New Name – New Identity

1929
Arkansas Highway and Department of Lands

1977
Arkansas State Highway and Transportation Department

2017
Arkansas Department of Transportation
Mission Statement

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
Efficiency

Department Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>4,200</td>
</tr>
<tr>
<td>2000</td>
<td>3,800</td>
</tr>
<tr>
<td>2017</td>
<td>3,679</td>
</tr>
</tbody>
</table>
Promises Made

Promises Kept
1999 IRP
• 50 Projects
• 356 Miles
• $973 Million

2011 IRP
• 83 Projects
• 494 Miles
• $1.51 Billion

2012 CAP
• 36 Projects
• 185 Miles
• $1.9 Billion
CAP and IRP Updates
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

**LEGEND**
- Blue: Completed
- Red: Under Construction
- Green: Scheduled
½ Cent Sales Tax Turnback Funds

Baxter County
Received $2.2 Million
Projected to Receive $3.2 Million
Total $5.4 Million (Ending in 2023)

City of Mt. Home
Received $1.0 Million
Projected to Receive $1.5 Million
Total $2.5 Million (Ending in 2023)
Local Project

ARKANSAS DEPARTMENT OF TRANSPORTATION

Updates
State Highway 201

Under Construction
1 Project
$2.3 Million

Completed
1 Project
1.3 Miles
$4.5 Million
U.S. Highway 62

Completed
1 Project
2.8 Miles
$1 Million

Under Construction
1 Project
6.9 Miles
$1.3 Million
State Highway 178

Under Construction
2 Projects
9.9 Miles
$2 Million

Scheduled
1 Project
2.4 Miles
$1-5 Million
U.S. Highway 412 Major Improvements

- Completed: $543 Million
- Under Construction: $127 Million
- Scheduled: $57 Million
- Total: $727 Million
Interstates

Current Condition
- Poor: 3%
- Fair: 26%
- Good: 71%

2027 Condition
- Poor: 1%
- Fair: 21%
- Good: 78%
All State Highways – Including Interstates

- **Current Condition**
  - Poor: 24%
  - Fair: 58%
  - Good: 18%

- **2027 Condition**
  - Poor: 28%
  - Fair: 46%
  - Good: 26%
Baxter County Highway 341, Section 0
Log mile 17.3 – 26.1
Lone Rock to Highway 5 just north of Norfolk
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
Average Monthly Household Expenditures

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

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

Billions

$0.0  $1.0  $2.0  $3.0  $4.0  $5.0  $6.0  $7.0


Fiscal Year

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%)

*Note: May not add due to rounding*

*Constitutional & Fiscal Agencies and Non-Highway Uses.*
Federal vs. State Funding

1993
Hwy. Funding Breakdown

Fed 36%
State 64%

2016
Hwy. Funding Breakdown

Fed 54%
State 46%
$100,000,000 Widening Program

THEN

22 years ago, in 1995, **33 miles** of Highway could be widened.

NOW

As of 2015, using the same resources, only **15 miles** of Highway could be widened.
$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.
- $22.9 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
Arkansas Legislative Audit

- 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
ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020 ....for consistency and reasonableness when compared with prior years.
ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.

### 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>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction Plan</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement</td>
<td>$387,000,000</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>Total System Preservation</td>
<td>504,000,000</td>
<td>227,000,000</td>
<td>277,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>305,000,000</td>
<td>157,000,000</td>
<td>148,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>86,000,000</td>
<td>44,000,000</td>
<td>42,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td>19,000,000</td>
<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>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td>19,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td><strong>$925,000,000</strong></td>
<td><strong>$447,000,000</strong></td>
<td><strong>$478,000,000</strong></td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
# 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>Fuel Tax</td>
<td>14.2¢</td>
<td>21.3¢</td>
<td>28.4¢</td>
</tr>
<tr>
<td>Sales Tax on Fuel (wholesale)</td>
<td>8.33%</td>
<td>12.5%</td>
<td>16.67%</td>
</tr>
<tr>
<td>Registration Fee</td>
<td>$104</td>
<td>$156</td>
<td>$208</td>
</tr>
<tr>
<td>General Sales Tax(^2)</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
Possible Initiated Act

CITIZENS OPINION SURVEY
ON HIGHWAYS IN ARKANSAS

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 Department of Transportation 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 vehicle 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 (please specify):

Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot?

☐ Yes  ☐ No  If Yes, what County do you live in?

(Optional) Contact Information: name, email, etc.

Online Form Available Here: www.ArkansasHighways.com
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?

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

Would you be willing to sign a petition?

- Yes: 71%
- No: 25%
- Blank: 4%
Arkansas Department of Transportation

- ARDOT.gov
- ConnectingArkansasProgram.com
- Vimeo.com/myARDOT
- IDriveArkansas.com
- Twitter.com @myARDOT
Questions?

ARKANSAS DEPARTMENT OF TRANSPORTATION