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     

Promises Made

Promises Kept

ARKANSAS DEPARTMENT OF TRANSPORTATION
Promises

- Pave the Way
- Rebuilding Arkansas Interstates
- Interstate Rehabilitation Program (IRP)
- Connecting Arkansas Program (CAP)
- Voter Approved
1999 Interstate Rehabilitation Program

50 Projects
356 Miles
$973 Million

Prior to Program
63% Poor or Mediocre

After Program
72% Good
Completed
37 Projects
225 Miles
$763 Million

Under Construction
11 Projects
78 Miles
$429 Million

Scheduled
34 Projects
191 Miles
$334 Million

LEGEND
- Completed
- Under Construction
- Scheduled
Connecting Arkansas Program

**Completed**
- 7 Projects
- 30 Miles
- $215 Million

**Under Construction**
- 8 Projects
- 46 Miles
- $376 Million

**Scheduled**
- 21 Projects
- 108 Miles
- $1.35 Billion
Bella Vista Bypass

**Completed**
- 3 Projects
- 12 Miles
- $86 Million

**Under Construction**
- 1 Project
- 7.1 Miles
- $28 Million
Interstate 49 Corridor

**Completed**
- 16 Projects
- 25 Miles
- $289 Million

**Under Construction**
- 1 Projects
- 0 Miles
- $29 Million

**Scheduled**
- 3 Projects
- $80 Million
Interstate 49 Corridor

Mountainburg to Fayetteville

28 Miles

$22 Million
Springdale Bypass

Highway 112 To I-49
Proposed Airport Connector

Highway 264  
To  
Future Springdale Bypass
Corridor Study
Fayetteville to Bentonville

Adopted in July 2015

Recommendations

Cost Estimates
Completed
4 Projects
6 Miles
$17 Million

Under Construction
2 Projects
6 Miles
$21 Million

State Highway 265

LEGEND
Completed
Under Construction
Scheduled
Scheduled
2 Projects
$33 Million
Status of Federal Funding
Federal Highway Funding Issues

• Continuing Resolutions and a Government Shutdown

• Current Funding Ends February 8th

• Current Impacts

• Potential Future Impacts
Proposed Outline of Trump Infrastructure Package Leaked

Contents Similar to Past Discussions

Major Emphasis on Encouraging State, Local, and Private Investment
Status of State Funding
Average Monthly Household Expenditures

- Electricity/Gas: $160.00
- TV/Internet: $124.00
- Telephone: $161.00
- Roads: $46.00
Highway vs. General Revenue

Excludes County & City Aid funds | Excludes CAP funds
## 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></th>
<th>AMOUNT (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ESTIMATED REVENUE</strong>(^{(1)})</td>
<td>$4,415</td>
</tr>
<tr>
<td>Federal-aid + State</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NEEDS</strong>(^{(2)})</td>
<td>$9,001</td>
</tr>
<tr>
<td>Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS</td>
<td></td>
</tr>
<tr>
<td><strong>SHORTFALL</strong></td>
<td>$4,586</td>
</tr>
</tbody>
</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
HB 1418 Revenue Transfer

Transferred sales tax on new and used vehicles to the Highway Department fund phased in over 10 years.

FAILED TO GET OUT OF THE HOUSE COMMITTEE

90 SPONSORS!!
HB 1346 REVENUE TRANSFER

Transferred sales tax on new and used vehicles to the Highway Department fund phased in over 10 years AND transferred the natural gas severance tax revenue from the Highway Department fund into a newly created higher education workforce development fund.

PASSED THE HOUSE COMMITTEE

PULLED BEFORE A VOTE ON THE HOUSE FLOOR
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.

HOUSE
FOR – 38
AGAINST – 35
NOT VOTING - 27
ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020 for consistency and reasonableness when compared with prior years.

### 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>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Pavement Rehabilitation</td>
<td>8,000,000</td>
<td></td>
<td>8,000,000</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td></td>
<td></td>
<td></td>
<td>3,000,000</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Total System</td>
<td>20,000,000</td>
<td></td>
<td>8,000,000</td>
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<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
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<tr>
<td>Maintenance</td>
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<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>8,000,000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td></td>
<td>8,000,000</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 447,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td><strong>$ 925,000,000</strong></td>
<td><strong>$ 447,000,000</strong></td>
<td><strong>$ 478,000,000</strong></td>
<td></td>
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</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.

### Annual Shortfall

<table>
<thead>
<tr>
<th>Description</th>
<th>Additional Annual State Revenues Needed for Project</th>
<th>Total System Life-Cycle Cost Over 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$925,000,000</td>
<td>$478,000,000</td>
</tr>
<tr>
<td>Pavement</td>
<td>$447,000,000</td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>$478,000,000</td>
<td></td>
</tr>
<tr>
<td>Total System</td>
<td></td>
<td>$478,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$19,000,000</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></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>$8,000,000</td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>$3,000,000</td>
<td></td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$11,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
Possible New Program
**Citizens Opinion Survey**

**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 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
- ☐ TV/Radio/Print
- ☐ Social Media
- ☐ Family or Friend
- ☐ Website/Search Engine
- ☐ Other: __________________________

**Optional:**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Address:</th>
<th>City, State, Zip:</th>
</tr>
</thead>
</table>

**Online Form Available Here:**

![QR Code]

**Your TRANSPORTATION SYSTEM**
Survey Results

Are you satisfied with the condition of the existing highway system?
- Yes: 24%
- No: 74%

Would you support a new highway program that would generate additional revenue?
- Yes: 75%
- No: 22%

No: 2%
Survey Results

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

- Transfer existing sales and use tax: 2,051 (63%)
- Add on w/s price of motor fuels: 609 (19%)
- Increase Registration fees: 1,017 (31%)
- Increase Sales Tax: 838 (26%)
- Increase Diesel Tax: 1,537 (47%)
- Increase Gas Tax: 1,002 (31%)
## Revenue Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Highway Revenue&lt;sup&gt;1&lt;/sup&gt;</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 $1.70 per Gallon)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 108 M</td>
</tr>
<tr>
<td>6.5% Sales Tax (Wholesale $1.70 per Gallon)</td>
<td>$ 156 M</td>
</tr>
<tr>
<td>$10 Registration Fee Increase (Cars and Pickups)</td>
<td>$ 19 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on New and Used Vehicles&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 228 M</td>
</tr>
<tr>
<td>Transfer Sales Tax on Auto Repair Parts, Services, etc.&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$ 74 M</td>
</tr>
<tr>
<td>1% General Sales Tax</td>
<td>$ 344 M</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)
Possible New Program

• Projecting **10 Years** of Projects

• Annual **Existing** Funding Available for Highway Construction is **$447 Million**

• Combined With **Projected New** Funding Totals **$8.37 Billion** Over **10 Years**
## Possible New Program

### Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate Improvements</td>
<td>$1.00 Billion</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$3.84 Billion</td>
</tr>
<tr>
<td>Bridge Replacement and Preservation</td>
<td>$1.14 Billion</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$1.20 Billion</td>
</tr>
<tr>
<td>Capacity Improvements</td>
<td>$0.72 Billion</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>$0.47 Billion</td>
</tr>
</tbody>
</table>

**Totals $8.37 Billion Over 10 Years**
Arkansas Department of Transportation

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

Arkansas Department of Transportation