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
Highway vs. State Government Compared to Employment Levels

Excludes County & City Aid funds | Excludes CAP funds
Promises Made

Promises Kept
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
2011 Interstate Rehabilitation Program

**Completed**
- 39 Projects
- 227 Miles
- $823 Million

**Under Construction**
- 9 Projects
- 76 Miles
- $369 Million

**Scheduled**
- 32 Projects
- 191 Miles
- $295 Million
2012 Connecting Arkansas Program

Completed
8 Projects
35 Miles
$316 Million

Under Construction
9 Projects
51 Miles
$391 Million

Scheduled
19 Projects
99 Miles
$1.27 Billion

Legend
- Completed
- Under Construction
- Scheduled
I-530 Rehabilitation

**Completed**
- 2 Projects
- 11.2 Miles
- $58 Million

**Under Construction**
- 1 Project
- 10.4 Miles
- $67.2 Million
Interstate 69 in Arkansas

- Preferred Alignment Identified
- 180 miles
- Estimated Cost to Complete - $3.2 Billion
- 4 “Segments of Independent Utility” (SIUs)
- Federal Earmarked Funds - $300 Million
Highway Condition and Needs
All State Highways – Including Interstates

Current Condition

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

2027 Condition

- Poor: 28%
- Fair: 46%
- Good: 26%
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
## Significant Loss of Purchasing Power

Sample of Nominal Prices Relative to Federal Gas Tax, 1993 and 2010

<table>
<thead>
<tr>
<th>ITEM</th>
<th>UNIT/DESCRIPTION</th>
<th>1993</th>
<th>2010</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Tuition</td>
<td>Average Tuition and Required Fees</td>
<td>$3,517</td>
<td>$9,136</td>
<td>160%</td>
</tr>
<tr>
<td>Gas</td>
<td>Per Gallon</td>
<td>$1.12</td>
<td>$2.73</td>
<td>144%</td>
</tr>
<tr>
<td>Movie Ticket</td>
<td>Average Ticket Price</td>
<td>$4.14</td>
<td>$7.89</td>
<td>91%</td>
</tr>
<tr>
<td>House</td>
<td>Median Price</td>
<td>$126,500</td>
<td>$221,800</td>
<td>75%</td>
</tr>
<tr>
<td>Bread</td>
<td>Per Pound</td>
<td>$1.08</td>
<td>$1.76</td>
<td>62%</td>
</tr>
<tr>
<td>Income</td>
<td>Median Household</td>
<td>$31,272</td>
<td>$49,167</td>
<td>57%</td>
</tr>
<tr>
<td>Stamp</td>
<td>One First-class Stamp</td>
<td>$0.29</td>
<td>$0.44</td>
<td>52%</td>
</tr>
<tr>
<td>Beef</td>
<td>Per Pound of Ground Beef</td>
<td>$1.57</td>
<td>$2.28</td>
<td>46%</td>
</tr>
<tr>
<td>Car</td>
<td>Average New Car</td>
<td>$19,200</td>
<td>$26,850</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Federal Gas Tax</strong></td>
<td><strong>Per Gallon</strong></td>
<td><strong>$0.184</strong></td>
<td><strong>$0.184</strong></td>
<td><strong>0%</strong></td>
</tr>
</tbody>
</table>

Average Monthly Household Expenditures

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

State funds stagnant at best
Highway vs. General Revenue

Billions

General Revenue
Highway Revenue

Excludes County & City Aid funds | Excludes CAP funds
Percent of Highway vs. General Revenue

Excludes County & City Aid funds | Excludes CAP funds
Highway Revenue at 14.4% of General Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Revenue</th>
<th>Highway Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>14.4% $139M</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>14.4% $259M</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>14.4% $455M</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>14.4% $626M</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>14.4% $829M</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>14.4% $931M</td>
</tr>
</tbody>
</table>

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%)

*Note: May not add due to rounding

*Constitutional & Fiscal Agencies and Non-Highway Uses.
$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 billion in needs
- $4.4 billion in available revenue
Where Are We Going?
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>Annual State Funds Needed</th>
<th>Total Projected Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td>$19,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Pavement</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>
</tr>
<tr>
<td>Total System Maintenance</td>
<td>$30,000,000</td>
<td>$32,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>$19,000,000</td>
<td>$20,000,000</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>$19,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>$8,000,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>$30,000,000</td>
<td>$32,000,000</td>
</tr>
</tbody>
</table>

**Not:** Amounts shown are rounded.

Total:

- **$925,000,000**
- **$447,000,000**
- **$478,000,000**
Arkansas State Highway Needs

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 Maintenance</td>
<td>8,000,000</td>
<td>8,000,000</td>
<td>-</td>
</tr>
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<td>11,000,000</td>
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<tr>
<td>Capacity Relief</td>
<td>-</td>
<td>-</td>
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</tr>
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<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>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Totals**

$ 925,000,000  $ 447,000,000  $ 478,000,000

Note: Amounts shown are rounded.
“... 70% of our highway, road and street funding comes from a consumption-based tax, while it is a national goal to reduce consumption. The trend... is simply a losing proposition. We’re moving backwards.”

-Final Report, Dec 2010
Blue Ribbon Committee Recommendations

• Reissue GARVEE Bonds for Interstate Rehabilitation Program

• State Aid Programs for Cities

• Temporary One-Half Cent General Sales Tax to Fund a Multi-Year Construction Program

• Transfer Sales Tax on New and Used Vehicles, Auto Repair Parts and Services, Tires and Batteries

APPROVED

APPROVED

APPROVED
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
Delta of the Future

[The Arkansas Delta Project brings government and community leaders together to forge new partnerships, build upon strategic alliances, and provide the highest quality of life and economic growth for the region.]
Arkansas Department of Transportation

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