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
National Average: $9,224
Surrounding States Average: $4,334
Employment Levels Efficiency

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

Arkansas Department of Transportation

Promises Kept
1999 Interstate Rehabilitation Program

- 50 Projects
- 356 Miles
- $973 Million

Prior to Program
- 63% Poor or Mediocre

After Program
- 72% Good
2011 Interstate Rehabilitation Program

Completed:
31 Projects
200 miles
$595 million

Under Construction:
15 Projects
92 miles
$521 million

Scheduled:
37 Projects
202 miles
$411 million
Connecting Arkansas Program Update

Completed: 4 Projects
19 miles
$141 million

Under Construction: 9 Projects
49 miles
$405 million

Scheduled: 23 Projects
117 miles
$1.36 billion

LEGEND
- Completed
- Under Construction
- Scheduled
Interstates

Current Condition

- Poor: 5%
- Fair: 36%
- Good: 59%

2027 Condition

- Poor: 1%
- Fair: 31%
- Good: 68%
Stone County
Highway 9, Section 11
Log mile 0.00 – 18.4
Cleburne County line to
Jct. Highway 9 and
Highway 66
Hempstead County
Highway 195, Section 1
Log mile 0.96 - 9.48
approximately 1 mile east of Fulton to Crossroads
Randolph County
Highway 231, Section 4
Log mile 0.00 – 3.02
approximately 0.25 miles
north of Highway 90
Sebastian County Highway, 255 Section 4, 5X and 5 Log mile 0.00 - 4.48, 0.00 – 0.387 and 0.00 - 1.00 Truck Route on west side of Fort Smith through downtown
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
## Summary of Needs – 10 Years

<table>
<thead>
<tr>
<th>NEEDS CATEGORY</th>
<th>COST (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>System Preservation</strong></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$3,438</td>
</tr>
<tr>
<td>Bridges</td>
<td>$1,238</td>
</tr>
<tr>
<td><strong>Capacity</strong></td>
<td>$3,236</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>$787</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$202</td>
</tr>
<tr>
<td>Facilities</td>
<td>$70</td>
</tr>
<tr>
<td>ITS</td>
<td>$30</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$9,001</strong></td>
</tr>
</tbody>
</table>
## Summary: Needs vs Revenue – 10 Years

2016 Dollars

<table>
<thead>
<tr>
<th>ESTIMATED REVENUE&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>$4,415</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal-aid + State</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL NEEDS&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>$9,001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SHORTFALL</th>
<th>$4,586</th>
</tr>
</thead>
</table>

(1) Revenue Not Currently Dedicated to Routine Maintenance, Administration and Operations
(2) Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors
## Summary of Remaining Cost

### Capital Improvements for Economic Development

<table>
<thead>
<tr>
<th>IMPROVEMENT CATEGORY</th>
<th>COST (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four-Lane Grid System</td>
<td></td>
</tr>
<tr>
<td>High Priority Corridors (Future Interstates)</td>
<td>$7,022</td>
</tr>
<tr>
<td>High Priority Corridors (Other)</td>
<td>$2,528</td>
</tr>
<tr>
<td>Remaining Four-Lane Grid</td>
<td>$2,247</td>
</tr>
<tr>
<td>Other Regional Connections</td>
<td>$562</td>
</tr>
<tr>
<td>Economic Development Connections</td>
<td>$337</td>
</tr>
<tr>
<td>New Location Routes / New or Modified Interchanges</td>
<td>$921</td>
</tr>
<tr>
<td>Other Major Widening</td>
<td>$258</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,876</strong></td>
</tr>
</tbody>
</table>
## Summary: Needs & Capital Improvements vs Revenue

### 2016 Dollars

<table>
<thead>
<tr>
<th>Description</th>
<th>AMOUNT (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Federal-Aid + State Revenue (10 Years)</td>
<td>$4,415</td>
</tr>
<tr>
<td>Total System Preservation Needs (10 Years) (Pavement, Bridges, Capacity, Safety Equipment, Facilities)</td>
<td>$9,001</td>
</tr>
<tr>
<td>Total Capital Improvements</td>
<td>$13,876</td>
</tr>
<tr>
<td><strong>TOTAL NEEDS</strong></td>
<td><strong>$22,878</strong></td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
<td><strong>$18,463</strong></td>
</tr>
</tbody>
</table>
How Did We Get Here?
Challenges

- 12th largest system in the country
- 42nd in highway revenue per mile.
- $22.9 billion in needs
- $4.4 billion in available revenue
Federal vs. State Funding

1993
Hwy. Funding Breakdown
Fed 36%
State 64%

2016
Hwy. Funding Breakdown
Fed 54%
State 46%
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.
**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.
Average Monthly Household Expenditures

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual State Funds Needed</th>
<th>Projected Revenues</th>
<th>Projected Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$19,000,000</td>
<td>$19,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Pavement Rehabilitation</td>
<td>$8,000,000</td>
<td>$8,000,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td></td>
<td>$19,000,000</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td>$11,000,000</td>
<td>$11,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>$478,000,000</td>
<td>$478,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$925,000,000</td>
<td>$447,000,000</td>
<td>$478,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.

**Total**: $447,000,000
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>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td>8,000,000</td>
<td>8,000,000</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td>30,000,000</td>
<td>30,000,000</td>
<td>30,000,000</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>925,000,000</td>
<td>447,000,000</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>
</tr>
<tr>
<td>Facilities upgrades</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>
</tr>
<tr>
<td>Total Maintenance</td>
<td>447,000,000</td>
<td>478,000,000</td>
<td>478,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
<table>
<thead>
<tr>
<th>Source</th>
<th>Highway Revenue¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cent Motor Fuel Tax Increase</td>
<td>$ 14 M</td>
</tr>
<tr>
<td>Remove Sales Tax Exemption (Wholesale $1.70 per Gallon)²</td>
<td>$ 108 M</td>
</tr>
<tr>
<td>6.5% Sales Tax (Wholesale $1.70 per Gallon)</td>
<td>$ 156 M</td>
</tr>
<tr>
<td>$10 Registration Fee Increase (Cars andPickups)</td>
<td>$ 19 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on New and Used Vehicles²</td>
<td>$ 228 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on Auto Repair Parts, Services, etc.²</td>
<td>$ 74 M</td>
</tr>
<tr>
<td>1% General Sales Tax</td>
<td>$ 344 M</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)
## Options for Generating Additional Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>$200 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>$300 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>$400 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</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&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>0.58%</td>
<td>0.87%</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)
Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
Annual Highway User Revenue Distribution

- **Cities**: 15.9% of $423M
- **Counties**: 15.9% of $423M
- **Other**: 5% of $423M

Note: May not add due to rounding.
Arkansans Need to Decide How to Fund Your Transportation System
Citizens Opinion Survey

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 State Highway and Transportation Department 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 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:

Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot?
- Yes
- No

How did you hear about this survey
- Presentation
- Social Media
- Other:

Optional:
Name:
Address:
City, State, Zip:

Online Form Available Here:
Survey Results

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

- Transfer existing sales and use tax: 1352 (64%)
- Add on w/s price of motor fuels: 403 (19%)
- Increase Registration fees: 656 (31%)
- Increase Sales Tax: 555 (26%)
- Increase Diesel Tax: 993 (47%)
- Increase Gas Tax: 697 (33%)
Survey Results

Are you satisfied with the condition of the existing highway system?
- Yes: 22%
- No: 75%
- Answer: 3%

Would you support a new highway program that would generate additional revenue?
- Yes: 76%
- No: 20%
- Answer: 4%
Arkansas Department of Transportation

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