

**Scott E. Bennett, P.E.**

**Director**



**Bentonville Rotary Club**

**Wednesday, November 8, 2017**



1929  
Arkansas  
Highway and  
Department of  
Lands

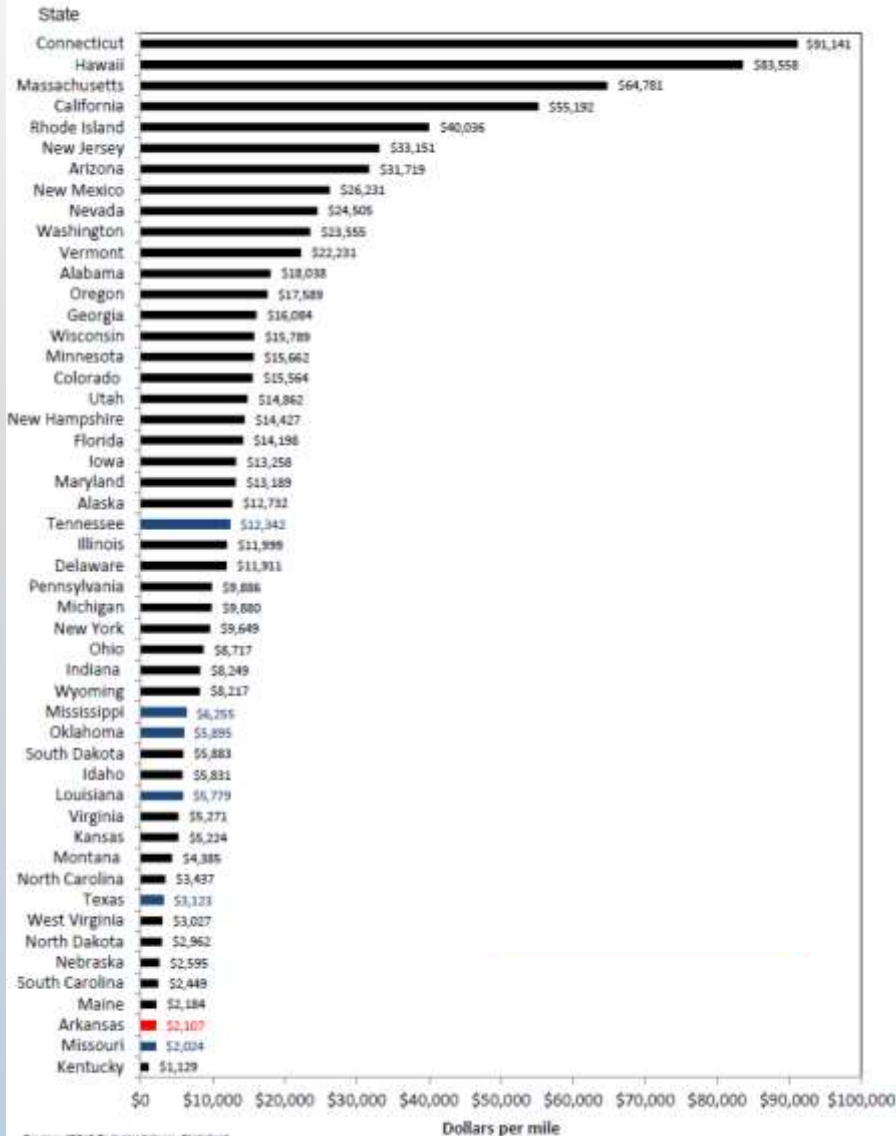
1977  
Arkansas State  
Highway and  
Transportation  
Department

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**

**Administrative Cost Per Mile**  
 Arkansas Ranks 48th in the Nation



Source: "2013 Federal Highway Statistics"  
 Note: Excludes Toll Facilities

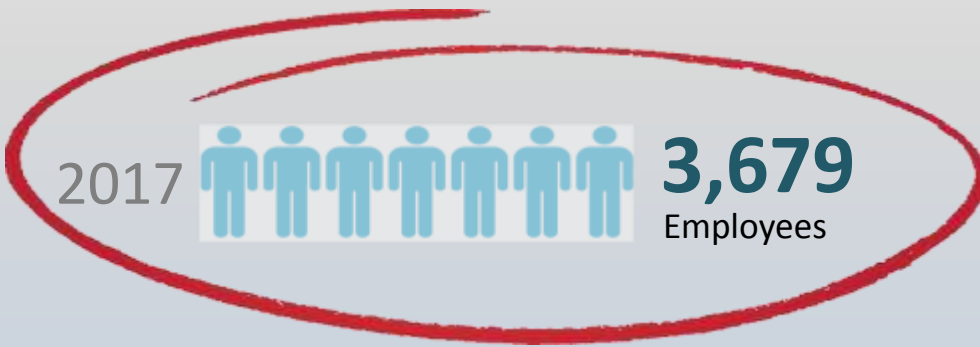
Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

Arkansas has the  
 3<sup>rd</sup> Lowest  
 Administrative Cost Per  
 Mile  
 in the Nation

# Employment Levels Efficiency



# Promises Made



# Promises Kept

## 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



# CAP and IRP



# Updates



## Completed

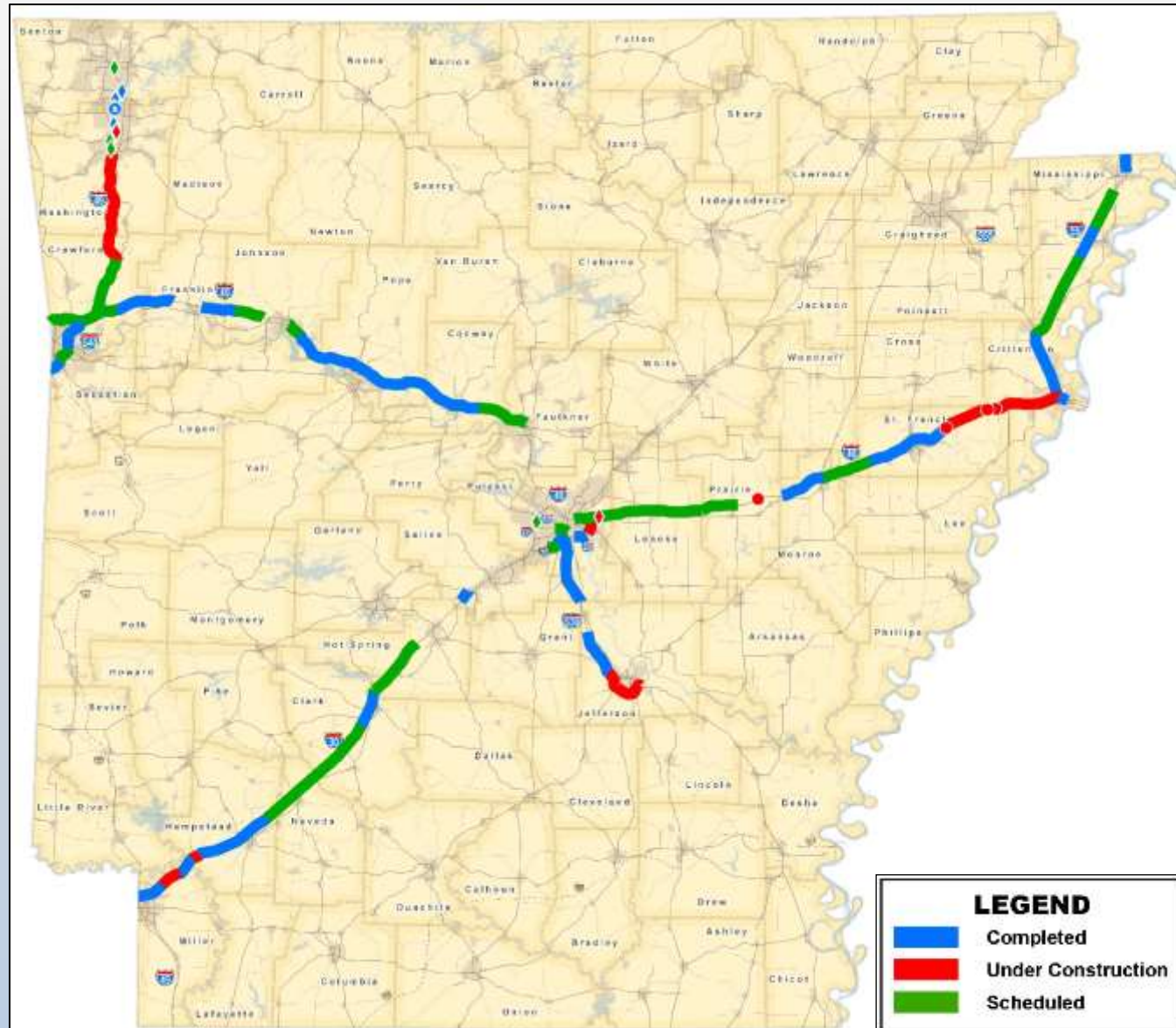
35 Projects  
217 Miles  
\$651 Million

## Under Construction

13 Projects  
86 Miles  
\$541 Million

## Scheduled

35 Projects  
191 Miles  
\$334 Million



## Completed

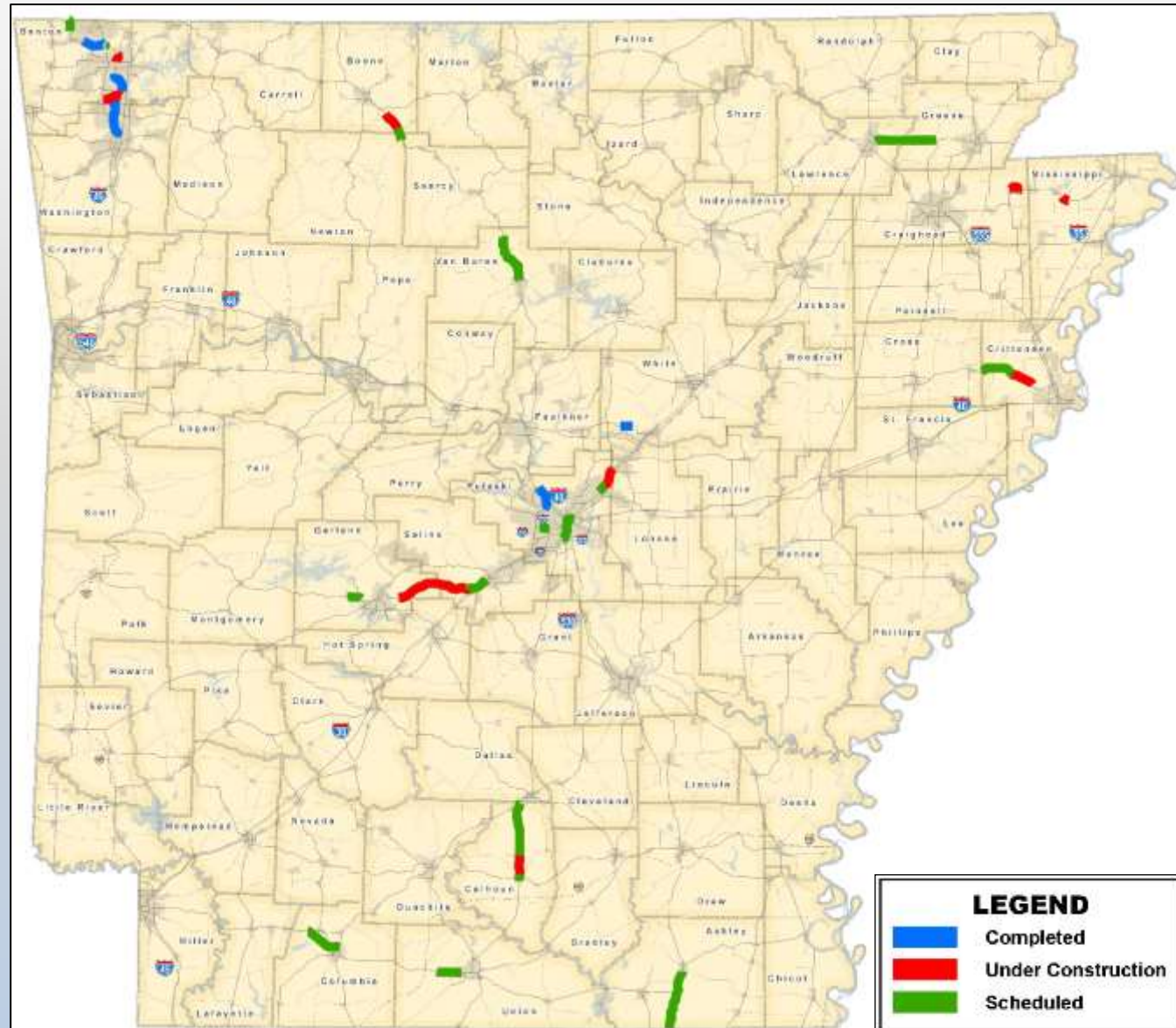
6 Projects  
27 Miles  
\$188 Million

## Under Construction

9 Projects  
49 Miles  
\$403 Million

## Scheduled

21 Projects  
108 Miles  
\$1.31 Billion



## Benton County

Received \$5.8 Million to date

Projected to Receive \$9.6 Million

**Total \$15.4 Million (Ending in 2023)**



## City of Bentonville

Received \$2.7 Million to date

Projected to Receive \$4.4 Million

**Total \$7.1 Million (Ending in 2023)**

# Local Project



# Updates

# Bella Vista Bypass

## Completed

3 Projects  
12 Miles  
\$86 Million

## Scheduled

5 Projects  
9.6 Miles  
\$120 Million



## Completed

14 Projects  
19.8 Miles  
\$166 Million

## Under Construction

3 Projects  
6.2 Miles  
\$151 Million

## Scheduled

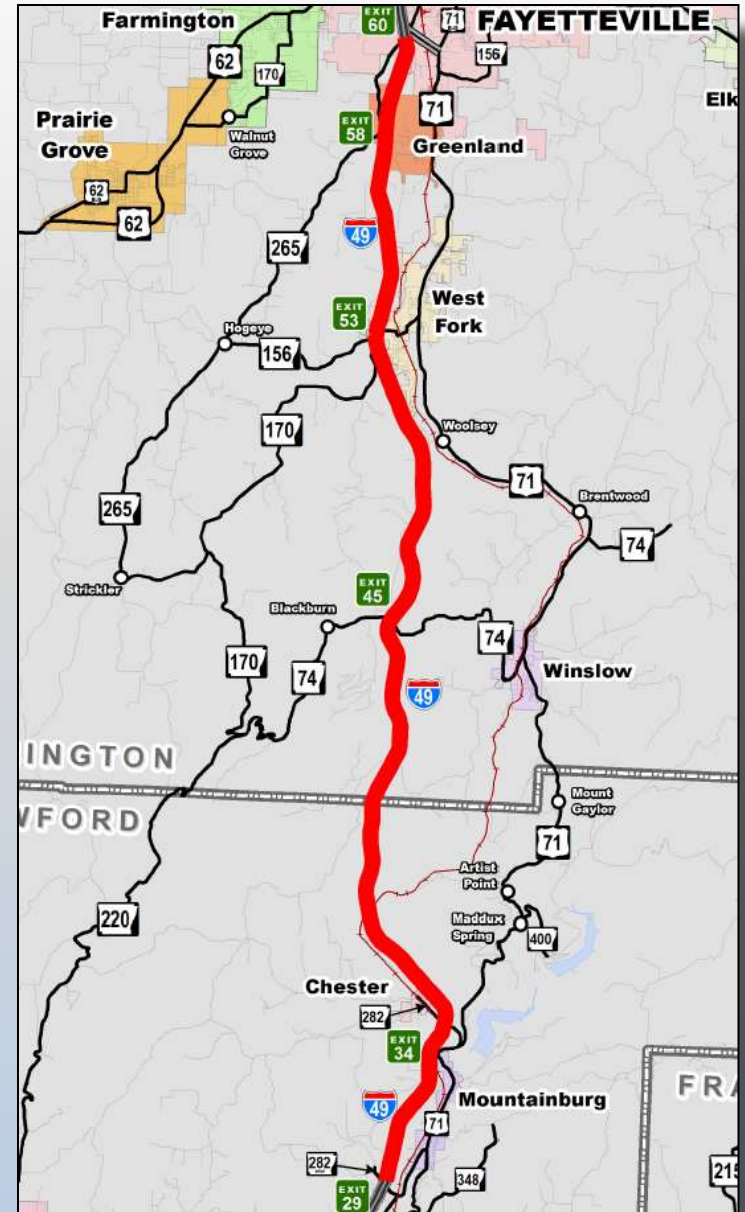
3 Projects  
\$80 Million



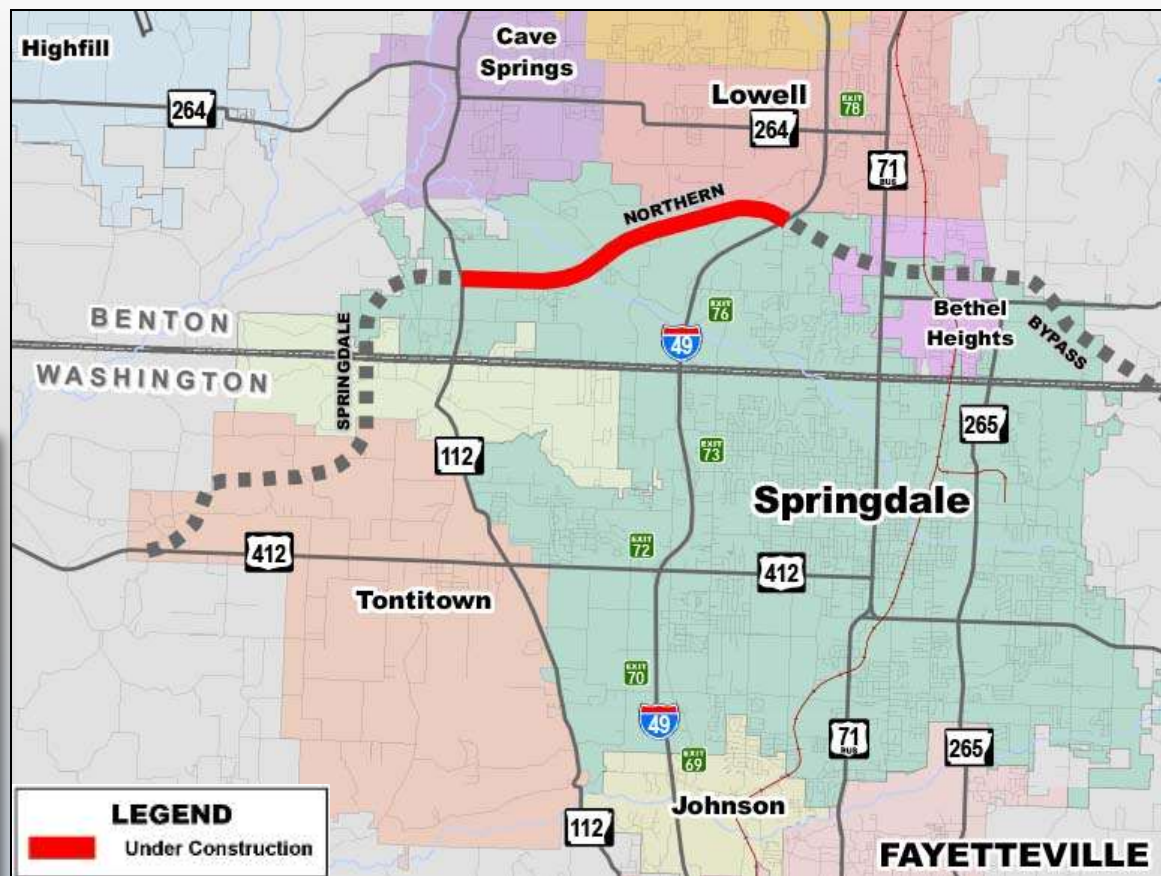
## Mountainburg to Fayetteville

**28 Miles**

**\$22 Million**

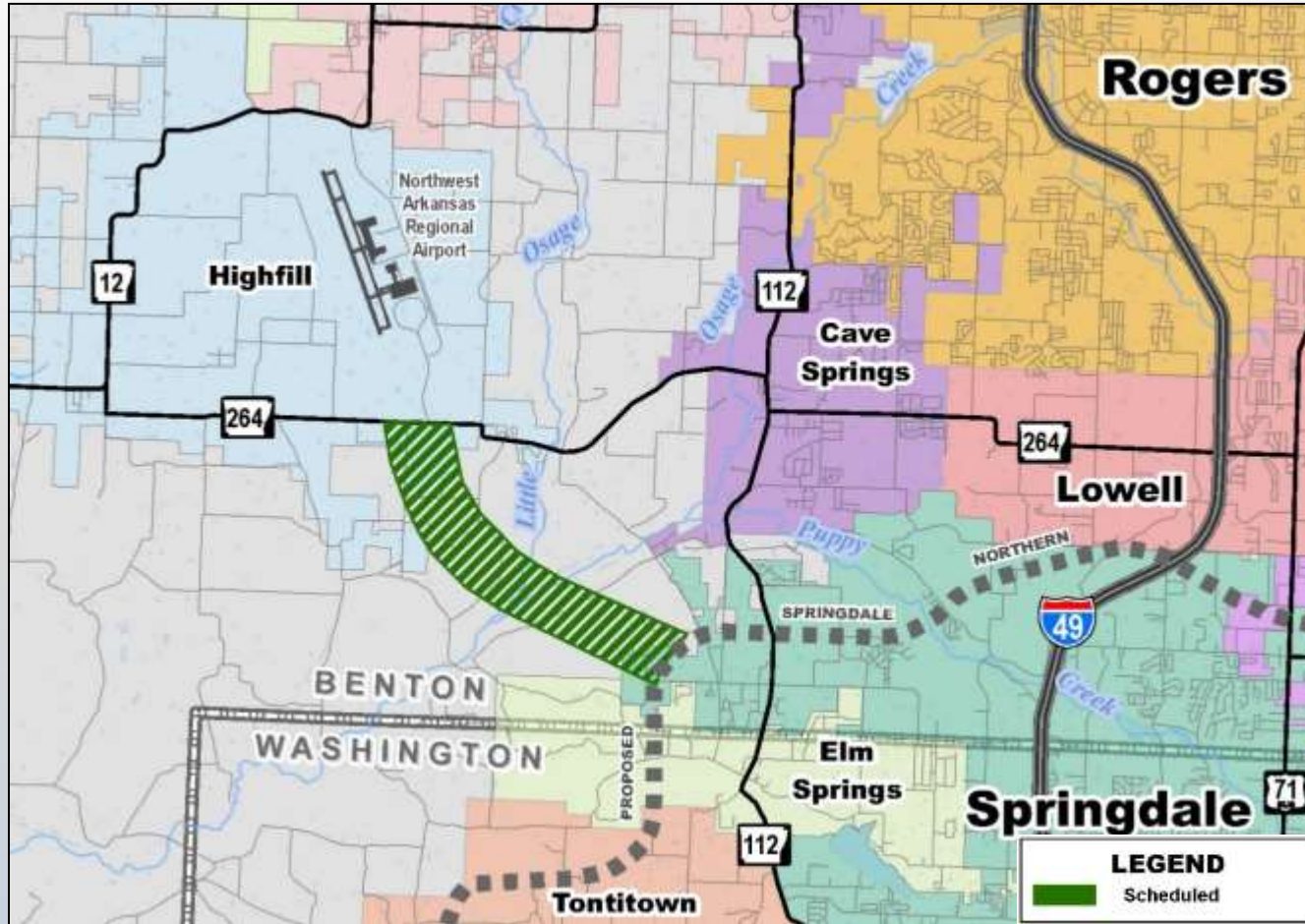


## Highway 112 To I-49





# Proposed Airport Connector



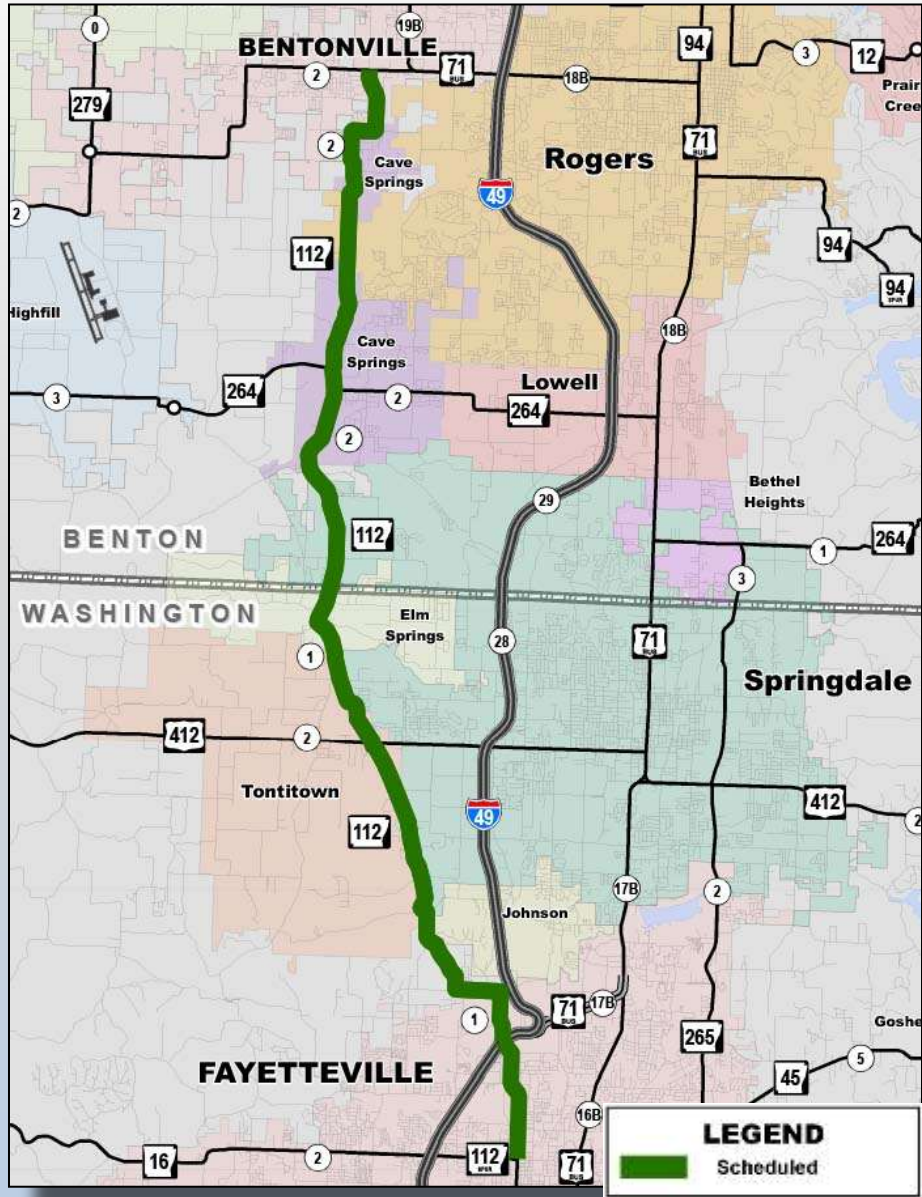
Highway 264  
To  
Future Springdale Bypass

## Corridor Study Fayetteville to Bentonville

Adopted in July 2015

Recommendations

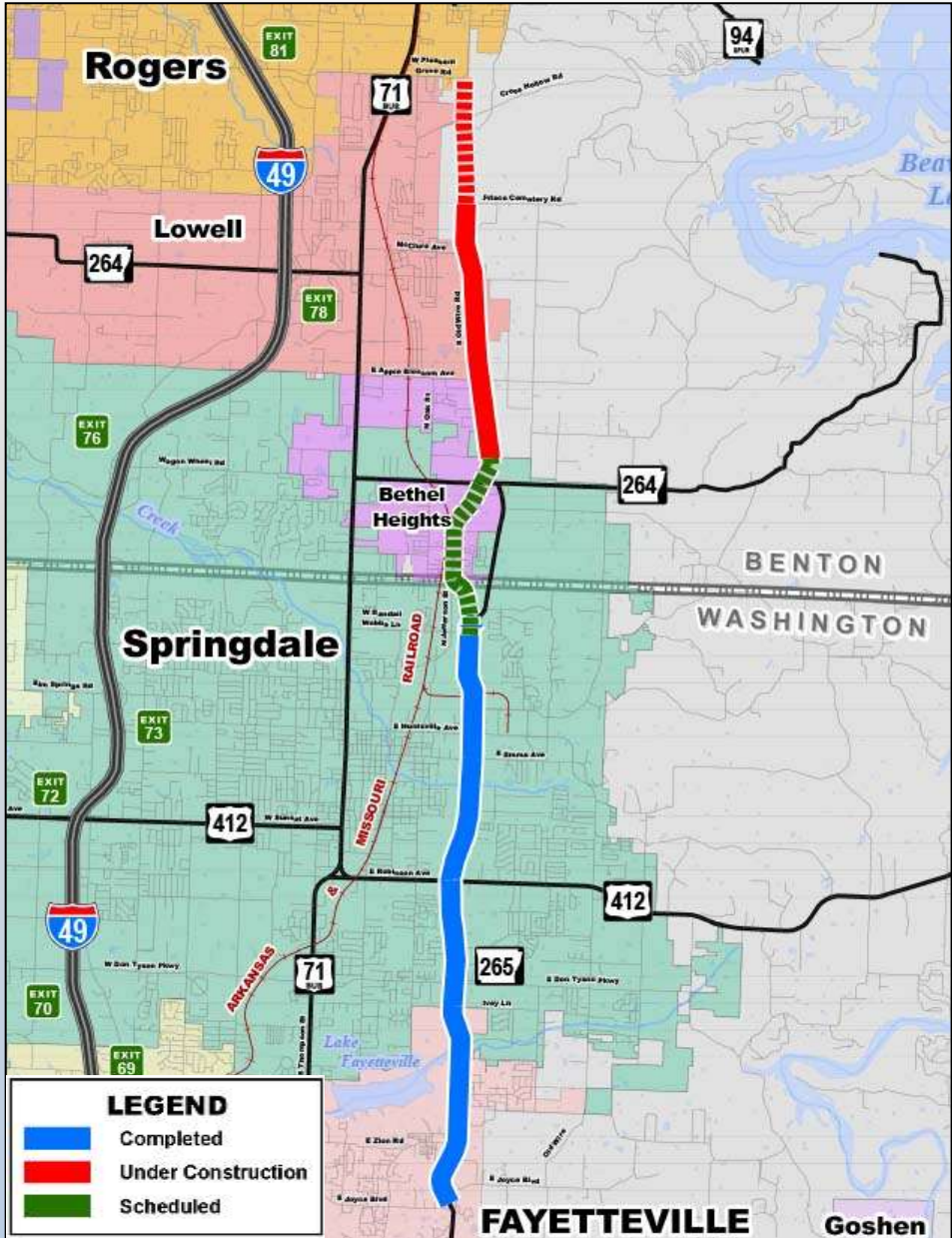
Cost Estimates



**Completed**  
4 Projects  
6 Miles  
\$17 Million

**Under Construction**  
1 Project  
4 Miles  
\$15.5 Million

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



**Scheduled**  
2 Projects  
\$33 Million

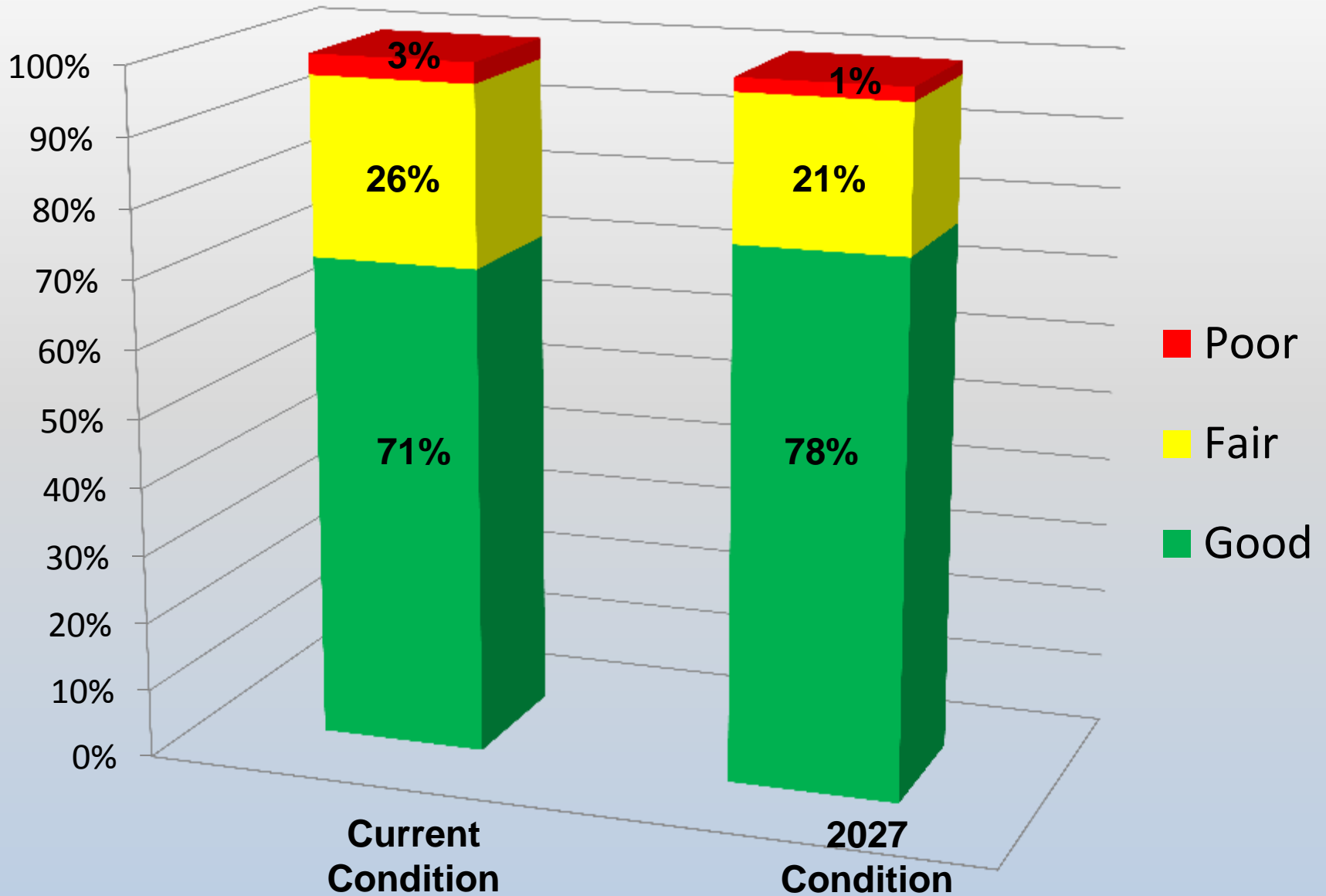


# Highway Condition

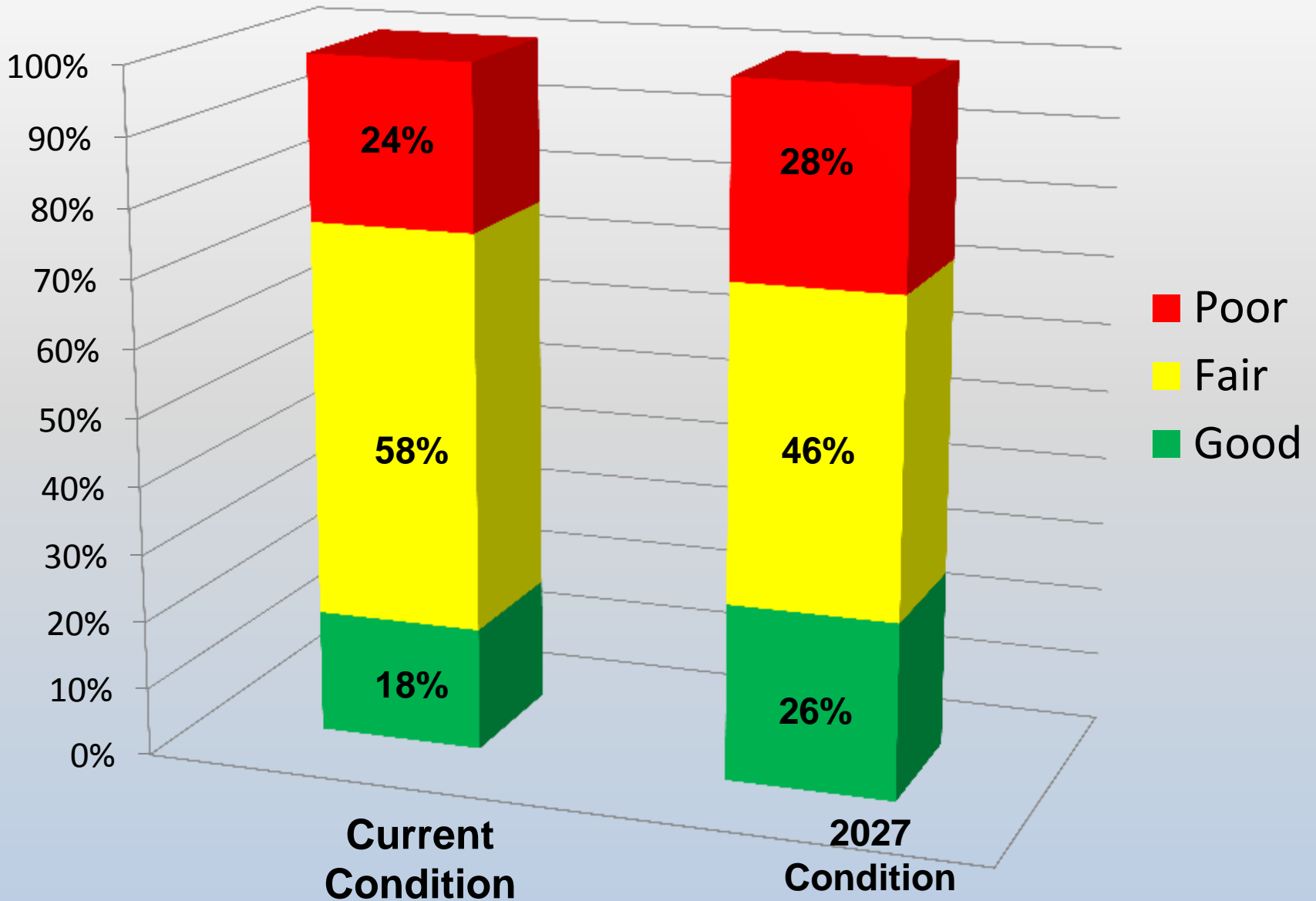


# and Needs

# Interstates



# All State Highways – Including Interstates



**Benton County  
Highway 59, Section 1  
Log mile 12.4 – 18.9  
North Decatur to Gentry**





## Pay a **Little** Now



Overlay  
**\$100,000**  
per lane mile

## Pay a **Whole Lot** Later

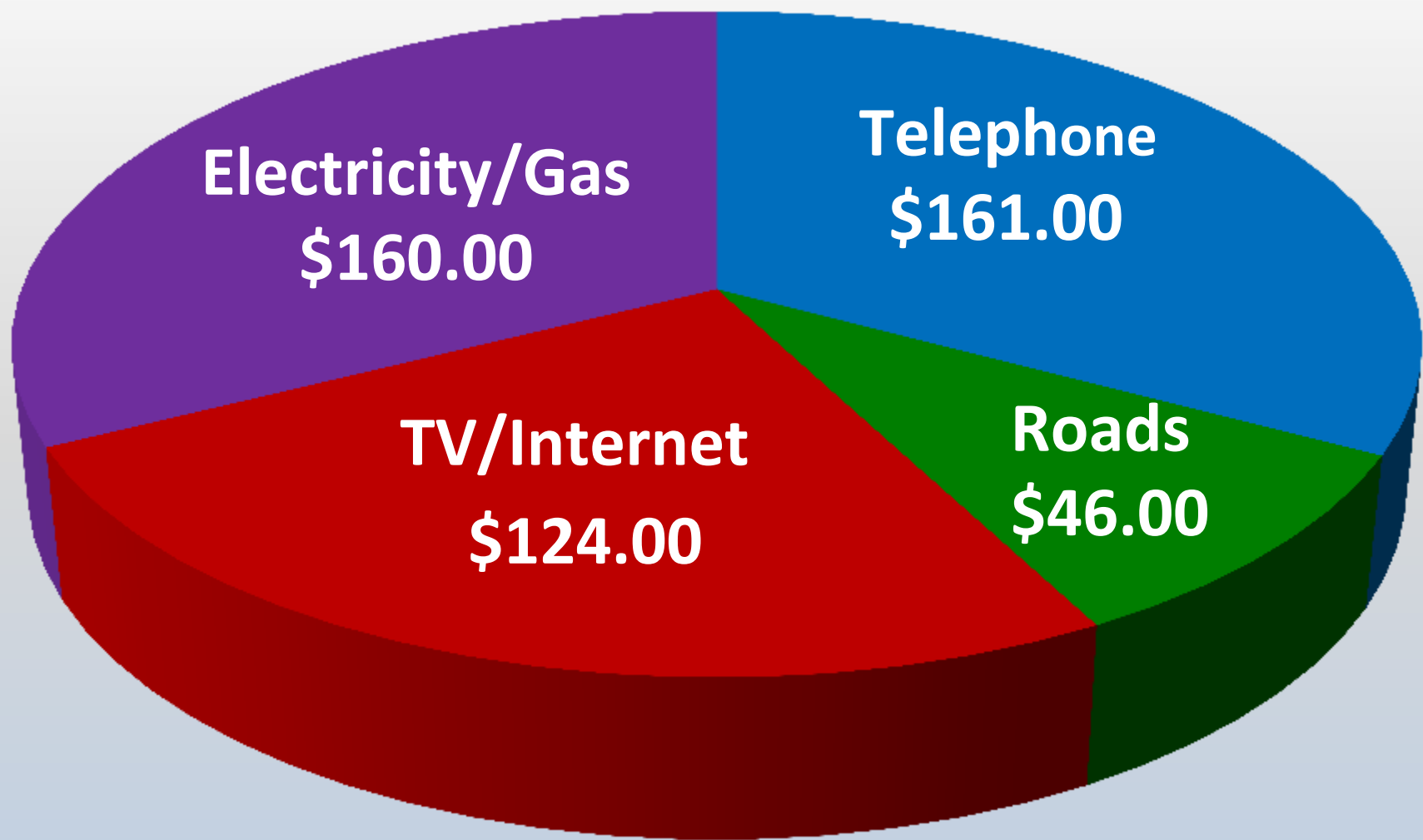


Reconstruction  
**\$1,500,000**  
per lane mile



# Pay a Little Now or a Lot Later!

# Average Monthly Household Expenditures



# Funding



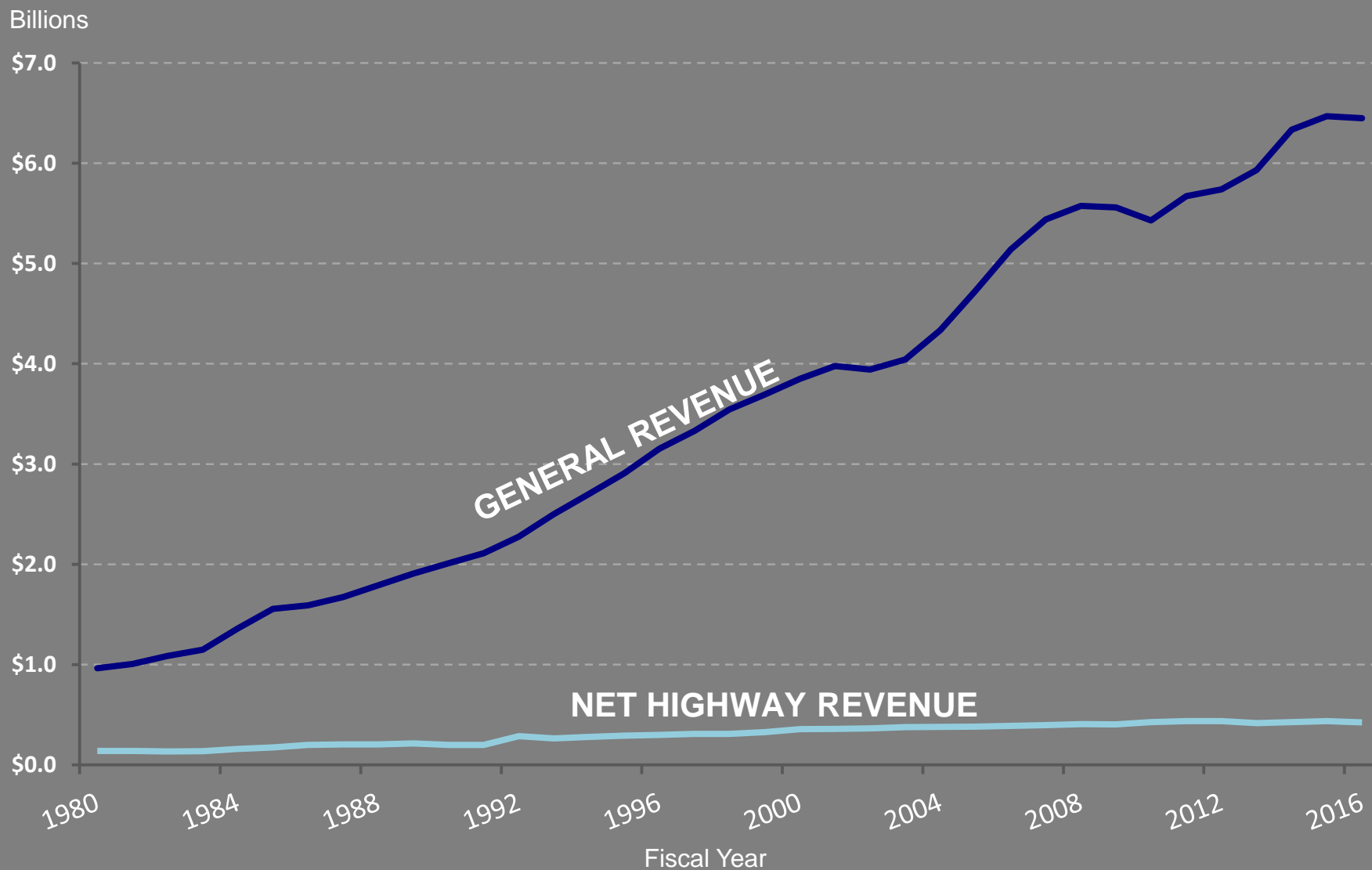
# Update

**Great amount of uncertainty at the federal level**

**State funds stagnant at best**

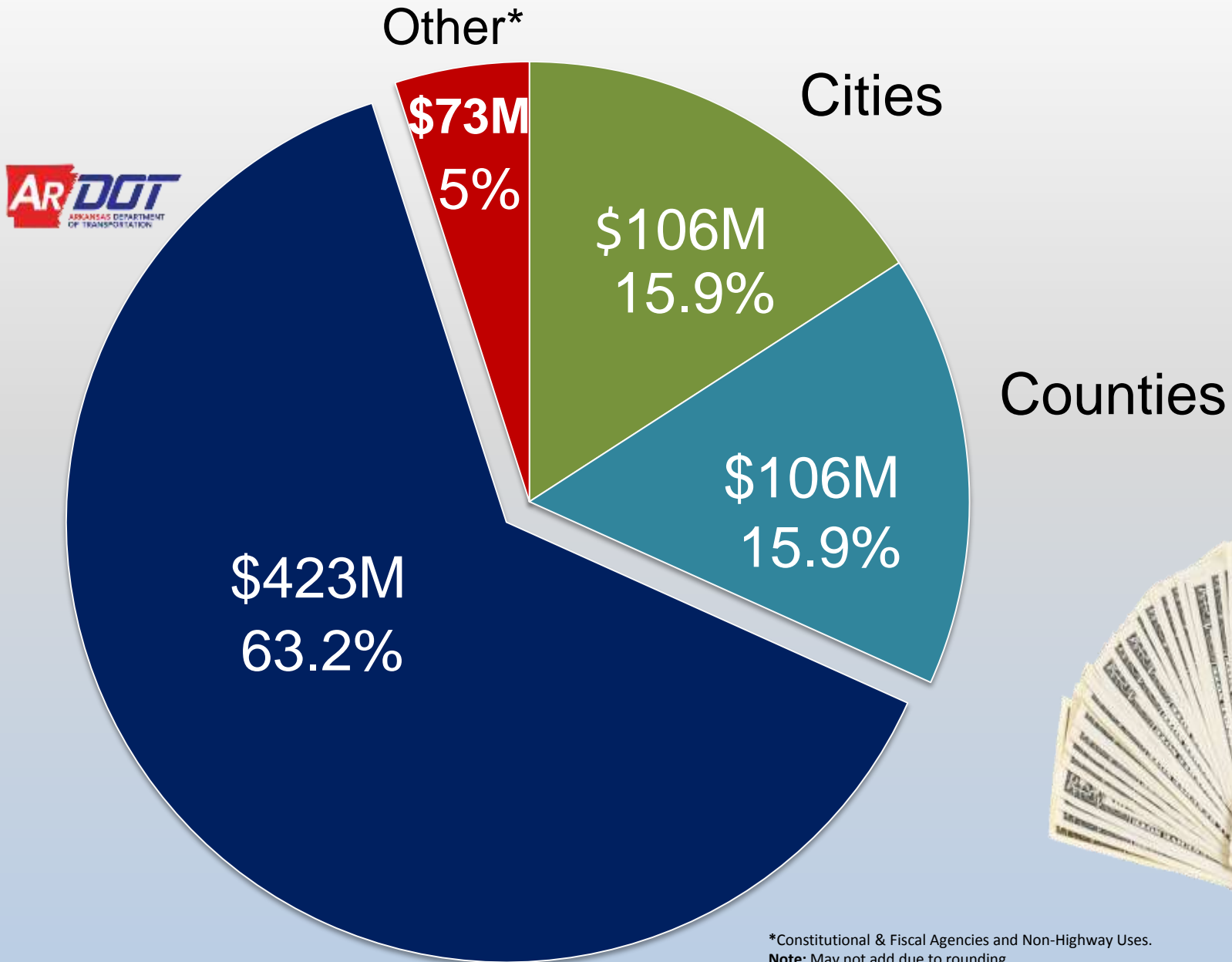


# General Revenues vs ARDOT Net Highway Revenues



Excludes County & City Aid funds | Excludes CAP funds

# Annual Highway User Revenue Distribution



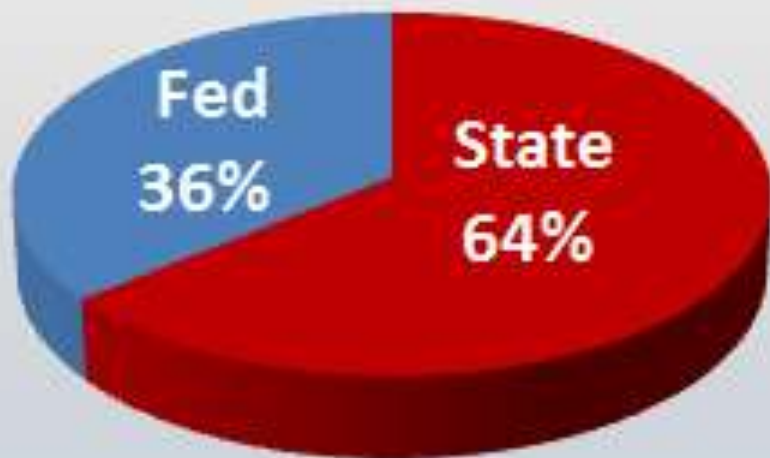
\*Constitutional & Fiscal Agencies and Non-Highway Uses.

Note: May not add due to rounding

# Federal vs. State Funding

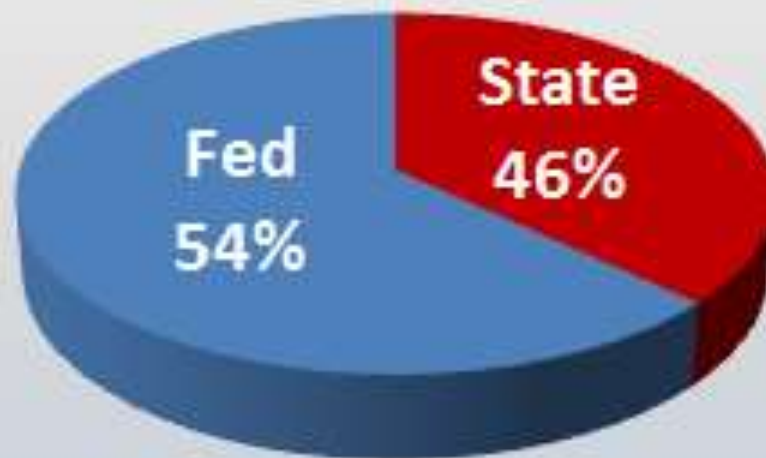
## 1993

### Hwy. Funding Breakdown



## 2016

### Hwy. Funding Breakdown





## 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.



## 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

➤ **12<sup>th</sup>** largest system in the country

➤ **42<sup>nd</sup>** in highway revenue per mile.

---

➤ **\$9.3 billion** in needs

➤ **\$4.5 billion** in available revenue



# Where

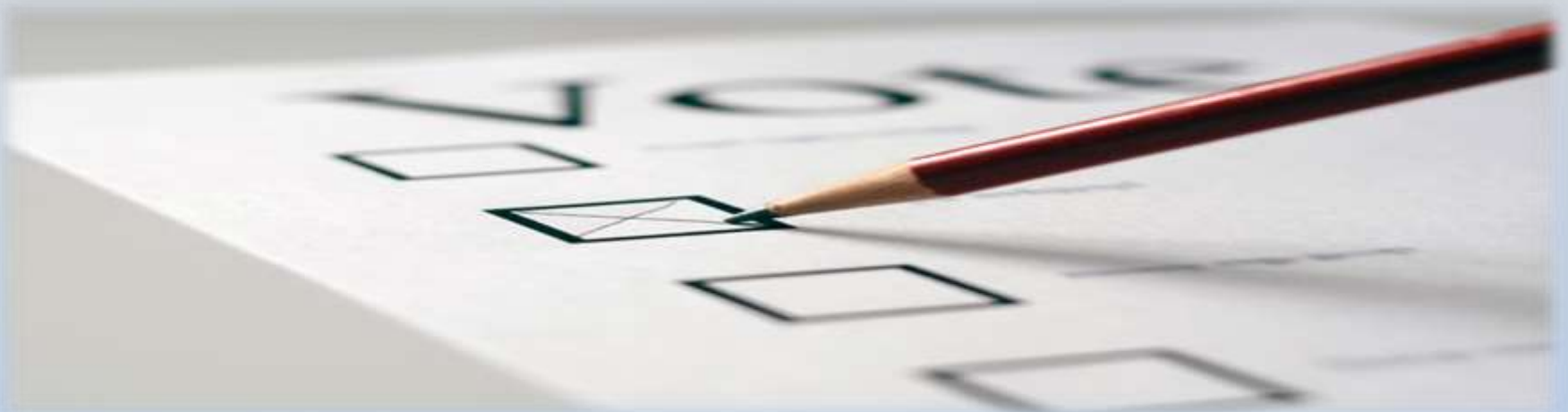


# Are We Going?

## □ 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.



## 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.



"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





# 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	Additional Annual Revenues	Additional Annual Expenditures	Additional Annual Net
System Preservation			
Pavement			
Bridges			
Total System Preservation			
Capacity Relief			1,000,000
Safety Improvements			12,000,000
Maintenance			
Equipment upgrades	19,000,000	19,000,000	
Facilities upgrades	8,000,000		8,000,000
Intelligent Transportation System (ITS)	3,000,000		3,000,000
Total Maintenance	30,000,000	19,000,000	11,000,000
<b>Totals</b>	<b>\$ 925,000,000</b>	<b>\$ 447,000,000</b>	<b>\$ 478,000,000</b>

**\$ 447,000,000**

Note: Amounts shown are rounded.

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

# 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			Additional Annual Revenues
System Preservation			
Pavement			
Bridges			
Total System Preservation			
Capacity Relief			2,000,000
Safety Improvements			12,000,000
Maintenance			
Equipment upgrades	19,000,000	19,000,000	
Facilities upgrades	8,000,000		8,000,000
Intelligent Transportation System (ITS)	3,000,000		3,000,000
Total Maintenance	30,000,000	19,000,000	11,000,000
<b>Totals</b>	<b>\$ 925,000,000</b>	<b>\$ 447,000,000</b>	<b>\$ 478,000,000</b>

**\$ 478,000,000**

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 <sup>(1)</sup>	\$300 Million for Highways <sup>(1)</sup>	\$400 Million for Highways <sup>(1)</sup>
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 <sup>(2)</sup>	0.58%	0.87%	1.16%

<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)

# Road User Related Tax Revenue (SFY 2016)

## Total Road User Revenue

**\$1,076.5 Million**

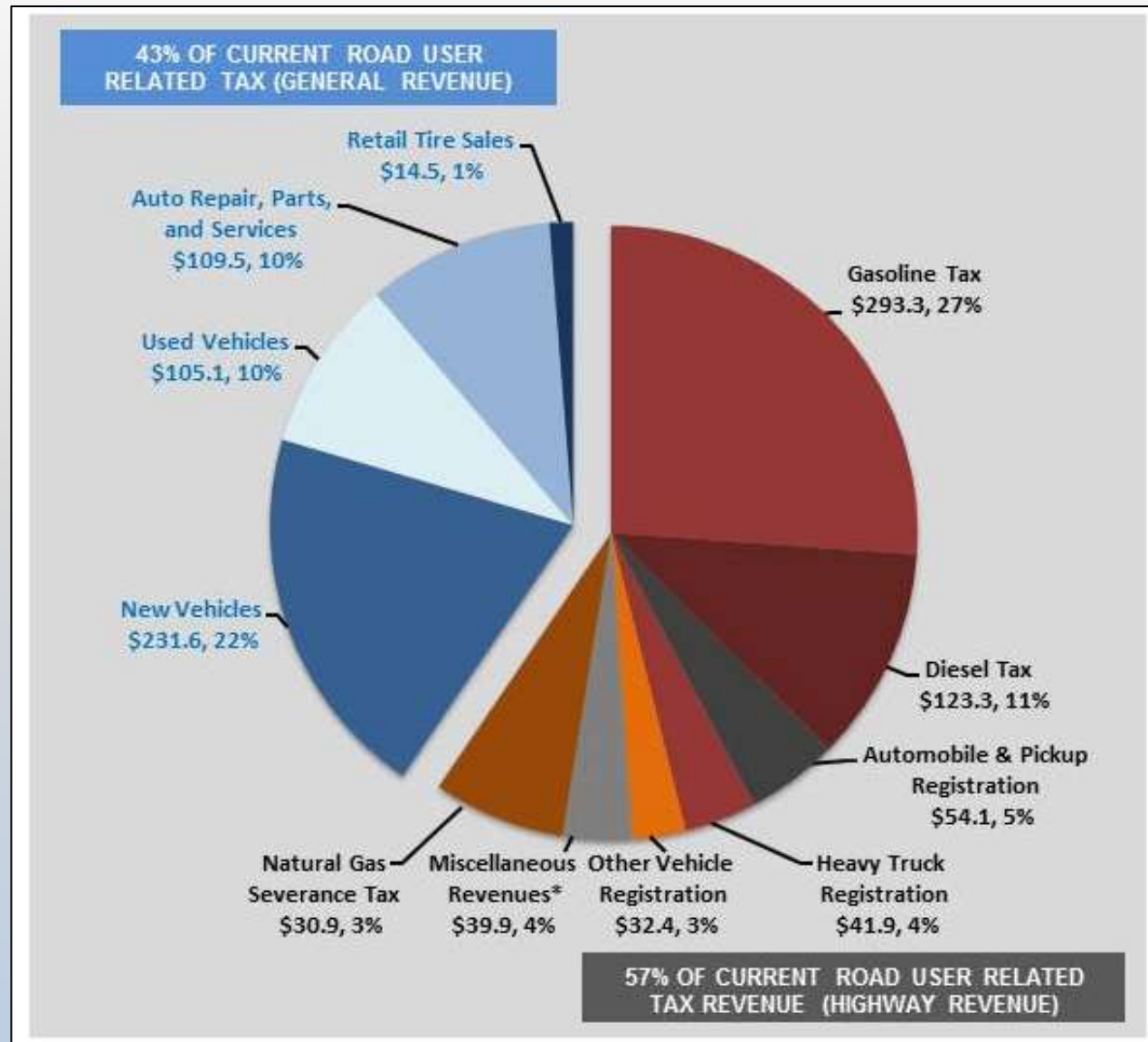
## Distribution:

### General Revenue

**\$460.7 Million (43%)**

### Highway Revenue

**\$615.9 Million (57%)**





*Your*  
**TRANSPORTATION SYSTEM**

# Possible Initiated Act

## CITIZENS OPINION SURVEY ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:  
 ARDOT  
 Public Information  
 P.O. Box 2261  
 Little Rock, AR 72203  
[info@arkansashighways.com](mailto:info@arkansashighways.com)

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 Department of Transportation 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 vehicle 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 (please specify):

\_\_\_\_\_  
 \_\_\_\_\_

Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot?

Yes     No    If Yes, what County do you live in? \_\_\_\_\_

(Optional) Contact Information: name, email, etc.

\_\_\_\_\_  
 \_\_\_\_\_

meeting name - date

Online Form Available Here:

[www.Arkansashighways.com](http://www.Arkansashighways.com)



# Survey Results

Are you satisfied with the condition of the existing highway system?

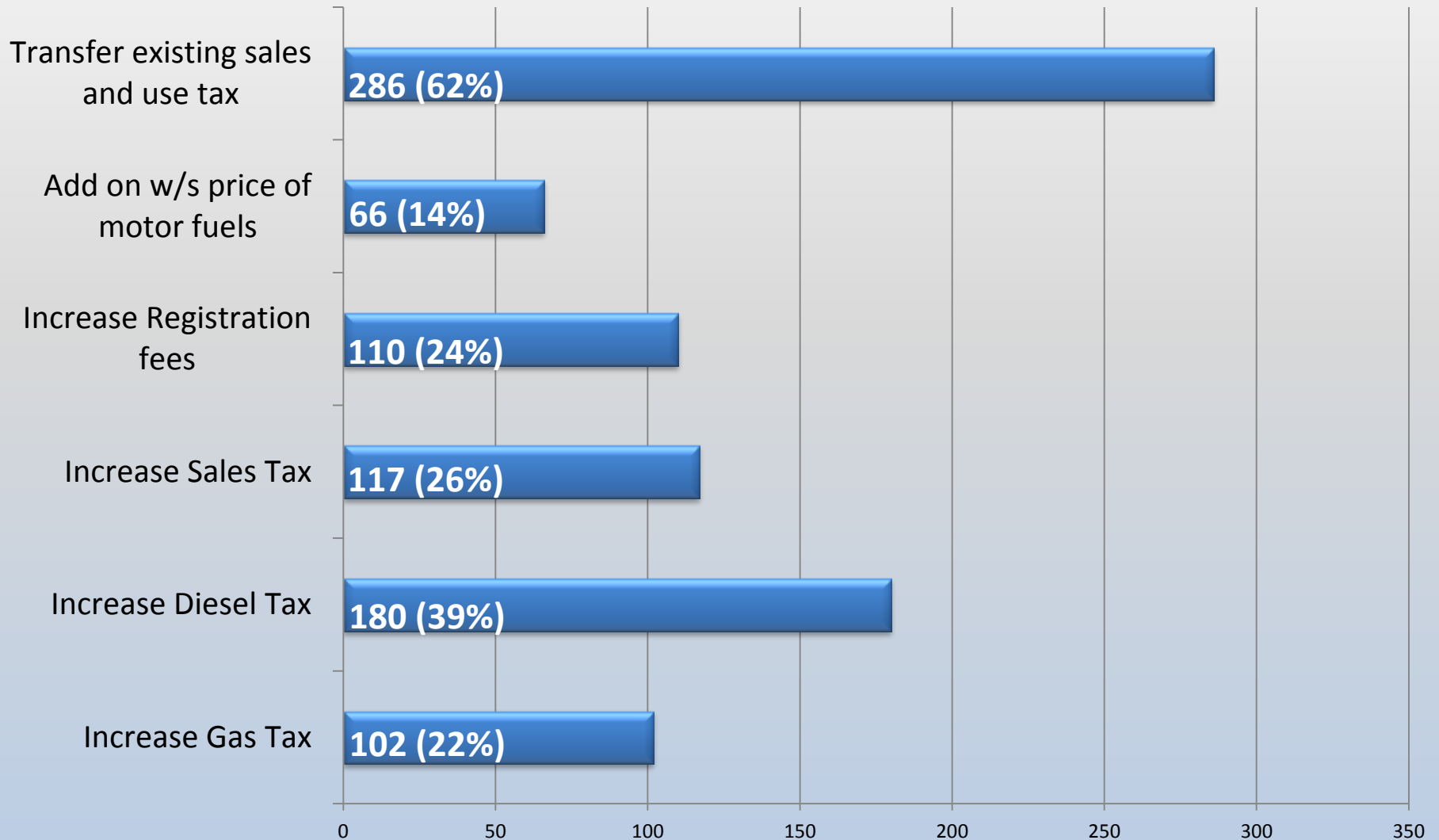


Would you support a new highway program that would generate additional revenue?



# Survey Results

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





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



@myARDOT



# Questions?

