Statewide Programs Update
2011 Interstate Rehabilitation Program

**Completed**
46 Projects
290 Miles
$1.00 Billion

**Under Construction**
6 Projects
54 Miles
$314 Million

**Scheduled**
27 Projects
159 Miles
$220 Million
2012 Connecting Arkansas Program

**Completed**
11 Projects
61 Miles
$432 Million

**Under Construction**
9 Projects
46 Miles
$534 Million

**Scheduled**
16 Projects
78 Miles
$1.06 Billion
Asphalt Indexing

• Evaluation Began in 2015

• Transfers Risk to Department

• Current Guidelines

• Projects with Indexing
E-Construction

- Change Orders
- Critical Path Method Schedules
- Supplemental Agreements
- AASHTOWare Civil Rights & Labor Module
- Enhanced Tracking of Documents
<table>
<thead>
<tr>
<th>Type Work</th>
<th>Amount (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Widening / New Location</td>
<td>$ 606</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$ 134</td>
</tr>
<tr>
<td>Bridges</td>
<td>$ 365</td>
</tr>
<tr>
<td>Safety</td>
<td>$ 55</td>
</tr>
<tr>
<td>Other</td>
<td>$ 9</td>
</tr>
<tr>
<td>Total</td>
<td>$1,168</td>
</tr>
</tbody>
</table>
2019 Pavement Preservation Projects

January – $18 Million
February – $14 Million
April – $40 Million
May – $62 Million
## 2020 Scheduled

<table>
<thead>
<tr>
<th>Type Work</th>
<th>Amount (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Widening / New Location</td>
<td>$370</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$161</td>
</tr>
<tr>
<td>Bridges</td>
<td>$106</td>
</tr>
<tr>
<td>Safety</td>
<td>$49</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$686</strong></td>
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</table>
## 2021 Scheduled

<table>
<thead>
<tr>
<th>Type Work</th>
<th>Amount (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Widening / New Location</td>
<td>$ 178</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$ 264</td>
</tr>
<tr>
<td>Bridges</td>
<td>$ 97</td>
</tr>
<tr>
<td>Safety</td>
<td>$ 33</td>
</tr>
<tr>
<td>Other</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 572</strong></td>
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</table>
## 2022 Scheduled

<table>
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<tr>
<th>Type Work</th>
<th>Amount (x $1 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Widening / New Location</td>
<td>$ 203</td>
</tr>
<tr>
<td>Pavement Preservation</td>
<td>$ 253</td>
</tr>
<tr>
<td>Bridges</td>
<td>$ 108</td>
</tr>
<tr>
<td>Safety</td>
<td>$ 33</td>
</tr>
<tr>
<td>Other</td>
<td>$ 0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 597</strong></td>
</tr>
</tbody>
</table>
2023 Pavement Preservation

2023 - $200 Million
Funding Challenges
Challenges

➢ 12th largest system in the country

➢ 42nd in highway revenue per mile.

➢ $9.3 billion in needs

➢ $4.5 billion in available revenue
Average Annual Highway User Revenue Distribution

- Cities: $110M (15.9%)
- Counties: $110M (15.9%)
- Other*: $32M (4.7%)
- Total: $438M (63.5%)

*Constitutional & Fiscal Agencies and Non-Highway Uses.
Note: May not add due to rounding
Percent of Highway vs. General Revenue

- General Revenue
- Net Highway Revenue

1985 Fuel Tax Increase:
- 14.4% $139M

1991 Fuel Tax Increase:
- 11.3% $202M
- 9.4% $297M

1999 Fuel Tax Increase:
- 8.7% $377M

Fiscal Year:
- 1980
- 1988
- 1996
- 2004
- 2012
- 2016

Excludes County & City Aid funds | Excludes CAP funds
THEN

23 years ago, in 1995, **200 miles** of Highway could be overlaid.

NOW

As of 2017, using the same resources, only **54 miles** of Highway could be overlaid.
Pay a **Little Now**

**Overlay**

$100,000 per lane mile

Pay a **Whole Lot Later**

**Reconstruction**

$1,500,000 per lane mile
“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”
Governor’s Highway Funding Working Group

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.
# Act 1 - Arkansas Highway Improvement Plan of 2016

<table>
<thead>
<tr>
<th>2016 Special Session</th>
<th>FFY16</th>
<th>FFY17</th>
<th>FFY18</th>
<th>FFY19</th>
<th>FFY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Reserve Fund or Arkansas Rainy Day Fund</td>
<td>40.0</td>
<td>20.0</td>
<td>21.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities Reserve Fund</td>
<td>1.5</td>
<td>1.7</td>
<td>20.0</td>
<td>12.7</td>
<td>20.0</td>
</tr>
<tr>
<td>Redirect the $4 Million of the Diesel Tax that goes to General Revenue to Highways (70/30 split)</td>
<td>0</td>
<td>2.7</td>
<td>1.4</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Eliminate the State Central Services Deduction from 1/2 Cent Sales Tax (70/30 split)</td>
<td>5.4</td>
<td>5.8</td>
<td>3.0</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Allocate up to 25% of Future GR Surplus to Highways</td>
<td>3.9</td>
<td>0</td>
<td>?</td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>

### Total Received

<table>
<thead>
<tr>
<th></th>
<th>FFY16</th>
<th>FFY17</th>
<th>FFY18</th>
<th>FFY19</th>
<th>FFY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Received</td>
<td>41.5</td>
<td>31.3</td>
<td>50.4</td>
<td>17.1</td>
<td>?</td>
</tr>
</tbody>
</table>

### Total Projected

<table>
<thead>
<tr>
<th></th>
<th>FFY16</th>
<th>FFY17</th>
<th>FFY18</th>
<th>FFY19</th>
<th>FFY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected</td>
<td>41.5</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
<td>76.1</td>
</tr>
</tbody>
</table>

### Difference

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference</td>
<td>0</td>
<td>(44.8)</td>
<td>(25.7)</td>
<td>(59.0)</td>
<td>?</td>
</tr>
</tbody>
</table>
2017 Proposed Legislation

**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.
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
✓ History of bond activities
Arkansas State 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>
<thead>
<tr>
<th>Description</th>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$367,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>117,000,000</td>
<td>90,000,000</td>
<td>27,000,000</td>
</tr>
<tr>
<td>Total System Preservation</td>
<td>504,000,000</td>
<td>227,000,000</td>
<td>277,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>305,000,000</td>
<td>157,000,000</td>
<td>148,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>86,000,000</td>
<td>44,000,000</td>
<td>42,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td></td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>8,000,000</td>
<td></td>
<td>8,000,000</td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td></td>
<td>2,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td>19,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$925,000,000</td>
<td>$447,000,000</td>
<td>$478,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
$478 Annual Investment Results

• Immediate Economic Benefits of Increasing Investment
  ✓ Supports $1.3 Billion in Economic Activity
  ✓ Supports 5,729 Jobs

• Neighbors Are Not Waiting
  ✓ Seven Have Raised State Gas Tax
  ✓ Six Have Variable Gas Tax
  ✓ Eight Have Electric Vehicle Registration Fees

• Significant Transportation Challenges
  ✓ Safety Needs
  ✓ Increasing Freight Demands
  ✓ Impacts From Congestion
## Arkansans Major Public Asset Transportation Infrastructure

<table>
<thead>
<tr>
<th>State Highway System</th>
<th>Gross Replacement Value</th>
<th>Average Annual Investment to Maintain State of Good Repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>$58.1 Billion</td>
<td>$387 Million (0.67%)</td>
</tr>
<tr>
<td>Bridges</td>
<td>$11.0 Billion</td>
<td>$117 Million (1.06%)</td>
</tr>
<tr>
<td>Total</td>
<td>$69.1 Billion</td>
<td>$504 Million (0.73%)</td>
</tr>
</tbody>
</table>

Based on Arkansas DOT Transportation Asset Management Plan and Legislative Audit Report
Jefferson County
Highway 199 East of Moscow

Crittenden County
Highway 42 Near Heafer

Miller County
Highway 134 Near Fouke

Hempstead County
Highway 195 East of Fulton

Jefferson County
Highway 199 East of Moscow
Lawrence County
Highway 34 Near Okean

Mississippi County
Highway 34 East of Highway 77
Randolph County
Highway 34 North of Highway 90
Economic Impact of Infrastructure Investment

• Increased Property Values
• Attraction to Businesses
  ✓ Higher Wages
  ✓ More Job Opportunities
• Less Expense on Vehicle Wear and Tear = Greater Expendable Income
• Safety Benefits
  ✓ Reduced Fatalities
  ✓ Reduced Property Damage
Quality of Life is Directly Linked to:

- Reliable Access to:
  - Housing
  - Family, Friends, Spirituality
  - Employment
  - School
  - Health Care
  - Recreation/Entertainment
  - Consumer Goods
  - Consumer Services
Highway Revenue at 14.4% of General Revenue

Excludes County & City Aid funds | Excludes CAP funds
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Revenue</th>
<th>Highway Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>4,070</td>
<td>3,965</td>
</tr>
<tr>
<td>1996</td>
<td>3,842</td>
<td>3,807</td>
</tr>
<tr>
<td>2004</td>
<td>49,725</td>
<td>49,725</td>
</tr>
<tr>
<td>2012</td>
<td>3,571</td>
<td>3,698</td>
</tr>
<tr>
<td>2018</td>
<td>58,651</td>
<td></td>
</tr>
</tbody>
</table>

Excludes County & City Aid funds | Excludes CAP funds
Possible Potential
New Program Discussion
Options for Generating Additional Revenue for Highways

<table>
<thead>
<tr>
<th>Source</th>
<th>$400 Million for Highways&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Tax</td>
<td>28.4¢</td>
</tr>
<tr>
<td>Sales Tax on Fuel (wholesale)</td>
<td>16.67%</td>
</tr>
<tr>
<td>Registration Fee</td>
<td>$208</td>
</tr>
<tr>
<td>General Sales Tax&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>1.16%</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)
Other Considerations

Alternative Fuels

Definition
Methanol, Ethanol and other Alcohols
Blends of Alcohol with Gasoline
Compressed Natural Gas and Liquefied Natural Gas
Liquefied Petroleum Gas (Propane)
Hydrogen
Electricity
Pure Biodiesel

Promotion Versus Parity Issue
Complex
Annual Flat Fee
Energy-Related Consumption?
Vehicle Miles Traveled?
Tolls?
**Bond Financing Pros**
- Funds immediately available

**Bond Financing Cons**
- Interest costs erode your buying power

### Total Spent

<table>
<thead>
<tr>
<th></th>
<th>Total Spent</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IRP</strong></td>
<td>$ 762.5 million</td>
<td>$ 575.0 million</td>
<td>$ 187.5 million</td>
</tr>
<tr>
<td><strong>CAP</strong></td>
<td>$ 620.2 million</td>
<td>$ 468.9 million</td>
<td>$ 151.3 million</td>
</tr>
</tbody>
</table>

*Interest as a percentage of total cost*

<table>
<thead>
<tr>
<th></th>
<th>Interest as a percentage of total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IRP</strong></td>
<td>24.60%</td>
</tr>
<tr>
<td><strong>CAP</strong></td>
<td>24.39%</td>
</tr>
</tbody>
</table>
## Arkansas Transportation Stakeholder Group
### Possible Funding Scenario 1

<table>
<thead>
<tr>
<th>Year</th>
<th>3/8 cent General Sales Use Tax</th>
<th>Additional 3/8 cent General sales and Use Tax</th>
<th>Increase Gasoline Fuel Tax 3 cents</th>
<th>Increase Diesel Fuel Tax 5 cents</th>
<th>Increase Registration Fees Auto&amp; Pickups $10</th>
<th>Alternative Fuel Vehicles Registration $184 Electric / $90 Hybrid</th>
<th>Total</th>
<th>Additional To Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$208.0</td>
<td>$46.1</td>
<td>$33.2</td>
<td>$30.7</td>
<td>$2.6</td>
<td>$320.6</td>
<td>$224.4</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>$212.2</td>
<td>$46.5</td>
<td>$33.5</td>
<td>$31.3</td>
<td>$3.4</td>
<td>$326.9</td>
<td>$228.8</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>$216.4</td>
<td>$216.4</td>
<td>$47.0</td>
<td>$33.8</td>
<td>$32.0</td>
<td>$4.4</td>
<td>$550.0</td>
<td>$385.0</td>
</tr>
<tr>
<td>2025</td>
<td>$220.7</td>
<td>$220.7</td>
<td>$47.5</td>
<td>$34.2</td>
<td>$32.6</td>
<td>$5.7</td>
<td>$561.4</td>
<td>$393.0</td>
</tr>
<tr>
<td>2026</td>
<td>$225.2</td>
<td>$225.2</td>
<td>$47.9</td>
<td>$34.5</td>
<td>$33.2</td>
<td>$7.4</td>
<td>$573.4</td>
<td>$401.4</td>
</tr>
</tbody>
</table>

**TOTAL TO THE HIGHWAY FUND IN YEAR 2026**

<table>
<thead>
<tr>
<th>Total</th>
<th>$573.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional To Department</td>
<td>$401.4</td>
</tr>
</tbody>
</table>
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 ☐ Website/Search Engine
☐ Social Media ☐ Family or Friend
☐ Other: ____________________________

Optional:

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

Online Form Available Here: https://ardot.gov/survey
Survey Results

Are you satisfied with the condition of the existing highway system?
- Yes: 20%
- No: 78%
- No Answer: 2%

Would you support a new highway program that would generate additional revenue?
- Yes: 74%
- No: 22%
- No Answer...
Survey Results

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

- **Transfer existing sales and use tax**: 2,999 (64%)
- **Add on w/s price of motor fuels**: 830 (18%)
- **Increase Registration fees**: 1,496 (32%)
- **Increase Sales Tax**: 1,232 (26%)
- **Increase Diesel Tax**: 2,094 (45%)
- **Increase Gas Tax**: 1,322 (28%)
Road User Related Tax Revenue (SFY 2016)

**Total Road User Revenue**
$1.219 Billion

**Distribution:**

- **General Revenue**
  $528.7 Million (43%)

- **Highway Revenue**
  $690.7 Million (57%)
Arkansans Need to Decide How to Fund Your Transportation System
- ARDOT.gov
- ConnectingArkansasProgram.com
- Vimeo.com/myARDOT
- IDriveArkansas.com
- Twitter.com @myARDOT