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

<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>
Promises

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
Chicot County
Highway 144, Section 3
Log mile 7.83 - 10.86
Lake Chicot State Park Entrance to the Mississippi River Levee
Highway Condition and Needs

Miller County
Highway 134, Section 1
Log mile 0.0 - 16.5
Highway 71
near Fouke to Garland City

Garland County
Highway 270, Section 6
Log mile 0.0 - 2.0
just east of Highway 7
on MLK Expressway
Randolph County
Highway 231, Section 4
Log mile 0.00 – 3.02
north of Highway 90

Lonoke County
Highway 15, Section 9
Log mile 0.0 - 2.0
Jefferson County Line to Highway 165
<table>
<thead>
<tr>
<th>Pay a <strong>Little Now</strong></th>
<th>Pay a <strong>Whole Lot Later</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overlay</td>
<td>Reconstruction</td>
</tr>
<tr>
<td>$100,000 per lane mile</td>
<td>$1,500,000 per lane mile</td>
</tr>
</tbody>
</table>
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
Great amount of uncertainty at the federal level

State funds stagnant at best

ROAD WORK AHEAD?
General Revenues vs ARDOT Net Highway Revenues

Billions

$0.0

$1.0

$2.0

$3.0

$4.0

$5.0

$6.0

$7.0


Fiscal Year

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%)

*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

- 12\textsuperscript{th} largest system in the country
- 42\textsuperscript{nd} in highway revenue per mile.

- $9.3 \text{ billion}$ in needs
- $4.5 \text{ billion}$ in available revenue
Where Are We Going?

ARKANSAS DEPARTMENT OF TRANSPORTATION

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.

FAILED
"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.

**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 Revenues Needed for</th>
<th>Total Costs Needed for</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Pavements</td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td>$ 478,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td></td>
<td>$ 925,000,000</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.

Arkansas Department of Transportation (ArDOT)
Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

Exhibit III

<table>
<thead>
<tr>
<th>Description</th>
<th>Additional Annual Revenues Needed for</th>
<th>Total System Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preserves</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td></td>
<td>$ 1,290,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td></td>
<td>$ 4,780,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$ 9,250,000,000 $ 4,470,000,000 $ 4,780,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
## 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 Your Transportation System
Possible Initiated Act

CITIZENS OPINION SURVEY
ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
ARIDOT
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: _______________________________
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

meeting name - date
Survey Results

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

- Yes: 24%
- No: 73%
- No Answer: 3%

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

- Yes: 75%
- No: 21%
- 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**: 1,717 (63%)
- **Add on w/s price of motor fuels**: 511 (19%)
- **Increase Registration fees**: 842 (31%)
- **Increase Sales Tax**: 719 (26%)
- **Increase Diesel Tax**: 1,273 (47%)
- **Increase Gas Tax**: 859 (31%)
Arkansas Department of Transportation

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

Arkansas Department of Transportation