



New Name – New Identity











1929
Arkansas
Highway and
Department of
Lands

1977
Arkansas State
Highway and
Transportation
Department

2017 Arkansas Department of Transportation

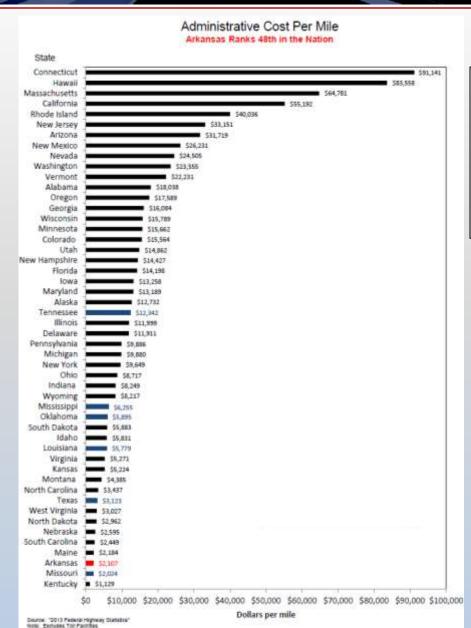


Provide safe and efficient transportation solutions to support Arkansas' economy and enhance the quality of life for generations to come.

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



Employment Levels Efficiency















Promises Made ARCIA ARKANSAS DEPARTMENT OF TRANSPORTATION







Promises Kept



Promises

1999 IRP

- 50 Projects
- 356 Miles
- \$1+ Billion



2011 IRP

- 83 Projects
- 494 Miles
- \$1.3 Billion



2012 CAP

- 36 Projects
- 185 Miles
- \$1.8 Billion







1/2 Cent Sales Tax Turnback Funds

Craighead County

Received \$3.1 Million to date Projected to Receive \$5.1 Million Total \$8.2 Million (Ending in 2023)



City of Jonesboro

Received \$5.2 Million to date Projected to Receive \$8.6 Million Total \$13.8 Million (Ending in 2023)



1/2 Cent Sales Tax Turnback Funds



City of Bay

Received \$140,000 to date Projected to Receive \$240,000 Total \$380,000 (Ending in 2023)



City of Bono

Received \$165,000 to date Projected to Receive \$280,000 Total \$445,000 (Ending in 2023)



City of Brookland

Received \$190,000 to date Projected to Receive \$370,000 Total \$560,000 (Ending in 2023)





Updates



Interchange Improvements

Scheduled \$5-10 Million











Highway 1B Widening



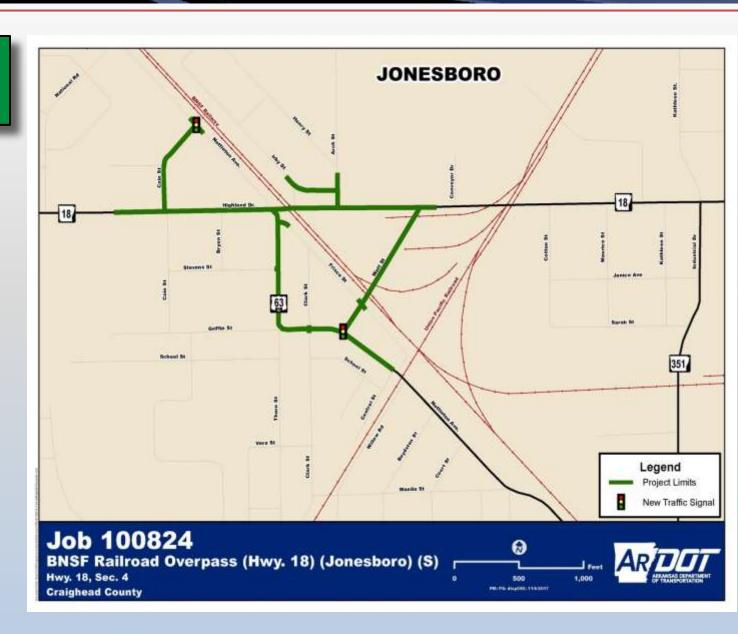


BNSF Railroad Overpass

Scheduled \$15-20 Million









Commerce Drive Extension



Scheduled

5.5 Miles

\$10 Million Allocated

Total Construction: \$20-30 Million





Highway 49 Operational Improvements



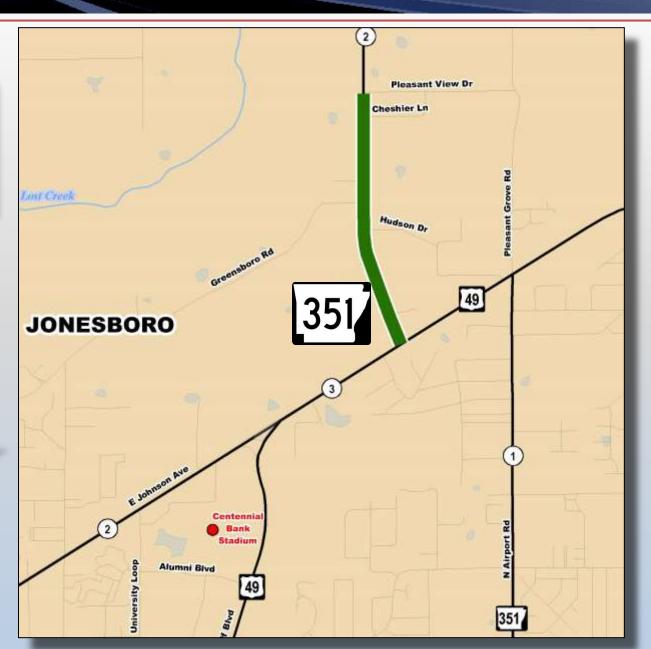


Highway 351 Widening

Scheduled

1 Mile \$5-10 Million

351



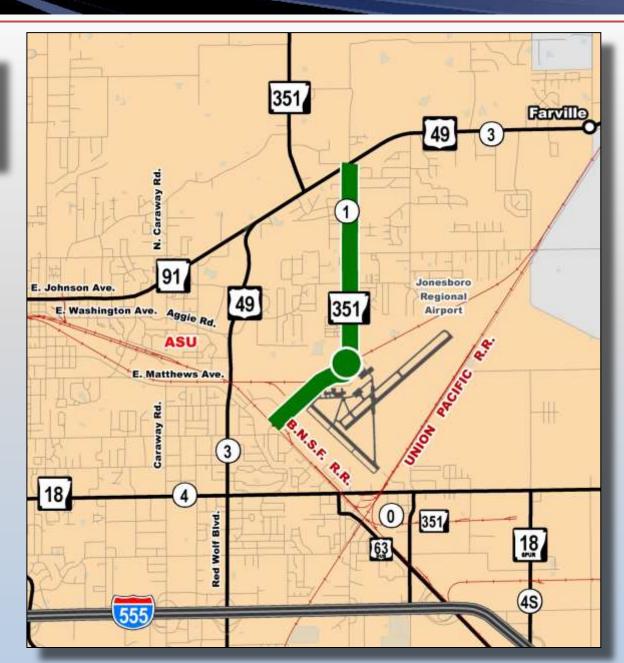


Highway 351 (Airport Rd.) Railroad Overpass

Scheduled \$5-10 Million

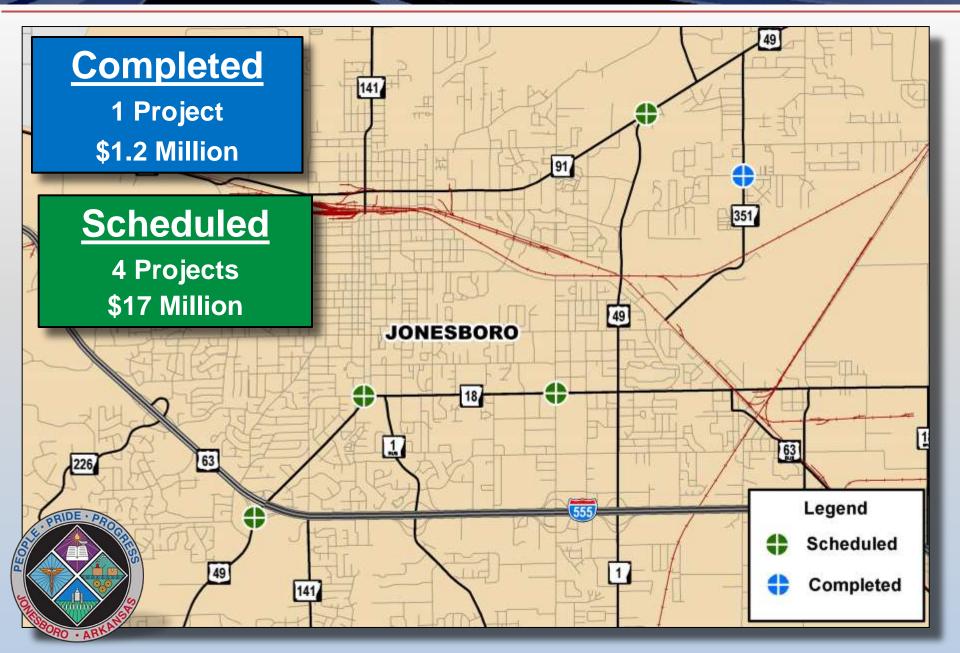








Intersection Improvements





Interstate 555 Preservation Projects





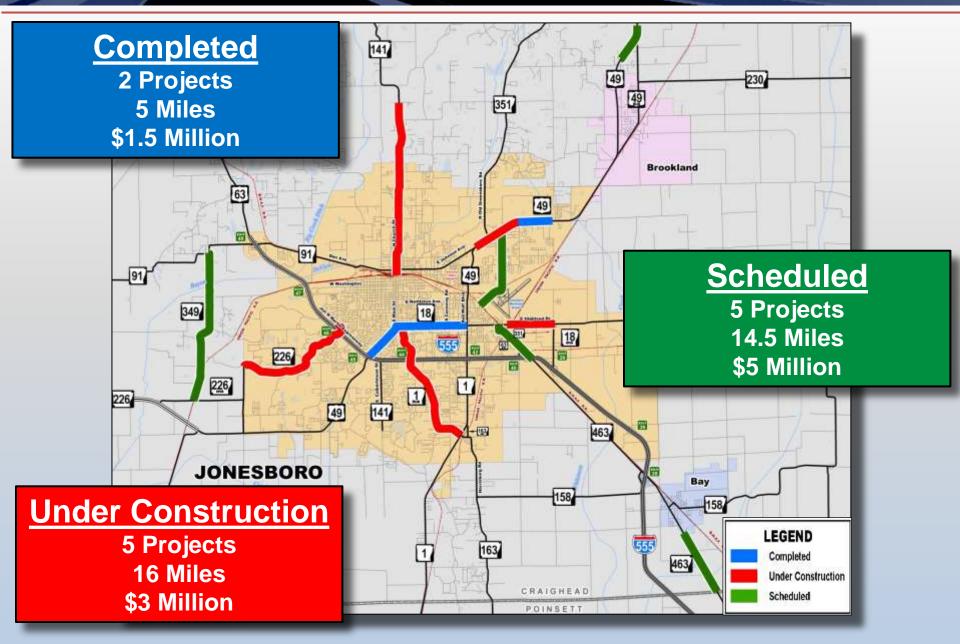
Completed
6 Miles
\$2 Million

Under Construction
2 Miles
\$12.3 Million

5 Projects
40 Miles
\$42 Million



Jonesboro Area Pavement Preservation



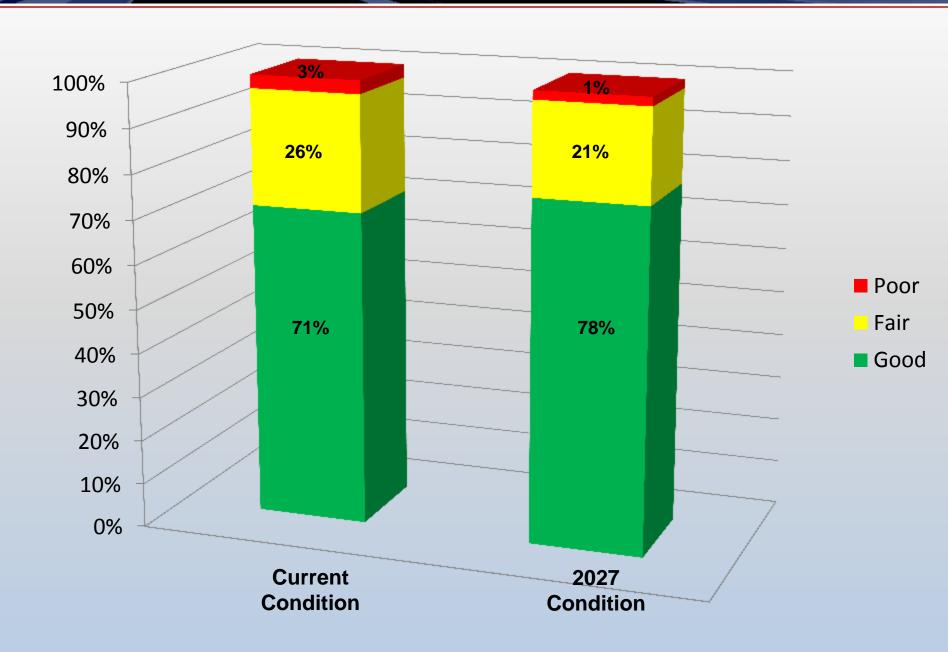




and Needs

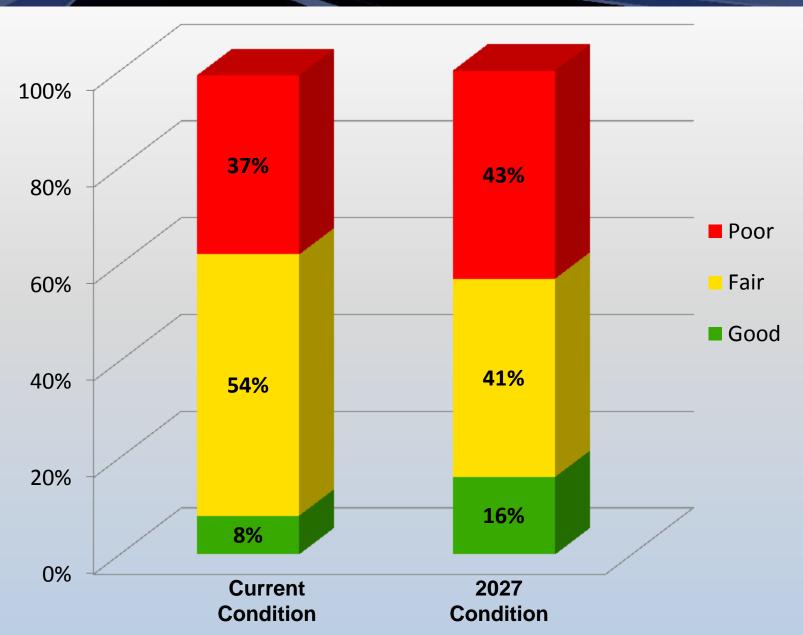


Interstates





Other State Highways – Excluding Interstates



Pay a Little Now

Pay a Whole Lot Later



Overlay
\$100,000
per lane mile



Reconstruction \$1,500,000 per lane mile





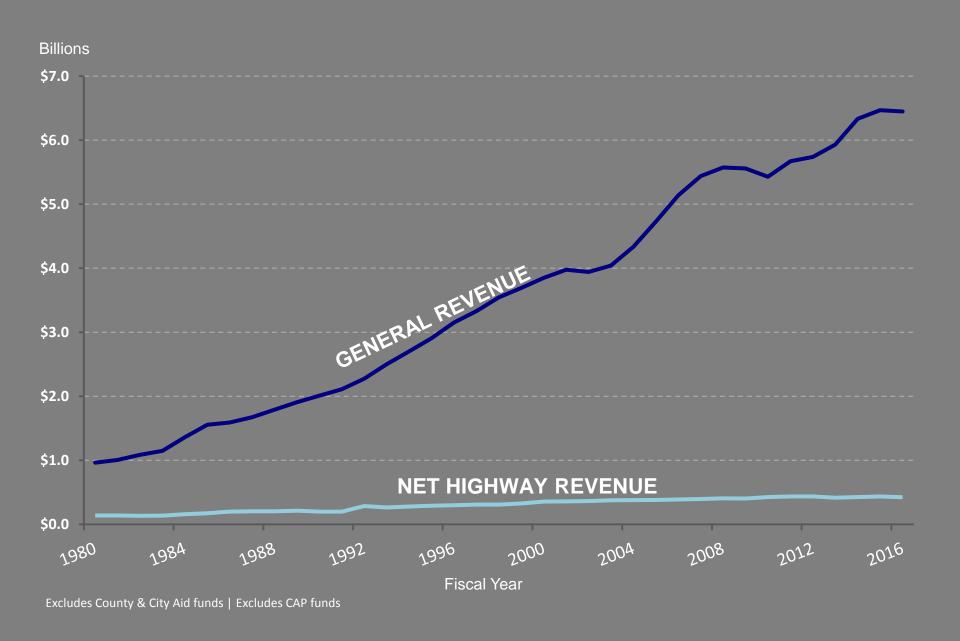
Update



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



General Revenues vs ARDOT Net Highway Revenues

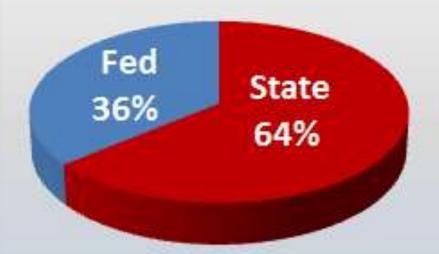


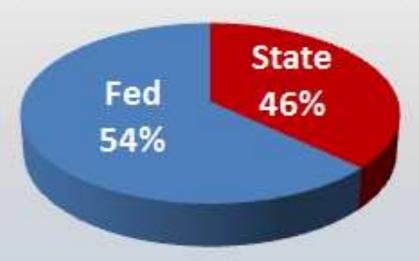


Federal vs. State Funding













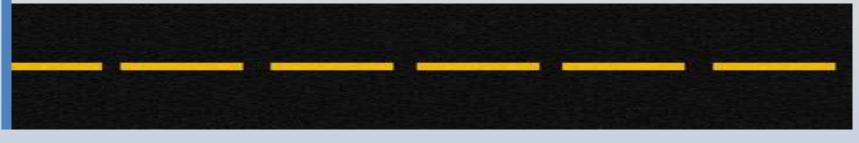
\$100,000,000 Widening Program

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.







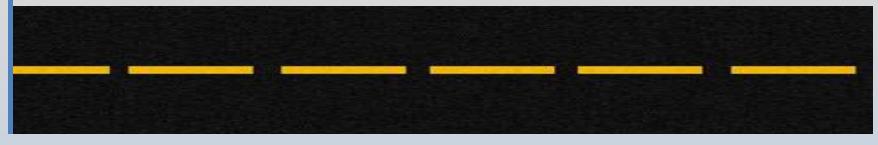
\$10,000,000 Overlay Program

THEN

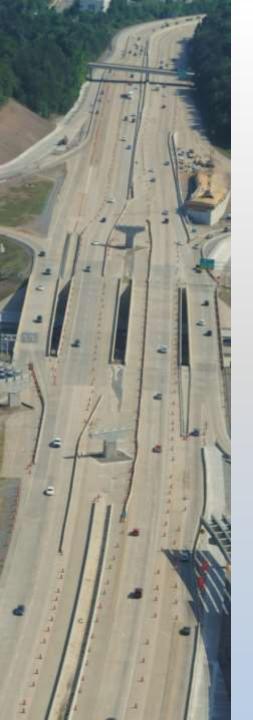
22 years ago, in 1995, 200 miles of Highway could be overlaid.

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

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 preparing this report was developed uniquely to address the stated objectives; therefore, this report is more similarly in scope than an audit or attestation engagement performed in accordance with Government Audding States.

BACKGROUND

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

ARKANSAS LEGISLATIVE AUDIT 300 Woodane Speet, Subraza, Little Rock, AR zagni Phone: 501-683-8000 • Fax: 501-683-8005 www.arkleanoff.co.

31, 2017



Arkansas State Highway Needs

Exhibit III

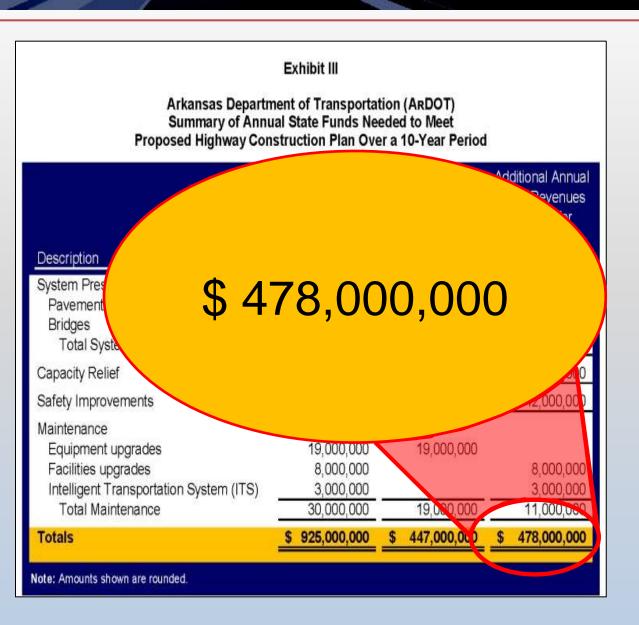
Arkansas Department of Transportation (ARDOT)
Summary of Annual State Funds Needed to Meet
Proposed Highway Construction Plan Over a 10-Year Period

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	86,000,000	44,000,000	42,000,000
Equipment upgrades Facilities upgrades Intelligent Transportation System (ITS) Total Maintenance	19,000,000 8,000,000 3,000,000 30,000,000	19,000,000	8,000,000 3,000,000 11,000,000
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

Note: Amounts shown are rounded

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



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





Are We Going?



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



Options for Generating Additional Revenue for Highways

Source	\$400 Million for Highways ⁽¹⁾
Fuel Tax	28.4¢
Sales Tax on Fuel (wholesale)	16.67%
Registration Fee	\$208
General Sales Tax ⁽²⁾	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)

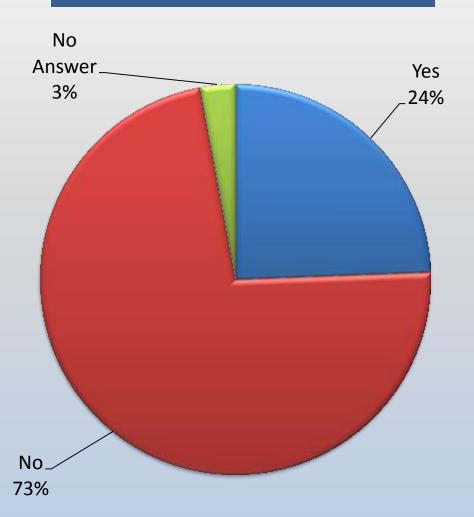


Possible Initiated Act

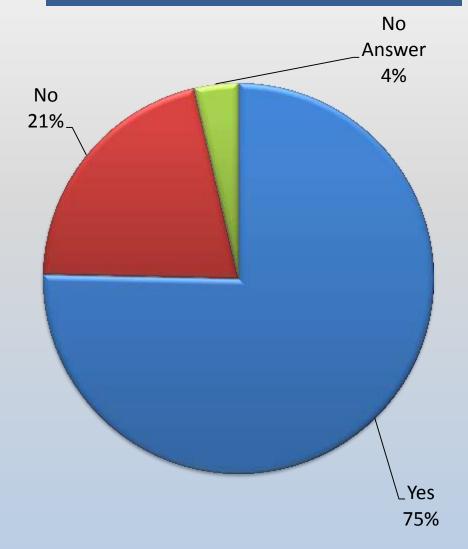
SL	JR	VEY	MAIL OR EMAIL RESPONSES TO: AnDOT Public Information P.O. Box 2261 Little Rock, AR 72203
		IN ARKANSAS the condition of the exi	info@arkansashighways.com isting state highway system?
	ents do the	our area need improveme ey need?	ents, and what type of
f you wan	need addit	phway conditions, 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

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

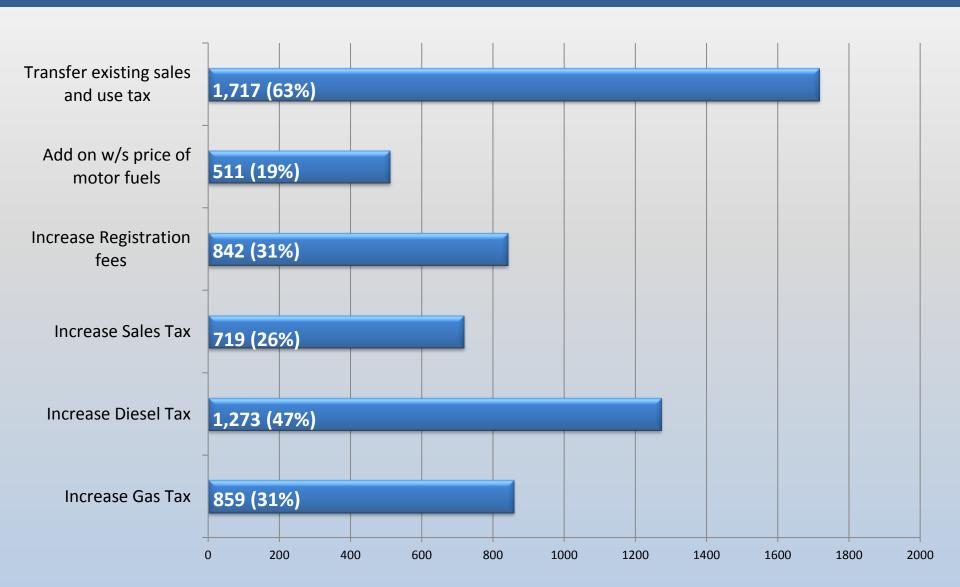


Would you support a new highway program that would generate additional revenue?



Survey Results

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



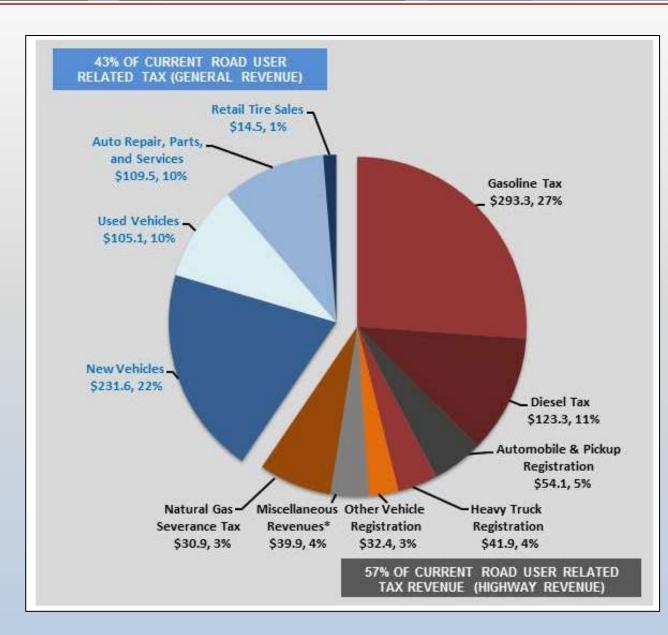
Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue \$1,076.5 Million

Distribution:

General Revenue \$460.7 Million (43%)

Highway Revenue \$615.9 Million (57%)





Possible Initiated Act

SURVEY N HIGHWAYS IN ARKANSAS MAIL OR EMAIL, RESPONSES TO. ANDOT Public Information P.O. Beta 2261 Little Rock, AR 772203 Into Quebansashiphways com
Are you satisfied with the condition of the existing state highway system?
OYes ONo
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 Transpor- tation will need additional funds. Would you support a new highway program that would generate additional revenue?
OYes ONo
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):
service (currently collected but not paid to highways)
Service (currently collected but not paid to highways) Other (please specify): Fould you be willing to sign a petition to put a highway revenue proposal on se 2018 general election ballot?
Other (please specify): Other (please specify): Fould you be willing to sign a petition to put a highway revenue proposal on see 2018 general election ballot? OYes ONO sive, what County do you live set







Arkansas Department of Transportation

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







