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
Efficiency

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

- **Year 1979**: 4,200 Employees
- **Year 2000**: 3,800 Employees
- **Year 2017**: 3,679 Employees
Promises Made

ARKANSAS DEPARTMENT OF TRANSPORTATION

Promises Kept

pave the Way
Rebuilding Arkansas Interstates

INTERSTATE REHABILITATION PROGRAM

CONNECTING ARKANSAS PROGRAM
1999 IRP
• 50 Projects
• 356 Miles
• $1+ Billion

2011 IRP
• 83 Projects
• 494 Miles
• $1.3 Billion

2012 CAP
• 36 Projects
• 185 Miles
• $1.8 Billion
Interstate 440

**Completed**
- 1 Project
- 2.8 Miles
- $33.8 Million

**Under Construction**
- 1 Project
- 3.2 Miles
- $38.8 Million
Interstate 630

Scheduled
Early 2018
2.5 Miles
$50 – 60 Million
Interstate 30

Scheduled
1 Project
5.4 Miles
$150 Million
30 Crossing

Scheduled
7.4 Miles
$550-600 Million
State Highway 10

Under Construction
1 Project
$22.9 Million

Scheduled
1 Project
1.1 Miles
$40-50 Million
U.S. Highway 70

Under Construction
1 Project
17.6 Miles
$78.5 Million
U.S. Highway 67

Completed
4 Projects
8.5 Miles
$78.9 Million

Scheduled
3 Projects
2.3 Miles
$105 Million

Under Construction
3 Projects
5.9 Miles
$146.7 Million
Future Interstate 57 / U.S. Highway 67

FUTURE
I-57

Walnut Ridge

High Priority Corridor 89

North Little Rock
Highway Condition and Needs
Other State Highways – Excluding Interstates

Current Condition
- Poor: 37%
- Fair: 54%
- Good: 8%

2027 Condition
- Poor: 43%
- Fair: 41%
- Good: 16%
Pay a **Little Now**

Overlay

$100,000 per lane mile

Pay a **Whole Lot Later**

Reconstruction

$1,500,000 per lane mile
Pay a Little Now or a Lot Later!
Average Monthly Household Expenditures

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

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

Excludes County & City Aid funds | Excludes CAP funds
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.
22 years ago, in 1995, **200 miles** of Highway could be overlaid.

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?
"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.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>925,000,000</td>
<td>447,000,000</td>
<td>478,000,000</td>
<td>478,000,000</td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td>19,000,000</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>
<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>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td>19,000,000</td>
<td>11,000,000</td>
<td>11,000,000</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>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td></td>
</tr>
<tr>
<td>Pavement Rehabilitation</td>
<td>8,000,000</td>
<td>8,000,000</td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td></td>
</tr>
<tr>
<td>Total System Maintenance</td>
<td>30,000,000</td>
<td>19,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td></td>
<td></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.
## 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>

---

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)
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%
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%)
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
Questions?

Arkansas Department of Transportation

[Images of construction and roads]
Arkansas Department of Transportation

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