New Name – New Identity

1929
Arkansas Highway and Department of Lands

1977
Arkansas State Highway and Transportation Department

2017
Arkansas Department of Transportation
New Name – New Identity
Provide safe and efficient transportation solutions to support Arkansas’ economy and enhance the quality of life for generations to come.

Adopted June 7, 2017
Arkansas has the 3rd Lowest Administrative Cost Per Mile in the Nation

Arkansas = $2,107
Surrounding States Average = $4,334
National Average = $9,224
Kronos Efficiency

- Accountability
- Transparency
- Paperwork Reduction
- Less Staff

Not my FAULT
E-Construction Efficiency

- Reduced Paper Waste
- Bid Letting Process is Faster
Network Fleet Efficiency

For every $1 expended on Telematics GPS Tracking and Diagnostics System, AHTD is recognizing $2 plus in savings.
Promises Made

Promises Kept
1999 Interstate Rehabilitation Program

- 50 Projects
- 356 Miles
- $973 Million

Prior to Program
63% Poor or Mediocre

After Program
72% Good
Interstate Rehabilitation Program

Completed
34 Projects
212 Miles
$639 Million

Under Construction
14 Projects
90 Miles
$553 Million

Scheduled
35 Projects
191 Miles
$340 Million
Connecting Arkansas Program

**Completed**
- 6 Projects
- 27 Miles
- $188 Million

**Under Construction**
- 9 Projects
- 49 Miles
- $403 Million

**Scheduled**
- 21 Projects
- 108 Miles
- $1.29 Billion
U.S. Highway 64

Completed
6 Projects
28.5 Miles
$57.5 Million

Under Construction
2 Projects
10.7 Miles
$30.4 Million
U.S. Highway 67

Under Construction
1 Project
$25.5 Million

Scheduled
4 Projects
27.6 Miles
$80 Million
U.S. Highways 64 and 67B

Scheduled
1 Projects
4.3 Miles
$1-5 Million
State Highway 367

Under Construction
1 Project
9.5 Miles
$1.8 Million

Scheduled
1 Project
10.6 Miles
$5-10 Million
Highway Condition and Needs
All State Highways – Including Interstates

<table>
<thead>
<tr>
<th>Condition</th>
<th>Current</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>24%</td>
<td>28%</td>
</tr>
<tr>
<td>Fair</td>
<td>58%</td>
<td>46%</td>
</tr>
<tr>
<td>Good</td>
<td>18%</td>
<td>26%</td>
</tr>
</tbody>
</table>

- **Current Condition**
- **2027 Condition**
White County
Highway 5, Section 14
Log mile 16.7 - 19.0
Jct. Highway 36 and
Highway 5 to Cleburne
County line
<table>
<thead>
<tr>
<th>Pay a Little Now</th>
<th>Pay a Whole Lot Later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overlay</td>
<td>Reconstruction</td>
</tr>
<tr>
<td>$100,000 per lane mile</td>
<td>$1,500,000 per lane mile</td>
</tr>
</tbody>
</table>
Average Monthly Household Expenditures

- **Electricity/Gas**: $160.00
- **TV/Internet**: $124.00
- **Telephone**: $161.00
- **Roads**: $46.00
Great amount of uncertainty at the federal level

State funds stagnant at best
General Revenues vs ArDOT Net Highway Revenues

Billions


General Revenue

Net Highway Revenue

Excludes County & City Aid funds | Excludes CAP funds
Annual Highway User Revenue Distribution

- **Cities**: $106M (15.9%)
- **Counties**: $106M (15.9%)
- **Other***: $73M (5%)
- **Total**: $423M (63.2%)

*Constitutional & Fiscal Agencies and Non-Highway Uses. Note: May not add due to rounding
Federal vs. State Funding

1993
Hwy. Funding Breakdown
Fed 36%
State 64%

2016
Hwy. Funding Breakdown
Fed 54%
State 46%
$10,000,000 Overlay Program

THEN

22 years ago, in 1995, **200 miles** of Highway could be overlaid.

NOW

As of 2015, using the same resources, only **54 miles** of Highway could be overlaid.
Challenges

- 12th largest system in the country
- 42nd in highway revenue per mile.
- $9 billion in needs
- $4.4 billion in available revenue
Where Are We Going?
## Funding Targets

- **Immediate:** $50 Million
- **Short-term (0-3 years):** $110 Million
- **Mid-term (3-5 years):** $250 Million
- **Long-term (6-9 years):** $400 Million

All figures are annual amounts for state highways.
HB 1726 **BOND ISSUE**
Authorizes the State Highway Commission to issue bonds for highway maintenance and improvements, upon approval by voters in a statewide election.

HB 1727 **GAS TAX**
Establishes **additional fuel sales tax** at the wholesale level to be levied, only if the State Highway Commission is authorized by a statewide vote to issue highway maintenance and improvement bonds.
"As to the long-term solutions, it emphasizes that it is difficult to get a referral of this General Assembly out to the voters, and that I hope the leadership of our state and the business community and others will look at an initiated act that might go on the ballot for a highway program," he said. "Otherwise, we'll continue to debate the long-term solution in future sessions."

Governor Asa Hutchinson
• May 16, 2017 – Arkansas Legislative Audit - Review of Highway Funding

• Purpose:
  ✓ To review and verify ARDOT information, estimates and calculations related to highway funding

• Report Objectives:
  ✓ History of funding sources
  ✓ History of construction and maintenance costs
  ✓ State match needed for Federal funds
  ✓ Additional State revenue to meet system preservation needs

• August 31, 2017 – Report Released
ARKANSAS STATE HIGHWAY NEEDS

ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020....for consistency and reasonableness when compared with prior years.

### Exhibit III
Arkansas Department of Transportation (ArDOT)
Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

<table>
<thead>
<tr>
<th>Description</th>
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<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
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<tr>
<td>Pavement</td>
<td>$367,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>117,000,000</td>
<td>90,000,000</td>
<td>27,000,000</td>
</tr>
<tr>
<td><strong>Total System Preservation</strong></td>
<td>504,000,000</td>
<td>227,000,000</td>
<td>277,000,000</td>
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<td>Capacity Relief</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<td>19,000,000</td>
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<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>8,000,000</td>
<td>8,000,000</td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td></td>
</tr>
<tr>
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<td>30,000,000</td>
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<td><strong>Totals</strong></td>
<td><strong>$925,000,000</strong></td>
<td><strong>$447,000,000</strong></td>
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Note: Amounts shown are rounded.
ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.

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Note: Amounts shown are rounded.
# Revenue Sources

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<thead>
<tr>
<th>Source</th>
<th>Highway Revenue&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cent Motor Fuel Tax Increase</td>
<td>$ 14 M</td>
</tr>
<tr>
<td>Remove Sales Tax Exemption (Wholesale $1.70 per Gallon)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 108 M</td>
</tr>
<tr>
<td>6.5% Sales Tax (Wholesale $1.70 per Gallon)</td>
<td>$ 156 M</td>
</tr>
<tr>
<td>$10 Registration Fee Increase (Cars and Pickups)</td>
<td>$ 19 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on New and Used Vehicles&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 228 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on Auto Repair Parts, Services, etc.&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 74 M</td>
</tr>
<tr>
<td>1% General Sales Tax</td>
<td>$ 344 M</td>
</tr>
</tbody>
</table>

<sup>1</sup> Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.

<sup>2</sup> Transfer of 4.5% (“general” portion of statewide sales tax)
# Options for Generating Additional Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>$200 Million for Highways(^{(1)})</th>
<th>$300 Million for Highways(^{(1)})</th>
<th>$400 Million for Highways(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fuel Tax</strong></td>
<td>14.2¢</td>
<td>21.3¢</td>
<td>28.4¢</td>
</tr>
<tr>
<td><strong>Sales Tax on Fuel (wholesale)</strong></td>
<td>8.33%</td>
<td>12.5%</td>
<td>16.67%</td>
</tr>
<tr>
<td><strong>Registration Fee</strong></td>
<td>$104</td>
<td>$156</td>
<td>$208</td>
</tr>
<tr>
<td><strong>General Sales Tax(^{(2)})</strong></td>
<td>0.58%</td>
<td>0.87%</td>
<td>1.16%</td>
</tr>
</tbody>
</table>

1. Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.
2. Transfer of 4.5% (“general” portion of statewide sales tax)
Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
Arkansans Need to Decide How to Fund Your Transportation System
CITIZENS OPINION SURVEY
ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
AeDOT
Public Information
P.O. Box 2261
Little Rock, AR 72203
info@ardot.gov

Are you satisfied with the condition of the existing state highway system?
☐ Yes  ☐ No

What highways in your area need improvements, and what type of improvements do they need?
Priority 1: ____________________________
Priority 2: ____________________________
Priority 3: ____________________________
Priority 4: ____________________________

If you want better highway conditions, the Arkansas State Highway and Transportation Department will need additional funds. Would you support a new highway program that would generate additional revenue?
☐ Yes  ☐ No

Which of the following sources do you recommend be utilized in obtaining additional funds (check all that apply):
☐ Increase in gas tax
☐ Increase in diesel tax
☐ Increase in sales tax (dedicated to highways)
☐ Increase in registration fees
☐ Add sales tax on wholesale price of motor fuels
☐ Transfer existing sales and use tax on motor vehicles and related parts and service (currently collected but not paid to highways)
☐ Other: ________________________________________________________________________________

Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot?
☐ Yes  ☐ No

How did you hear about this survey
☐ Presentation  ☐ TV/Radio/Print  ☐ Website/Search Engine
☐ Social Media  ☐ Family or Friend
☐ Other: ________________________________________________________________________________

Optional:
Name: __________________________________________
Address: _______________________________________
City, State, Zip: _________________________________
Survey Results

Which of the following sources do you recommend be utilized in obtaining additional funds?

- Transfer existing sales and use tax: 972 (65%)
- Add on w/s price of motor fuels: 298 (20%)
- Increase Registration fees: 474 (32%)
- Increase Sales Tax: 393 (26%)
- Increase Diesel Tax: 718 (48%)
- Increase Gas Tax: 508 (34%)
Survey Results

How did you hear about us?

- Social Media: 32%
- TV: 28%
- Radio: 21%
- Website/Search Engine: 16%
- Family or Friend: 7%
- Other: 7%
- Presentation: 7%

Would you be willing to sign a petition?

- Yes: 71%
- No: 25%
- Blank: 4%
• ARDOT.gov
• ConnectingArkansasProgram.com
• Vimeo.com/myARDOT
• IDriveArkansas.com
• Twitter.com @myARDOT
Arkansas911 and 3 others follow

**KARK 4 News** @KARK4News · Aug 30

Still seeing slowdown on I-30 as drivers approach 630 #ARTraffic #ARNews