

INFORMATION RELEASE



Office of the Director

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AHTD OBLIGATES LAST OF STIMULUS FUNDS WELL AHEAD OF DEADLINE

LITTLE ROCK (2-15) – The Arkansas State Highway and Transportation Department (AHTD) has completed the obligation process required to utilize the \$335 million in “stimulus” funds provided for roadway and bridge work on state highways under the American Recovery and Reinvestment Act of 2009 (ARRA). The deadline for obligating the funds is March 2, 2010, and the AHTD completed the process on February 4, 2010.

“The Highway Commission and Department have met every deadline and fulfilled or exceeded every Congressionally-established requirement of the ARRA,” said Dan Flowers, Director of the AHTD.

Flowers was quick to point out that the Highway Commission and Department did not act alone in seeing that all the provisions of the ARRA were met in a timely fashion. “We met early and often with representatives from the Governor’s office and the local staff of the Federal Highway Administration (FHWA). Governor Beebe wanted to make certain that all the transparency and accountability provisions were strictly adhered to, and he created a team dedicated to meeting with us regularly. In addition, the FHWA Division Office has been helpful in providing guidance for conforming with the numerous provisions of the act,” Flowers stated.

Flowers said a great emphasis was placed on meeting the intent of the ARRA, not just the deadlines.

“Obviously, meeting the deadlines and providing the transparency required under the stimulus program is very important, and we are pleased to say that this aspect of the program is being accomplished,” Flowers said. “But equally important is how this program has been implemented. We looked closely at the language in the ARRA and worked to go beyond the apparent deadlines and certification requirements contained in the act. We wanted to meet the intent and spirit of the program, as well as the deadlines.”

One of the first actions taken by the AHTD was to meet with the contracting industry regarding the provisions of the ARRA. “One of the main goals of the ARRA is to put people to work,” Flowers began. “But it’s not the AHTD hiring the workers, it’s the contractors. We wanted to discuss maximizing employment opportunities for Arkansans and hear from contractors whether equipment and materials would be available for the extra workload. We met with industry leaders, but we also held meetings in which we invited all contractors – large and small, prime contractors and subcontractors, minority and other DBE contractors – we wanted to hear directly from as many as we could. The contractors learned firsthand about the various provisions of the ARRA, and we heard directly from them regarding their capability to accomplish the work. Those meetings were good for both parties.”

The Highway Commission then began developing a plan to utilize the stimulus funds by identifying 110 projects to be funded with stimulus dollars. “Helping the overall economy and putting people to work were obvious goals of the stimulus program,” stated Highway Commission Chairman Carl Rosenbaum. “Congress wanted to see projects implemented in the most economically distressed areas of each state. Consequently, about 81% of Arkansas’ transportation stimulus dollars are being spent in economically distressed counties. And since the impact of that money will be felt beyond individual county lines, we believe that all of the economically distressed areas and their citizens will directly benefit from the expenditure of these funds.”

The 110 projects identified by the Commission will utilize more than just their \$335 million in stimulus money; the projects total about \$400 million. This was achieved by combining the stimulus money with funds from other federal and state sources on a number of projects. By leveraging the stimulus funds in this way, the Commission was able to accomplish even more with stimulus dollars. In addition to the \$335 million allocated to the Commission, \$14.2 million in transportation stimulus money was suballocated to the Little Rock/North Little Rock metropolitan area, and \$1.5 million was suballocated to the West Memphis/Marion metropolitan area. Elected officials in those areas are responsible for selecting projects and obligating those funds.

The Commission also wanted to vary the types of work being performed, Rosenbaum continued. “Not only was the state covered geographically, there were projects ranging from major widening, to basic pavement rehabilitation, to passing lanes, to traffic signal jobs and intersection improvements, and even to the construction of a new Welcome Center in West Memphis. Stimulus funds are being used to complete some longstanding projects, to expedite certain phases of selected ongoing projects, as well as to begin other major corridor improvements.”

Timing of the work was a very important component of the AHTD’s plan. “We didn’t want to see a sudden spike in contractor activity followed by an immediate and steady decline,” Flowers said. “Stimulus projects are being awarded over a 13-month period spanning portions of calendar years 2009 and 2010, starting with many of the smaller, less time-consuming jobs in an effort to ‘jump-start’ the industry by quickly enhancing employment opportunities. Now, we are concluding by awarding some of the larger projects on which construction will continue for up to two more years. By doing this, we are spreading that elevated level of construction activity over a longer period of time. We believe that’s very important for sustaining the jobs that are being supported by this program.”

“By combining our stimulus funds with funding already scheduled for 2009 and 2010, we are actually getting three years worth of work underway in two years,” Flowers continued. “So not only are stimulus funds supporting jobs for Arkansas workers, they are ‘fast-forwarding’ many very important highway improvement projects in all areas of the state.”

Flowers concluded by saying, “The highway improvements provide obvious safety and mobility benefits for our citizens. But the key components of the ARRA are recovery, reinvestment, transparency, and job sustainability. The transparency is built into the program through the deadlines, certifications, and reporting. The recovery component was evident by the speed with which the projects were implemented. We tried to focus on the ‘reinvestment’ and ‘job sustainability’ aspects with our project selection and timing, and we believe that the program has been very successful in that regard.”