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
E-Construction
## 2019 Scheduled and Under Construction

<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><strong>Total</strong></td>
<td><strong>$1,168</strong></td>
</tr>
</tbody>
</table>
2019 Pavement Preservation Projects

January – $12 Million
February – $19 Million
April – $40 Million
May – $63 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>
</tr>
</tbody>
</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>
</tr>
<tr>
<td>Type Work</td>
<td>Amount (x $1 M)</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------</td>
</tr>
<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
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
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.
All State Highways – Including Interstates

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

2027 Condition
- Poor: 28%
- Fair: 46%
- Good: 26%
<table>
<thead>
<tr>
<th>Pay a Little Now</th>
<th>Pay a Whole Lot Later</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overlay</strong></td>
<td><strong>Reconstruction</strong></td>
</tr>
<tr>
<td>$100,000 per lane mile</td>
<td>$1,500,000 per lane mile</td>
</tr>
</tbody>
</table>
An efficient transportation system is critical for Arkansas' economy and the quality of life of the state's residents.
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.
## Actual Compared to Projected

### 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>
<tr>
<td><strong>Total Received</strong></td>
<td><strong>41.5</strong></td>
<td><strong>31.3</strong></td>
<td><strong>50.4</strong></td>
<td><strong>17.1</strong></td>
<td>?</td>
</tr>
<tr>
<td><strong>Total Projected</strong></td>
<td><strong>41.5</strong></td>
<td><strong>76.1</strong></td>
<td><strong>76.1</strong></td>
<td><strong>76.1</strong></td>
<td><strong>76.1</strong></td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td><strong>0</strong></td>
<td><strong>(44.8)</strong></td>
<td><strong>(25.7)</strong></td>
<td><strong>(59.0)</strong></td>
<td>?</td>
</tr>
</tbody>
</table>
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>$387,000,000</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>8,000,000</td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td>2,000,000</td>
<td></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><strong>Totals</strong></td>
<td><strong>$925,000,000</strong></td>
<td><strong>$447,000,000</strong></td>
<td><strong>$478,000,000</strong></td>
</tr>
</tbody>
</table>

*Note: Amounts shown are rounded.*

### Total: $478,000,000
$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
<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
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
Infrastructure Investment and Quality of Life

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

Fiscal Year


14.4% $139M 14.4% $259M 14.4% $455M 14.4% $626M 14.4% $829M 14.4% $931M
Highway vs. General Revenue Compared to Employment Levels

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>

---

1. Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.
2. 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-Based Consumption?
Vehicle Miles Traveled?
Tolls?
## Other Considerations

### Bond Financing Pros
- Funds immediately available

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

<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>Interest as a percentage of total cost</td>
<td>24.60%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total Spent</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAP</strong></td>
<td>$ 620.2 million</td>
<td>$ 468.9 million</td>
<td>$ 151.3 million</td>
</tr>
<tr>
<td>Interest as a percentage of total cost</td>
<td>24.39%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Possible New Highway Program Funding Options

<table>
<thead>
<tr>
<th>Option</th>
<th>State Fiscal Year 2026 Gross Revenue</th>
<th>State Fiscal Year 2026 Additional Revenue to Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 – 6 ¢ Gasoline</td>
<td>$429 – 476 Million</td>
<td>$300 - 333 Million</td>
</tr>
<tr>
<td>6 ¢ Diesel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$10 Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$184 Electric / $90 Hybrid Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5% Sales Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5% Motor Fuel Tax</td>
<td>$524 Million</td>
<td>$367 Million</td>
</tr>
<tr>
<td>$10 Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$184 Electric / $90 Hybrid Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5% Sales Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.5% Motor Fuel Tax</td>
<td>$606 Million</td>
<td>$424 Million</td>
</tr>
<tr>
<td>$10 Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$184 Electric / $90 Hybrid Registration Fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.5% Sales Tax</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Citizens Opinion Survey

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