

Danny Straessle

Public Information Officer



Lindsey & Associates, Inc.

Monday, January 29, 2018



1929
Arkansas
Highway and
Department of
Lands

1977
Arkansas State
Highway and
Transportation
Department

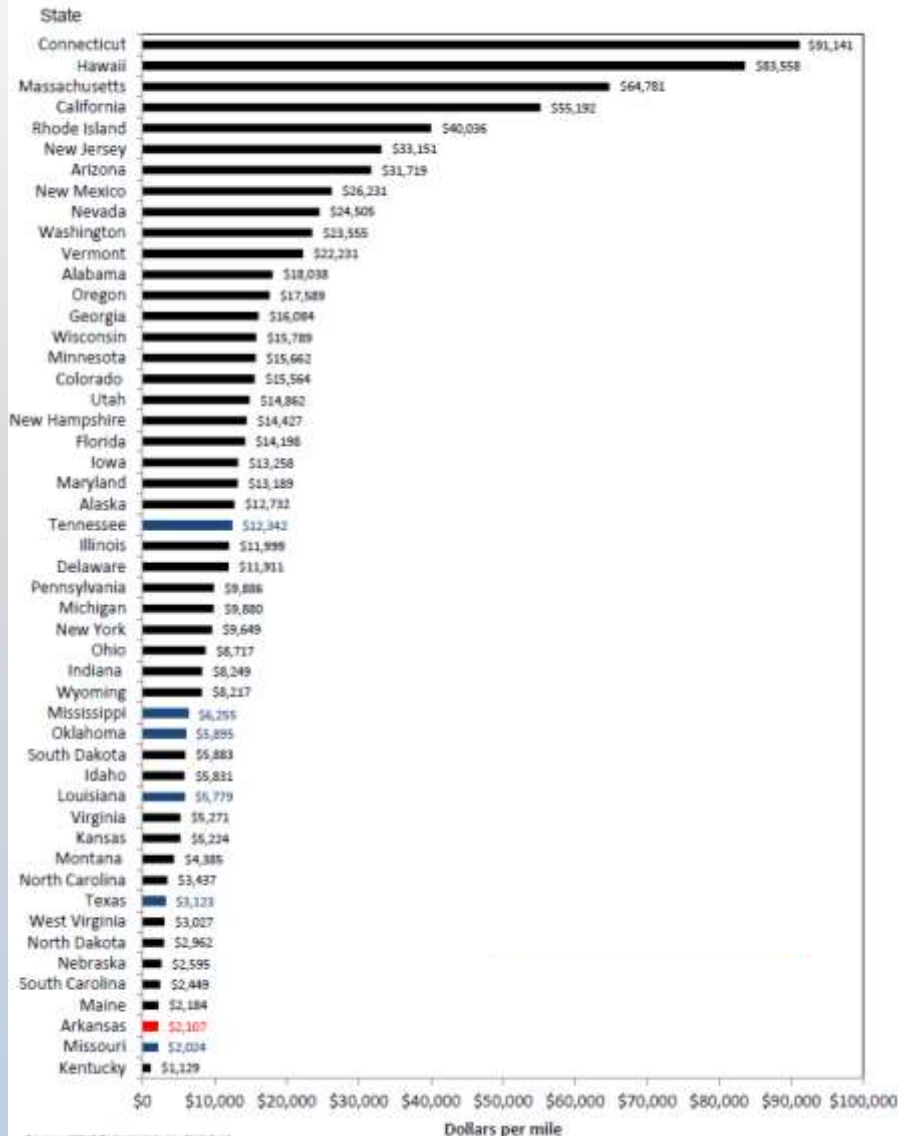
2017
Arkansas
Department of
Transportation

***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
3rd Lowest
Administrative Cost Per
Mile
in the Nation

Employment Levels Efficiency

Year
1979  **4,200**
Employees

2000  **3,800**
Employees

2017  **3,679**
Employees



Promises Made



Promises Kept



**Rebuilding Arkansas
Interstates**



1999 Interstate Rehabilitation Program



50 Projects

356 Miles

\$973 Million

Prior to Program

**63% Poor or
Mediocre**

After Program

72% Good

Interstate Rehabilitation Program

Completed

37 Projects
225 Miles
\$763 Million

Under Construction

11 Projects
78 Miles
\$429 Million

Scheduled

34 Projects
191 Miles
\$334 Million



Connecting Arkansas Program

Completed

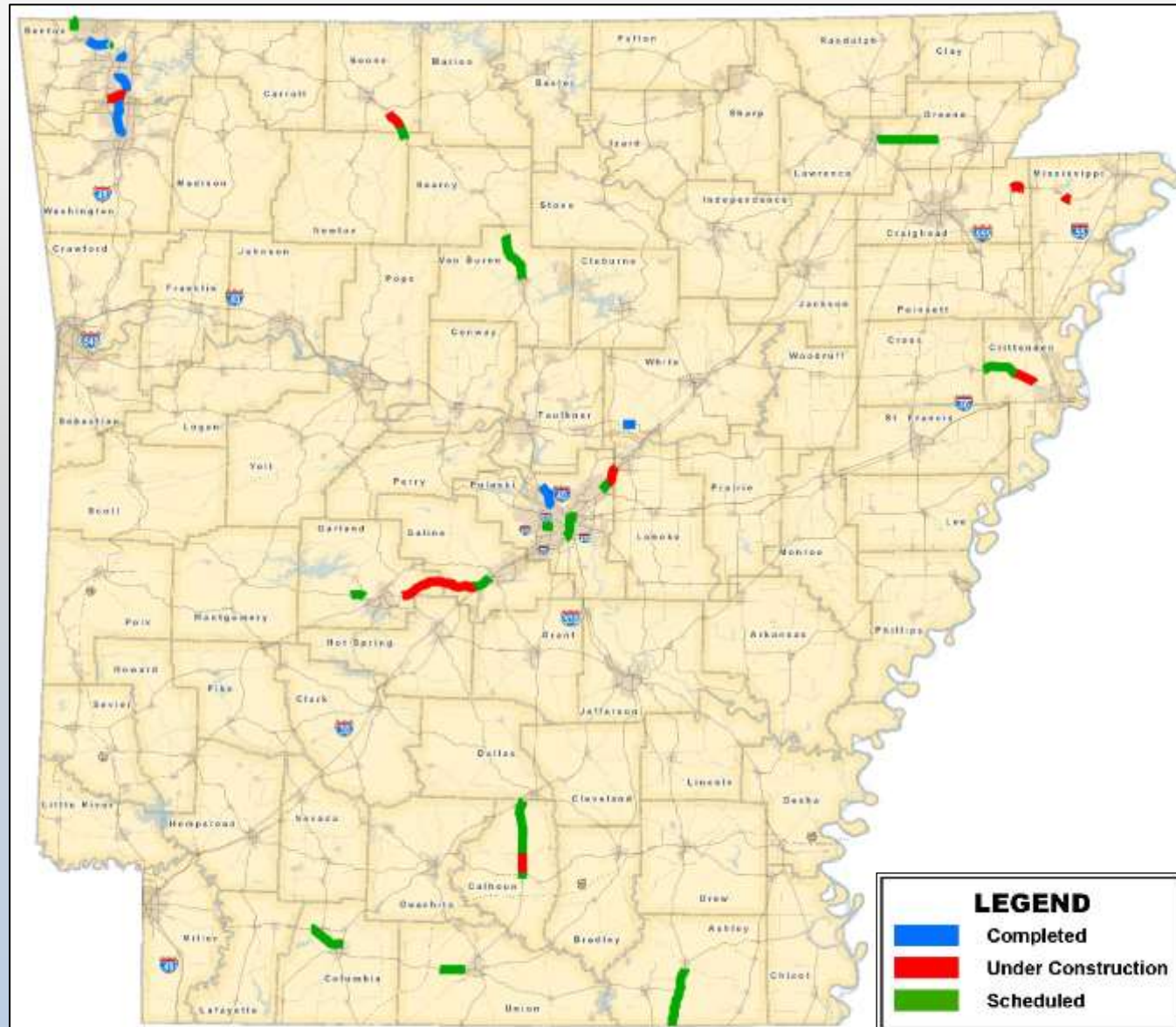
7 Projects
30 Miles
\$215 Million

Under Construction

8 Projects
46 Miles
\$376 Million

Scheduled

21 Projects
108 Miles
\$1.35 Billion



Local Project



Updates

Bella Vista Bypass

Completed

3 Projects
12 Miles
\$86 Million

Under Construction

1 Project
7.1 Miles
\$28 Million



Completed

16 Projects
25 Miles
\$289 Million

Under Construction

1 Projects
0 Miles
\$29 Million

Scheduled

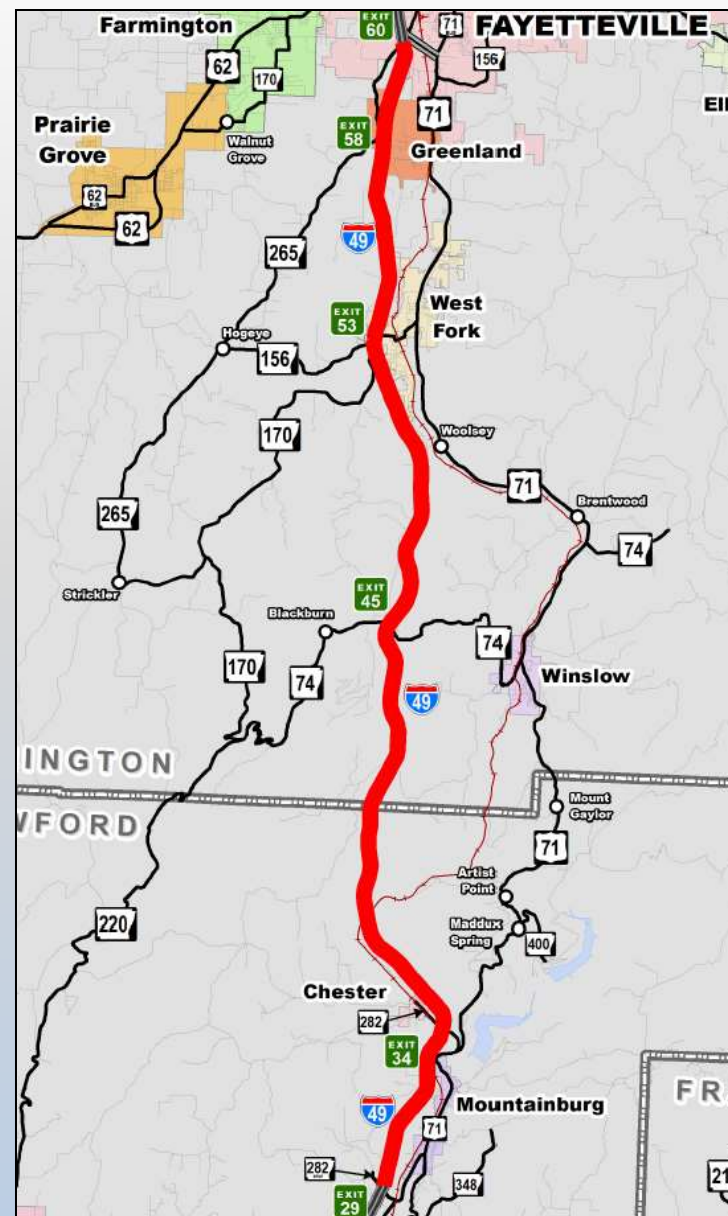
3 Projects
\$80 Million



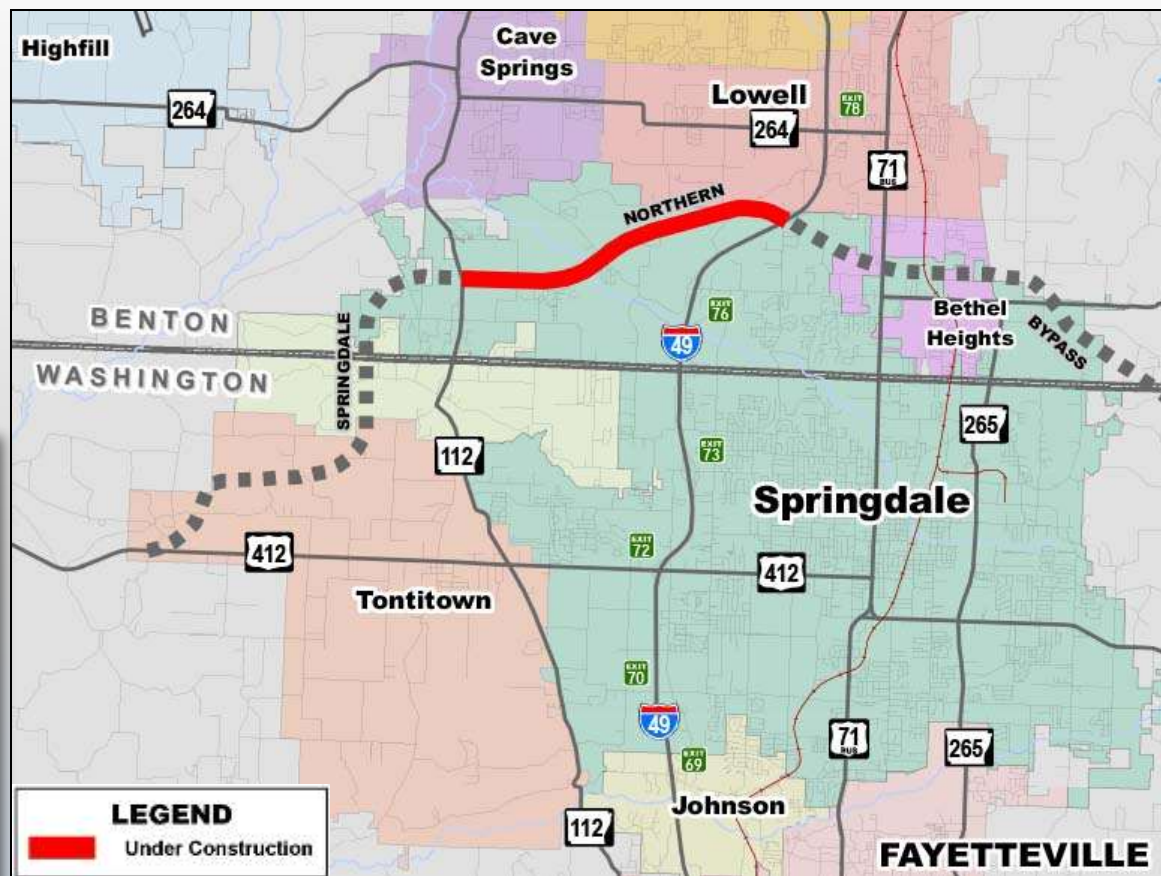
Mountainburg to Fayetteville

28 Miles

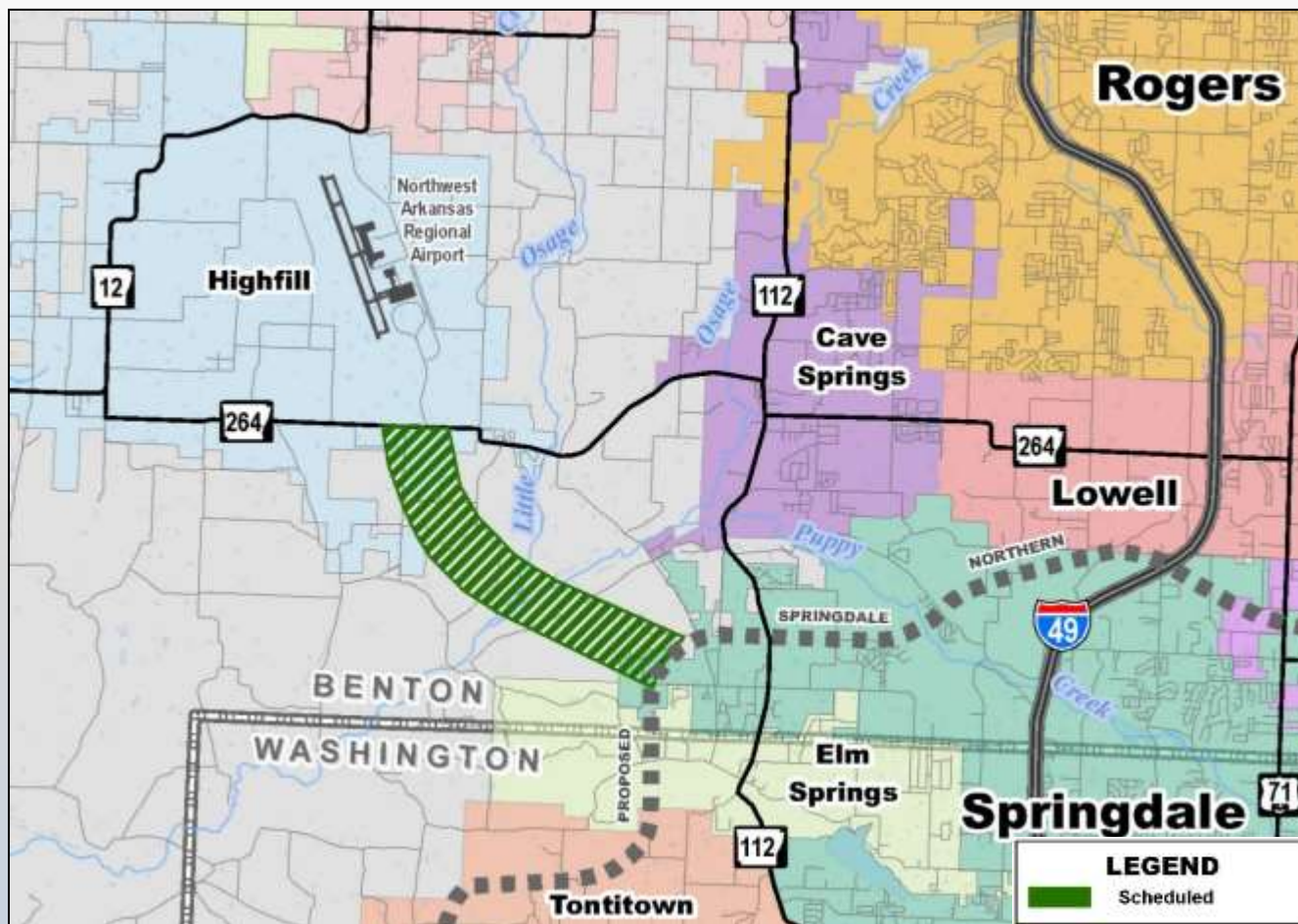
\$22 Million



Highway 112 To I-49



Proposed Airport Connector



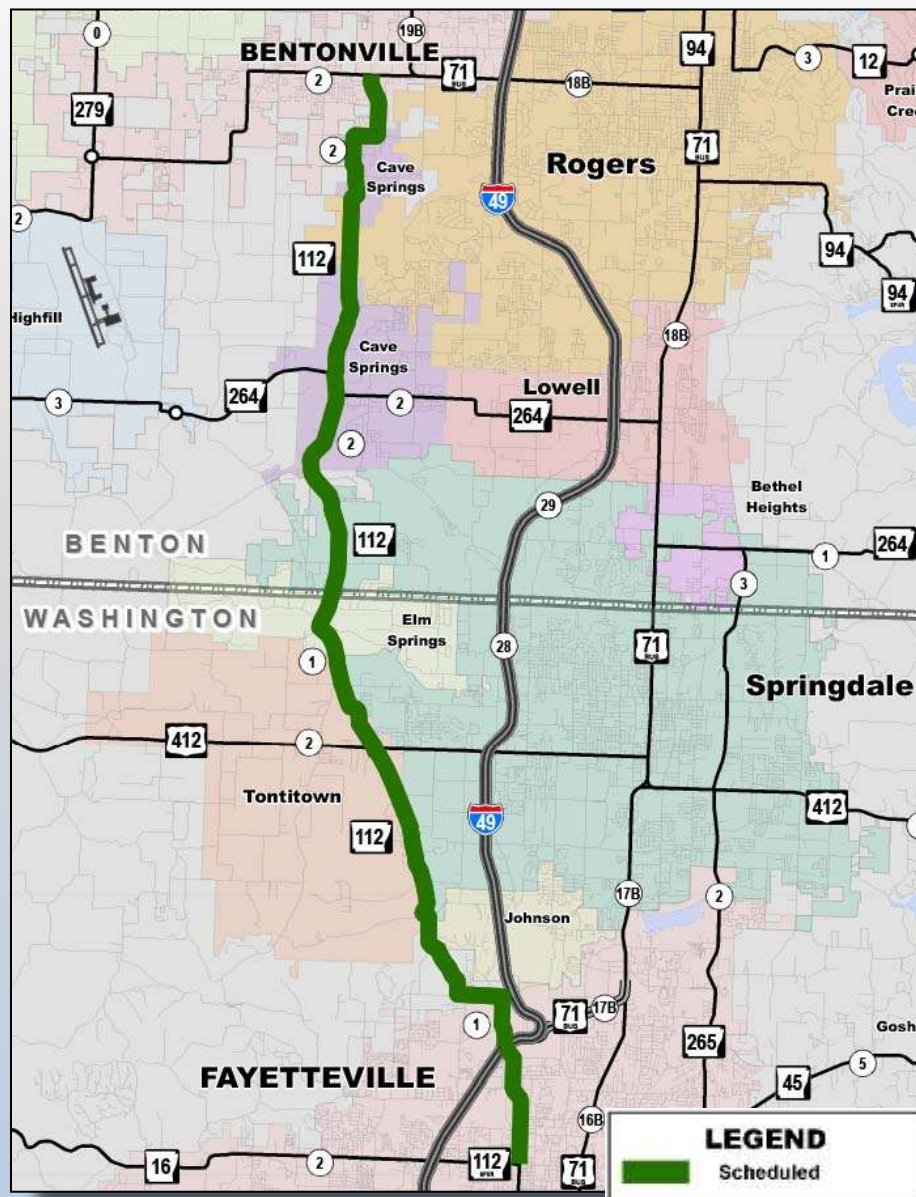
Highway 264
To
Future Springdale Bypass

Corridor Study Fayetteville to Bentonville

Adopted in July 2015

Recommendations

Cost Estimates

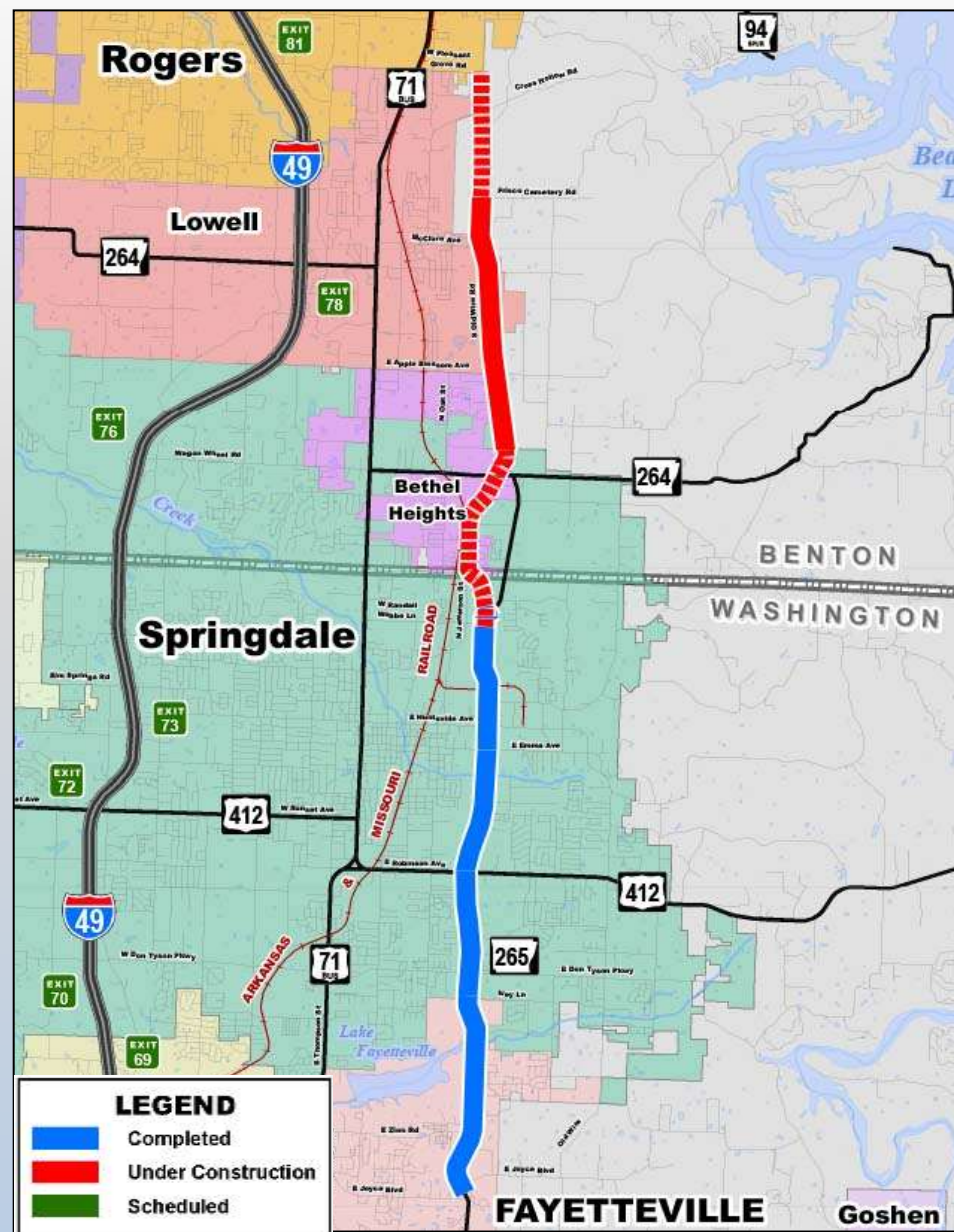


Completed

4 Projects
6 Miles
\$17 Million

Under Construction

2 Projects
6 Miles
\$21 Million



Scheduled
2 Projects
\$33 Million



Status of Federal Funding



Federal Highway Funding Issues

- Continuing Resolutions and a Government Shutdown
- Current Funding Ends February 8th
- Current Impacts
- Potential Future Impacts



Federal Highway Funding Issues

Proposed Outline of Trump Infrastructure Package Leaked

Contents Similar to Past Discussions

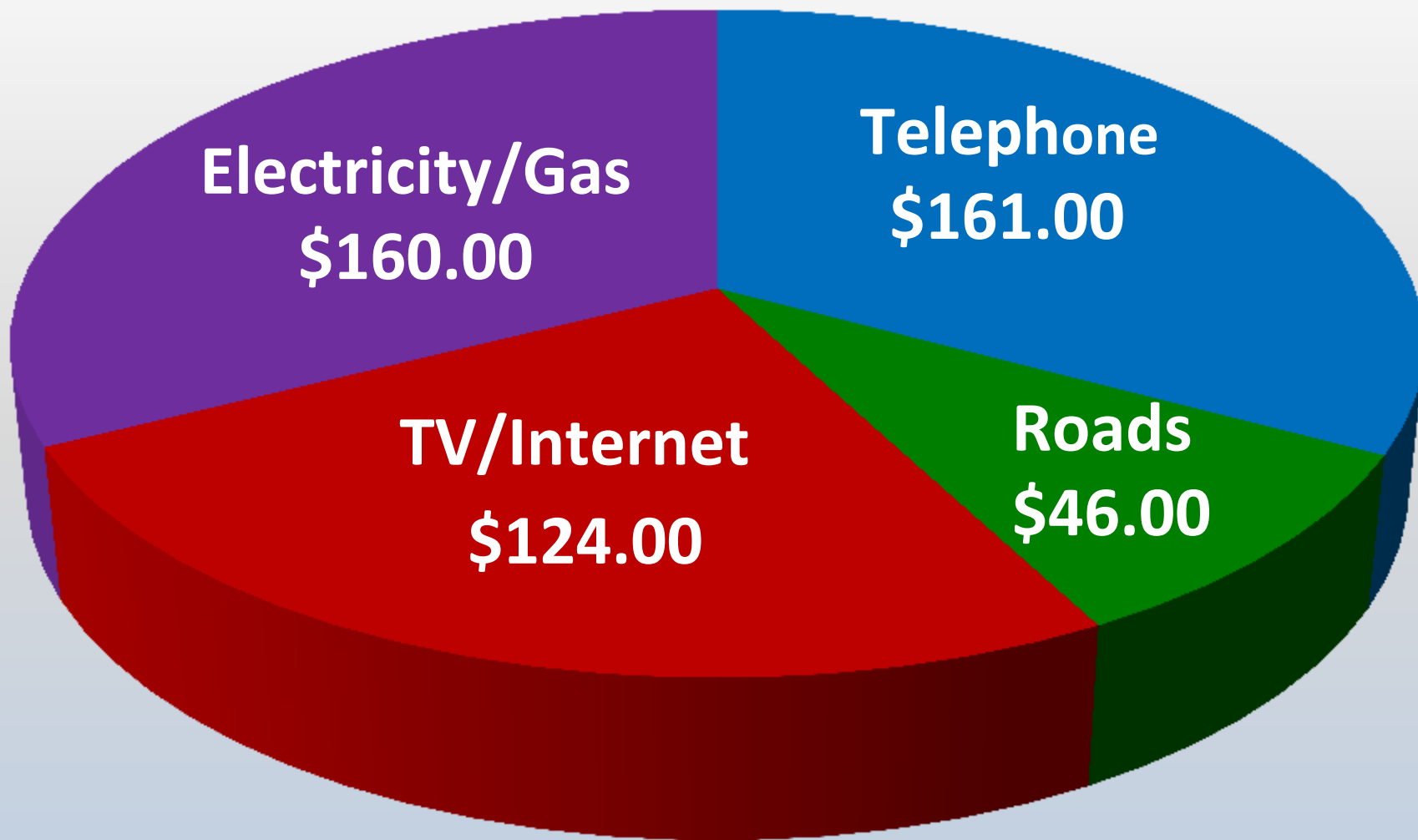
**Major Emphasis on Encouraging
State, Local, and Private Investment**



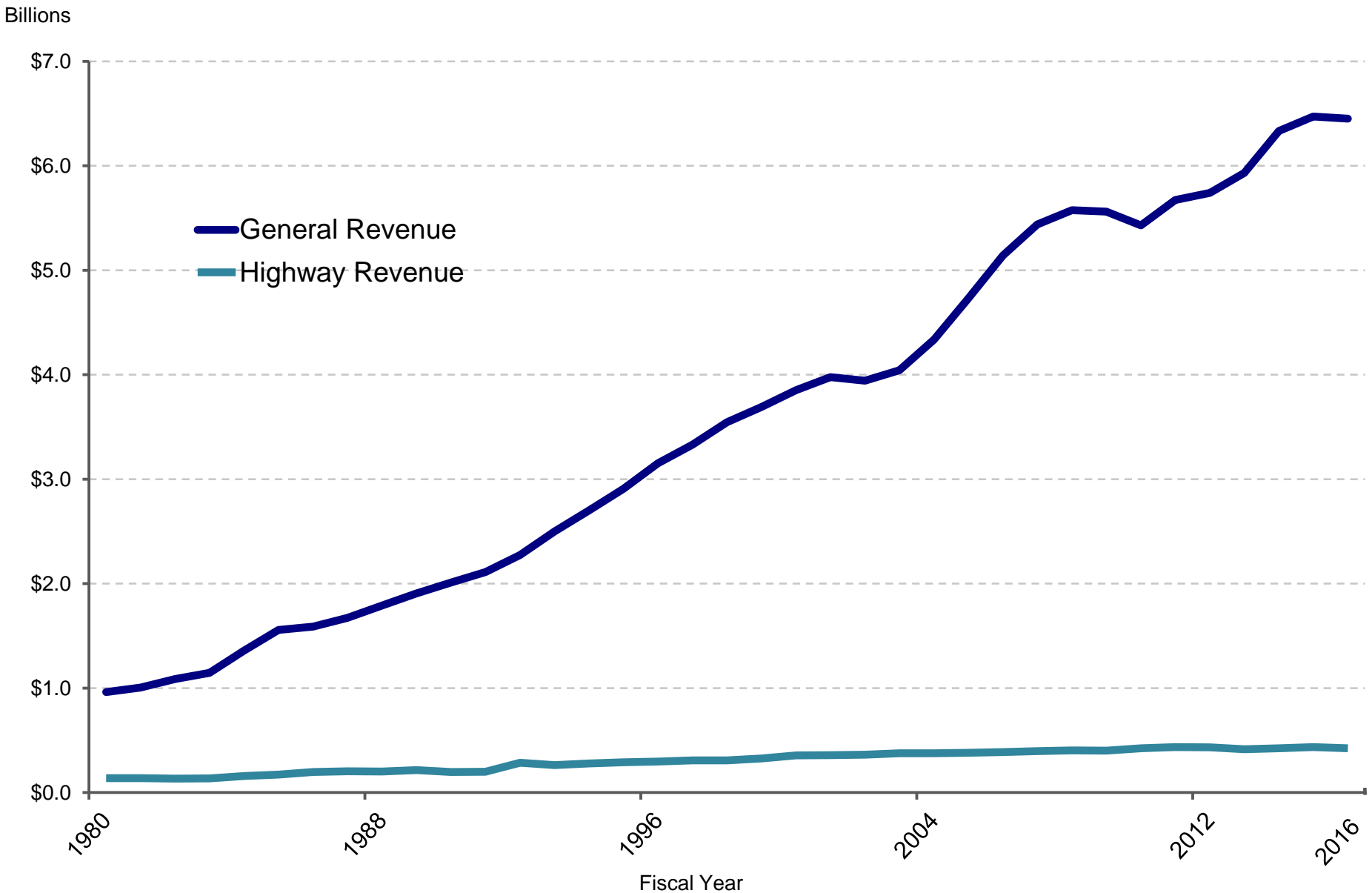
Status of State Funding



Average Monthly Household Expenditures



Highway vs. General Revenue



Excludes County & City Aid funds | Excludes CAP funds

Summary of Needs – 10 Years

| NEEDS CATEGORY | COST (x \$1 M) |
|----------------------------|-------------------|
| System Preservation | |
| Pavement | \$ 3,438 |
| Bridges | \$ 1,238 |
| Capacity | \$ 3,236 |
| Safety | \$ 787 |
| Maintenance | |
| Equipment | \$ 202 |
| Facilities | \$ 70 |
| ITS | \$ 30 |
| TOTAL | \$ 9,001 |

Summary: Needs vs Revenue – 10 Years

2016 Dollars

| | AMOUNT (x \$1 M) |
|--|---------------------|
| ESTIMATED REVENUE⁽¹⁾ Federal-aid + State | \$4,415 |
| TOTAL NEEDS⁽²⁾ Pavement, Bridges, Capacity, Safety, Equipment, Facilities, ITS | \$9,001 |
| SHORTFALL | \$4,586 |

(1) Revenue Not Currently Dedicated to Routine Maintenance, Administration and Operations

(2) Does Not Include Economic Development Connectors or Congressionally-Designated High Priority Corridors

HB 1418 Revenue Transfer

**Transferred sales tax on
new and used vehicles** to
the Highway Department fund phased in
over 10 years.



**FAILED TO
GET OUT OF
THE HOUSE
COMMITTEE**

**90
SPONSORS!!**

HB 1346 REVENUE TRANSFER

Transferred sales tax on new and used vehicles to the Highway Department fund phased in over 10 years AND transferred the natural gas severance tax revenue from the Highway Department fund into a newly created higher education workforce development fund.



**PASSED THE
HOUSE
COMMITTEE**

**PULLED
BEFORE A
VOTE ON THE
HOUSE FLOOR**

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.



**HOUSE
FOR – 38
AGAINST – 35
NOT VOTING - 27**



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

\$ 447,000,000
Annual Revenue

| Description | | Additional Annual Revenues | |
|---|-----------------------|----------------------------|-----------------------|
| System Preservation | | | |
| Pavement | | | |
| Bridges | | | |
| Total System Preservation | | | |
| Capacity Relief | | | |
| Safety Improvements | | | |
| 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 |
| 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 2020 ...for consistency and reasonableness when compared with prior years.

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

\$ 478,000,000
Annual Shortfall

| Description | | Additional Annual Revenues | |
|---|-----------------------|----------------------------|-----------------------|
| System Preservation | | | |
| Pavement | | | |
| Bridges | | | |
| Total System Preservation | | | |
| Capacity Relief | | | |
| Safety Improvements | | | |
| 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 |
| Totals | \$ 925,000,000 | \$ 447,000,000 | \$ 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.

Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue

\$1,076.5 Million

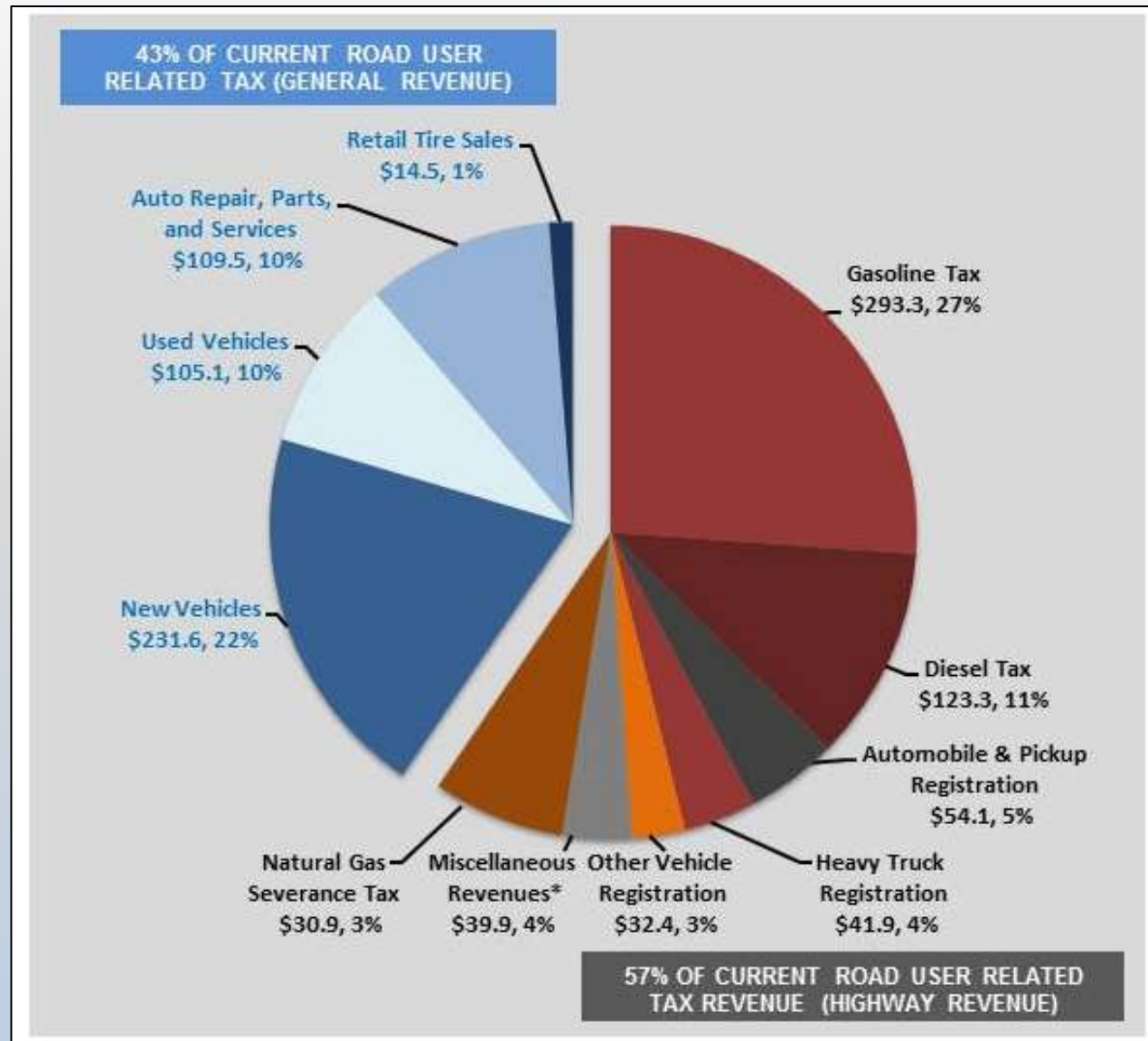
Distribution:

General Revenue

\$460.7 Million (43%)

Highway Revenue

\$615.9 Million (57%)



Possible New Program



Citizens Opinion Survey

CITIZENS OPINION SURVEY ON HIGHWAYS IN ARKANSAS

MAIL OR EMAIL RESPONSES TO:
ARDOT
Public Information
P.O. Box 2261
Little Rock, AR 72203
info@ardot.ar.gov

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 State Highway and Transportation Department 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 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: _____

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

☐ Yes ☐ No

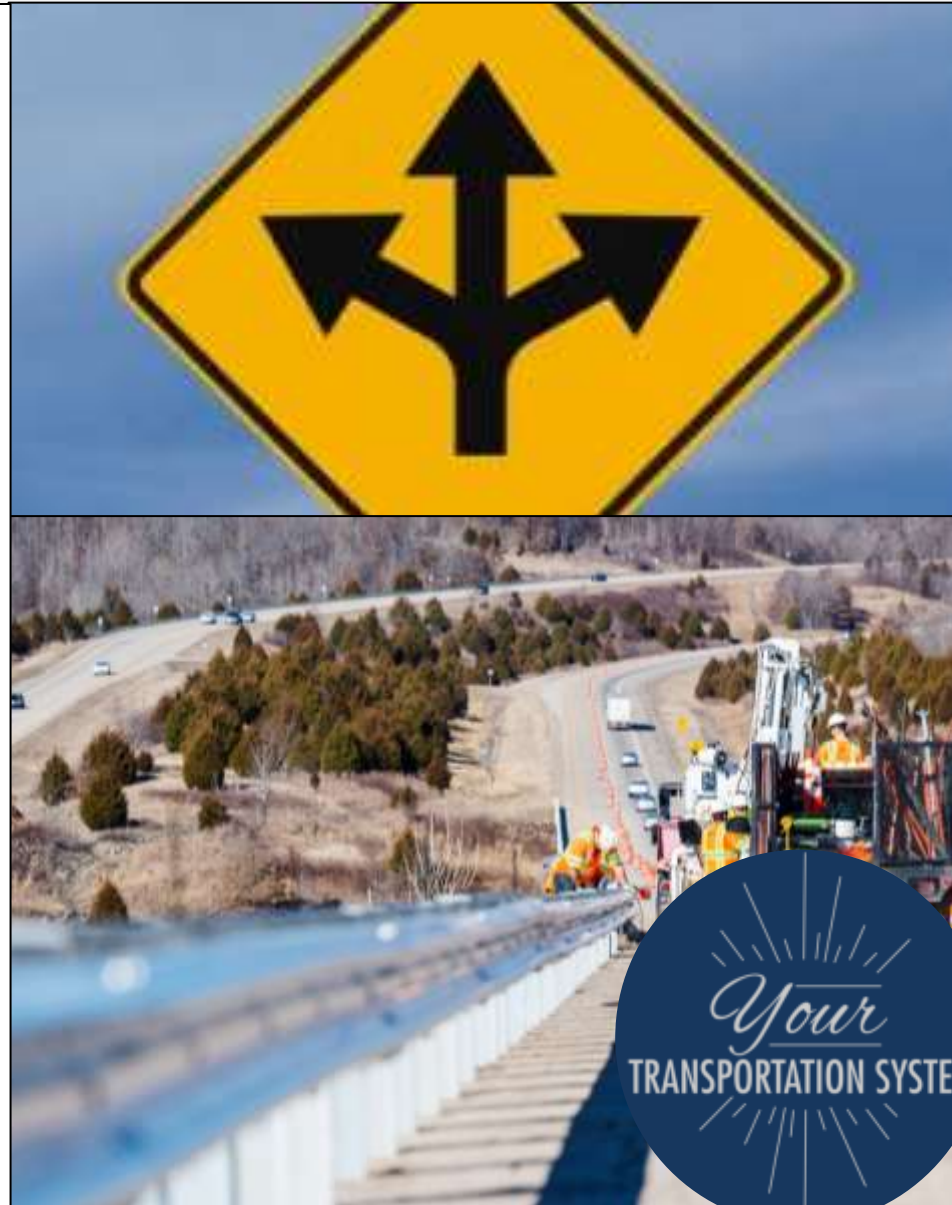
How did you hear about this survey?

- ☐ Presentation
- ☐ TV/Radio/Print
- ☐ Website/Search Engine
- ☐ Social Media
- ☐ Family or Friend
- ☐ Other: _____

Optional:

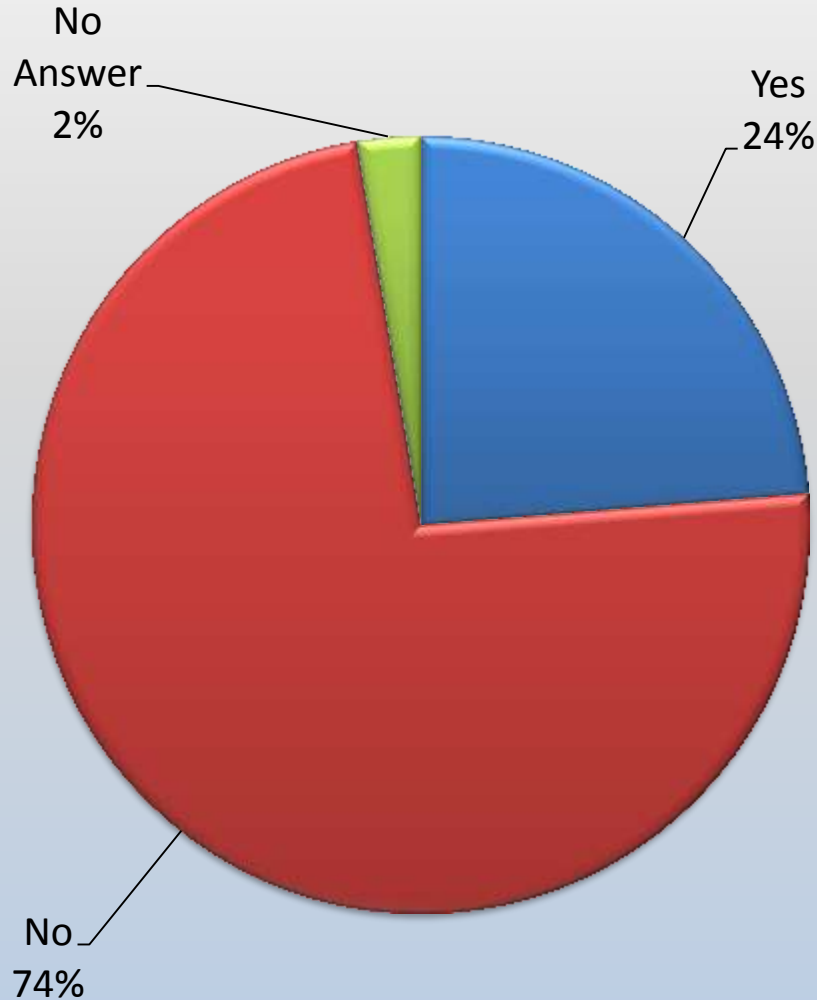
Name: _____
Address: _____
City, State, Zip: _____

Online Form Available Here:

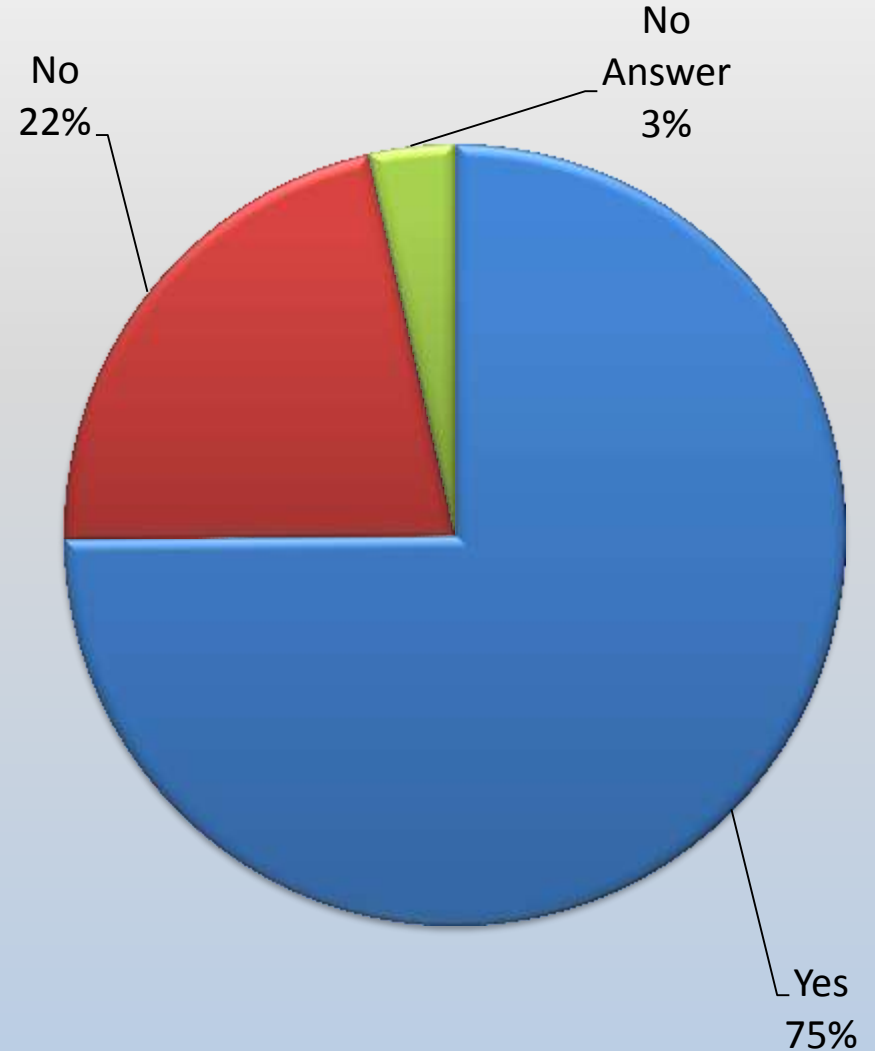


Survey Results

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

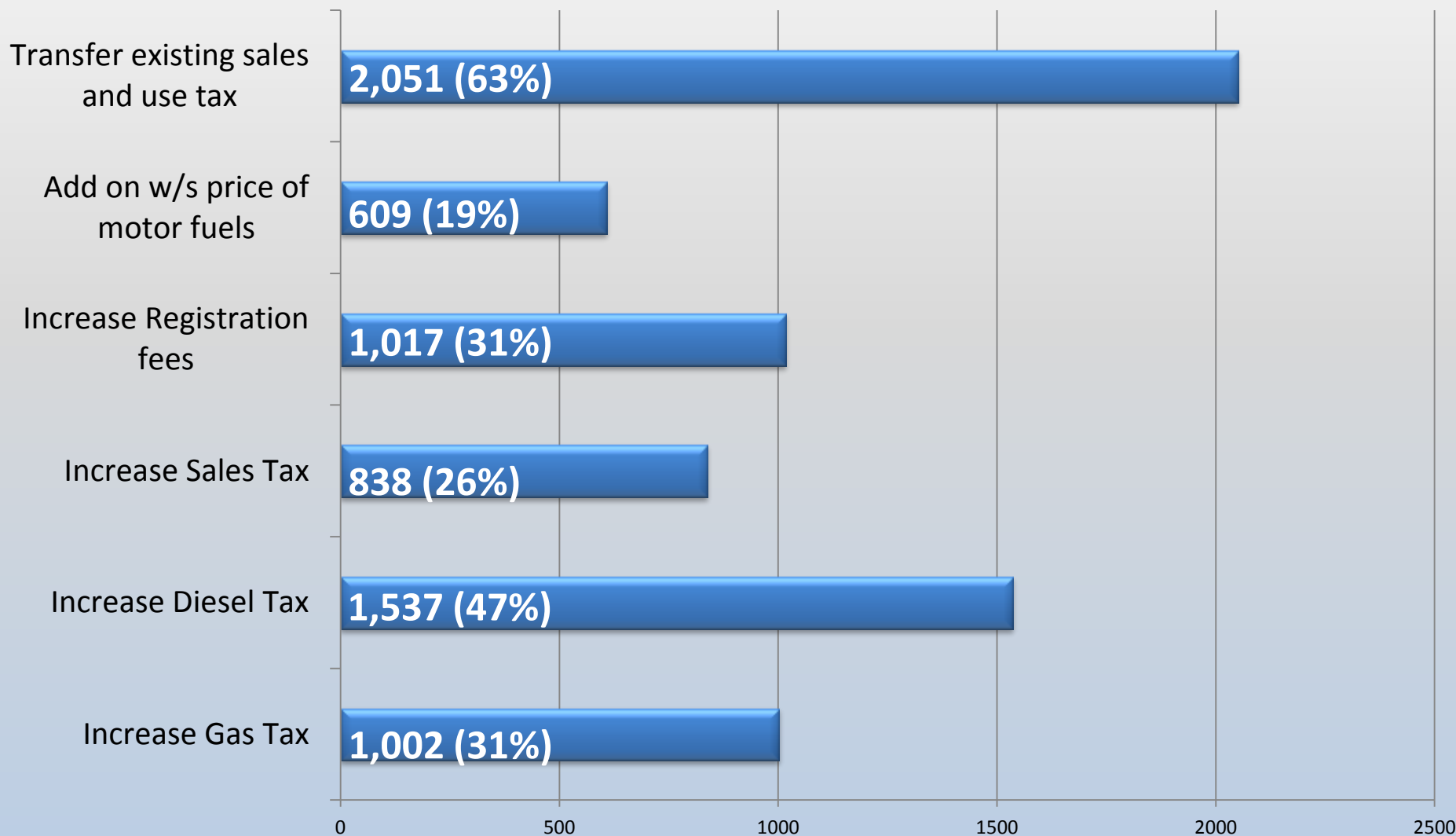


Would you support a new highway program that would generate additional revenue?



Survey Results

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



Revenue Sources

| Source | Highway Revenue ¹ |
|---|------------------------------|
| 1 Cent Motor Fuel Tax Increase | \$ 14 M |
| Remove Sales Tax Exemption (Wholesale \$1.70 per Gallon) ² | \$ 108 M |
| 6.5% Sales Tax (Wholesale \$1.70 per Gallon) | \$ 156 M |
| \$10 Registration Fee Increase (Cars and Pickups) | \$ 19 M |
| Transfer Sales Tax on New and Used Vehicles ² | \$ 228 M |
| Transfer Sales Tax on Auto Repair Parts, Services, etc. ² | \$ 74 M |
| 1% General Sales Tax | \$ 344 M |

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 New Program

- Projecting 10 Years of Projects
- Annual Existing Funding Available for Highway Construction is \$447 Million
- Combined With Projected New Funding Totals \$8.37 Billion Over 10 Years



Possible New Program

Summary

| | |
|-------------------------------------|----------------|
| Interstate Improvements | \$1.00 Billion |
| Pavement Preservation | \$3.84 Billion |
| Bridge Replacement and Preservation | \$1.14 Billion |
| Capital Improvements | \$1.20 Billion |
| Capacity Improvements | \$0.72 Billion |
| Safety Improvements | \$0.47 Billion |

Totals \$8.37 Billion Over 10 Years

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



@myARDOT



Questions?

