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

Year | Employees |
--- | --- |
1979 | 4,200 |
2000 | 3,800 |
2017 | 3,679 |
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
35 Projects
217 Miles
$651 Million

Under Construction
13 Projects
86 Miles
$541 Million

Scheduled
35 Projects
191 Miles
$334 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
$1.31 Billion
½ Cent Sales Tax Turnback Funds

Craighed County
Received $3.0 Million to date
Projected to Receive $4.8 Million
Total $7.8 Million (Ending in 2023)

City of Jonesboro
Received $5.1 Million to date
Projected to Receive $8.3 Million
Total $13.4 Million (Ending in 2023)
Interchange Improvements

Scheduled
$5-10 Million

INTERSTATE
555

49

1
Highway 1B Widening

Scheduled

½ Mile

$1-5 Million
BNSF Railroad Overpass

Scheduled
$15-20 Million

Job 100824
BNSF Railroad Overpass (Hwy. 18) (Jonesboro) (S)
Hwy. 18, Sec. 4
Craighead County
Commerce Drive Extension

Scheduled
5.5 Miles
$10 Million Allocated
Total Construction: $20-30 Million
Highway 49 Operational Improvements

Scheduled
1.3 Miles
$20-30 Million
Highway 351 Widening

Scheduled
1 Mile
$5-10 Million
Highway 351 (Airport Rd.) Railroad Overpass

Scheduled
$5-10 Million
Intersection Improvements

Completed
1 Project
$1.2 Million

Scheduled
4 Projects
$17 Million
Interstate 555 Preservation Projects

Completed
6 Miles
$2 Million

Under Construction
2 Miles
$12.3 Million

Scheduled
5 Projects
40 Miles
$42 Million
Completed
2 Projects
5 Miles
$1.5 Million

Scheduled
5 Projects
14.5 Miles
$5 Million

Under Construction
5 Projects
16 Miles
$3 Million
Highway Condition and Needs
Interstates

Current Condition

- Poor: 3%
- Fair: 26%
- Good: 71%

2027 Condition

- Poor: 1%
- Fair: 21%
- Good: 78%
All State Highways – Including Interstates

Current Condition

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

2027 Condition

- Poor: 28%
- Fair: 46%
- Good: 26%
Greene County
Highway 34, Section 3
Log mile 0.00 – 12.96
approximately 0.25 miles
west of Marmaduke
Mississippi County
Highway 308, Section 3
Log mile 0.00 – 5.6
approximately 2 miles east
of Highway 77
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
- Roads: $46.00
- Telephone: $161.00
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**: 63.2% ($423M), 15.9% ($106M)
- **Counties**: 15.9% ($106M)
- **Other***: 5% ($73M)

*Constitutional & Fiscal Agencies and Non-Highway Uses.

Note: May not add due to rounding.
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.
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
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>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Prew</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Pavement Maintenance</td>
<td>8,000,000</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>
<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>
<td>30,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></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>30,000,000</td>
<td>30,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 925,000,000</td>
<td>$ 447,000,000</td>
<td>$ 478,000,000</td>
<td>$ 478,000,000</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

| Description                        | Additional Annual State Revenues Needed | Projected Yearly Maintenance Cost
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$925,000,000</td>
<td>$925,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td>$447,000,000</td>
<td>$447,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>$478,000,000</td>
<td>$478,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td>$1,850,000,000</td>
<td>$1,850,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$19,000,000</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$8,000,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td></td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>$11,000,000</td>
<td>$19,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$925,000,000</td>
<td>$1,850,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.

$478,000,000
### 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)
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):

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: 33%
- No: 64%
- Answer: 3%

Would you support a new highway program that would generate additional revenue?
- Yes: 71%
- No: 26%
- Answer: 3%
Survey Results

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

- Transfer existing sales and use tax: 286 (62%)
- Add on w/s price of motor fuels: 66 (14%)
- Increase Registration fees: 110 (24%)
- Increase Sales Tax: 117 (26%)
- Increase Diesel Tax: 180 (39%)
- Increase Gas Tax: 102 (22%)
Arkansas Department of Transportation

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