All State Highways – Including Interstates

Current Condition

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

2027 Condition

- Poor: 28%
- Fair: 46%
- Good: 26%

- Poor
- Fair
- Good
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
Status of State Funding
Report Released
August 31, 2017

Presented to
Legislative Joint
Audit Committee in
September 2017
Arkansas Legislative Audit

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>
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<tr>
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<tbody>
<tr>
<td>System Preservation</td>
<td>$387,000,000</td>
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Does Not Include Capital Improvement Projects

$ 925,000,000
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$478,000,000
Percent of Highway vs. General Revenue

Billions

General Revenue
Highway Revenue

1985 Fuel Tax Increase
11.3% $202M
14.4% $139M

1991 Fuel Tax Increase
8.7% $377M
9.4% $297M

1999 Fuel Tax Increase
8.7% $377M
7.6% $434M
6.6% $423M

Fiscal Year

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

- General Revenue
- Highway Revenue

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<tr>
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<th>General Revenue</th>
<th>Highway Revenue</th>
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<td>1980</td>
<td>14.4% $139M</td>
<td></td>
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<tr>
<td>1988</td>
<td>14.4% $259M</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>14.4% $455M</td>
<td></td>
</tr>
<tr>
<td>2004</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>14.4% $931M</td>
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Excludes County & City Aid funds | Excludes CAP funds
Highway vs. General Revenue Compared to Employment Levels

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<td>1980</td>
<td>4,070</td>
<td>30,000</td>
</tr>
<tr>
<td>1988</td>
<td>3,965</td>
<td>32,000</td>
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<tr>
<td>1996</td>
<td>3,842</td>
<td>43,000</td>
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<tr>
<td>2004</td>
<td>3,807</td>
<td>49,725</td>
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<tr>
<td>2012</td>
<td>3,571</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>3,689</td>
<td>58,651</td>
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Excludes County & City Aid funds | Excludes CAP funds
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
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
Connecting Arkansas Program

**Completed**
- 9 Projects
- 38 Miles
- $330 Million

**Under Construction**
- 8 Projects
- 48 Miles
- $378 Million

**Scheduled**
- 19 Projects
- 99 Miles
- $1.27 Billion
Bella Vista Bypass

**Completed**
- 3 Projects
- 11.8 Miles
- $86.1 Million

**Under Construction**
- 1 Project
- 8.8 Miles
- $27.5 Million

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

**Completed**
- 17 Projects
- 32.2 Miles
- $388.7 Million

**Under Construction**
- 1 Projects
- 0.5 Miles
- $28.8 Million

**Scheduled**
- 2 Projects
- $50 Million
Mountainburg to Fayetteville
28.4 Miles
$22.2 Million
Springdale Bypass
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:
- **Blue**: Completed
- **Red**: Under Construction
- **Green**: Scheduled
Scheduled
2 Projects
$33 Million
Federal Funding
Challenges

- 12\textsuperscript{th} largest system in the country
- 42\textsuperscript{nd} in highway revenue per mile.
- $9.3 \text { billion} \text{ in needs}$
- $4.5 \text { billion} \text{ in available revenue}$
Federal vs. State Funding

1993
Hwy. Funding Breakdown

Fed 36%
State 64%

2016
Hwy. Funding Breakdown

Fed 54%
State 46%
President Trump’s Infrastructure Plan

- **Infrastructure Incentives Initiative** – $100 Billion or 50%
- **Transformative Projects Program** – $20 Billion or 10%
- **Rural Infrastructure Program** – $50 Billion or 25%
- **Federal Credit Programs** – $14.1 Billion or 7.05%
- **Federal Capital Financing Fund** – $10 Billion or 5%
- **Public Lands Infrastructure Fund**
- **Disposition of Federal Real Property**
- **Private Activity Bonds**
President Trump’s Infrastructure Plan

Weighting Of Evaluation Criteria
For $100 Billion Infrastructure Initiatives Incentive

- New Non-Federal Revenue for Capital: 50%
- Economic/Social Return on Investment: 5%
- New Non-Federal Revenue for O&M and Rehab.: 20%
- Dollar Value of Project: 10%
- Improved Procurement and Project Delivery: 10%
- Incorporation of New Technology: 5%

ARI DOT
ARKANSAS DEPARTMENT OF TRANSPORTATION
President Trump’s Infrastructure Plan

- Infrastructure Incentives Initiative – $100 Billion or 50%
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- Disposition of Federal Real Property
- Private Activity Bonds
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 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:

Name: ____________________________
Address: _________________________
City, State, Zip: __________________

Online Form Available Here:
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: 75%
- No: 21%
- Answer: 4%
Which of the following sources do you recommend be utilized in obtaining additional funds?

- Transfer existing sales and use tax: 2,408 (63%)
- Add on w/s price of motor fuels: 700 (18%)
- Increase Registration fees: 1,196 (31%)
- Increase Sales Tax: 988 (26%)
- Increase Diesel Tax: 1,729 (45%)
- Increase Gas Tax: 1,114 (29%)
Arkansas Department of Transportation

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

@myARDEOT