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
Employment Levels Efficiency

<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
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
½ Cent Sales Tax Turnback Funds

**Faulkner County**
Received $2.7 Million to date
Projected to Receive $5.9 Million
Total $8.6 Million (Ending in 2023)

**City of Conway**
Received $3.3 Million to date
Projected to Receive $7.7 Million
Total $11 Million (Ending in 2023)
Local Project Updates
South Interchange & Western Loop
U.S. Highway 64

**Completed**
7 Projects  
22.3 Miles  
$66.5 Million

**Under Construction**
1 Project  
7.4 Miles  
$21.4 Million
State Highway 25

Completed
2.1 Miles
$10.8 Million
Highways 65B & 286

Completed
0.5 Miles
$9.4 Million
Pavement Preservation

**Completed**
- Highway 107
- 6.2 Miles
- $1.1 Million

**Under Construction**
- Highway 286
- 6.1 Miles
- $1.0 Million
Noise Barrier Wall

Scheduled
Mid 2018
$3 Million
Scheduled
Late 2019
$7 Million
All State Highways – Including Interstates

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

2027 Condition:
- Poor: 28%
- Fair: 46%
- Good: 26%
Faulkner County
Highway 36, Section 1
Log mile 5.472 – 9.9
Highway 287 to
Highway 107, south of
Enola
Pay a **Little Now**

<table>
<thead>
<tr>
<th>Overlay</th>
<th>Pay a <strong>Whole Lot Later</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$100,000</strong></td>
<td><strong>$1,500,000</strong> per lane mile</td>
</tr>
</tbody>
</table>
Average Monthly Household Expenditures

- Electricity/Gas: $160.00
- TV/Internet: $124.00
- Roads: $46.00
- Telephone: $161.00
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%
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.

➢ $9.3 billion in needs

➢ $4.5 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.
Legislation

**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.

$447,000,000
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)
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

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: 1154 (64%)
- Add on w/s price of motor fuels: 357 (20%)
- Increase Registration fees: 584 (33%)
- Increase Sales Tax: 484 (27%)
- Increase Diesel Tax: 871 (48%)
- Increase Gas Tax: 618 (34%)
Survey Results

**Are you satisfied with the condition of the existing highway system?**

- Yes: 21%
- No: 77%
- No Answer: 2%

**Would you support a new highway program that would generate additional revenue?**

- Yes: 77%
- No: 19%
- No Answer: 4%
Arkansas Department of Transportation

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