

94th General Assembly

Incoming Members - Senate



Senator
**Bryan
King**
District 28



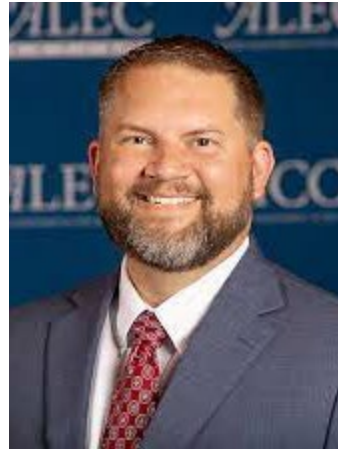
Senator
**Jim
Petty**
District 29



Senator
**Clint
Penzo**
District 31



Senator
**Josh
Bryant**
District 32



Senator
**Jim
Dotson**
District 34

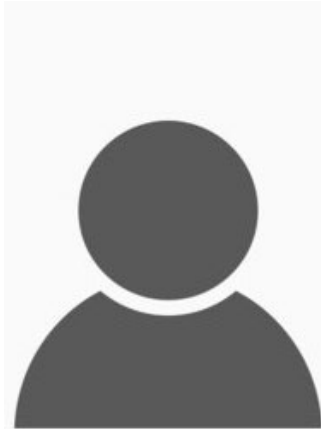


Senator
**Tyler
Dees**
District 35

Senate - Transportation, Technology & Legislative Affairs



Mark Johnson
Chair



(Vice Chair)
TBA



Linda Chesterfield



Reginald Murdock



Alan Clark



Jane English



Ricky Hill



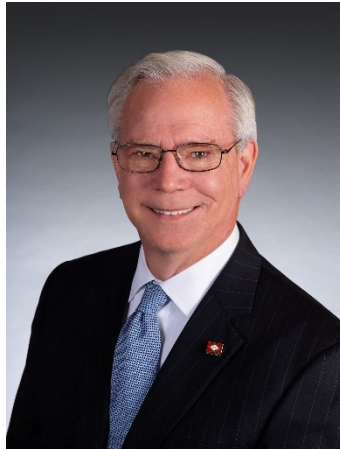
Terry Rice

94th General Assembly

Outgoing Members - House



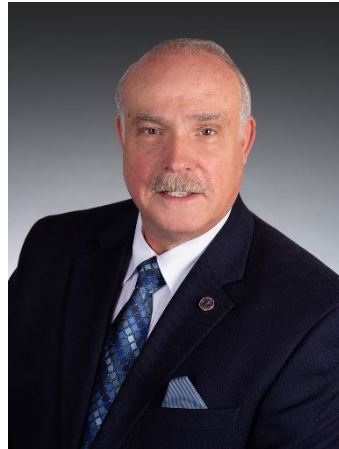
Representative
**Justin
Boyd**



Representative
**Ken
Bragg**



Representative
**Joshua
Bryant**



Representative
**Craig
Christiansen**



Representative
**Joe
Cloud**



Representative
**Bruce
Coleman**



Representative
**Marsh
Davis**

94th General Assembly

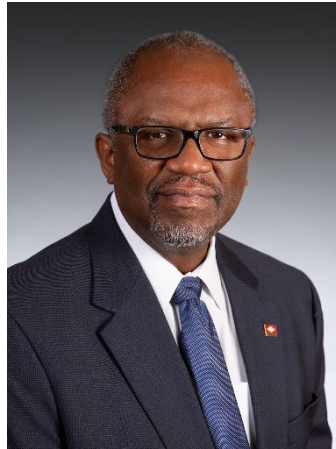
Outgoing Members - House



Representative
**Gary
Deffenbaugh**



Representative
**Jim
Dotson**



Representative
**David
Fielding**



Representative
**Megan
Godfrey**



Representative
**Michelle
Gray**



Representative
**Spencer
Hawks**



Representative
**David
Hillman**

94th General Assembly

Outgoing Members - House



Representative
**Monte
Hodges**



Representative
**Joe
Jett**



Representative
**Fred
Love**



Representative
**Mark
Lowery**



Representative
**Gayla
Hendren
McKenzie**



Representative
**Reginald
Murdock**



Representative
**John
Payton**

94th General Assembly

Outgoing Members - House



Representative
**Clint
Penzo**



Representative
**Keith
Slape**



Representative
**Brandt
Smith**



Representative
**Stu
Smith**



Representative
**Nelda
Speaks**



Representative
**David
Tollett**

94th General Assembly

Incoming Members - House



Representative
**Jeremy
Wooldridge**
District 1



Representative
**Trey
Steimel**
District 2



Representative
**Stetson
Painter**
District 3



Representative
**Brit
McKenzie**
District 7



Representative
**DeAnna
Hodges**
District 9



Representative
**Mindy
McAlindon**
District 10



Representative
**Rebecca
Burkes**
District 11

Incoming Members - House



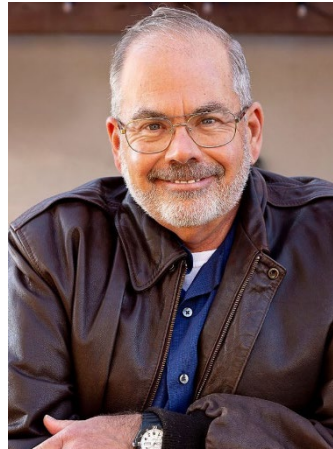
Representative
**Hope Hendren
Duke**
District 12



Representative
**R. Scott
Richardson**
District 13



Representative
**Grant
Hodges**
District 14



Representative
**Steve
Unger**
District 19



Representative
**Kendra
Moore**
District 23



Representative
**Chad
Puryear**
District 25



Representative
**Steven
Walker**
District 27

94th General Assembly

Incoming Members - House



Representative
**Bart
Schulz**
District 28



Representative
**Joey
Carr**
District 34



Representative
**Wayne
Long**
District 39



Representative
**Shad
Pearce**
District 40



Representative
**Ryan A.
Rose**
District 48



Representative
**Zack
Gramlich**
District 50



Representative
**Matt
Duffield**
District 53

94th General Assembly

Incoming Members - House



Representative
**Matt
Brown**
District 55



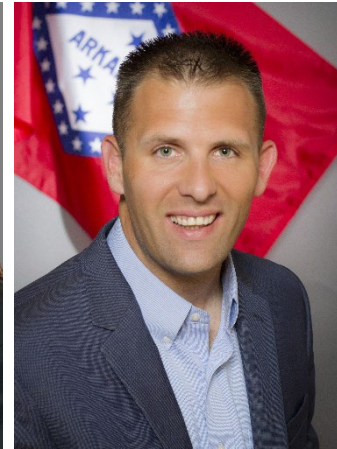
Representative
**Jeremiah
Moore**
District 61



Representative
**Brandon
Achor**
District 71



Representative
**Tara
Shephard**
District 79



Representative
**R.J.
Hawk**
District 81



Representative
**Wade
Andrews**
District 98

House – Public Transportation



Harlan
Breaux

David
Whitaker

Mark
Berry

Joy
Springer

Denise
Ennett

Mike
Holcomb



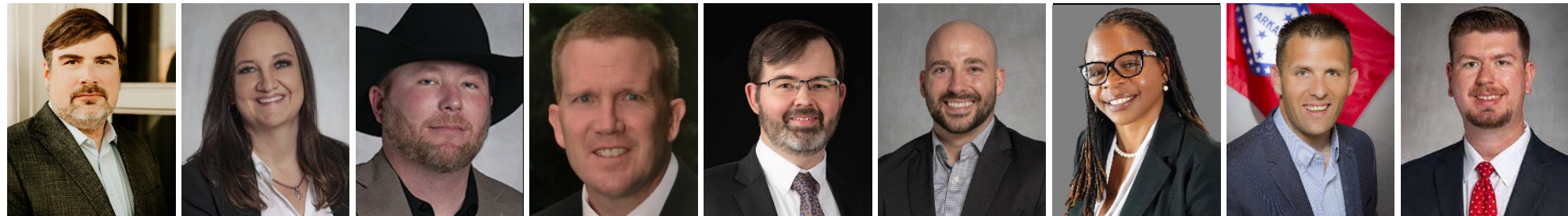
Austin
McCollum

Rick
McClure

Dwight
Tosh

Mark
McElroy

Matthew
Shepherd



Trey
Steimel

DeAnna
Hodges

Chad
Puryear

Joey
Carr

Matthew
Brown

Brandon
Achor

Tara
Shephard

RJ
Hawk

Wade
Andrews

05

AROUND THE DEPARTMENT

Internal/External Audit



December 7, 2022

Maggie Garrett,
CPA, CIA

Chief Auditor



External & Internal Audit Activities

(a summary of audits and reviews)

Entities

- Arkansas Legislative Audit
- U.S. Department of Transportation (U.S. DOT)
 - Federal Highway Administration
 - Federal Transit Administration
 - Federal Motor Carrier Safety Administration
 - U.S. DOT Office of Inspector General
- Arkansas Department of the Inspector General (DIG) Office of Internal Audit
- ARDOT Internal Audit Section
- Other: Arkansas Crime Information Center, AASHTO, etc.



Audit Types

Financial

Operational

Compliance

Financial Audits

- Are financial statements free from material misstatement?
- Generally performed by an external auditor
- Example:

Annual Financial Audit
Arkansas Legislative Audit



Audit Activities by Division/Section (Financial)

| | | | | |
|------------------------------------|----------------------|---------------|-----------------------------|------------------------------|
| Environmental | Bridge | Construction | Equipment and Procurement | Alternative Project Delivery |
| Program Management | Consultant Contracts | Maintenance | Fiscal Services 1 | EEO/DBE |
| Surveys | Right of Way | Materials | Government Relations | Highway Police |
| System Information and Research | Roadway Design | Ten Districts | Human Resources | Internal Audit |
| Transportation Planning and Policy | State Aid | | Information Technology | Legal |
| | | | | Public Information |
| | | | | Retirement 1 |

 Arkansas Legislative Audit

Financial Audit

A number inside the symbol represents the audit or review cycle in years.

Operational Audits

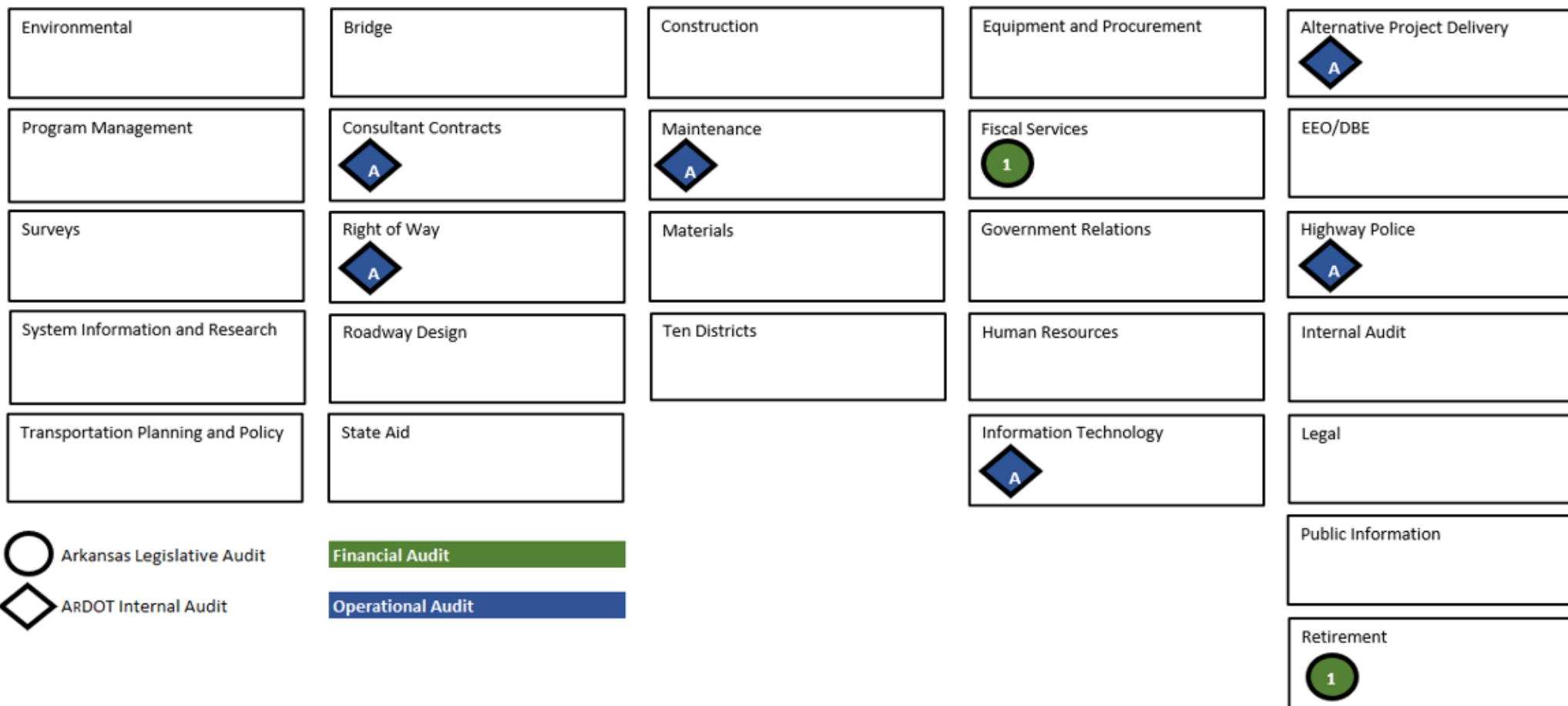
- Are operations effective and efficient?
- Generally performed by an internal auditor

- Example:

Internal Audits
ARDOT Internal Audit Section



Audit Activities by Division/Section (Financial & Operational)



A number inside the symbol represents the audit or review cycle in years.

An "A" inside the symbol indicates that the area was selected as a part of an annual risk assessment.

Note: The designations in the chart above do not necessarily indicate an audit or review is or was for the entire division or section; but rather, represents an audit or review activity with a limited scope or specific purpose has occurred or will occur within the division or section.

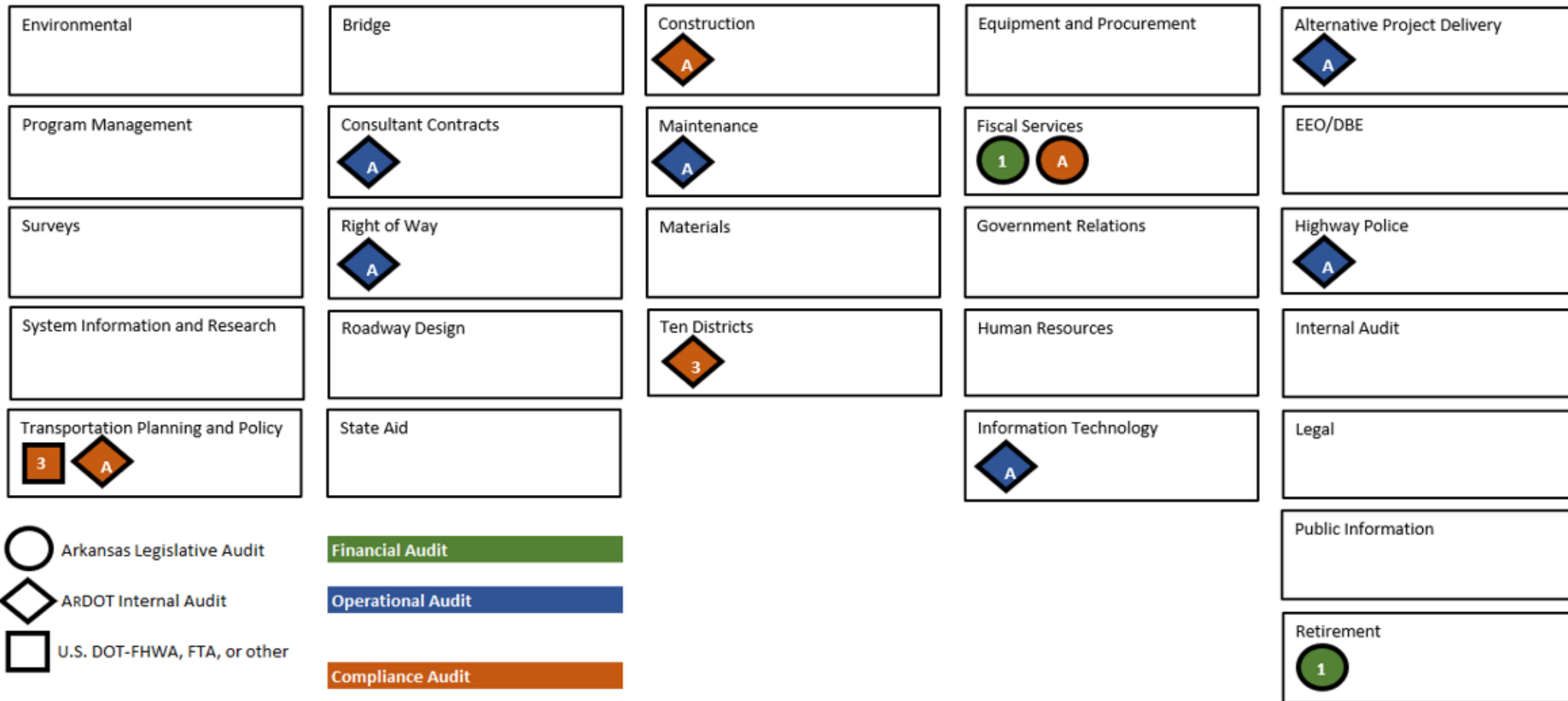
Compliance Audits

- Are agency activities in compliance with regulatory requirements?
- Performed by external and internal auditors
- Example:

State Safety Oversight
Audit
Federal Transit Administration



Audit Activities by Division/Section (Financial, Operational, & Compliance)



A number inside the symbol represents the audit or review cycle in years.

An "A" inside the symbol indicates that the area was selected as a part of an annual risk assessment.

Note: The designations in the chart above do not necessarily indicate an audit or review is or was for the entire division or section; but rather, represents an audit or review activity with a limited scope or specific purpose has occurred or will occur within the division or section.

Audit vs. Review





AUDIT

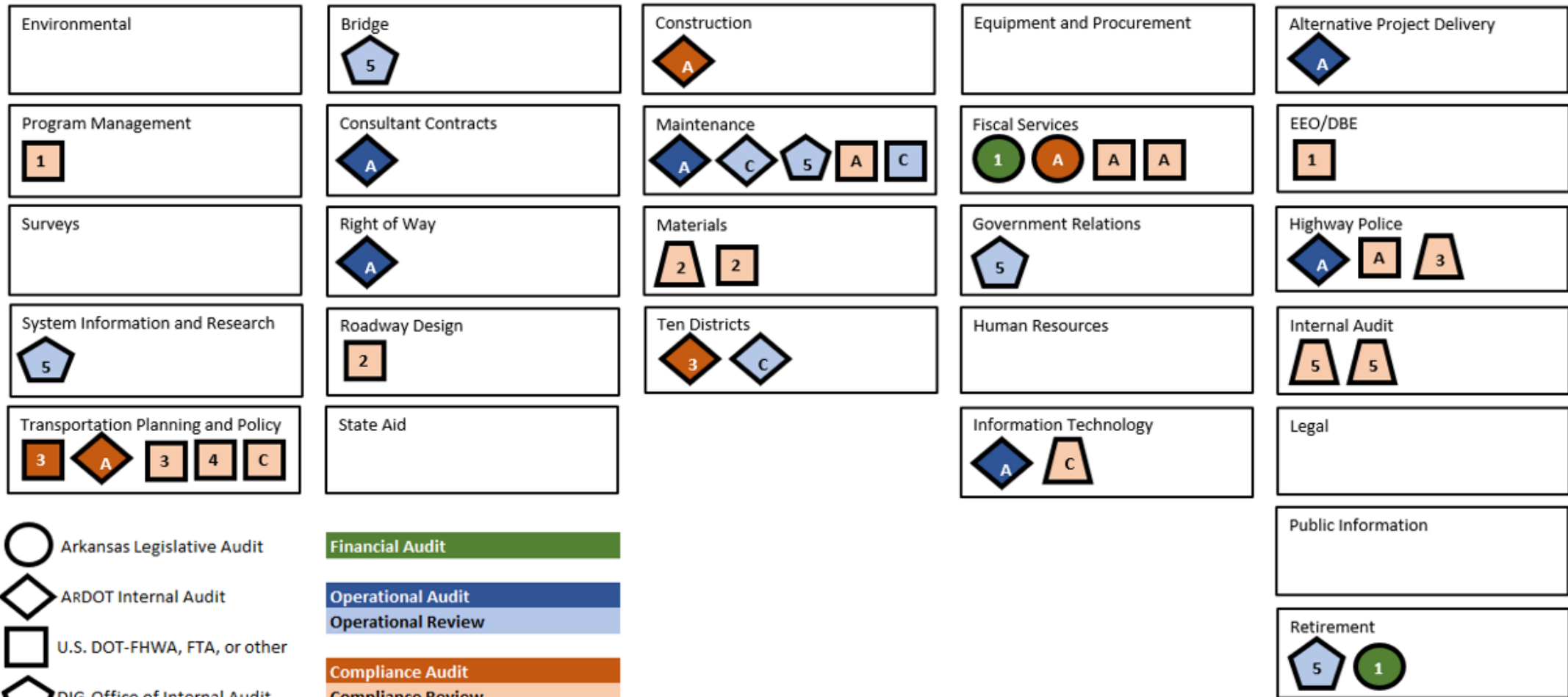
Highest Level
of Assurance



REVIEW

Limited Level
of Assurance

Audit & Review Activities by Division/Section



A number inside the symbol represents the audit or review cycle in years.
 An "A" inside the symbol indicates that the area was selected as a part of an annual risk assessment.
 A "C" inside the symbol indicates an audit or review was conducted due to a special circumstance.

Note: The designations in the chart above do **not** necessarily indicate an audit or review is or was for the entire division or section; but rather, represents an audit or review activity with a limited scope or specific purpose has occurred or will occur within the division or section.

December 7, 2022

Maggie Garrett,
CPA, CIA

Chief Auditor



Thank You

06

**Consultant Selection –
Construction and Maintenance
Activity Reporting System**

Garver, LLC, North Little Rock, AR



07

Upcoming Events



UPCOMING

Events

DECEMBER 8

District 7 Service Awards
Director Tudor

10:30 a.m., Camden

DECEMBER 9

District 10 Service Awards
Director Tudor

10:30 a.m., Paragould

DECEMBER 12

District 2 Service Awards
Director Tudor

11 a.m., Star City

DECEMBER 13

District 1 Service Awards
Director Tudor

10:30 a.m., Wynne

DECEMBER 13

HCRAS

Director Tudor
3 p.m., Little Rock

DECEMBER 14

District 4 Service Awards
Director Tudor

11 a.m., Barling

DECEMBER 15

District 8 Service Awards
Director Tudor

11 a.m., Dardanelle

DECEMBER 16

District 3 Service Awards
Director Tudor

11 a.m., Hope

DECEMBER 23/26

Christmas Holiday

JANUARY 2

New Years Day Holiday

JANUARY 11

Legislative Orientation
Director Tudor

2:30 p.m., Little Rock

FEBRUARY 20

President's Day Holiday

08

Other Business and Discussion

Proceeds from 2022 Fall Equipment Auction

| Items Sold | |
|------------|-------------------------------|
| 309 | Equipment Units |
| 73 | Equipment Implements |
| 156 | Miscellaneous Minor Equipment |
| 74 | Miscellaneous Items |
| 612 | Total Items Sold |

| | |
|-------------------------|--------------|
| Gross Proceeds | \$ 2,606,845 |
| Auctioneer's Commission | \$ 156,410 |
| Net Proceeds | \$ 2,450,435 |



Arkansas State University Engineering And Computer Science Alumni Academy





Arkansas State Highway Commission Meeting

December 7, 2022