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
Employment Levels Efficiency

- **1979**: 4,200 Employees
- **2000**: 3,800 Employees
- **2017**: 3,679 Employees
Promises
1999 Interstate Rehabilitation Program

- 50 Projects
- 356 Miles
- $973 Million

Prior to Program
- 63% Poor or Mediocre

After Program
- 72% Good
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**
- Blue: Completed
- Red: Under Construction
- Green: 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
Highway 5

**Completed**
- 3 Projects
- 25 Miles
- $12 Million

**Scheduled**
- 3 Projects
- 23 Miles
- $22 Million
Highway 7

Completed
3.5 Miles
$6 Million

Under Construction
1.4 Miles
$10.7 Million

Scheduled
4 Projects
16.3 Miles
$24.9 Million
U.S. Highway 70 and Interstate 30

Under Construction
17.6 Miles
$78.5 Million

Scheduled
5.4 Miles
$125-150 Million
U.S. Highway 270

Scheduled
2 Projects
3.4 Miles
$24 Million
Scheduled
6 Projects
23 Miles
$11 Million
Hot Springs Bypass Extension

- **Project Update**
  - ✔ Environmental
  - ✔ Design

- **Next Steps**

  **Scheduled**
  **5.5 Miles**
  **Estimated $60 Million**
All State Highways – Including Interstates

- Current Condition: 24% Poor, 58% Fair, 18% Good
- 2027 Condition: 28% Poor, 46% Fair, 26% Good

Legend:
- Poor
- Fair
- Good
Garland County
Highway 270, Section 6
Log mile 0.0 - 2.0
just east of Highway 7
on MLK Expressway
Perry County
Highway 7, Section 11
Log mile 0.0 – 10.02
Garland County line to Hollis
Pay a Little Now

Overlay $100,000 per lane mile

Pay a Whole Lot Later

Reconstruction $1,500,000 per lane mile
General Revenues vs ArDOT Net Highway Revenues

Excludes County & City Aid funds | Excludes CAP funds
$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.
Great amount of uncertainty at the federal level

State funds stagnant at best
Federal vs. State Funding

1993
Hwy. Funding Breakdown

Fed 36%
State 64%

2016
Hwy. Funding Breakdown

Fed 54%
State 46%
Average Monthly Household Expenditures

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

Source: AASHTO (The Voice of Transportation)
Challenges

➢ 12\textsuperscript{th} largest system in the country

➢ 42\textsuperscript{nd} in highway revenue per mile.

➢ $9.3 \text{ billion} \text{ in needs}$

➢ $4.5 \text{ billion} \text{ in available revenue}$
Where Are We Going?
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.

![Exhibit III](image)

<table>
<thead>
<tr>
<th>Description</th>
<th>Additional Annual Revenues Needed for ArDOT</th>
<th>Total Proposed Highway Construction Plan Over a 10-Year Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Precipitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total System</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Relief</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>8,000,000</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 925,000,000</td>
<td>$ 447,000,000</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.

### 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>Additional Annual</th>
<th>Total 10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preplanning</td>
<td>$1,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td></td>
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<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$11,000,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$925,000,000</strong></td>
<td><strong>$478,000,000</strong></td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
Options for Generating Additional Revenue for Highways

<table>
<thead>
<tr>
<th>Source</th>
<th>$400 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Tax</td>
<td>28.4¢</td>
</tr>
<tr>
<td>Sales Tax on Fuel (wholesale)</td>
<td>16.67%</td>
</tr>
<tr>
<td>Registration Fee</td>
<td>$208</td>
</tr>
<tr>
<td>General Sales Tax&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>1.16%</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)
"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
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

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

- Yes: 21%
- No: 76%
- No Answer: 3%

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

- Yes: 77%
- No: 19%
- No Answer: 4%
Survey Results

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

- Transfer existing sales and use tax: 1209 (64%)
- Add on w/s price of motor fuels: 373 (20%)
- Increase Registration fees: 611 (32%)
- Increase Sales Tax: 503 (27%)
- Increase Diesel Tax: 913 (48%)
- Increase Gas Tax: 639 (34%)
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
CITIZENS OPINION SURVEY ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
ArDOT
Public Information
P.O. Box 2281
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: __________________________
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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?

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Online Form Available Here:
www.ArkansasHighways.com

meeting name - date
Arkansas Department of Transportation

- ARDOT.gov
- ConnectingArkansasProgram.com
- Vimeo.com/myARDOT
- IDriveArkansas.com
- Twitter.com @myARDOT
Questions?
Pay a Little Now or a Lot Later!