

2020 OVERVIEW OF THE STATE AID STREET PROGRAM

I thought it would be a good time as we enter the 8th year of the program to provide an update of the current status of the program and to clarify the current Rules that have been adopted by the State Aid Street Committee (the “Committee”).

First as to the update, on February 12, 2020 the Committee approved an additional 75 projects for overlays or design. Since the inception of the program in 2013, 671 projects have been approved by the Committee. Of this number 198 have been second time projects. The dollar amount of approved State Aid Street Funds for projects now totals \$157,984,145.00. Once the 2020 projects are complete the total mileage of State Aid Street Projects will exceed 1000 miles, more than 4 times the length of the State of Arkansas!

Concerning the Rules, the Committee effective January of 2020 changed the maximum amount of State Aid Funds available for overlays from \$250,000 to \$300,000. Design projects remain at a maximum of \$400,000. I do not recommend pursuing a design project unless there are special circumstances such as upgrading a failing bridge (federal funds may also be available) or other special need. It generally takes ARDOT two years to bring the design project to the Committee for consideration and the municipality is responsible for payment of acquiring the right-of-way and moving any existing utilities. Also the municipality will be responsible for any design or inspection costs incurred by ARDOT that exceed \$160,000. Further, once a municipality commits to a design project that municipality could be required by the Committee to repay all ARDOT costs if the design project is not completed because of inaction by that municipality. As a result, 99.5% of the time an overlay project is the way to go with 100% funding for all municipalities fewer than 25,000 in population and a 10% match required for those cities over 25,000.

The Committee for 2020 also adopted a new rule that would allow a municipality to apply for special funding (even if the municipality has just received a project) if a disaster wipes out an important street or other important infrastructure. This could be the result of extreme flooding or other devastating act of god. Approval of such a project requires a two-thirds vote of the Committee.

The next topic I would like to cover is application of the Rules so that municipalities may maximize their opportunities for projects going forward. A municipality may apply for a new project one year after an award of funding. This means that those municipalities that were awarded funding of their projects in 2020 may apply again in 2021. This Rule applies even if the project is not completed or bid in 2020. There were 14 projects approved in 2019 but not bid until February of 2020. All of these municipalities could have applied again for a project in 2020. So the one year rule applies to the date of funding and not the bid or completion date of the project.

Finally, you may not be aware that in 2015 the State Aid Street Program was the winner of the America's Transportation Award for Quality of Life/Community Development. There is nothing like this program in any other state and it is our hope that it truly does increase the pride, quality of life and community development for the citizens of your municipality and that it will do so for many, many years to come. The State Aid Street Program is funded by one cent of the state fuel tax and the funding provision is found in Amendment 91 of the Constitution of the State of Arkansas.

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