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Division Engineer
System Information & Research



Bryant Rotary Club
January 11, 2018



New Name – New Identity



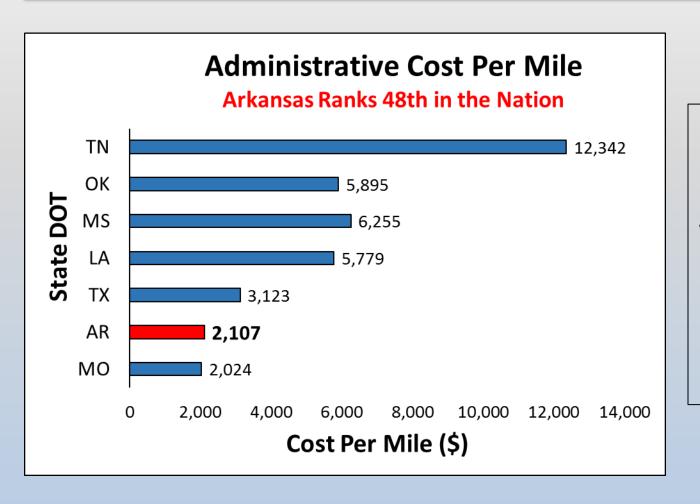
Provide safe and efficient transportation solutions to support Arkansas' economy and enhance the quality of life for generations to come.

Adopted June 7, 2017



Efficiency

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



ArDOT = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224



Employment Levels Efficiency

















Promises Made











Promises Kept







1999 50 Projects 356 Miles \$973 M 2011 82 Projects 494 Miles \$1.5 B 2012 36 Projects 1854 Miles \$2 B





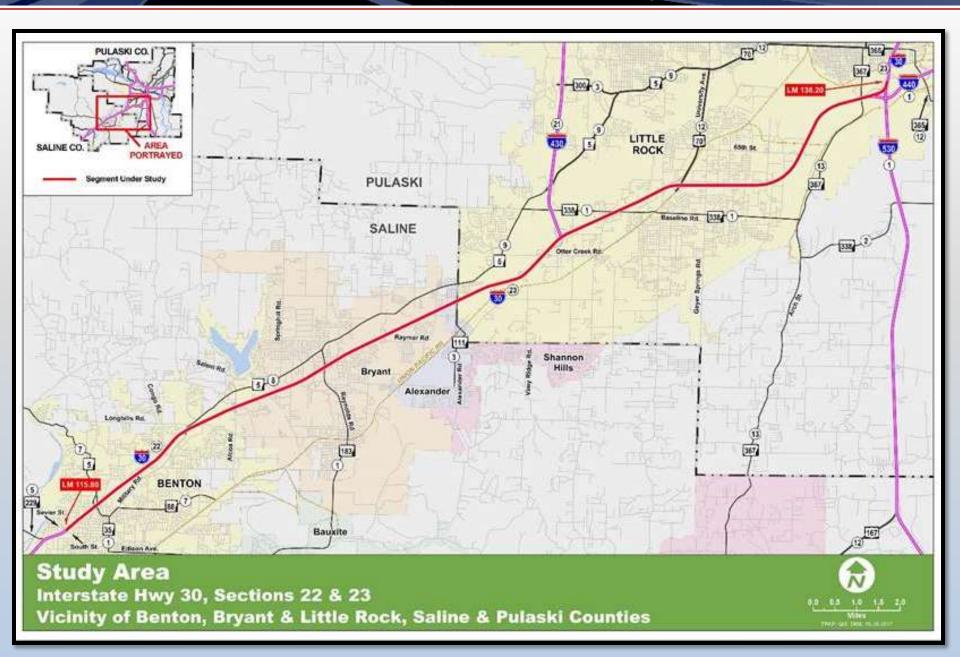
Local Project



Updates

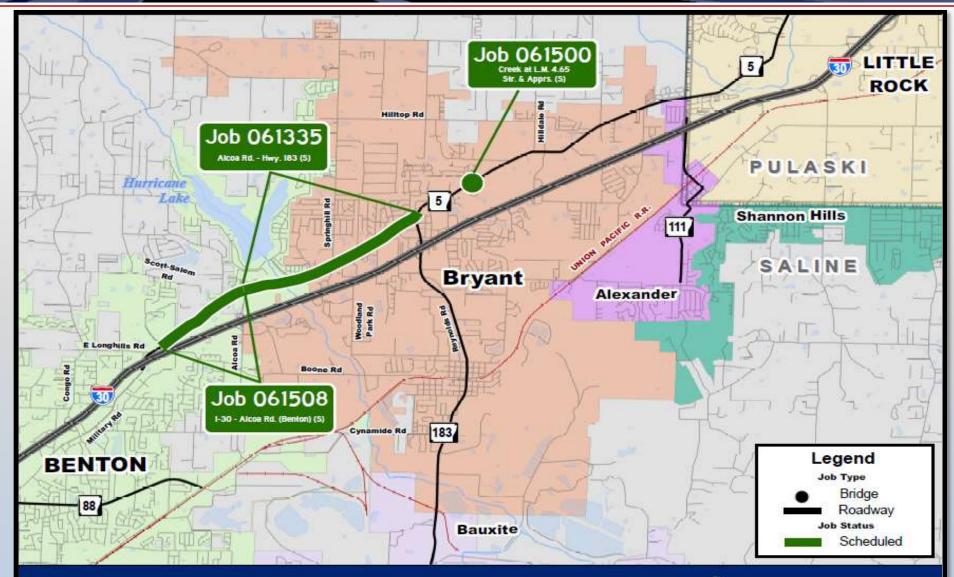


Interstate 30 Study





Highway 5 Projects



Bryant Projects

Saline County







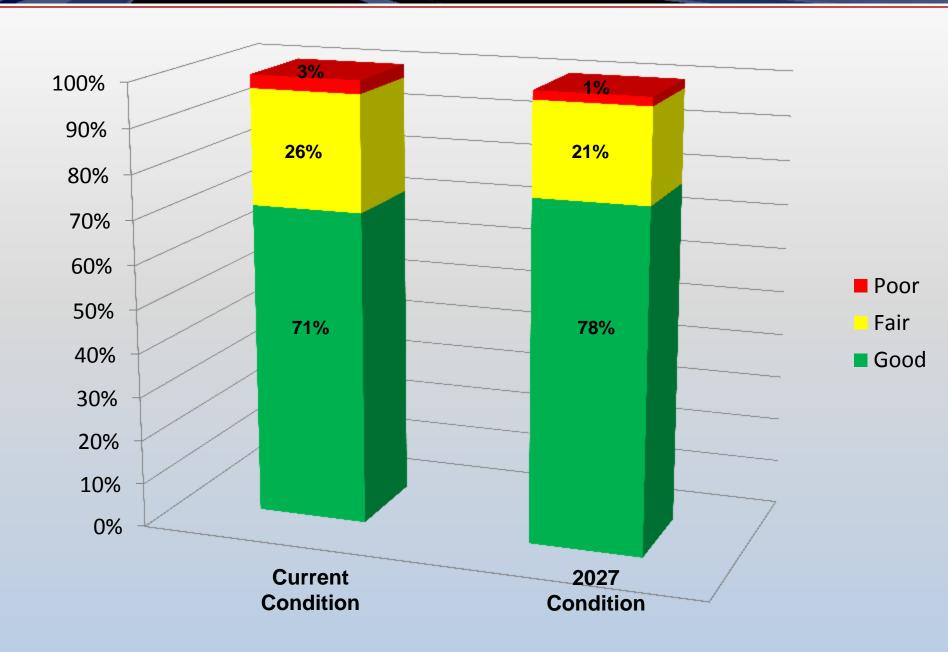
Highway Condition



and Needs

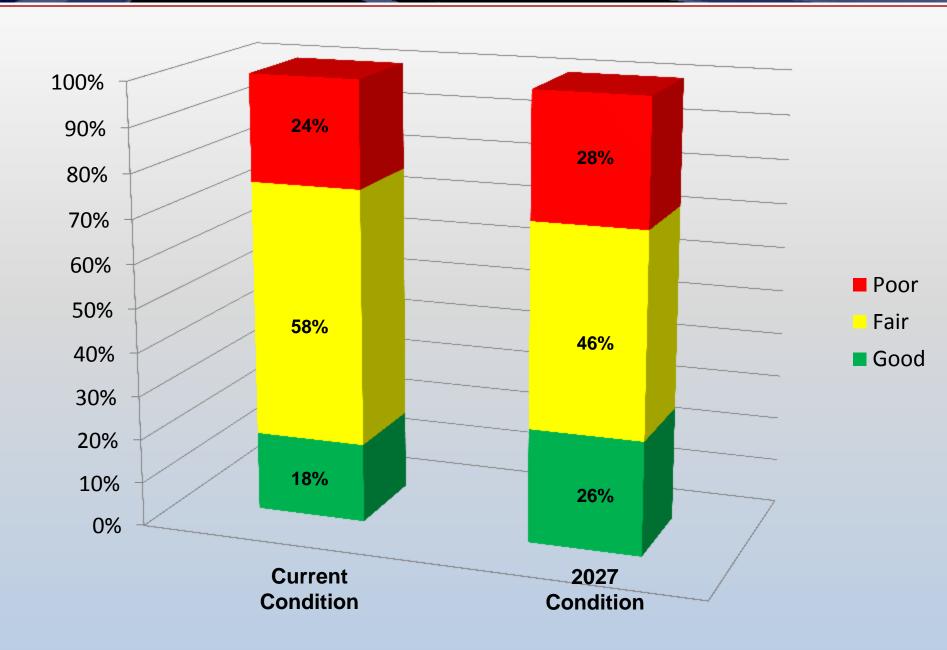


Interstates





All State Highways – Including Interstates



Pay a Little Now

Pay a Whole Lot Later



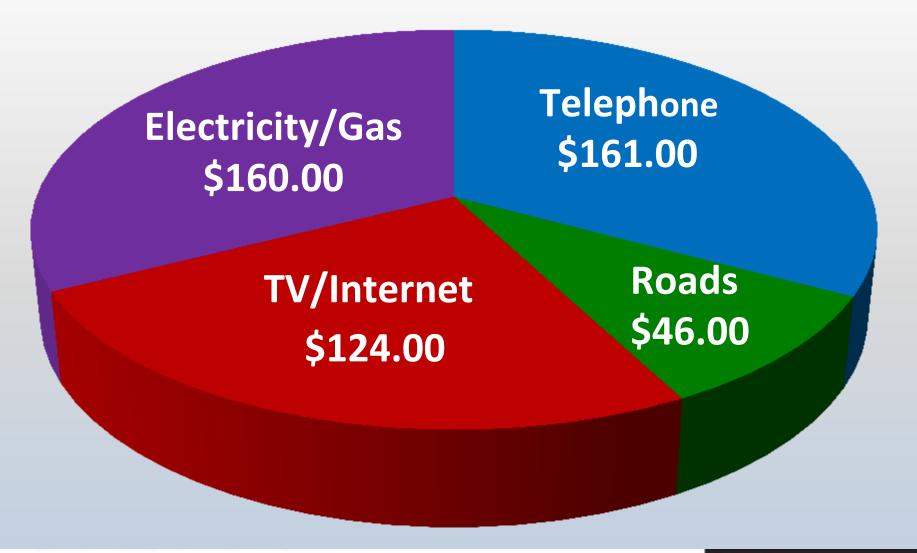
Overlay
\$100,000
per lane mile



Reconstruction \$1,500,000 per lane mile



Average Monthly Household Expenditures







Funding



Update

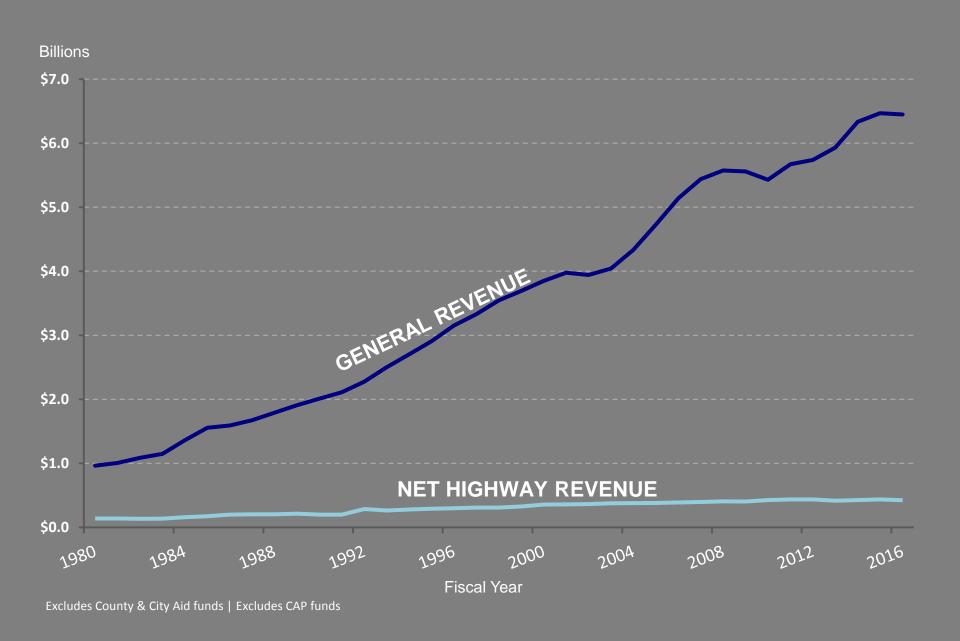
Funding

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



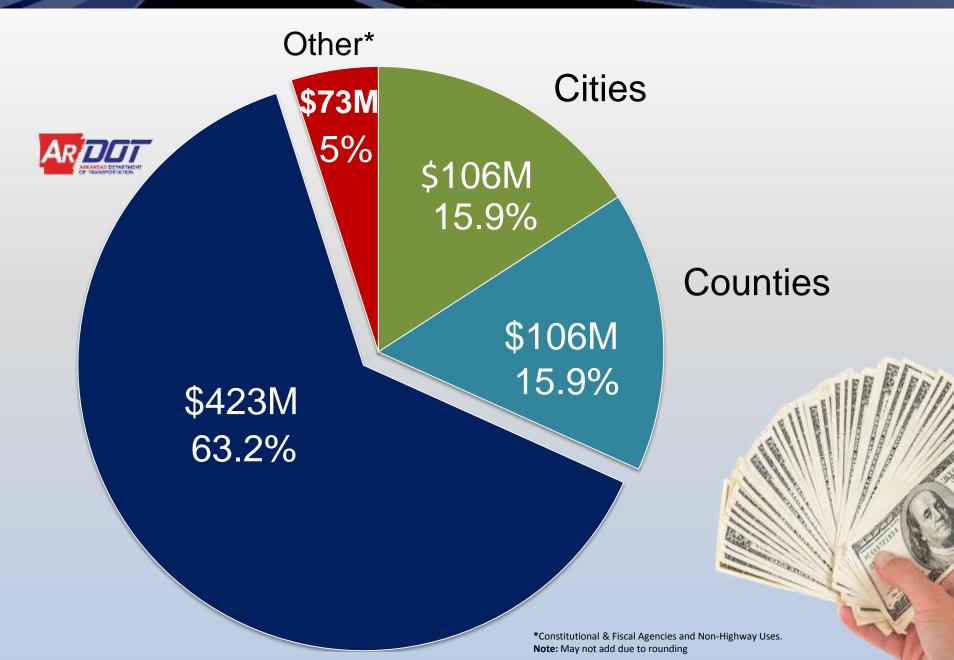


General Revenues vs ARDOT Net Highway Revenues





Annual Highway User Revenue Distribution





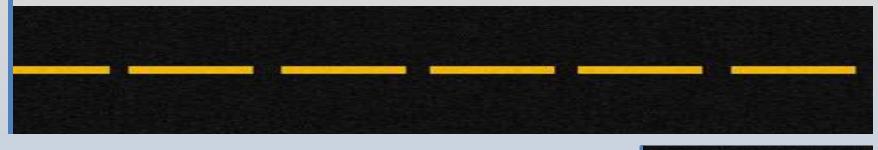
\$10,000,000 Overlay Program

THEN

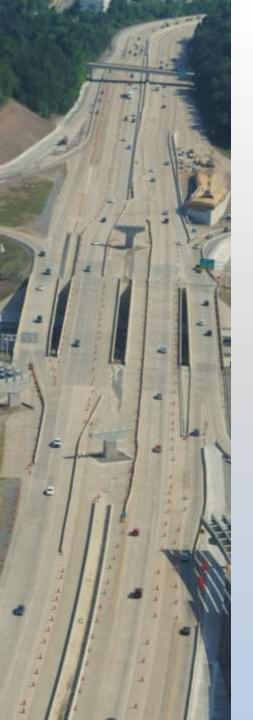
22 years ago, in 1995, 200 miles of Highway could be overlaid.

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.

Over the next 10 years:

- > \$9 billion in needs
- > \$4.4 billion in available revenue



Where



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



INTRODUCTION

This report is presented in response to a request for Arkansia Legislative Audit (ALA) to review information, estimates, and calculations provided by the Arkansia Department of Transportation (AnDOT), formerly known as the Arkansias Este Highway and Transportation Department, related to highway funding. ARDOT has indicated that additional state funding is needed to fully maximize available federal funds and to expand non-federal construction and maximumore protects.

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 telepral 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 report was prepared by reviewing activities for state flocal years ended June 30, 2010 through 2016, and projections and estimates for foderal fiscal years ending September 30, 2017 through 2020. ALA staff reviewed audit reports from prior years, periodually reviewes and expenditures related to construction, and determined future federal funding from reports obtained from the Federal Highway Administration. All information for additional construction and maintenance projects was provided by AnDOT and tested for accuracy and reassnablemess by ALA staff.

The methodology used in preparing this report was developed uniquely to address the stated objectives; therefore, this report is more limited in scope than an audit or attestation engagement performed in accordance with Edwarmment Auditing Standards Issued by the Comptteilor General of the United States.

BACKGROUND

AHOOT recognizes revenues from both federal and state sources. State revenues include motor fuel taxes, registration fees, instrust gas severance fees, and evertical 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% match.

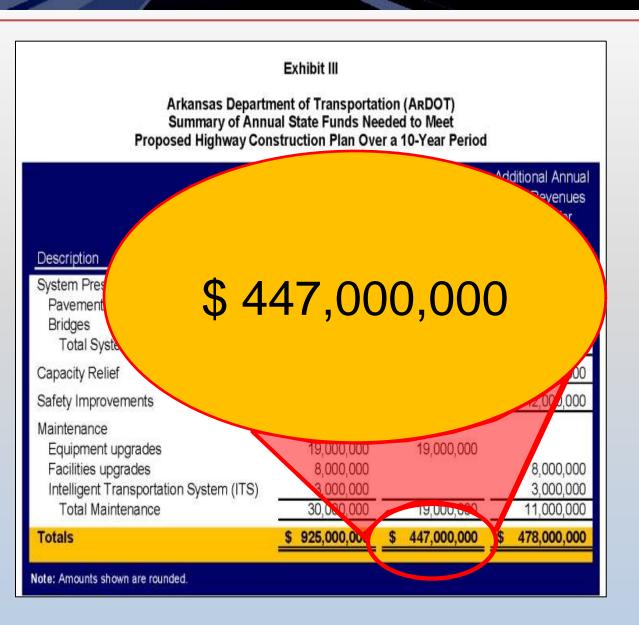
ARKANSAS LEGISLATIVE AUDIT 700 Woodane Stoet, Suite 179, Little Rock, Alt 72201 Phone: 501-683-8000 • Fax: 501-683-8505 www.arklegnode.go

Report ID: 9PSA02516

Report Date: August 31, 2017

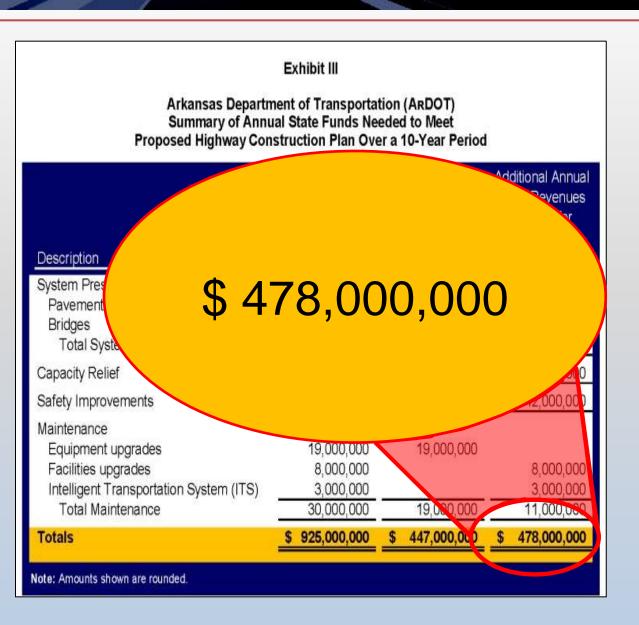
August 31, 2017 – Report Released

Arkansas State Highway Needs



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.



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)



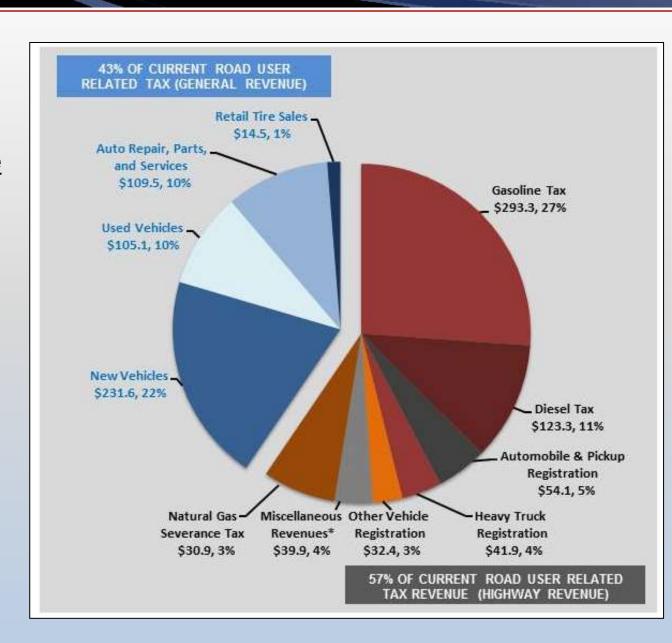
Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue \$1,076.5 Million

Distribution:

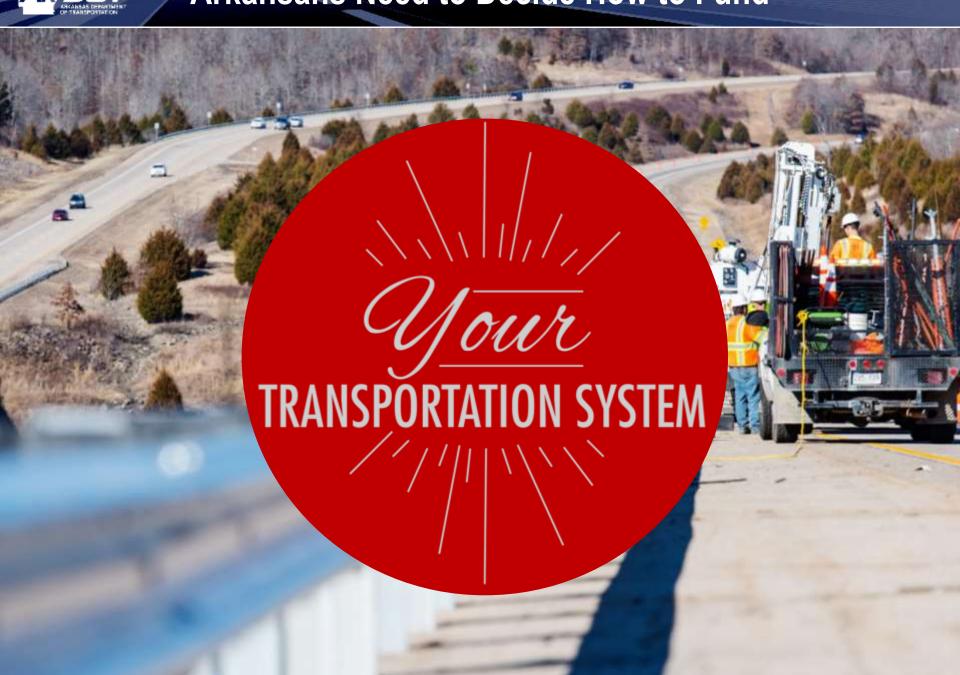
General Revenue \$460.7 Million (43%)

Highway Revenue \$615.9 Million (57%)





Arkansans Need to Decide How to Fund



Citizens Opinion Survey

CITIZENS OPINION MAIL OR EMAIL RESPONSES TO ARDOT Public Information P.O. Box 2261 Little Rock, AR 72203 ON HIGHWAYS IN ARKANSAS info@ardot.ar.gov Are you satisfied with the condition of the existing state highway system? 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 State Highway and Transportation Department will need additional funds. Would you support a new highway program that would generate additional revenue? OYes Which of the following sources do you recommend be utilized in obtaining additional funds (check all that apply): O Increase in gas tax O Increase in diesel tax O Increase in sales tax (dedicated to highways) O Increase in registration fees O Add sales tax on wholesale price of motor fuels O Transfer existing sales and use tax on motor vehicles and related parts and service (currently collected but not paid to highways) Would you be willing to sign a petition to put a highway revenue proposal on the 2018 general election ballot? OYes ONo How did you hear about this survey O Presentation OTV/Radio/Print OWebsite/Search Engine O Social Media OFamily or Friend OOther: Optional: Address:

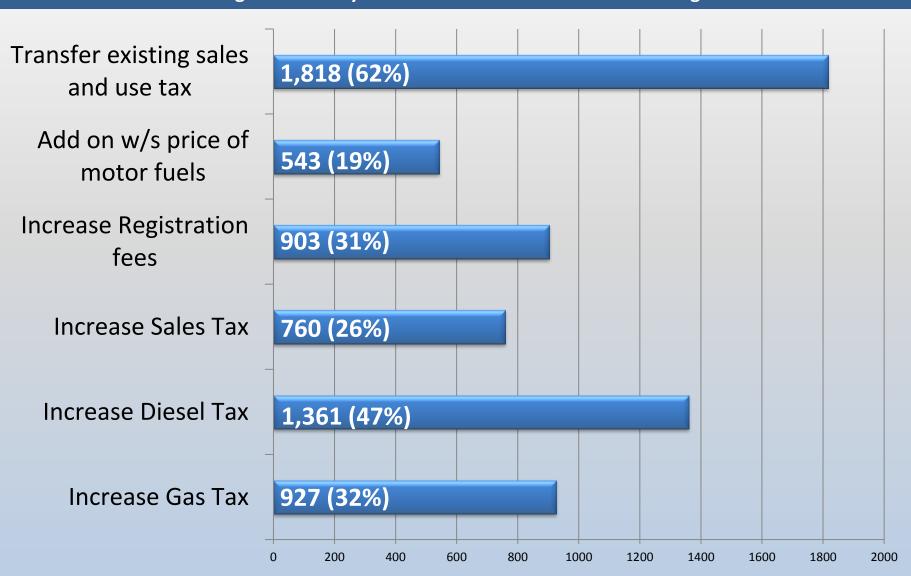
City, State, Zip:

www.ArkansasHighways.com



Survey Results

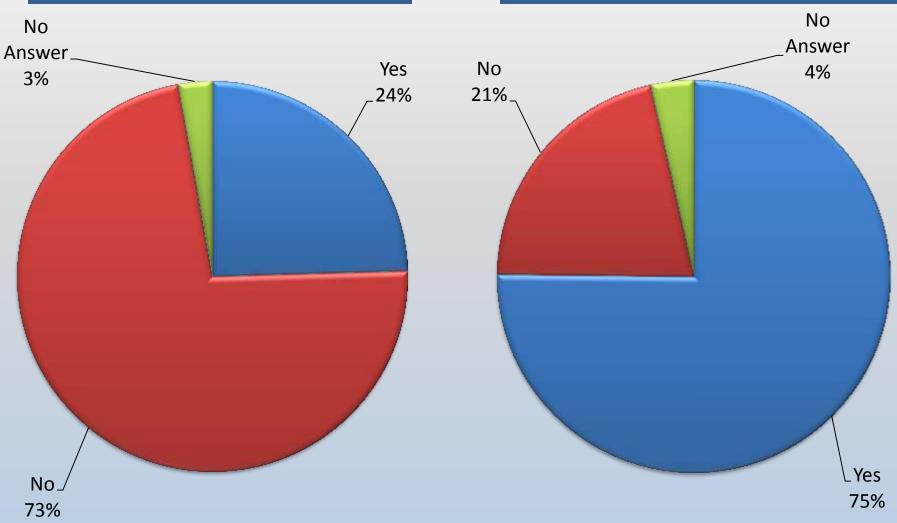
Which of the following sources do you recommend be utilized in obtaining additional funds?



Survey Results

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







Arkansas Department of Transportation

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







