Danny Straessle
Public Information Officer

Hot Springs County Leadership Forum
Thursday, April 18, 2019
Challenges

- 12th largest system in the country
- 41st in highway revenue per mile.

- $9.3 billion in needs
- $4.5 billion in available revenue

“This is a problem that we can’t leave for our children or grandchildren to solve.”

~Arkansas Department of Transportation Director

Scott Bennett
Arkansas has the 3rd Lowest Administrative Cost Per Mile in the Nation

Arkansas = $2,107
Surrounding States Average = $4,334
National Average = $9,224
Promises Made

Promises Kept
Promises

Rebuilding Arkansas Interstates

Interstate Rehabilitation Program

Connecting Arkansas Program

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**
- 47 Projects
- 291 Miles
- $1.03 Billion

**Under Construction**
- 5 Projects
- 53 Miles
- $287 Million

**Scheduled**
- 27 Projects
- 160 Miles
- $219 Million
Connecting Arkansas Program

**Completed**
- 12 Projects
- 66 Miles
- $453 Million

**Under Construction**
- 10 Projects
- 63 Miles
- $605 Million

**Scheduled**
- 14 Projects
- 57 Miles
- $974 Million

**STATUS**
- Blue: Completed
- Red: Under Construction
- Green: Scheduled
Local Project Updates
Malvern Train Station Overpass

Let to Contract: March 9, 1955
Malvern Train Station Overpass

Contract Awarded: 1973
Bridge Replacements

**STATUS**
- Completed
- Under Construction
- Scheduled

**Completed**
1 Project
½ Mile & 1 Bridge
$7 Million

**Scheduled**
5 Projects
0.1 Mile & 7 Bridges
Est. $10 Million
Pavement Preservation

**Completed**
11 Projects
39 Miles
$33 Million

**Scheduled**
3 Projects
11 Miles
Est. $6 Million
State Highway 7 – Passing Lanes

Scheduled
1.2 Miles
Est. $1-5 Million
State Highway 7 – Major Widening

Scheduled
2.3 Miles
Est. $1-5 Million
Funding Challenges
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>
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<tbody>
<tr>
<td>Overlay</td>
<td>Reconstruction</td>
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<tr>
<td>$100,000</td>
<td>$1,500,000</td>
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<tr>
<td>per lane mile</td>
<td>per lane mile</td>
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</table>
In 1995, **200 miles** of highway could be overlaid with $10 million.

Using $10 million today, only **54 miles** of highway can be overlaid.
percent of highway vs. general revenue

- 1985 Fuel Tax Increase
- 1991 Fuel Tax Increase
- 1999 Fuel Tax Increase

Billions


- General Revenue
- Net Highway Revenue

14.4% $139M
11.3% $202M
9.4% $297M
8.7% $377M
7.6% $434M
6.6% $423M

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

Excludes County & City Aid funds | Excludes CAP funds
Recent Legislation
Governor Hutchinson’s Four T’s:

- Tax Cuts
- Teacher Pay
- Transformation
- Transportation
Governor Hutchinson’s Highway Package

Two Bills

Four Revenue Sources

$300 Million Per Year
Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas
(equals 3 cents per gallon)

2.9% Tax On Wholesale Price of Diesel
(equals 6 cents per gallon)
Act 416

Motor Fuel Taxes

Results in $86 Million in Additional Annual Revenue

$58 Million to ARDOT

$14 Million to Cities and Counties Each

“And we feel like we would like to invest and spend money to make the roads better so that they are safer, so that they are easier on the equipment, so that the volume of traffic can move more freely. The benefit of those things outweighs any increased costs.”

– Shannon Newton, Arkansas Trucking Association President
Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - $200 Registration Fee

Hybrid Vehicles - $100 Registration Fee

$2 Million to ARDOT
Casino Revenue

All New Casino Revenue

$35 Million Annually to ARDOT
Act 416

Act 416 Summary

Motor Fuel Tax $ 58 Million
Electric and Hybrid Vehicle Registration Fees $ 2 Million
Casino Revenue $ 35 Million

Total to ARDOT $ 95 Million
Act 416

Act 416 Summary

Motor Fuel Tax $ 58 Million
Electric and Hybrid Vehicle Registration Fees $ 2 Million
Casino Revenue $ 35 Million

Total to ARDOT $ 95 Million

All for System Preservation, Pavements, Bridges, etc.
House Joint Resolution 1018

Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide $205 Million To ARDOT Annually
- Continues To Provide $43 Million To Cities Annually
- Continues To Provide $43 Million To Counties Annually
Governor’s Highway Funding Package

Summary

Act 416 $ 95 Million
House Joint Resolution 1018 $205 Million
Total To ARDOT $300 Million
House Joint Resolution 1018

**Turnback to Cities**
2023 - $156 million
2024 - $113 million

*Nearly a 30% Reduction*

**Turnback to Counties**
2023 - $156 million
2024 - $113 million

*Nearly a 30% Reduction*
Arkansans Need to Decide How to Fund
Questions?