Scheduled
1 Project
2.8 Miles
Estimated $10 Million
I-49 Corridor

STATUS

- Completed/UC
- Completed
- Under Construction
- Scheduled
- Proposed
- Interstate
Funding Challenges
Challenges

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

- $9.3 billion in needs
- $4.4 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
In 1995, **200 miles** of highway could be overlaid with $10 million.

Using $10 million today, only **54 miles** of highway can be overlaid.
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.
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></td>
<td></td>
</tr>
<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td>3,000,000</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>Totals</td>
<td>$925,000,000</td>
<td>$447,000,000</td>
<td>$478,000,000</td>
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</tbody>
</table>

Note: Amounts shown are rounded.
Highway Revenue at 14.4% of General Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>General Revenue</th>
<th>Net Highway Revenue</th>
<th>Highway Revenue at 14.4% of General Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>$139M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>$259M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>$455M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$626M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$829M</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td>$931M</td>
</tr>
</tbody>
</table>

Excludes County & City Aid funds | Excludes CAP funds
Recent Legislation
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
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 Long-Term Highway Funding Plan

Plan Summary

Act 416 of 2019 $ 95 Million
(Immediate Funding dedicated to System Preservation)

Proposed Amendment $205 Million
(Funding for System Preservation plus Capital Projects beginning in SFY 2024)

Total to ARDOT $300 Million
Governor’s Long-Term Highway Funding Plan

Benefits from Additional $300 Million Per Year

Provide $8.2 Billion in Economic Activity over 10 Years*

Support 3,596 Jobs Each Year*

Maintain Interstates in a State of Good Repair

Improve Approx. 6,900 Miles of Non-Interstate Highways over 10 Years

Repair/Replace Structurally Deficient and Posted Bridges over 10 Years

Increase Safety Improvements

Implement a Second Connecting Arkansas Program (CAP-2)

* Source: “The Economic Impacts of an Annual $478 Million Increase in Arkansas Highway, Street and Bridge Construction Investment,” prepared by the American Road & Transportation Builders Association (ARTBA), October 2018; data prorated for $300 million in additional annual revenue.
Annual Revenue Available

If the Constitutional Amendment passes, Annual Revenue Expected to be Available Beginning in SFY 2024 (July 2023):

- Act 416 of 2019: $95 Million
- Proposed Amendment: $205 Million
- Current Construction Program: $440 Million

Total Available SFY 2024: $740 Million
Governor’s Long-Term Highway Funding Plan

Commission-Adopted Plan

- Pavement Preservation $3.0 Billion
- Bridge Improvements and Preservation $1.1 Billion
- Interstate Maintenance $1.0 Billion
- Safety Improvements $0.5 Billion
- Capital and Congestion Relief (CAP-2) $1.8 Billion

10-Year Total $7.4 Billion
Next Steps to November 2020 Election

What is the road to good roads?

Governor Asa Hutchinson paves the way for a highway plan to be presented to voters in 2020. But the politics ahead could be bumpy.

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public
Campaign
Quality of Life is Directly Linked to:

- Reliable Access to:
  - Housing
  - Family, Friends, Spirituality
  - Employment
  - School
  - Health Care
  - Recreation/Entertainment
  - Consumer Goods
  - Consumer Services
2023 vs. 2024 if HJR1018 Fails

**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*
½ Cent Sales Tax Turnback Funds

**Miller County**
- Received $3.1 Million to date
- Projected to Receive $2 Million
- Total $5.1 Million (Ending in 2023)

**City of Texarkana**
- Received $3.7 Million to date
- Projected to Receive $2.4 Million
- Total $6.1 Million (Ending in 2023)
Next Steps to November 2020 Election

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public Campaign
Arkansans Need to Decide How to Fund Their Transportation System