



New Name – New Identity











1929
Arkansas
Highway and
Department of
Lands

1977
Arkansas State
Highway and
Transportation
Department

2017 Arkansas Department of Transportation

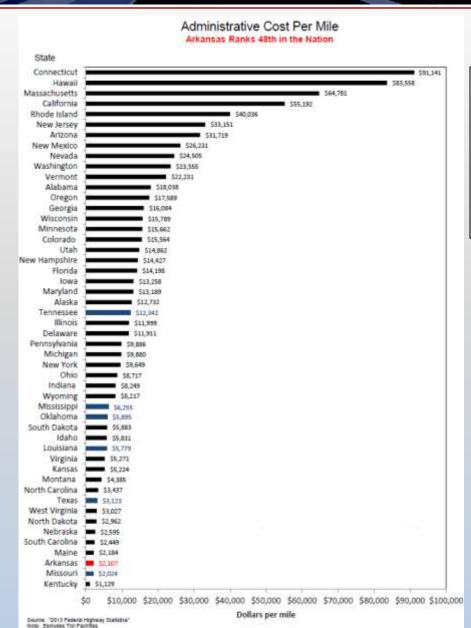


Provide safe and efficient transportation solutions to support Arkansas' economy and enhance the quality of life for generations to come.

Adopted June 7, 2017



Efficiency



Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

Arkansas has the

3rd Lowest

Administrative Cost Per

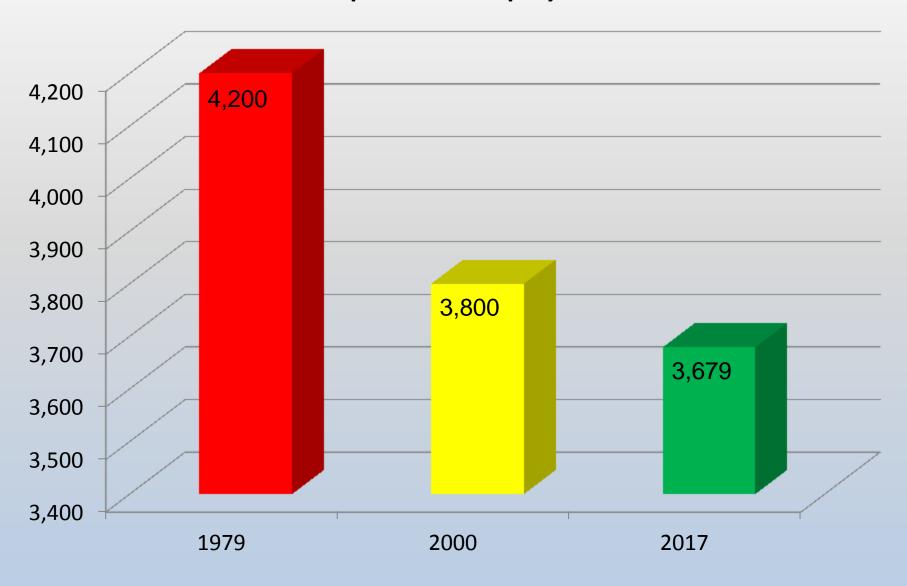
Mile

in the Nation



Efficiency

Department Employees



Promises Made ARCIA ARKANSAS DEPARTMENT OF TRANSPORTATION







Promises Kept



Promises

1999 IRP

- 50 Projects
- 356 Miles
- \$973 Million



2011 IRP

- 83 Projects
- 494 Miles
- \$1.51 Billion



2012 CAP

- 36 Projects
- 185 Miles
- \$1.9 Billion







Updates



Interstate Rehabilitation Program

Completed

34 Projects 212 Miles \$639 Million

Under Construction

14 Projects 90 Miles \$553 Million

Scheduled

35 Projects 191 Miles \$340 Million





Connecting Arkansas Program

Completed

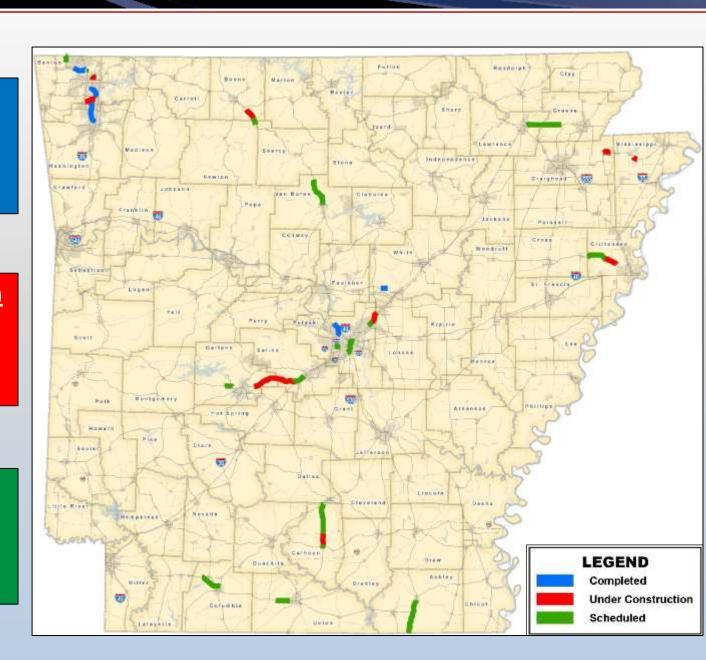
6 Projects 27 Miles \$188 Million

Under Construction

9 Projects 49 Miles \$403 Million

Scheduled

21 Projects 108 Miles \$1.29 Billion





1/2 Cent Sales Tax Turnback Funds

Benton / Washington Counties

Received \$8.1 Million to date Projected to Receive \$18.9 Million **Total \$27 Million (Ending in 2023)**



City of Springdale

Received \$4 Million to date
Projected to Receive \$9.1 Million

Total \$13.1 Million (Ending in 2023)





Updates



Bella Vista Bypass

Completed

3 Projects 12 Miles \$86 Million

Scheduled 5 Projects

9.6 Miles \$120 Million









Interstate 49 Corridor



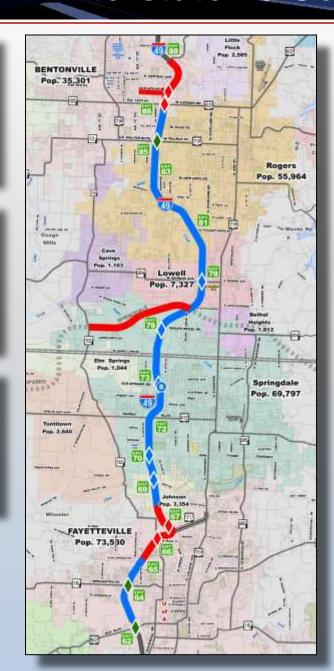
Completed 14 Projects 19.8 Miles \$166 Million

Under Construction

3 Projects 6.2 Miles \$151 Million

Scheduled
3 Projects
\$80 Million











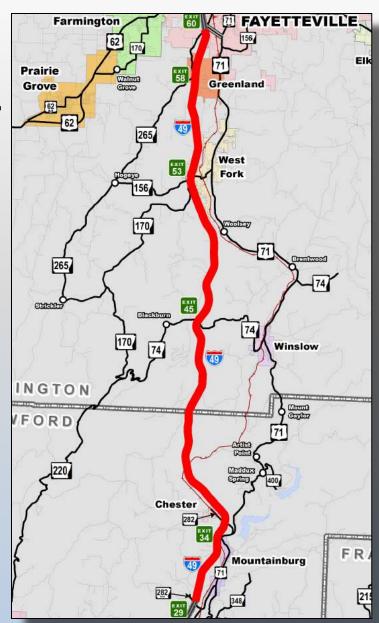
Interstate 49 Corridor



Mountainburg to Fayetteville

28 Miles \$22 Million





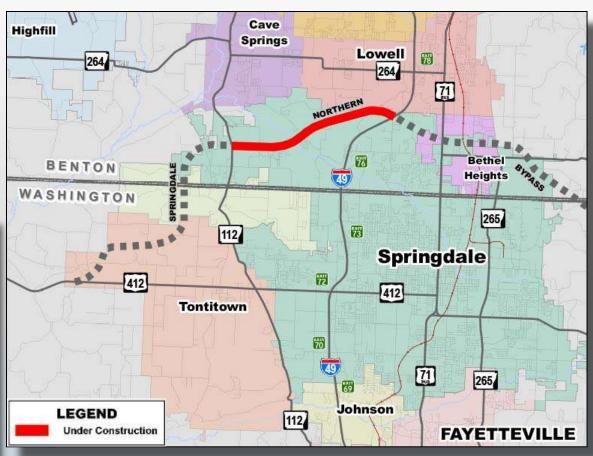


Springdale Bypass



Highway 112 To I-49









Highway 112 Study

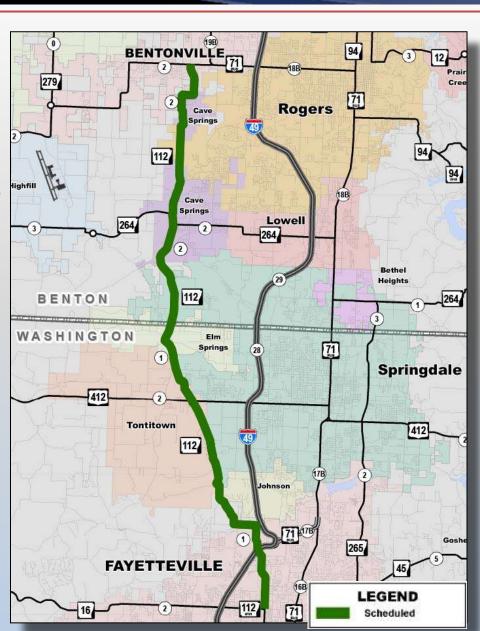


Corridor Study Fayetteville to Bentonville

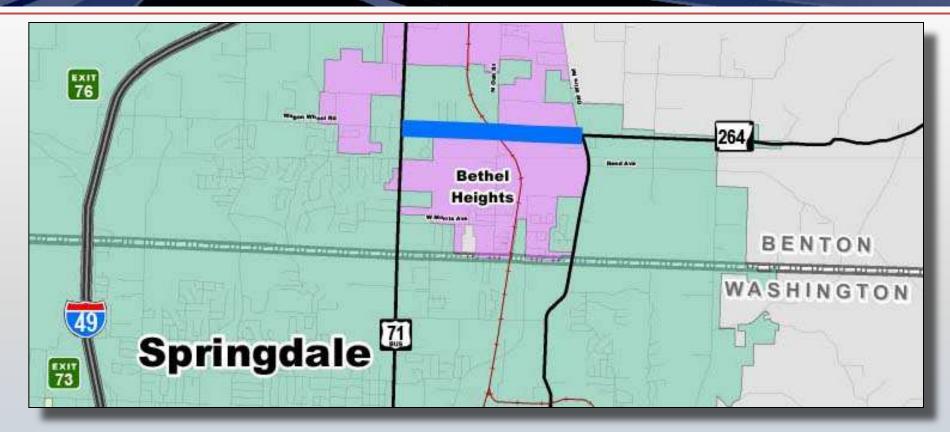
Adopted in July 2015

Recommendations

Cost Estimates



Highway 264



Completed
1.4 Miles
\$5.8 Million

Completed

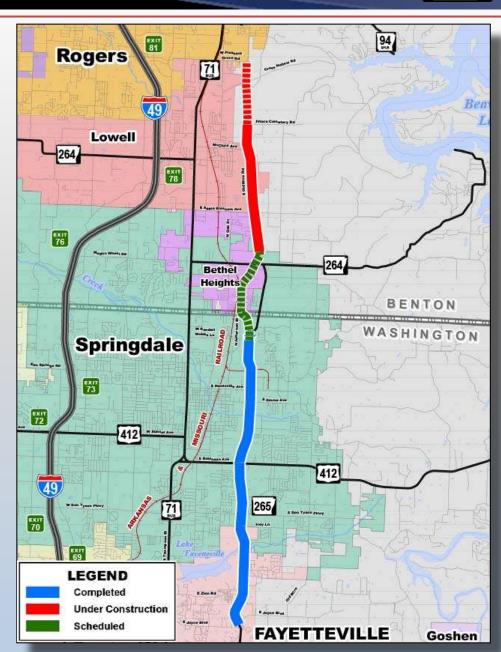
4 Projects
6 Miles
\$17 Million

Under Construction

1 Project 4 Miles \$15.5 Million

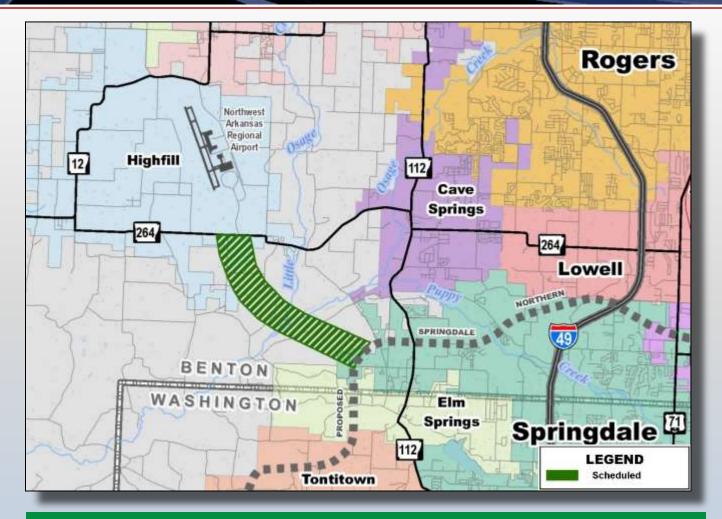
Scheduled

1 Project 2 Miles \$10-\$15 Million





Proposed Airport Connector



Highway 264
To
Future Springdale Bypass

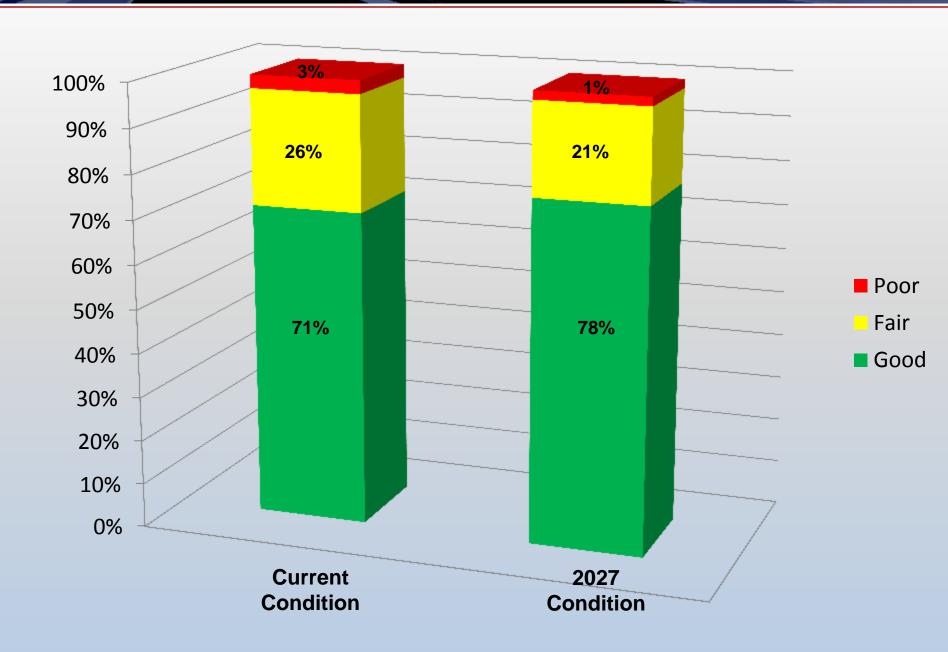




and Needs

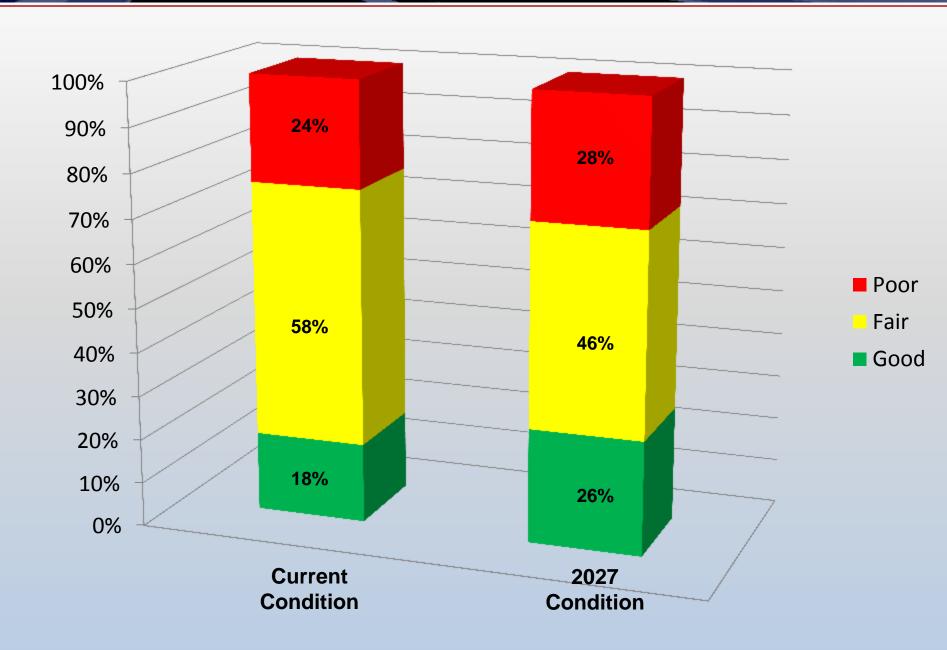


Interstates





All State Highways – Including Interstates



Pay a Little Now

Pay a Whole Lot Later



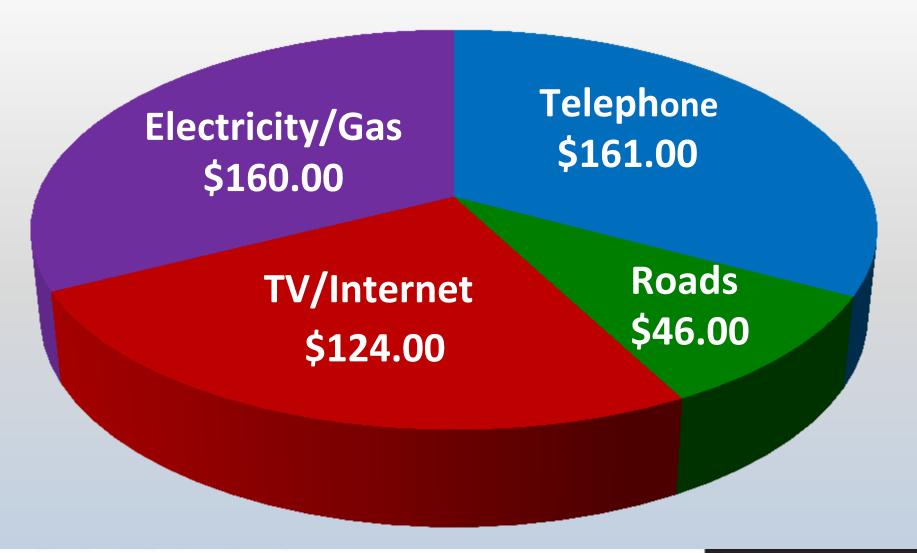
Overlay
\$100,000
per lane mile



Reconstruction \$1,500,000 per lane mile



Average Monthly Household Expenditures









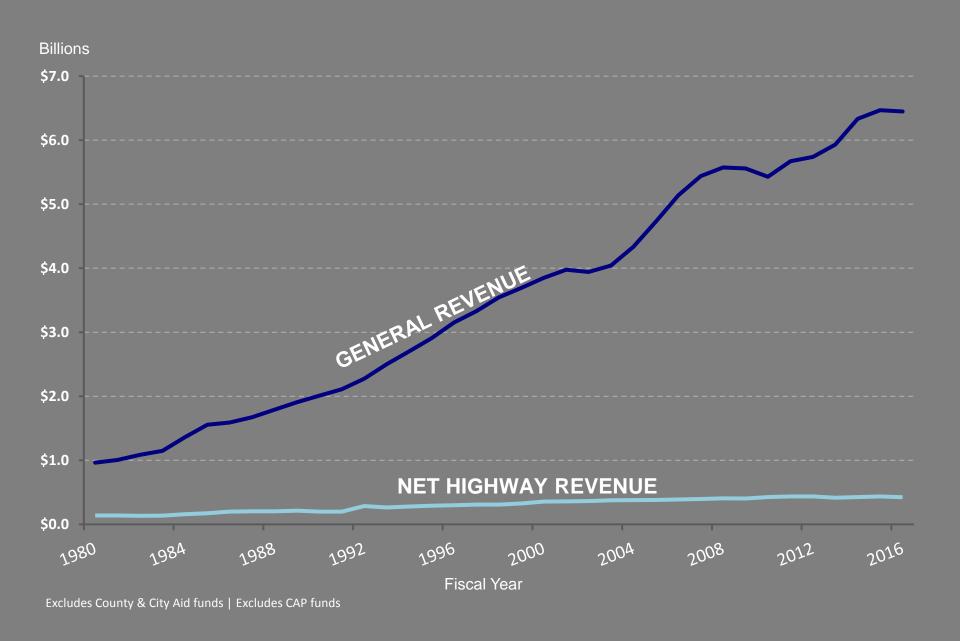
Update



Great amount of uncertainty at the federal level State funds stagnant at best

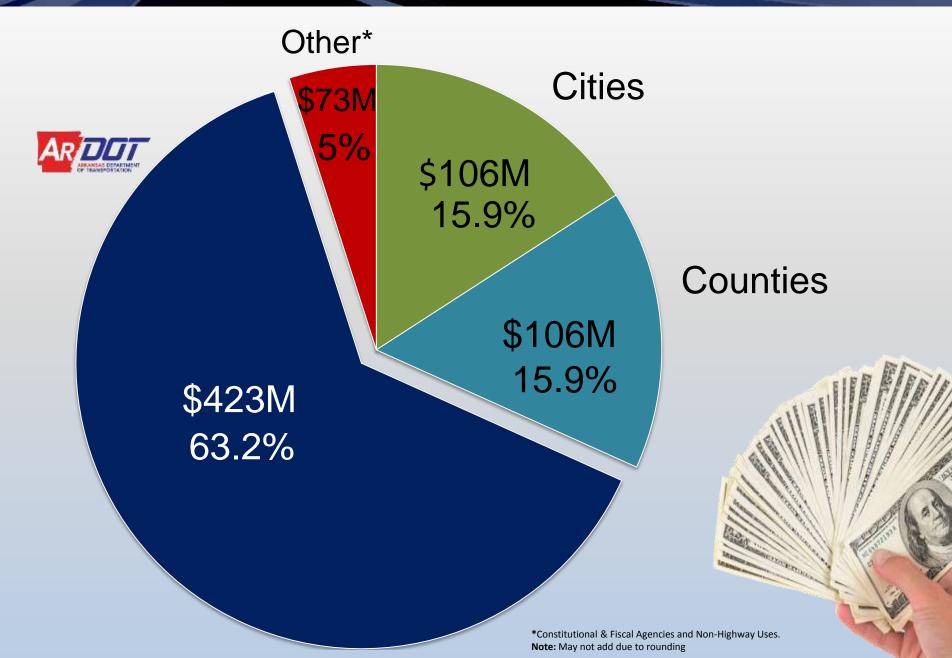


General Revenues vs ARDOT Net Highway Revenues





Annual Highway User Revenue Distribution

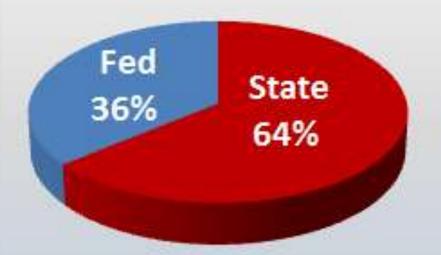


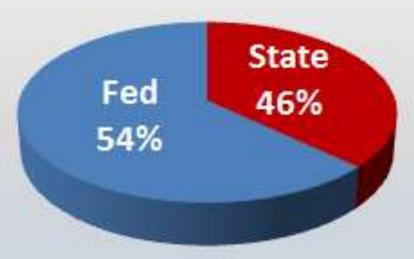


Federal vs. State Funding













\$100,000,000 Widening Program

THEN

22 years ago, in 1995, **33 miles** of Highway could be widened.

NOW

As of 2015, using the same resources, only **15 miles** of Highway could be widened.







\$10,000,000 Overlay Program

THEN

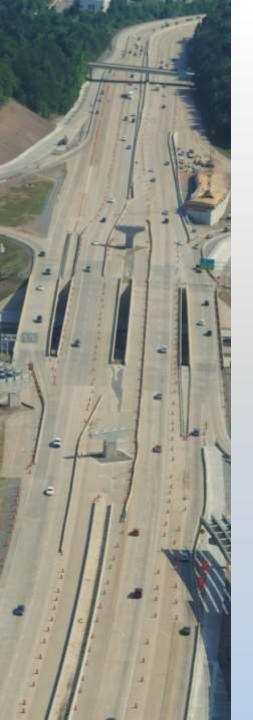
22 years ago, in 1995, 200 miles of Highway could be overlaid.

NOW

As of 2015, using the same resources, only **54 miles** of Highway could be overlaid.







Challenges

≥12th largest system in the country

- >42nd in highway revenue per mile.
- >\$22.9 billion in needs
- >\$4.4 billion in available revenue





Are We Going?



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.



Legislation

HB 1726 BOND ISSUE

Authorizes the State Highway Commission to issue boards for

highway

maint lance and

mp vements,

u on approval by voters in a tatewide election.

нв 1727 **GAS TAX**

Establishes additional

fuel sales tax atth

wholesale level to be levied, only if the State Highway Commission is authorized by a statewide vote to issue highway maintenance and in provement bonds.

OBSTACLE



Looking Forward

"As to the long-term solutions, it emphasizes that it is difficult to get a referral of this General Assembly out to the voters, and that I hope the leadership of our state and the business

community and others will look at an initiated act

that might go on the ballot for a highway program," he said. "Otherwise, we'll continue to debate the long-term solution in future sessions."

Governor Asa Hutchinson



Arkansas Legislative Audit

- May 16, 2017 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
- August 31, 2017 Report Released



INTRODUCTION

This report is presented in response to a request for Arkansas Legislative Audit (ALA) to review information, estimates, and calculations provided by the Arkansas Department of Transportation (AnDOT), formerly known as the Arkansas State Highway and Transportation Department, related to highway funding. ANDOT has indicated that additional state funding is needed to fully maximize available federal funds and to expand non-federal contribution and maintenance provides.

OBJECTIVES

The objectives of this report were to:

- Provide information regarding state funding sources and uses for highways, with associated construction and maintenance costs, for prior years.
- Determine the amount of matching funds needed annually in order for ARDOT to receive the maximum federal aid available.
- Determine the amount of additional state revenues needed to fund AADOT's proposed construction and maintenance program for roads and facilities.
- 4. Provide a history of bond issuances, including balances and associated costs.

SCOPE AND METHODOLOGY

This import was prepared by reviewing activities for state flood years ended June 30, 2010 Prough 2016, and projections and estimates for federal Scale years ending September 30, 2017 through 2009. ALA state projections and estimates for federal Scale years, perficularly reviewage and expenditures related to construction, and determined future fleefail Highway Administration. All information for additional construction and maintenance projects was provided by ARDOT and tested for accuracy and reasonableness by ALA state.

The methodology used in proporing this report was developed uniquely to address the stated objectives; therefore, this report is more limited in scope than an sudf or attestation engagement performed in accordance with Golvenment's Audding Standards issued by the Comptotetic General of the United States.

BACKGROUND

cort ID: SPSAnagan

AHDDT recognizes revenues from both federal and state sources. State revenues include motor fuel taxes, registration fees, restural gas severance fees, and overfood permits and penalties. Many highway construction projects are funded with both federal and state monies. The percentage of state participation in these projects varies depending on the federal program involved, but most programs require a 20% motor.

ARKANSAS LEGISLATIVE AUDIT goo Woodane Spost, Subraza, Little Bock, AR zagni Phone: yoz-683-8600 • Fox 501-683-8605 www.arkleenoff.co.

Report Date: August 31, 2017



Arkansas State Highway Needs

Exhibit III

Arkansas Department of Transportation (ARDOT) Summary of Annual State Funds Needed to Meet Proposed Highway Construction Plan Over a 10-Year Period

Description	Annual Funds Needed for Highway Construction Plan	Annual Funds Available for Highway Construction	Additional Annual State Revenues Needed for Highway Construction Plan
System Preservation Pavement Bridges Total System Preservation	\$ 387,000,000 117,000,000 504,000,000	\$ 137,000,000 90,000,000 227,000,000	\$ 250,000,000 27,000,000 277,000,000
Capacity Relief	305,000,000	157,000,000	148,000,000
Safety Improvements Maintenance Equipment upgrades	86,000,000 19,000,000	<u>44,000,000</u> 19,000,000	42,000,000
Facilities upgrades Intelligent Transportation System (ITS) Total Maintenance	8,000,000 3,000,000 30,000,000	19,000,890	8,000,000 3,000,000 11,000,000
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

ALA staff reviewed projected revenues and expenditures for fiscal years 2017 through 2020for consistency and reasonableness when compared with prior years.

Arkansas State Highway Needs

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Note: Amounts shown are rounded.

ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.



Options for Generating Additional Revenue

Source	\$200 Million for Highways ⁽¹⁾	\$300 Million for Highways ⁽¹⁾	\$400 Million for Highways(1)
Fuel Tax	14.2¢	21.3¢	28.4¢
Sales Tax on Fuel (wholesale)	8.33%	12.5%	16.67%
Registration Fee	\$104	\$156	\$208
General Sales Tax ⁽²⁾	0.58%	0.87%	1.16%

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)

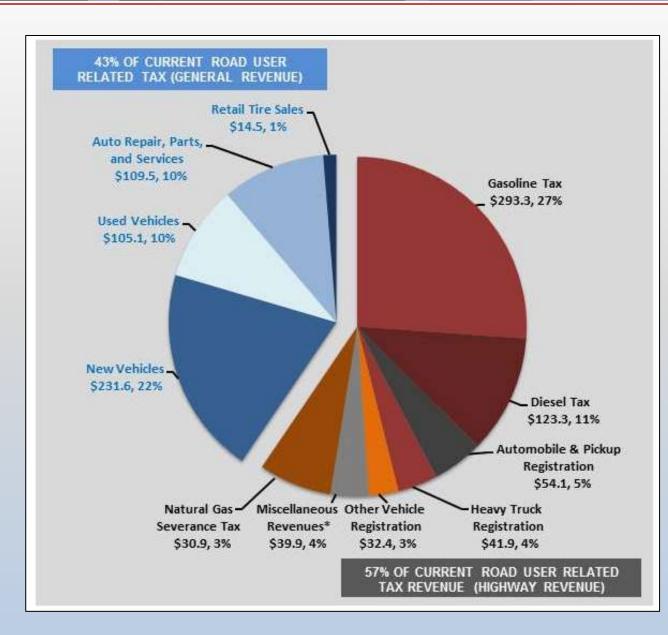
Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue \$1,076.5 Million

Distribution:

General Revenue \$460.7 Million (43%)

Highway Revenue \$615.9 Million (57%)





Arkansans Need to Decide How to Fund



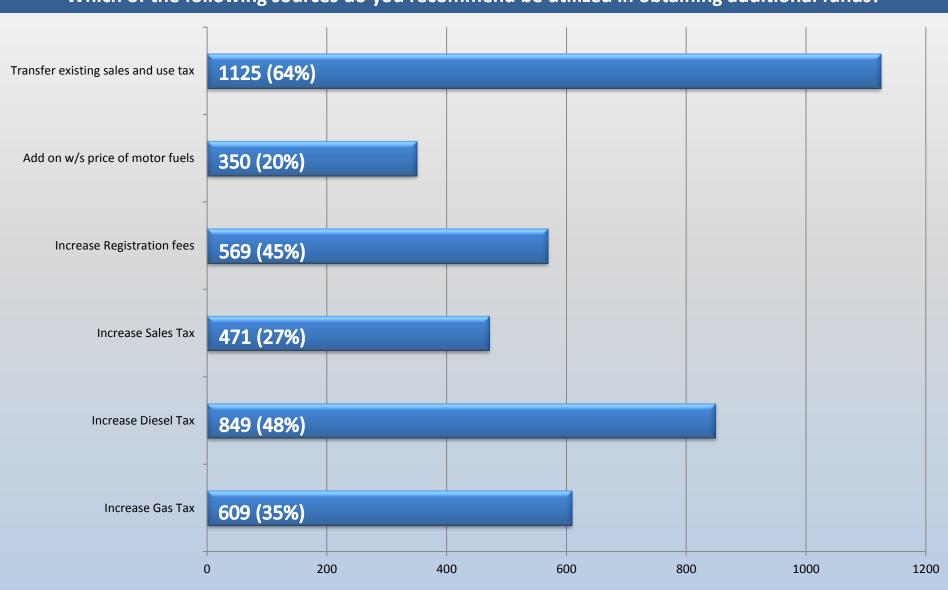


Possible Initiated Act

SL	JR	VEY	MAIL OR EMAIL RESPONSES TO: AnDOT Public Information P.O. Box 2261 Little Rock, AR 72203
		IN ARKANSAS the condition of the exi	info@arkansashighways.com isting state highway system?
	ents do the	our area need improveme ey need?	ents, and what type of
f you wan	need addit	phway conditions, the Artional funds. Would you sadditional revenue?	kansas Department of Transpor- support a new highway program
Increase Increase Increase Increase Add sale Transfer service	funds (cha e in gas tax e in diesel ta e in sales ta e in vehicle i es tax on wit r existing sa	ax ix (dedicated to highways) registration fees holesale price of motor fue ses and use tax on motor officed but not paid to high	ils vehicles and related parts and
			s highway revenue proposal on
lould you se 2018 ge	be willing to neral elections	to sign a petition to put a tion ballot? Even, what County do you live in?	
e 2018 ge OYes	ONo	ion ballot?	

Survey Results

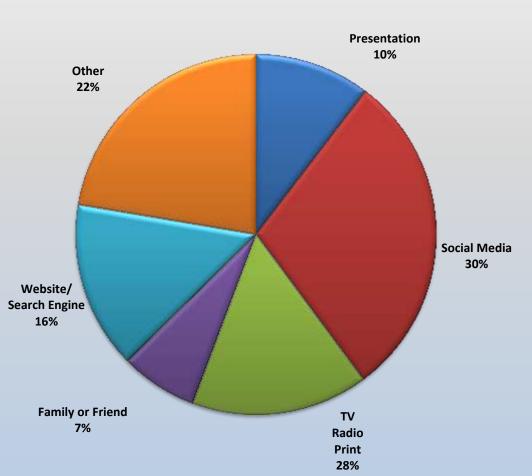
Which of the following sources do you recommend be utilized in obtaining additional funds?

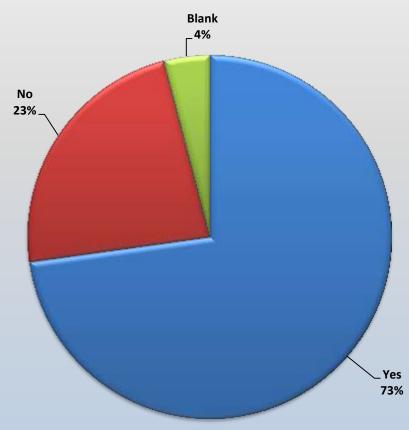


Survey Results

How did you hear about us?

Would you be willing to sign a petition?







Arkansas Department of Transportation

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







