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
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
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
Local Project

Updates
State Highway 265

Under Construction
2 Miles
$10 Million
State Highway 265

Dick Trammel Highway

Dick Trammel
Commissioner
2009 - 2019

District: 3
County: Benton and Washington
Category: Highway

WHEREAS, Dick Trammel has served on the Arkansas Highway Commission since 2009, and

WHEREAS, Commissioner Trammel’s tenure ends January 2019, and

WHEREAS, Commissioner Trammel has been a strong supporter of improvements in the State Highway System, and

WHEREAS, Commissioner Trammel was an advocate for a major project that enhanced capacity and improved connectivity of Highway 265 in Washington and Benton Counties between Fayetteville and Rogers; and

WHEREAS, under Commissioner Trammel’s leadership, improvements in the Highway 265 Corridor have become a critical north-south connection that provides end users with a transportation alternative that increases mobility in the region;

NOW, THEREFORE, considering the distinguished service of Commissioner Trammel to the Arkansas Highway Commission and the importance of the Highway 265 Corridor to the State Highway System, the Highway Commission hereby honors Commissioner Trammel’s service to the State of Arkansas.

Arkansas State Highway Commission

January 2, 2019
Interstate 49

Under Construction
$27 Million
Interstate 49
Missouri – Arkansas Connector
(Bella Vista Bypass)
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
GROWTH OF THE HIGHWAY SYSTEM

- 6,718 Miles, 1923
- 9,300 Miles, 1939
- 10,000 Miles, 1956
- 15,596 Miles, 1973
- 16,242 Miles, 1993
- 16,449 Miles, 2017
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

**1985 Fuel Tax Increase**
- 14.4% $139M

**1991 Fuel Tax Increase**
- 11.3% $202M

**1999 Fuel Tax Increase**
- 9.4% $297M

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%
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.”
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><strong>Total System Preservation</strong></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>3,000,000</td>
</tr>
<tr>
<td><strong>Total Maintenance</strong></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.*
## 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
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
Highway vs. General Revenue Compared to Employment Levels

Excludes County & City Aid funds | Excludes CAP funds
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-Based Consumption?
- Vehicle Miles Traveled?
- Tolls?
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></td>
<td>Interest as a percentage of total cost</td>
<td>24.60%</td>
<td></td>
</tr>
<tr>
<td><strong>CAP</strong></td>
<td>$ 620.2 million</td>
<td>$ 468.9 million</td>
<td>$ 151.3 million</td>
</tr>
<tr>
<td></td>
<td>Interest as a percentage of total cost</td>
<td>24.39%</td>
<td></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
- [ ] 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: 20%
- no: 78%
- no answer: 2%

would you support a new highway program that would generate additional revenue?

- yes: 74%
- no: 22%
- no answer: 4%
Survey Results

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

- Transfer existing sales and use tax: 2,999
- Add on w/s price of motor fuels: 830
- Increase Registration fees: 1,496
- Increase Sales Tax: 1,232
- Increase Diesel Tax: 2,094
- Increase Gas Tax: 1,322
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
Arkansas Department of Transportation

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