Robert S. Moore, Jr.
Arkansas Highway Commissioner

McGehee Chamber of Commerce
Thursday, August 23, 2018
Economic Growth and Transportation
How do highway investments in the state highway system translate into improvements in economic productivity?

An efficient transportation system allows companies to lower transportation costs, which lowers production costs and enhances productivity and profits.

A good highway system promotes tourism and other methods of stimulating the local economy.
Budget

Where to spend money on a tight budget?
Funding Challenges
Average Monthly Household Expenditures

- **Electricity/Gas**: $160.00
- **TV/Internet**: $124.00
- **Telephone**: $161.00
- **Roads**: $46.00
$100,000,000 Widening Program

**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.
12th in Number of Miles

16,411 miles
42nd in Revenue Per Mile

$35,000 to $75,000
$75,000 to $150,000
$150,000 to $250,000
$250,000 to $500,000
$500,000 +
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

Year | Employees
--- | ---
1979 | 4,200 Employees
2000 | 3,800 Employees
2017 | 3,679 Employees
2011 Interstate Rehabilitation Program

**Completed**
- 45 Projects
- 290 Miles
- $997 Million

**Under Construction**
- 5 Projects
- 13 Miles
- $225 Million

**Scheduled**
- 29 Projects
- 191 Miles
- $271 Million
2012 Connecting Arkansas Program

Completed
11 Projects
61 Miles
$432 Million

Under Construction
6 Projects
24 Miles
$276 Million

Scheduled
19 Projects
100 Miles
$1.28 Billion
Highway Condition and Needs
## Summary of Needs – 10 Years

<table>
<thead>
<tr>
<th>NEEDS CATEGORY</th>
<th>COST (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$ 3,438</td>
</tr>
<tr>
<td>Bridges</td>
<td>$ 1,238</td>
</tr>
<tr>
<td>Capacity</td>
<td>$ 3,236</td>
</tr>
<tr>
<td>Safety</td>
<td>$ 787</td>
</tr>
<tr>
<td>Maintenance</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
Challenges

➢ 12th largest system in the country

➢ 42nd in highway revenue per mile.

➢ $9 billion in needs

➢ $4.4 billion in available revenue
Governor’s Highway Funding Working Group

- 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.
"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
## 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)
Total Road User Revenue
$1,076.5 Million

Distribution:

General Revenue
$460.7 Million (43%)

Highway Revenue
$615.9 Million (57%)
Funding

ARDOT
ARKANSAS DEPARTMENT OF TRANSPORTATION

Costs

Revenue

↑

↓
Regional Update

Chicot County

- **Completed**
  - 26 Projects
  - 58 Miles
  - $121.3 Million

- **Under Construction**
  - 3 Projects
  - 14.4 Miles
  - $6.6 Million

- **Scheduled**
  - 11 Projects
  - 26.3 Miles
  - $20 Million

Desha County

- **Completed**
  - 31 Projects
  - 78.2 Miles
  - $46.4 Million

- **Under Construction**
  - 4 Projects
  - 12.8 Miles
  - $15.5 Million

- **Scheduled**
  - 16 Projects
  - 62.9 Miles
  - $40 Million
Pavement Preservation

**Completed**
- 6 Projects
- 55.8 Miles
- $12.5 Million

**Under Construction**
- 4 Projects
- 16.1 Miles
- $5.1 Million

**Scheduled**
- 5 Projects
- 38.3 Miles
- $25 Million
U.S. Highway 278

Completed
Pavement Rehabilitation
24.9 Miles
$4.8 Million
State Highway 35

Under Construction
Safety Improvements
2.8 Miles
$2.1 Million
Scheduled
Connect Highways 83 & 278
2.0 Miles
$5-10 Million
Scheduled
Replace Bridge
$1-5 Million
U.S. Highway 278

Scheduled
Replace UPRR Overpass
$1-5 Million
State Highway 35

Scheduled Resurfacing
6.1 Miles
$5-10 Million

[Map showing the location of State Highway 35]
Scheduled Resurfacing
1.7 Miles
6 Bridges
$10-15 Million
Future Interstate 69

Scheduled
New Location
1.8 Miles
$50-75 Million
Completed
2.9 Miles
$7.4 Million

Under Construction
5.1 Miles
$12.9 Million
McCallie Access Overlook

McCallie Access Overlook and Boat Ramps
Preliminary Site Plans
Desha County, AR

High Water Access and Scenic Overlook

Primary River Access