

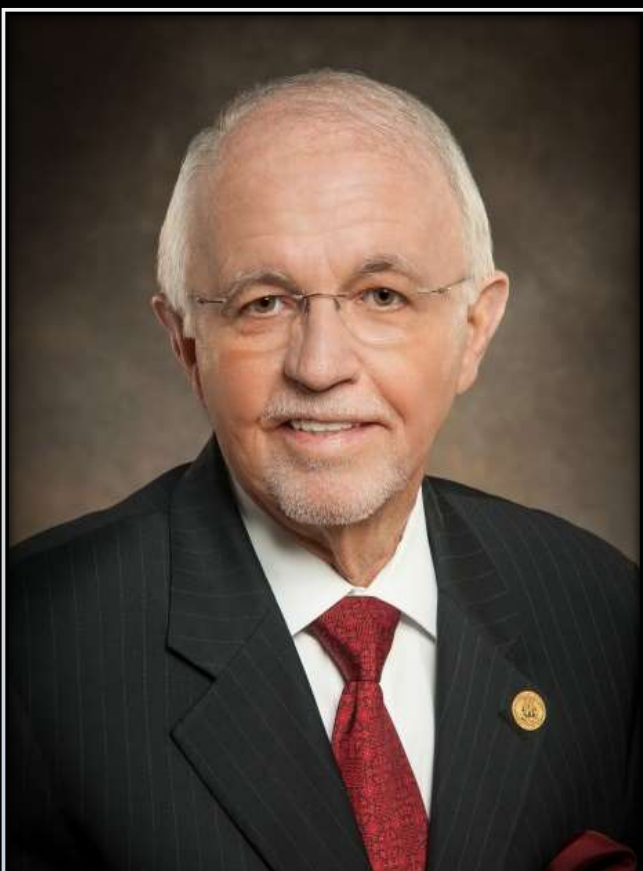
Scott E. Bennett, P.E.
Director



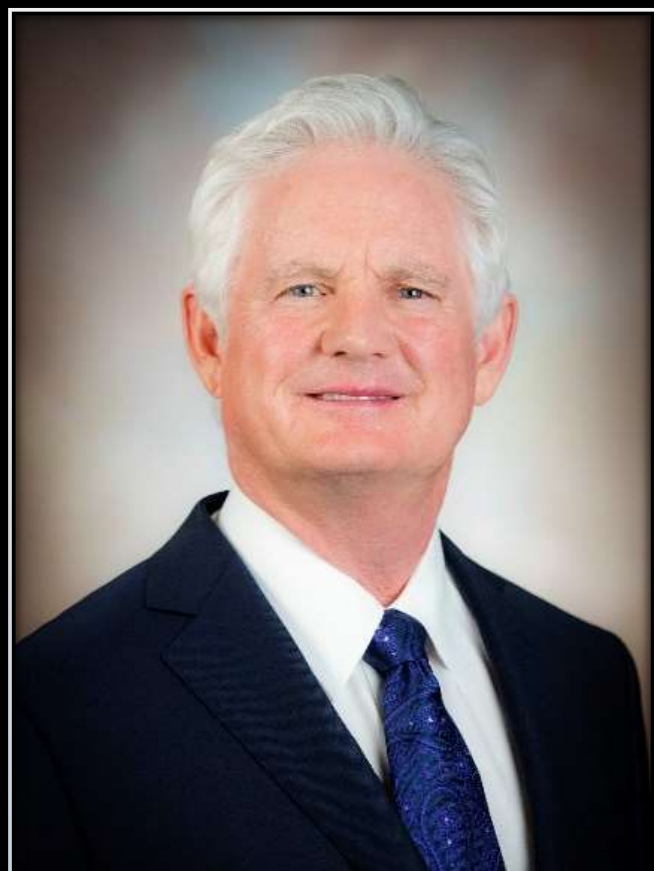
AAPA Annual Convention
Wednesday, March 27, 2019



Changes at the Department



Dick Trammel



Keith Gibson



Rex Vines
Asst. Chief Engineer -
Operations



Cannon Callicott
District One Engineer



Funding Challenges



Challenges

- **12th** largest system in the country
 - **41st** in highway revenue per mile.
-

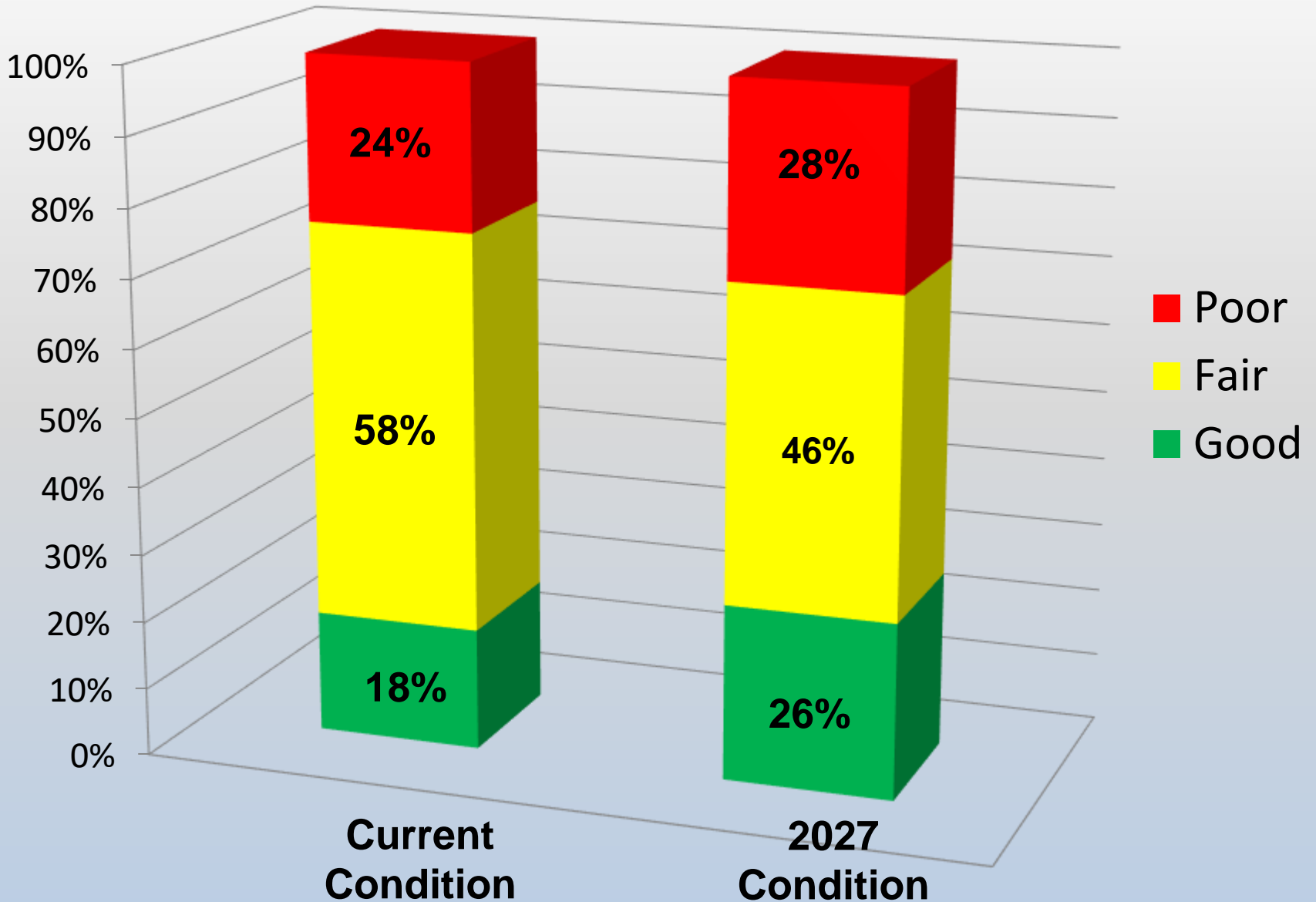
- **\$9.3 billion** in needs
- **\$4.5 billion** in available revenue

“This is a problem that we can’t leave for our children or grandchildren to solve.”

*~Arkansas Department of Transportation Director
Scott Bennett*



All State Highways – Including Interstates



Pay a **Little** Now



Overlay
\$100,000
per lane mile

Pay a **Whole Lot** Later



Reconstruction
\$1,500,000
per lane mile

THEN

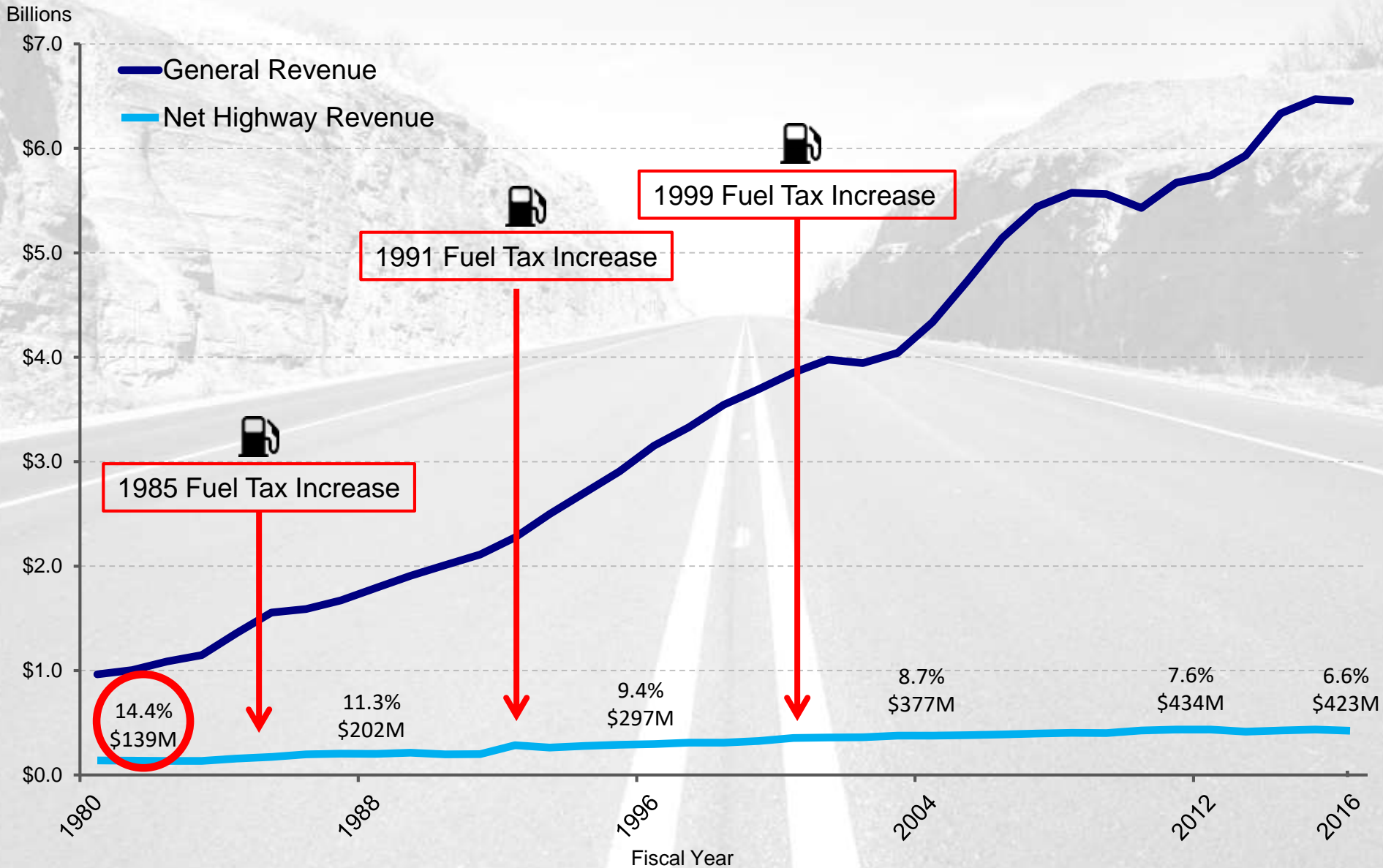
In 1995, **200 miles** of highway could be overlaid with \$10 million.

NOW

Using \$10 million today, only **54 miles** of highway can be overlaid.

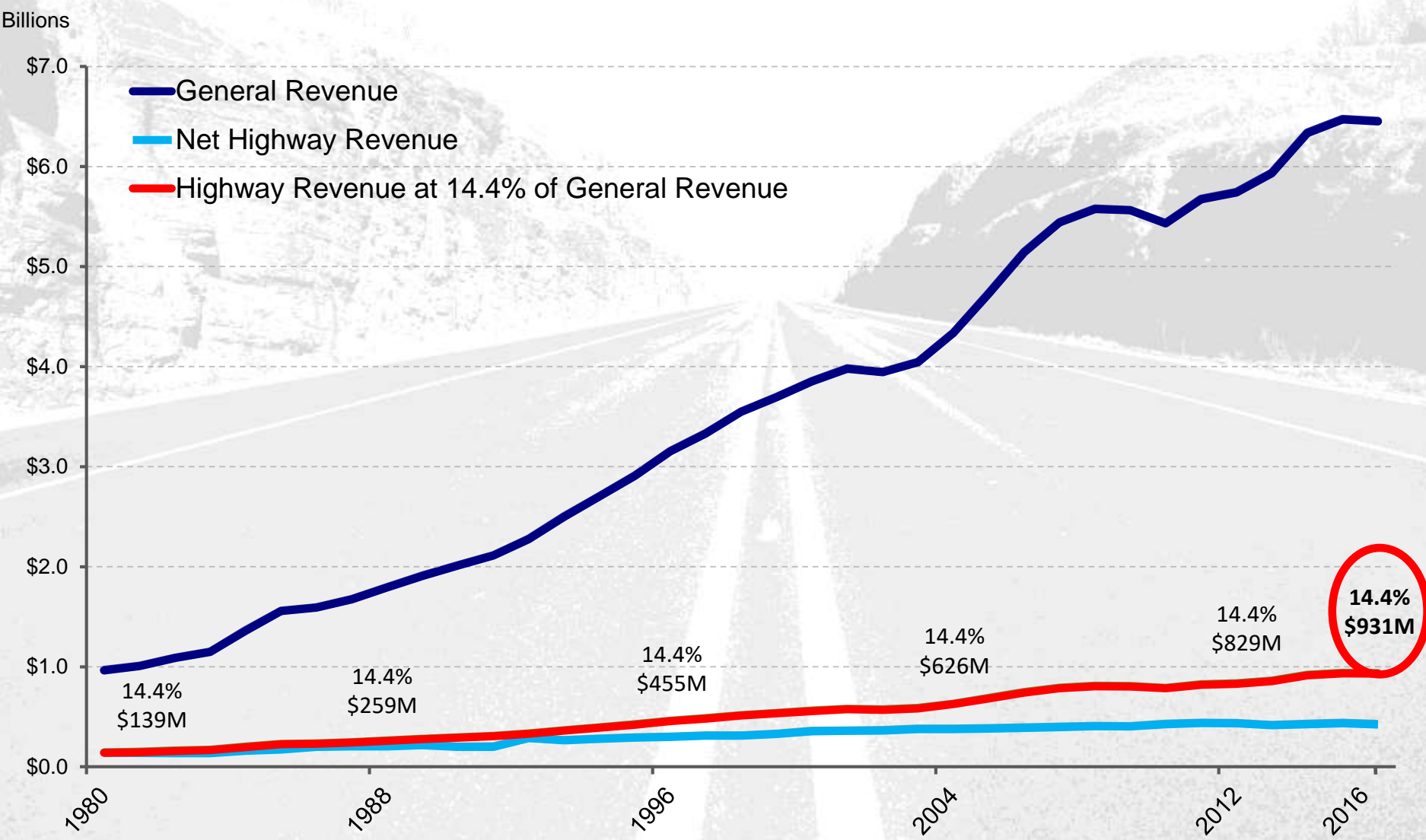


Percent of Highway vs. General Revenue



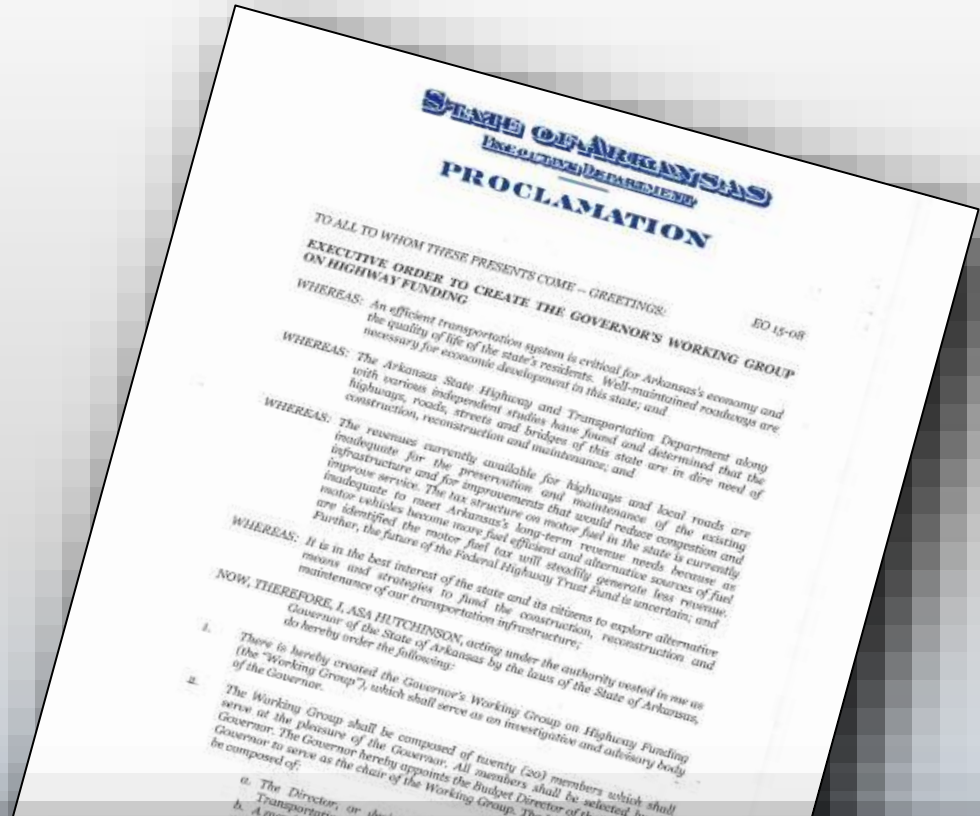
Excludes County & City Aid funds | Excludes CAP funds

Highway Revenue at 14.4% of General Revenue



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year



“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”

□ 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.

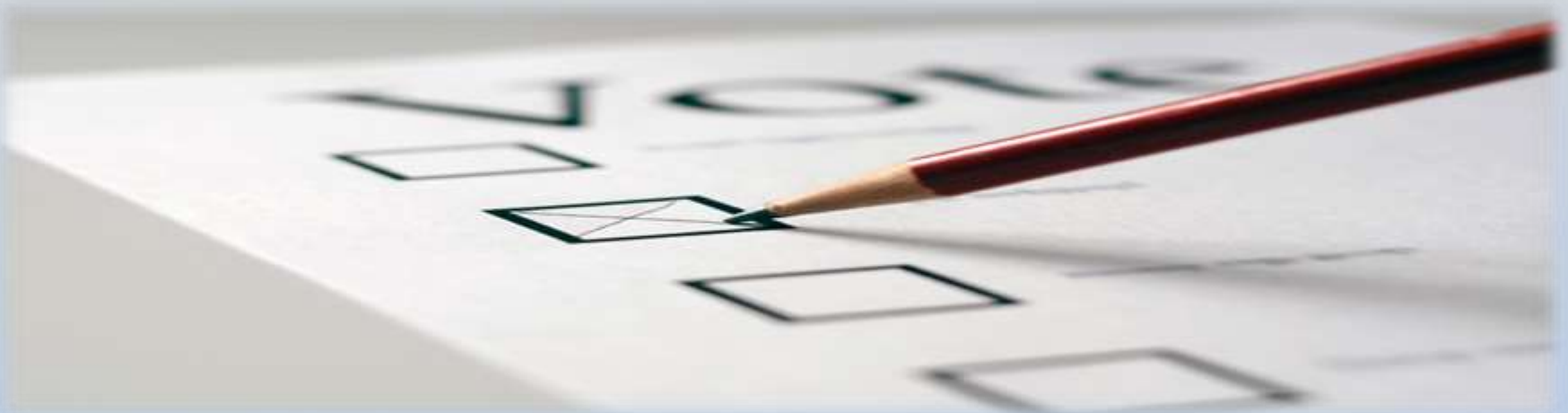
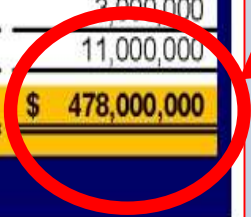


Exhibit III

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	\$ 387,000,000	\$ 137,000,000	\$ 250,000,000
Bridges	117,000,000	90,000,000	27,000,000
Total System Preservation	<u>504,000,000</u>	<u>227,000,000</u>	<u>277,000,000</u>
Capacity Relief	305,000,000	157,000,000	148,000,000
Safety Improvements	86,000,000	44,000,000	42,000,000
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	<u>30,000,000</u>	<u>19,000,000</u>	<u>11,000,000</u>
Totals	<u>\$ 925,000,000</u>	<u>\$ 447,000,000</u>	<u>\$ 478,000,000</u>

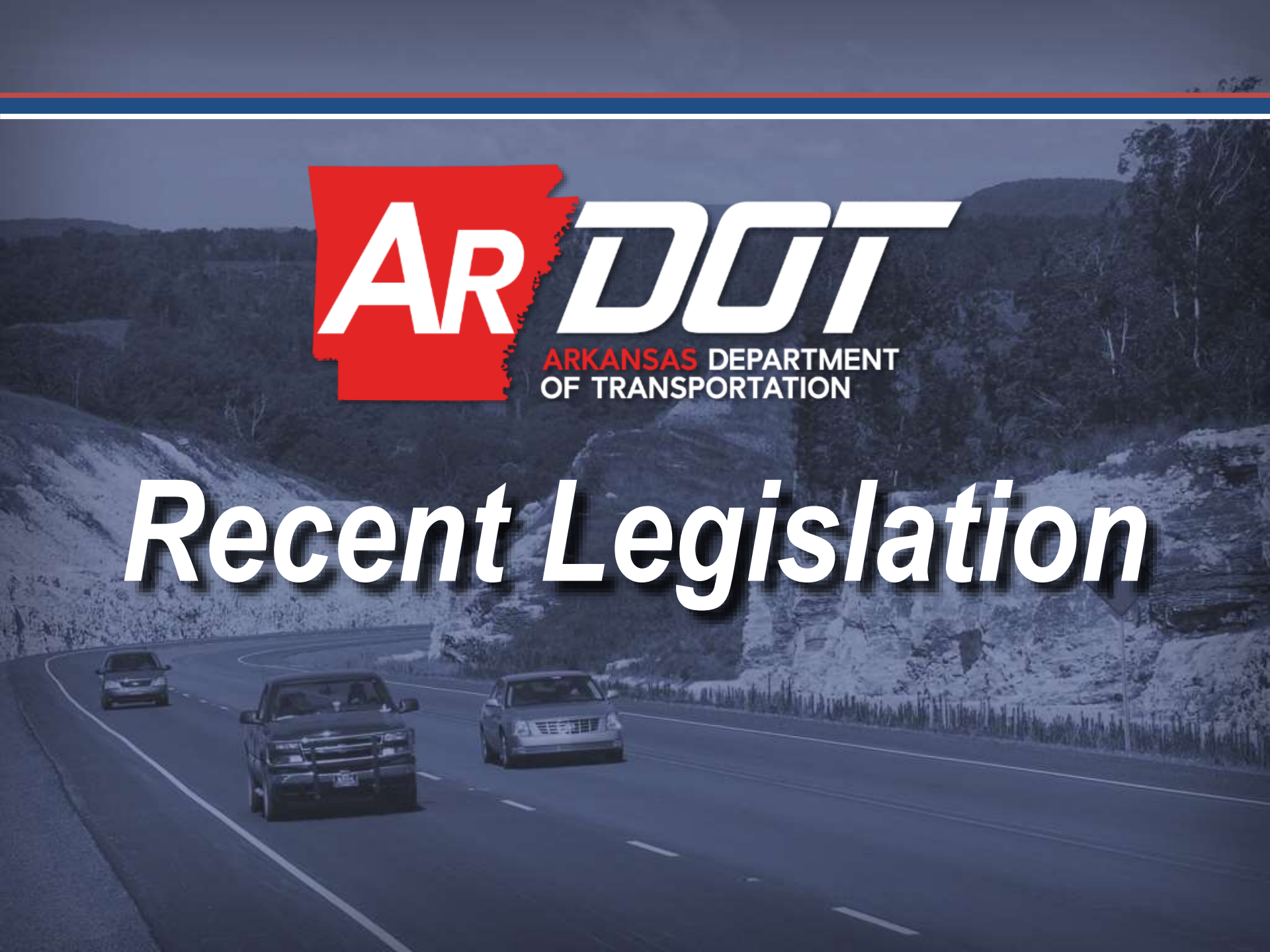
\$ 478,000,000



Note: Amounts shown are rounded.

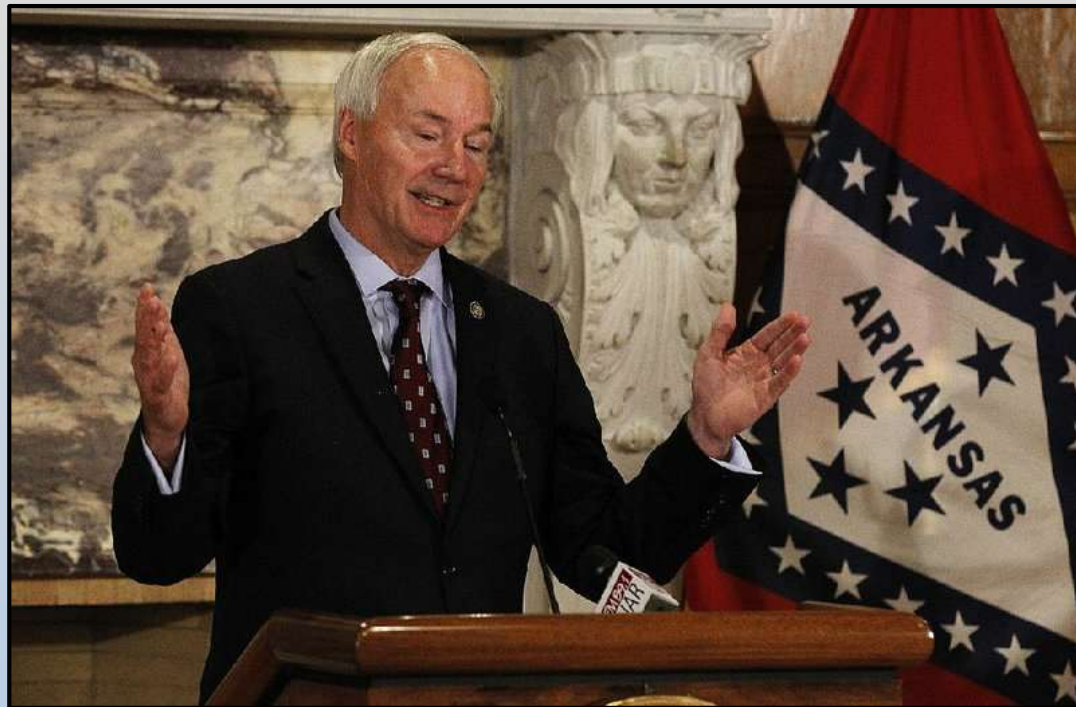


Recent Legislation



Governor Hutchinson's Four T's:

- Tax Cuts
- Transformation
- Teacher Pay
- Transportation



Governor Hutchinson's Highway Package

Two Bills

Four Revenue Sources

\$300 Million Per Year



Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas
(equals 3 cents per gallon)

2.9% Tax On Wholesale Price of Diesel
(equals 6 cents per gallon)



Motor Fuel Taxes

Results in **\$86 Million** in Additional Annual Revenue

\$58 Million to ARDOT

\$14 Million to Cities and Counties Each

“And we feel like we would like to invest and spend money to make the roads better so that they are safer, so that they are easier on the equipment, so that the volume of traffic can move more freely. The benefit of those things outweighs any increased costs.”

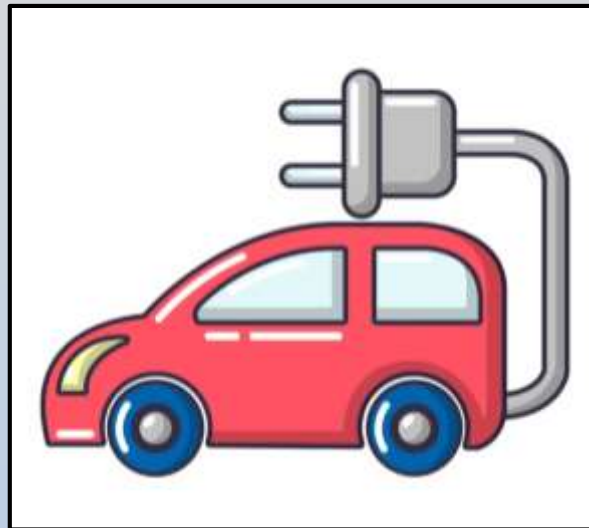
– Shannon Newton, Arkansas Trucking Association President

Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - \$200 Registration Fee

Hybrid Vehicles - \$100 Registration Fee

\$2 Million to ARDOT



Casino Revenue

All New Casino Revenue

\$35 Million Annually to ARDOT



Act 416 Summary

Motor Fuel Tax

\$ 58 Million

Electric and Hybrid Vehicle Registration Fees

\$ 2 Million

Casino Revenue

\$ 35 Million

Total to ARDOT

\$ 95 Million



Act 416 Summary

Motor Fuel Tax	\$ 58 Million
Electric and Hybrid Vehicle Registration Fees	\$ 2 Million
Casino Revenue	<u>\$ 35 Million</u>
Total to ARDOT	\$ 95 Million

***All for System Preservation,
Pavements, Bridges, etc.***

Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide **\$205 Million** To ARDOT Annually
- Continues To Provide **\$43 Million** To Cities Annually
- Continues To Provide **\$43 Million** To Counties Annually

Summary

Act 416

\$ 95 Million

House Joint Resolution 1018

\$205 Million

Total To ARDOT

\$300 Million





2019-2023 *Program*



2019 Scheduled

Type Work	Amount (x \$1 M)
Widening / New Location	\$ 606
Pavement Preservation	\$ 183
Bridges	\$ 365
Safety	\$ 55
Other	\$ 9
Total	\$1,218



2019 Pavement Preservation Projects

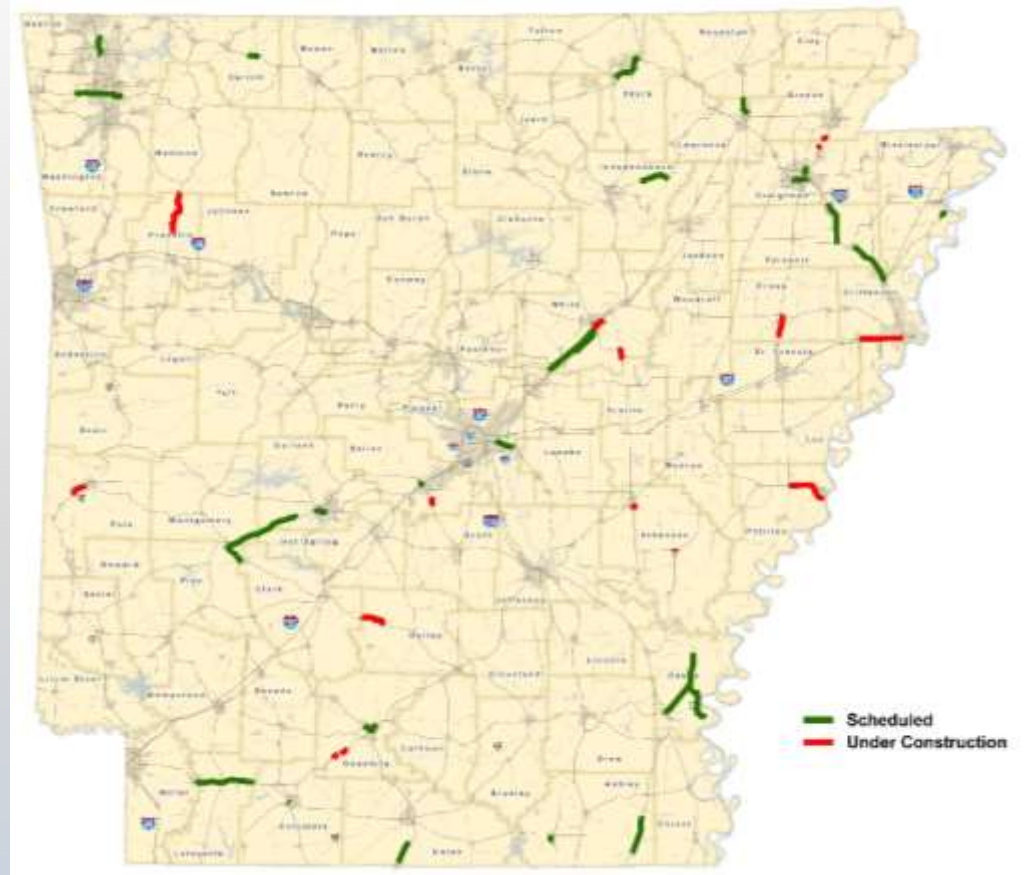
January – \$12 Million

February – \$15 Million

April – \$36 Million

May – \$94 Million

July – \$26 Million



2020 Scheduled

Type Work	Amount (x \$1 M)
Widening / New Location	\$ 370
Pavement Preservation	\$ 214
Bridges	\$ 111
Safety	\$ 49
Other	\$ 0
Total	\$ 744



2021 Scheduled

Type Work	Amount (x \$1 M)
Widening / New Location	\$ 178
Pavement Preservation	\$ 274
Bridges	\$ 102
Safety	\$ 33
Other	\$ 0
Total	\$ 587



2022 Scheduled

Type Work	Amount (x \$1 M)
Widening / New Location	\$ 203
Pavement Preservation	\$ 282
Bridges	\$ 113
Safety	\$ 33
Other	\$ 0
Total	\$ 631



2023 Pavement Preservation

2023 - **\$290** Million





Promises Made
Promises Kept

Completed

46 Projects
290 Miles
\$1.0 Billion

Under Construction

6 Projects
54 Miles
\$314 Million

Scheduled

27 Projects
159 Miles
\$219 Million



Completed

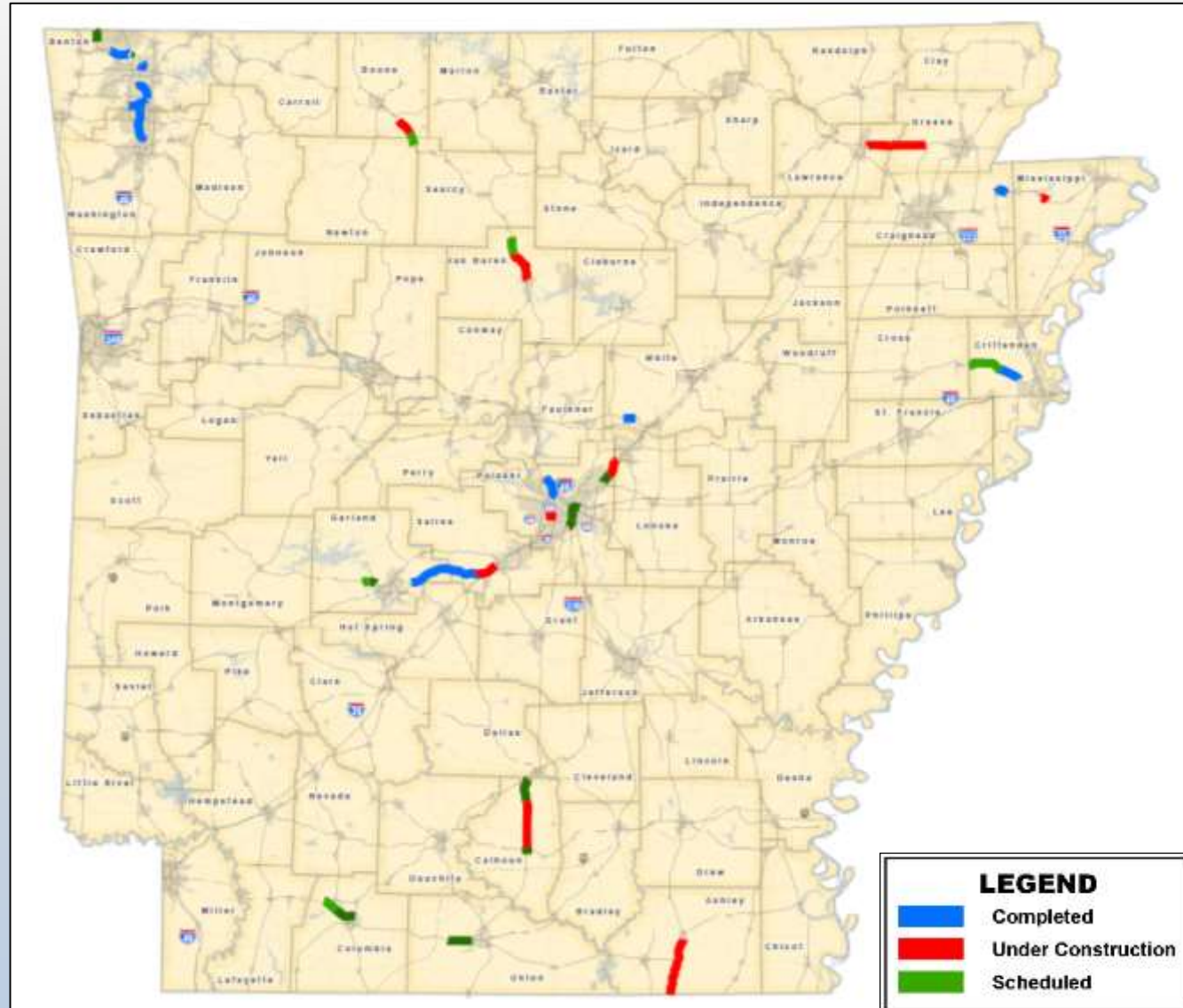
11 Projects
61 Miles
\$432 Million

Under Construction

11 Projects
68 Miles
\$627 Million

Scheduled

14 Projects
56 Miles
\$974 Million





Department Initiatives

Limitations Placed on Contractors with Uncompleted Contracts

A+C Bidding

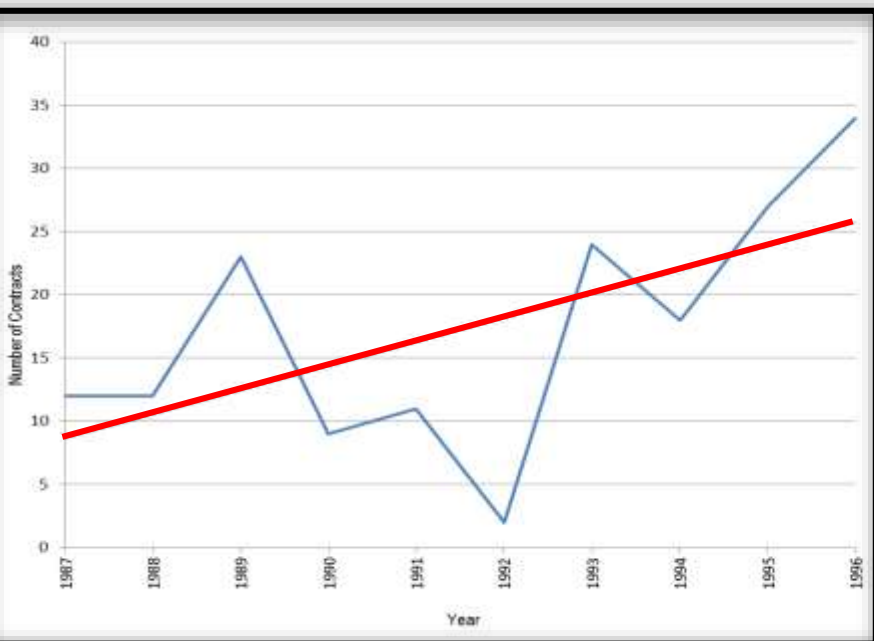
Requirement of Critical Path Method Schedules



Number of Uncompleted Contracts

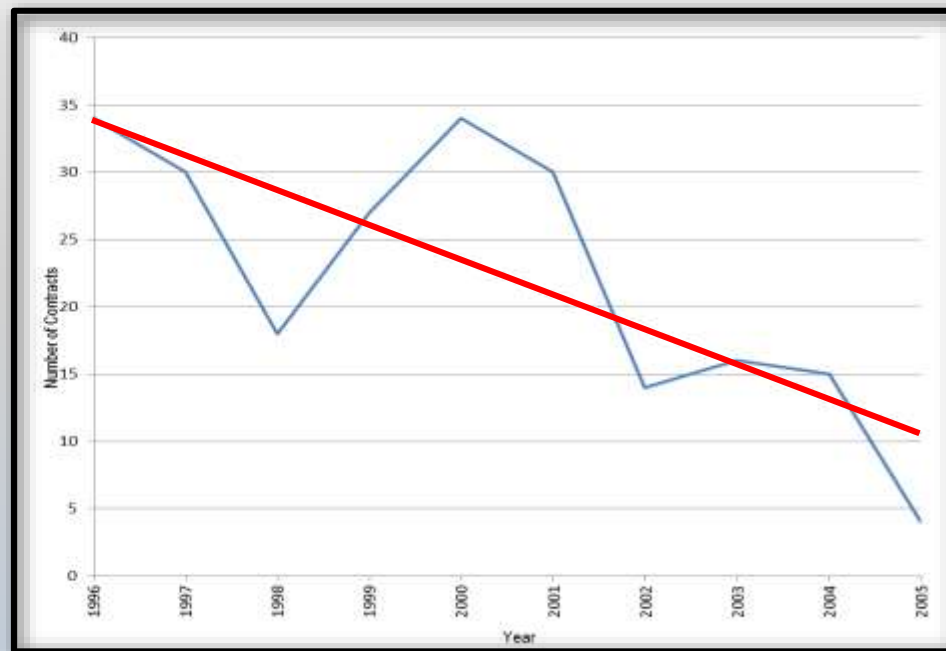
Before Implementation of Limitation on Bidding

July 1987 – June 1996



After Implementation of Limitation on Bidding

June 1996 – June 2005



“A” and “C” Components

Road User Cost

Bid Amount For Award Consideration



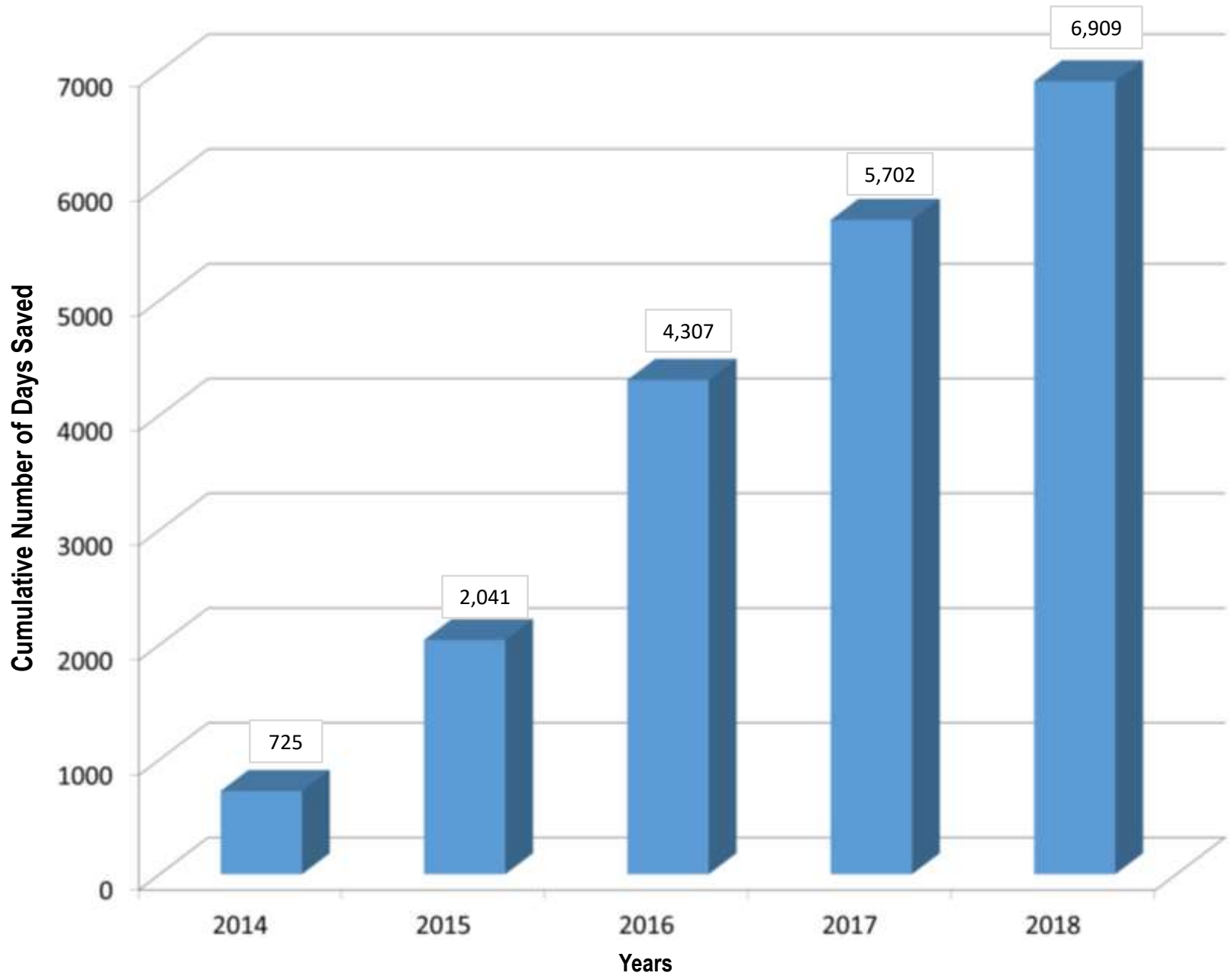
Example Project – Road User Cost \$192,000

Contractor	Amount Bid “A”	Days Bid	Bid Amount for Award Consideration
Bidder #1	\$ 94,824,908	450	\$ 181,224,908
Bidder #2	\$ 91,928,841	652	\$ 217,112,841

Example Project – Road User Cost \$19,000

Contractor	Amount Bid “A”	Days Bid	Bid Amount for Award Consideration
Bidder #1	\$ 11,347,361	203	\$ 15,204,361
Bidder #2	\$ 10,757,903	393	\$ 18,224,903

Difference of Contract Days Bid



- Required On A+C Contracts
- Generalized Scheduled Approved Before Contract Execution
- Detailed Scheduled Approved Before Work Begins
- Identifies Possible Delays
- Provides Method to Determine Time Adjustments



Reduces Number of Projects In Overtime

Significant Reduction in Contract Time

Positive Public Imagine





General Election
November 2020

Turnback to Cities

2023 - \$156 million

2024 - \$113 million

Nearly a 30% Reduction



Turnback to Counties

2023 - \$156 million

2024 - \$113 million

Nearly a 30% Reduction

Funding to ARDOT

Act 416

\$ 95 Million

House Joint Resolution 1018

\$205 Million

Total to ARDOT

\$300 Million





Your
TRANSPORTATION SYSTEM



Questions?

