New Name – New Identity

1929
Arkansas Highway and Department of Lands

1977
Arkansas State Highway and Transportation Department

2017
Arkansas Department of Transportation
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>
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
Interstates

Current Condition

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

2027 Condition

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

- **Current Condition**: 24% Poor, 58% Fair, 18% Good
- **2027 Condition**: 28% Poor, 46% Fair, 26% Good
Chicot County
Highway 144, Section 3
Log mile 7.83 - 10.86
Lake Chicot State Park
entrance to the
Mississippi River Levee
Sebastian County
Highway 71, Section 13
Log mile 7.14 - 10.25
4-lane divided highway south of Greenwood
Garland County
Highway 270, Section 6
Log mile 0.0 - 2.0
just east of Highway 7 on
MLK Expressway
Randolph County
Highway 231, Section 4
Log mile 0.00 – 3.02
approximately 0.25 miles
north of Highway 90
<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
Federal Highway Funding Issues

• Congressional Action for Federal Fiscal Year 2018
  ✓ Raised the Debt Ceiling
  ✓ Continuing Resolution Until December 8th
  ✓ $15 Billion in Relief Funds for Hurricane Harvey

• Avoids a Possible Shutdown
Federal Highway Funding Issues

- President Abandons Infrastructure Council
- Related to Virginia Controversy
- White House Meets With State Leaders
- Continued Discussion of Principles
Federal Highway Funding Issues

• Administration’s Guiding Principles for Infrastructure Initiative
  ✓ Targeted Federal Investment
  ✓ Greater State and Local Investment Overall
  ✓ Leveraging Private Investment
  ✓ Environmental and Permitting Streamlining

• Four Areas of Major Reform
  ✓ Regulatory
  ✓ Policy
  ✓ Statutory
  ✓ Cultural
“The plan is not yet final, but states and cities that secure some private-sector financing will be given higher-priority access to new federal funds.”

Elaine Chao, Secretary of Transportation

“The administration now wants to break the President's infrastructure package into three pieces, and the largest piece of the package is going to be wrapped around incentives to woo nonfederal investment.”

Mick Mulvaney, Director
Office of Management and Budget
Federal Highway Funding Issues
General Revenues vs ARDOT Net Highway Revenues

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 Highway Funding Breakdown
- Federal: 36%
- State: 64%

2016 Highway Funding Breakdown
- Federal: 54%
- State: 46%
22 years ago, in 1995, 33 miles of Highway could be widened. As of 2015, using the same resources, only 15 miles of Highway could be widened.
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.
Arkansas State Highway Needs

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</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<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>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</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><strong>Totals</strong></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.*
<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)
Road User Related Tax Revenue (SFY 2016)

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
Possible Initiated Act

CITIZENS OPINION SURVEY
ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
ArDOT
Public Information
P.O. Box 2261
Little Rock, AR 72203
info@arkansashighways.com

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?

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

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

Arkansas Department of Transportation