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.
Promises Made

ARKANSAS DEPARTMENT OF TRANSPORTATION

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

LEGEND
- Completed
- Under Construction
- Scheduled
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
Van Buren / Cleburne Counties
Received $3.3 Million to date
Projected to Receive $5.4 Million
Total $8.7 Million (Ending in 2023)

City of Fairfield Bay
Received $181,000 to date
Projected to Receive $300,000
Total $481,000 (Ending in 2023)
Local Project Updates
Scheduled

3 Projects
20 Miles
$5 Million
Cleburne County System Preservation

Completed
- 8.1 Miles
- $2.1 Million

Under Construction
- 2.1 Miles
- $0.3 Million

Scheduled
- 5.1 Miles
- $4 Million
State Highway 16

Scheduled
One Passing Lane
$2 Million
U.S. Highway 65

**Completed**
- 3 Projects
- 7.5 Miles
- $36 Million

**Scheduled**
- 3 Projects
- 21 Miles
- $78 Million
Highway Condition and Needs
All State Highways – Including Interstates

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

2027 Condition
- Poor: 28%
- Fair: 46%
- Good: 26%
White County
Highway 5, Section 14
Log mile 16.7 - 19.0
Jct. Highway 36 and Highway 5 to Cleburne County line
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
- TV/Internet: $124.00
- Telephone: $161.00
- Roads: $46.00
Funding Update
Great amount of uncertainty at the federal level

State funds stagnant at best

ROAD WORK AHEAD?
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
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.
<table>
<thead>
<tr>
<th>THEN</th>
<th>NOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 years ago, in 1995, <strong>200 miles</strong> of Highway could be overlaid.</td>
<td>As of 2015, using the same resources, only <strong>54 miles</strong> of Highway could be overlaid.</td>
</tr>
</tbody>
</table>
**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
• 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>
<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>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 (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><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.*
ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.
## 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)
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 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):

☐ Yes ☐ No

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
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: 26%
- Print: 16%
- Website/Search Engine: 16%
- Family or Friend: 7%
- Presentation: 7%
- Other: 21%

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