

Scott E. Bennett, P.E.
Director of Department of Transportation



Conway Lion's Club
Tuesday, June 13, 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

Safety

– *Safety first in all we do*

Public Service

– *Focus on the greater good*

Teamwork

– *One vision through collaboration and communication*

Quality

– *Deliver reliable transportation solutions*

Integrity

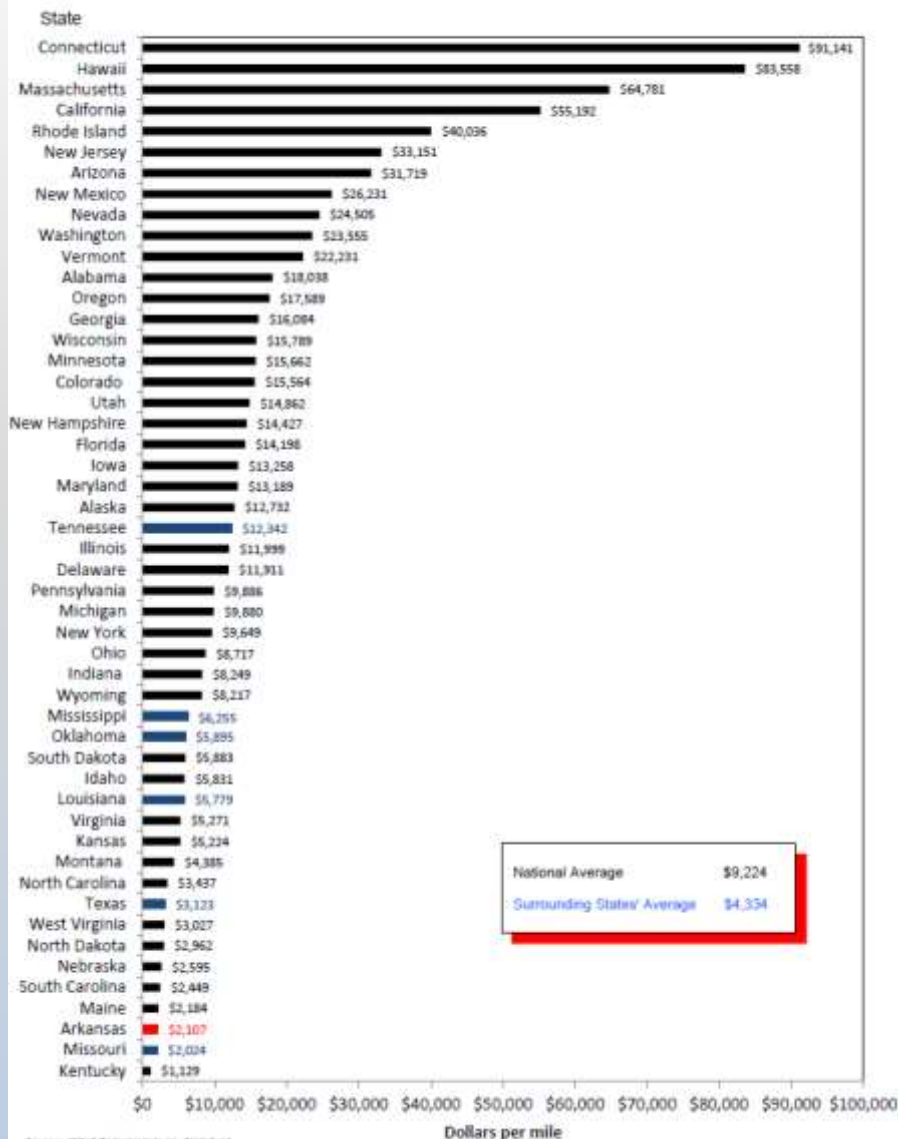
– *Commitment to ethics and transparency*

Efficiency

– *Achieve maximum benefit through fiscal responsibility*

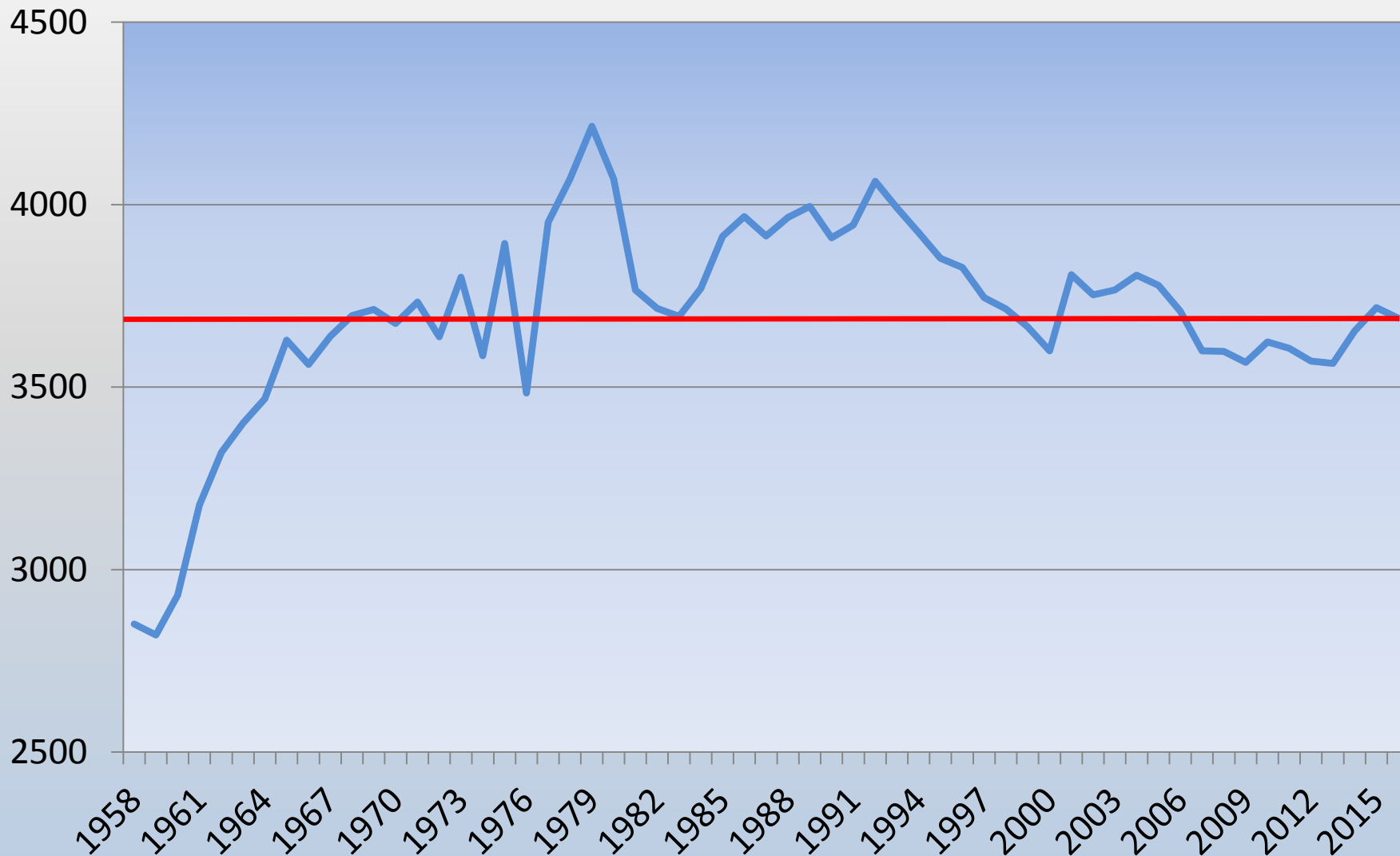
Administrative Cost Per Mile

Arkansas Ranks 48th in the Nation



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

Number of Employees



Promises Made



Promises Kept

1999 Interstate Rehabilitation Program



50 Projects
356 Miles
\$973 Million

Prior to Program

**63% Poor or
Mediocre**

After Program

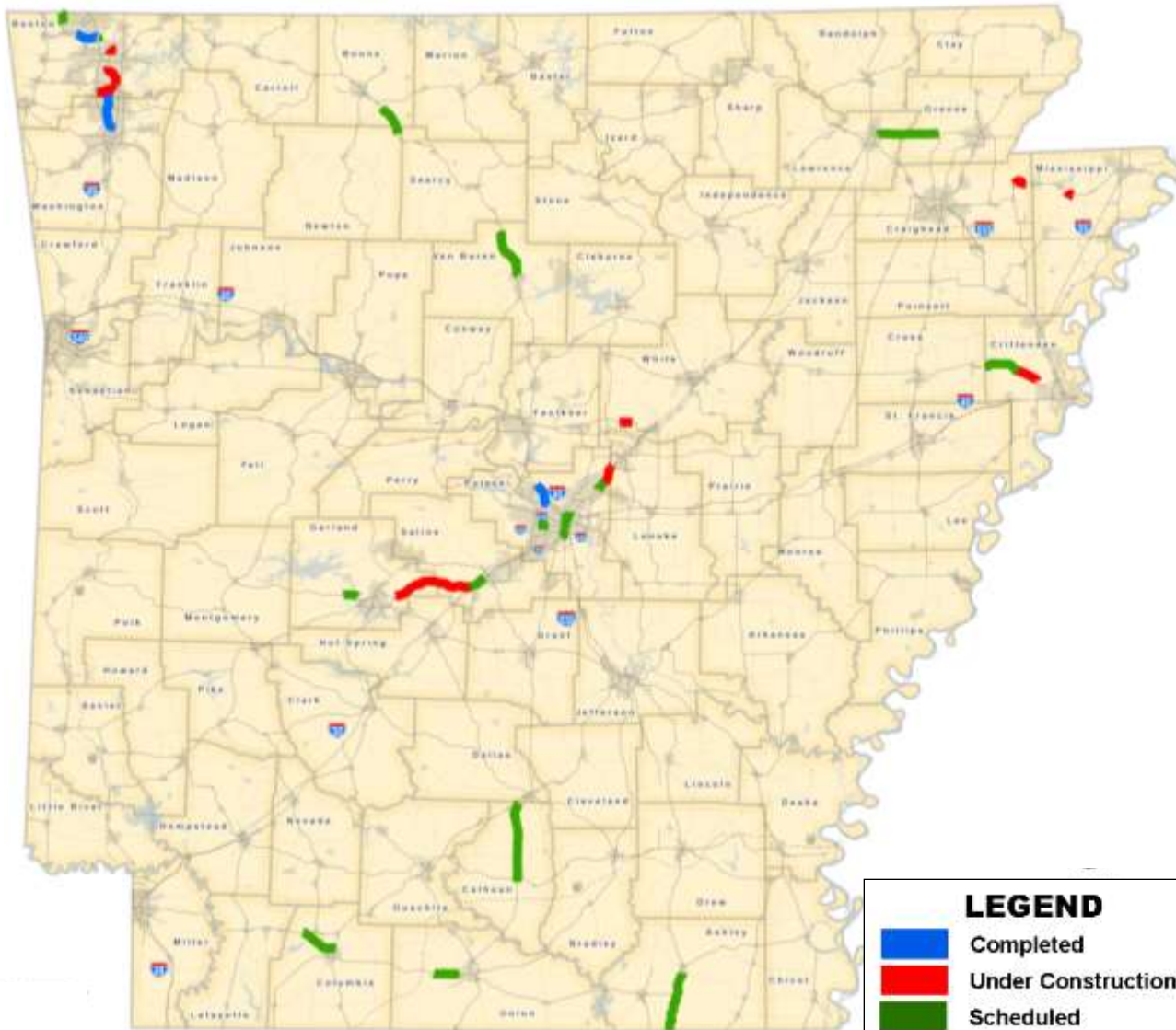
72% Good

Completed:
31 Projects
200 miles
\$595 million

Under Construction:
15 Projects
92 miles
\$521 million

Scheduled:
37 Projects
202 miles
\$411 million





LEGEND

- █ Completed
- █ Under Construction
- █ Scheduled

Completed:
 4 Projects
 19 miles
 \$141 million

Under Construction:
 9 Projects
 49 miles
 \$405 million

Scheduled:
 23 Projects
 117 miles
 \$1.36 billion



Local Project



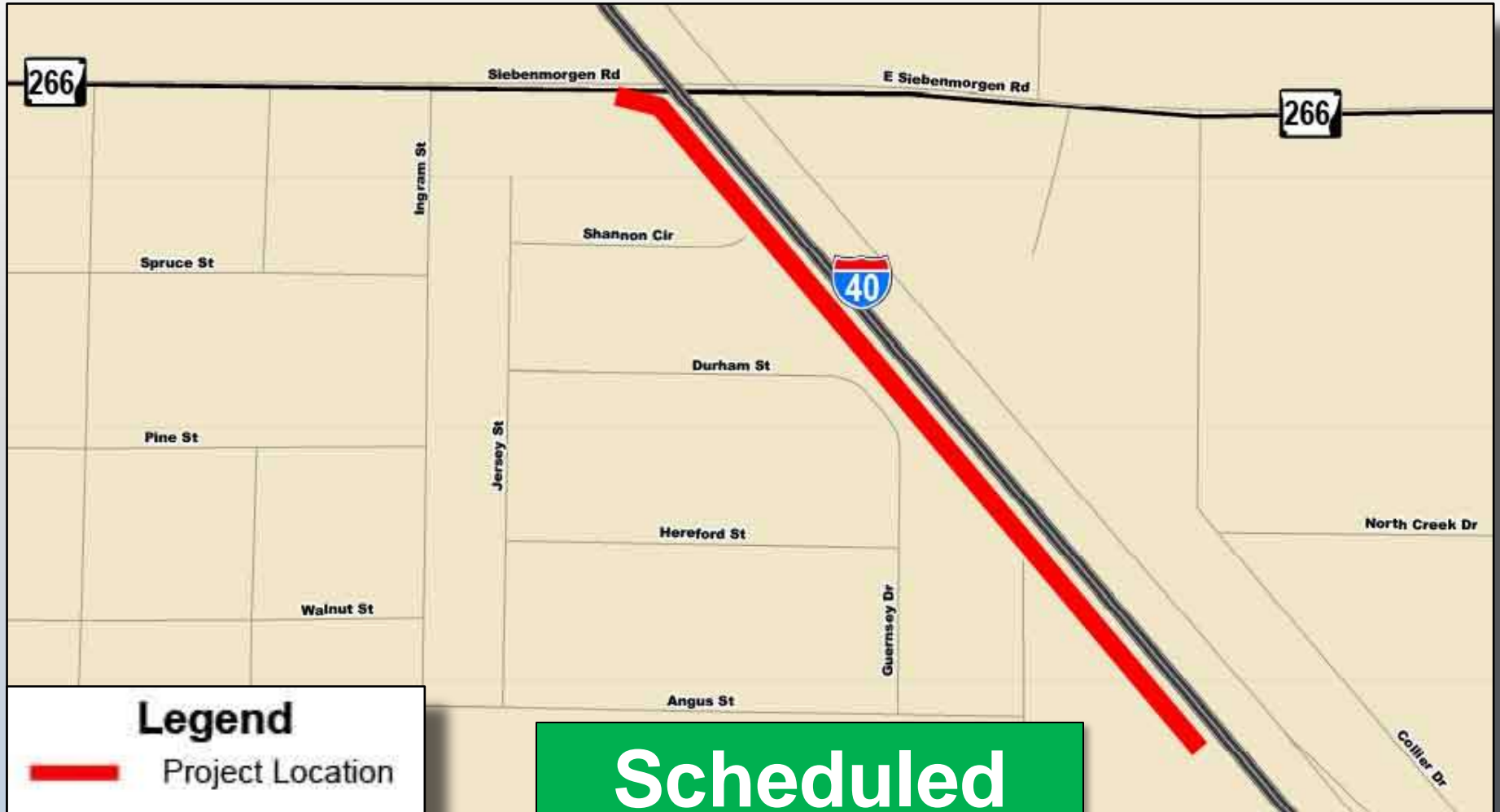
Updates



Completed
\$120 Million
22.2 Miles







Scheduled
Late 2017

Interstate 40/Highway 65 Interchange Improvements



Scheduled
Late 2019

Legend
○ Project Location

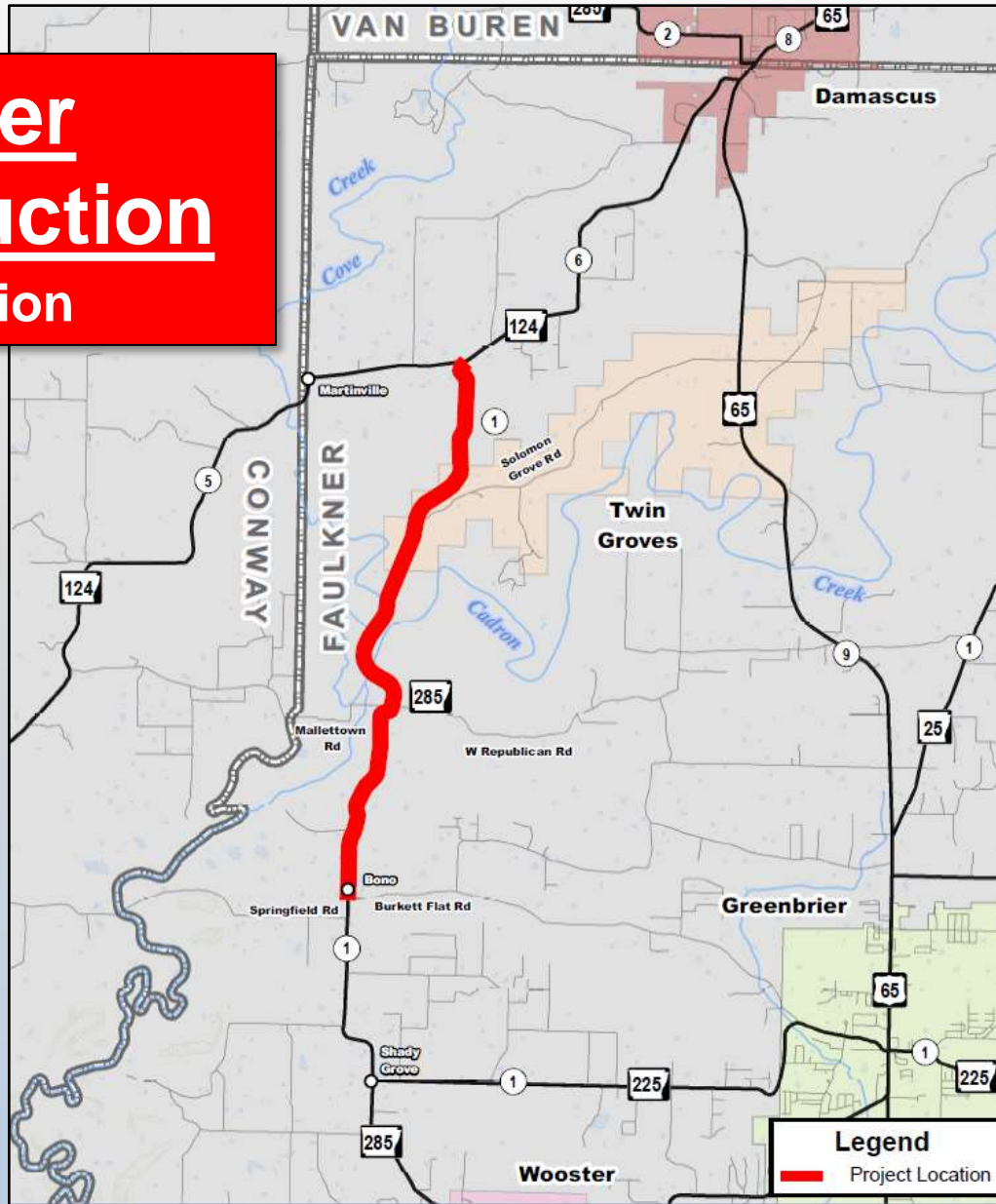


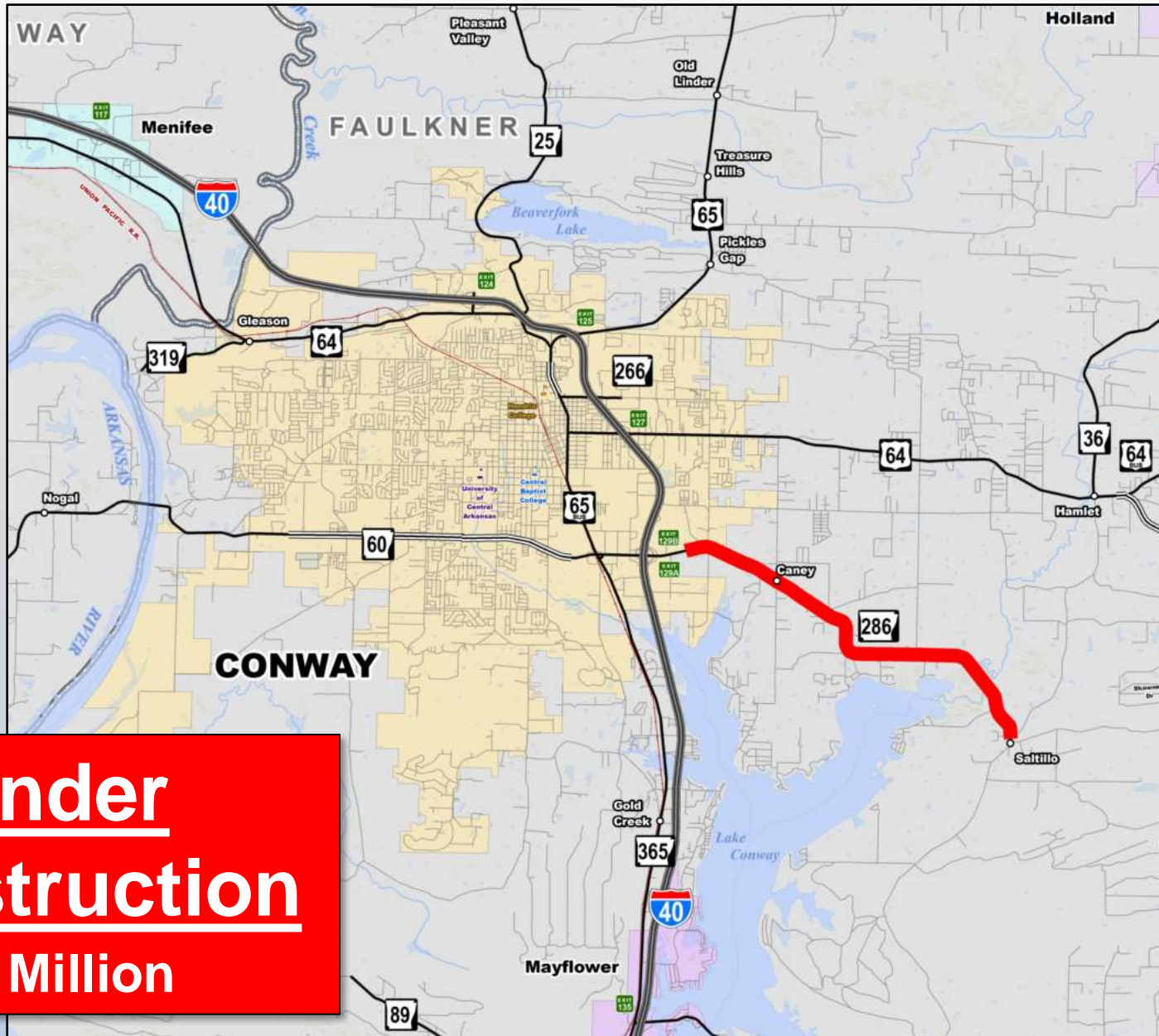
Under
Construction
\$10.8 Million
(\$4.5 Million Local)

Completed
\$8 Million
(\$2 Million Local)



**Under
Construction**
\$8 Million





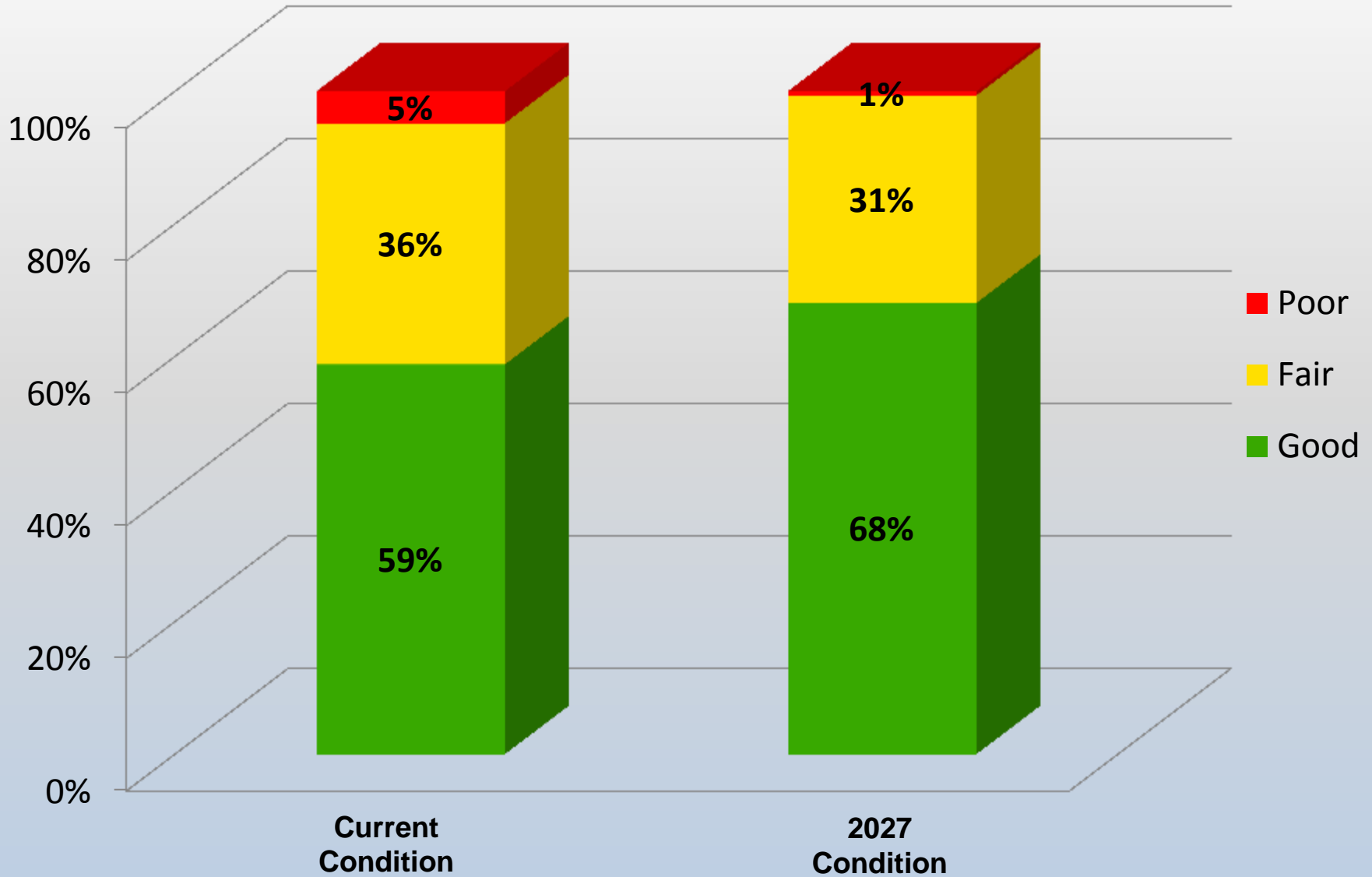
Under
Construction
\$1 Million

Highway Condition

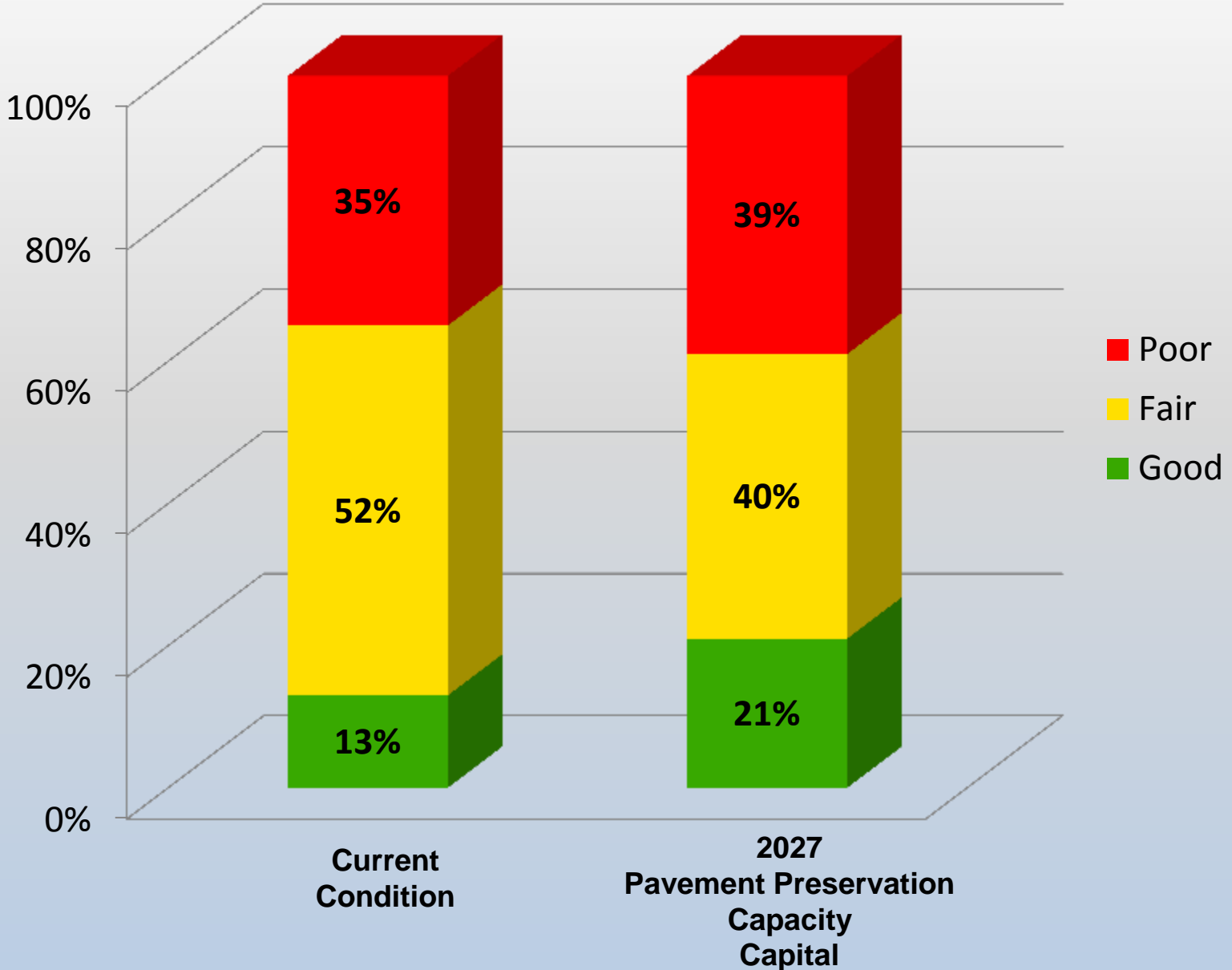


and Needs

Interstates



All State Highways – Including Interstates





Faulkner County
Highway 36, Section 1
Log mile 5.472 – 9.9
Highway 287 to Highway 107, South of Enola



Perry County
Highway 7, Section 11
Log mile 0.0 – 10.02
Garland County line to Hollis

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

Summary of Remaining Cost

Capital Improvements for Economic Development

IMPROVEMENT CATEGORY	COST (x \$1 M)
Four-Lane Grid System	
High Priority Corridors (Future Interstates)	\$7,022
High Priority Corridors (Other)	\$2,528
Remaining Four-Lane Grid	\$2,247
Other Regional Connections	\$562
Economic Development Connections	\$337
New Location Routes / New or Modified Interchanges	\$921
Other Major Widening	\$258
TOTAL	\$13,876

2016 Dollars

	AMOUNT (x \$1 M)
Estimated Federal-Aid + State Revenue (10 Years)	\$4,415
Total System Preservation Needs (10 Years) (Pavement, Bridges, Capacity, Safety Equipment, Facilities)	\$9,001
Total Capital Improvements	\$13,876
TOTAL NEEDS	\$22,878
SHORTFALL	\$18,463

Funding



Update

BUDGET OF THE U. S. GOVERNMENT
A New Foundation For
American Greatness
Fiscal Year 2018



- **President Released the “New Foundation for American Greatness”**
- **Balanced Budget by 2027**
- **Reduction in Non-Defense Spending Each Year**
- **Redefines Federal Role in Infrastructure Funding**
 - *Make Targeted Federal Investments*
 - *Encourage Self-Help*
 - *Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment*
 - *Leverage the Private Sector*

- **Federal Fiscal Year 2018**
 - *FAST Act Funding Levels for Highways are Honored*
 - *TIGER is Eliminated*
 - *Transit Funding Levels are Reduced*
 - *Amtrak Funding Levels are Reduced*
- **Federal Fiscal Years 2019 and 2020 Levels Capped**
- **Beyond Federal Fiscal Year 2020 – 40% Reduction**



	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
2016 Special Session					
Provide Governor's Rainy Day Funds	40.0				

Potential in Future Years

Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)		48.0	48.0	48.0	48.0
Totals 2016 Special Session and Potential in Future Years	46.9	76.1	76.1	76.1	76.1

Potential in Future Years					
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91st Session Account of the GIF 2017-2019 Biennium

Estimated Available Funds:

Unobligated Balance from the 90th Session Account	\$14,194,758
FY16 General Revenue Surplus	\$177,413,001
FY17 General Revenue Surplus	\$0
Recouped General Revenue Balances from FY16	\$5,845,301
Recouped General Revenue Balances from FY17 (Estimate)	\$5,000,000
Old Projects Recoupment (Estimate)	\$2,000,000
Outlawed Warrants	\$0
90th Rainy Day Set-Aside Balance (Sec 3 of Act)	\$25,000,000
Carry Forward of 90th Executive General Improvement (Sec 4 of Act)	\$0
Total Estimated Funds for 2017-2019 Biennium	\$229,453,060

FY17 General Revenue Surplus

\$0

Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
2016 Special Session					
Provide Governor's Rainy Day Funds	40.0				
Securities Reserve Fund	1.5	20.0	20.0	20.0	20.0
Redirect the \$4 Million of the Diesel Tax that goes to General Revenue to Highways (70/30 split)		2.7	2.7	2.7	2.7
FY18 (Governor's Projection)	FY18 (Current Projection)		Difference		
\$76.1M	\$7.3 M		-\$68.8 M		
Potential in Future Years					
Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)		48.0	48.0	48.0	48.0
Totals 2016 Special Session and Potential in Future Years	46.9	76.1	76.1	76.1	76.1

Guaranteed from Act 1 by August 1, 2017 to match Federal Funds for Federal Fiscal Year 2017

Federal vs. State Funding

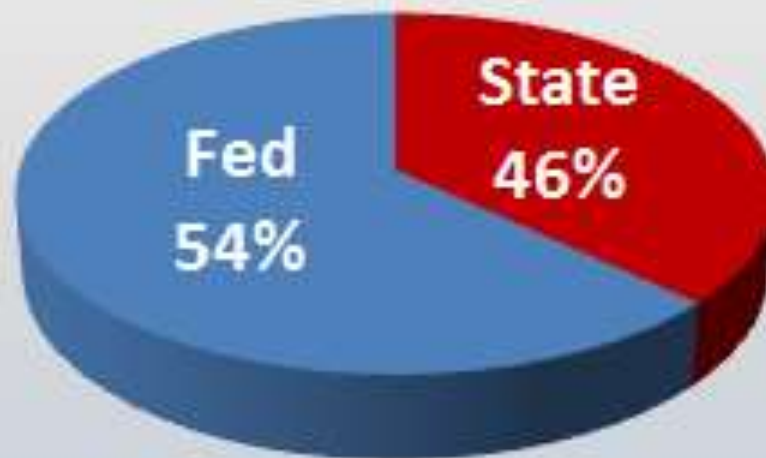
1993

Hwy. Funding Breakdown



2016

Hwy. Funding Breakdown



How Did We



Get Here?

Challenges

➤ **12th** largest system in the country

➤ **42nd** in highway revenue per mile.

➤ **\$22.9 billion** in needs

➤ **\$4.4 billion** in available revenue



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

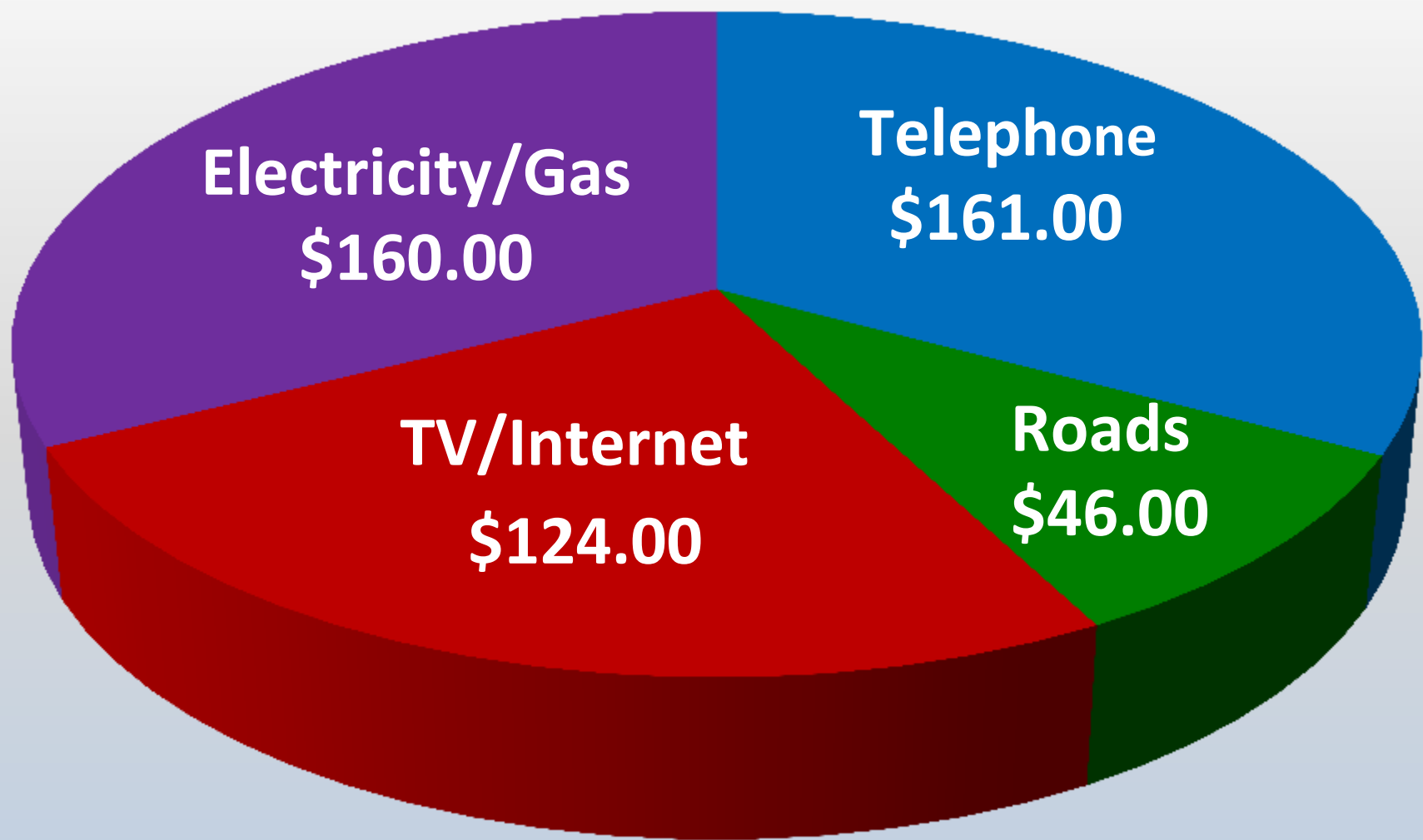
22 years ago, in 1995,
200 miles of Highway
could be overlaid.

NOW

As of 2015, using the
same resources, only
54 miles of Highway
could be overlaid.



Average Monthly Household Expenditures



Where



Are We Going?

"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

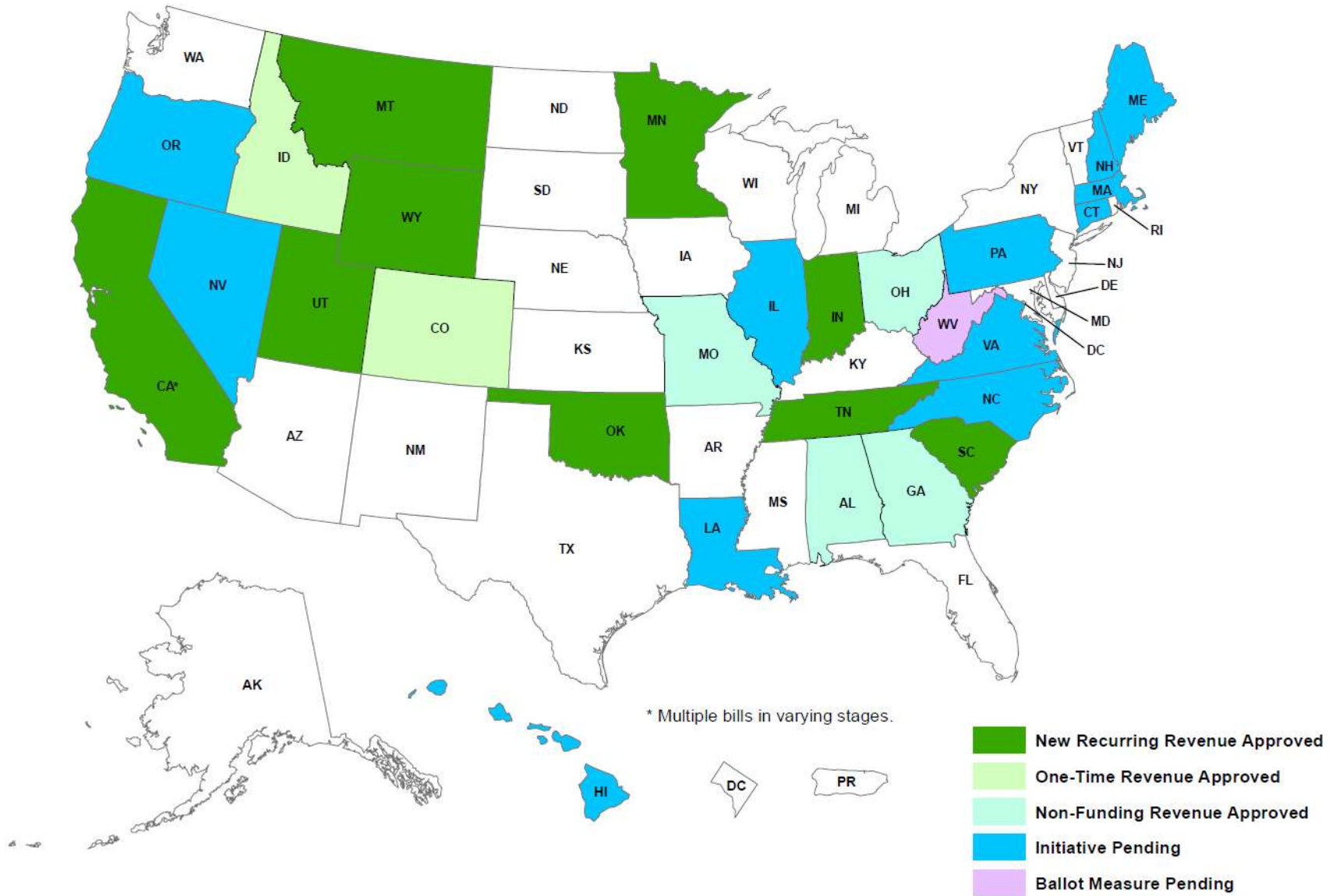


“We proved we can’t do it through the legislative process so far with the political situation we’re in. It’s got to be a ballot initiative.”



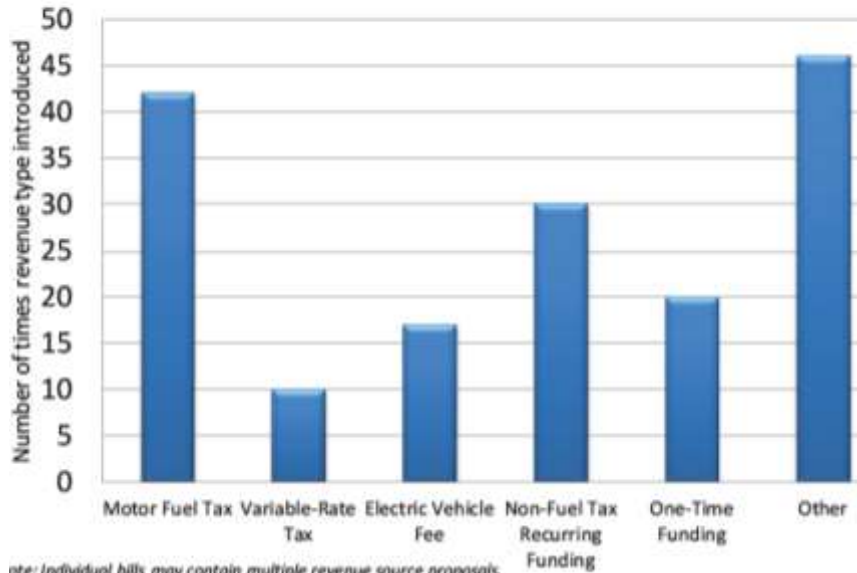
*Representative Dan Douglas
R-Bentonville*

2017 Transportation Funding Related Bills



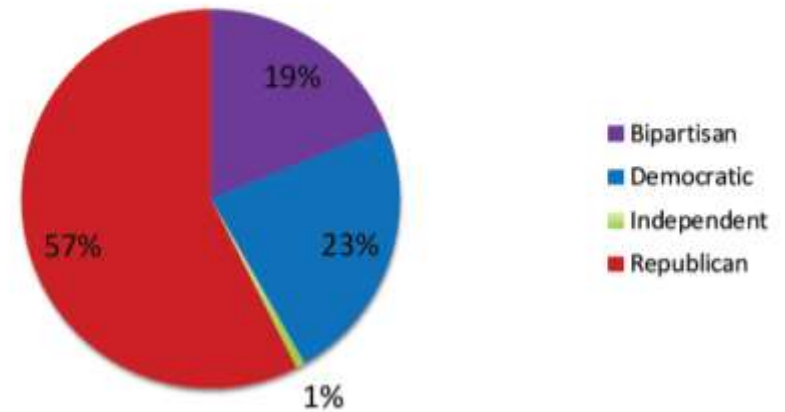
2017 Transportation Funding Related Bills

Types of State Transportation Funding Revenue Increases Introduced in 2017



ote: Individual bills may contain multiple revenue source proposals.

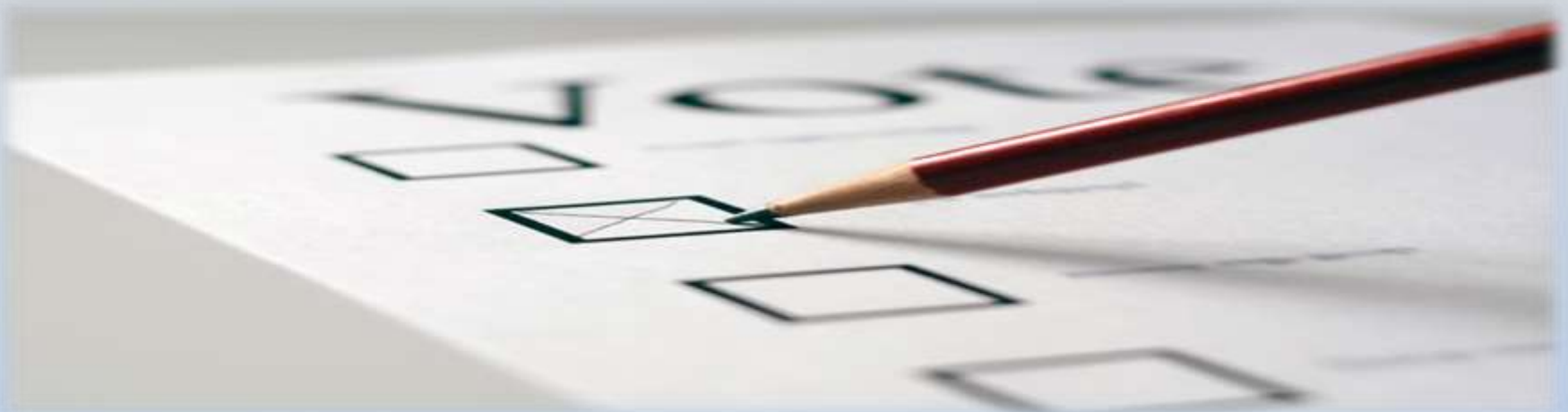
Political Parties of State Legislators Introducing Transportation Funding Legislation in 2017



□ Governor's Highway Funding Working Group

- ✓ 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.



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)

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

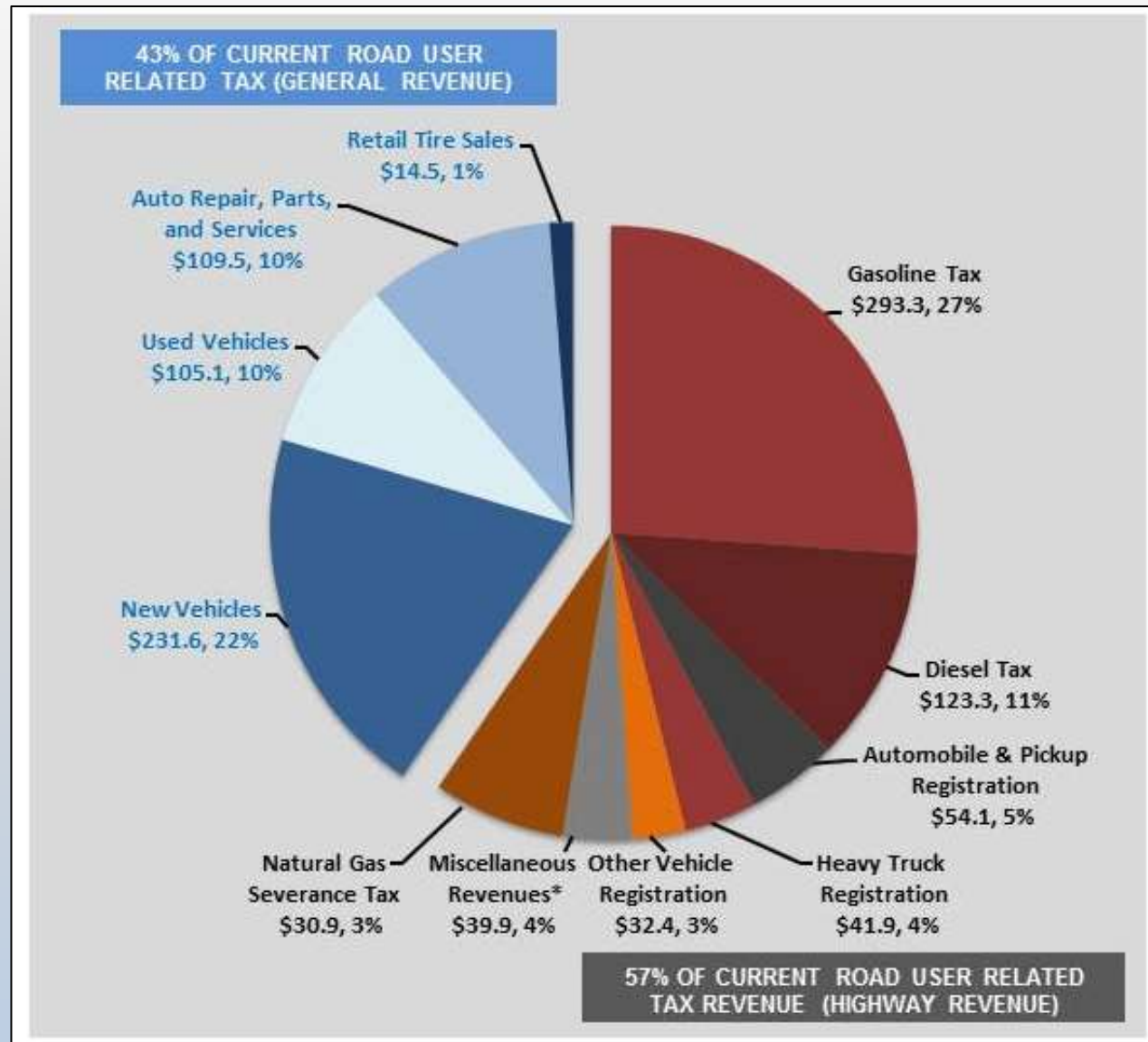
Distribution:

General Revenue

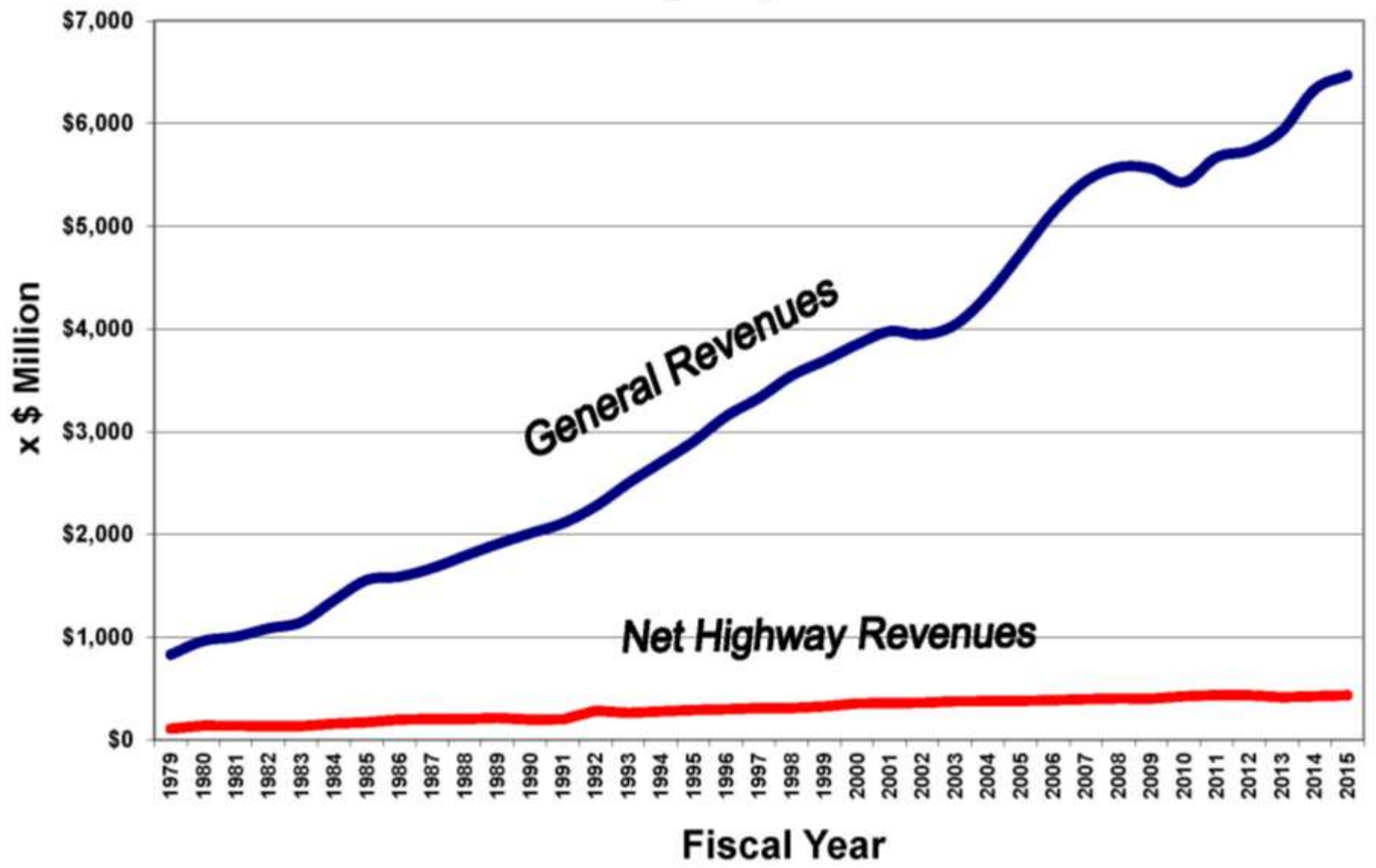
\$460.7 Million (43%)

Highway Revenue

\$615.9 Million (57%)



Arkansas State General Revenues vs AHTD Net Highway Revenues



Possible Initiated Act

Year	Road User Revenue 5-Year Phase-In	Increase Motor Fuel Tax Gasoline + 5 cents Diesel + 10 cents 3-Year Phase-In Indexed for Inflation After 2022 Not to Exceed 2% Per Year	Act 1 Repealed Securities Reserve + Surplus	Total Additional to Highway Revenue (70/15/15)	Additional to Department
2020	\$ 96.4	\$ 44.9	\$ (68.0)	\$ 73.3	\$ 51.3
2021	\$ 196.7	\$ 90.7	\$ (68.0)	\$ 219.4	\$ 153.6
2022	\$ 301.0	\$ 138.7	\$ (68.0)	\$ 371.7	\$ 260.2
2023	\$ 409.4	\$ 140.1	\$ (68.0)	\$ 481.5	\$ 337.0
2024	\$ 521.9	\$ 141.5	\$ (68.0)	\$ 595.5	\$ 416.8
TOTAL TO THE HIGHWAY FUND IN YEAR 2024				\$ 595.5	\$ 416.8

Possible Initiated Act

Year	Road User Revenue 5-Year Phase-In	Increase Diesel + 2 cents Indexed for Inflation Not to Exceed 2% Per Year	Renew 1/4 cent Sales Tax	Act 1 Repealed Securities Reserve + Surplus	Total Additional to Highway Revenue (70/15/15)	Additional to Department
	(x \$1 Million)					
2020	\$ 96.4	\$ 12.4		\$ (68.0)	\$ 40.9	\$ 28.6
2021	\$ 196.7	\$ 12.5		\$ (68.0)	\$ 141.3	\$ 98.9
2022	\$ 301.0	\$ 12.7		\$ (68.0)	\$ 245.7	\$ 172.0
2023	\$ 409.4	\$ 12.8		\$ (68.0)	\$ 354.2	\$ 247.9
2024	\$ 521.9	\$ 12.9	\$ 144.1	\$ (68.0)	\$ 611.0	\$ 427.7
TOTAL TO THE HIGHWAY FUND IN YEAR 2024					\$ 611.0	\$ 427.7

Possible Initiated Act

Year	Partial Road User Revenue (Does NOT Include Auto Repair, Parts and Services) 5-Year Phase-In	Add Excise Tax to Motor Fuels (wholesale price) 6%	Act 1 Repealed Securities Reserve + Surplus	Total Additional to Highway Revenue (70/15/15)	Additional to Department
	(x \$1 Million)				
2020	\$ 73.5	\$ 222.7	\$ (68.0)	\$ 228.2	\$ 159.7
2021	\$ 150.0	\$ 227.2	\$ (68.0)	\$ 309.1	\$ 216.4
2022	\$ 229.4	\$ 231.7	\$ (68.0)	\$ 393.1	\$ 275.2
2023	\$ 312.0	\$ 236.3	\$ (68.0)	\$ 480.4	\$ 336.3
2024	\$ 397.8	\$ 241.1	\$ (68.0)	\$ 570.9	\$ 399.6
TOTAL TO THE HIGHWAY FUND IN YEAR 2024				\$ 570.9	\$ 399.6

Possible Initiated Act

Year	Add Excise Tax to Motor Fuels (wholesale price) 6%	Increase Registration Fees on Autos and Pickups by \$20	Renew 1/2 cent Sales Tax	Act 1 Repealed Securities Reserve + Surplus	Total Additional to Highway Revenue (70/15/15)	Additional to Department
	(x \$1 Million)					
2020	\$ 222.7	\$ 57.2		\$ (68.0)	\$ 211.9	\$ 148.3
2021	\$ 227.2	\$ 57.7		\$ (68.0)	\$ 216.9	\$ 151.8
2022	\$ 231.7	\$ 58.3		\$ (68.0)	\$ 222.0	\$ 155.4
2023	\$ 236.3	\$ 58.9		\$ (68.0)	\$ 227.2	\$ 159.1
2024	\$ 241.1	\$ 59.5	\$ 288.3	\$ (68.0)	\$ 520.8	\$ 364.6
TOTAL ADDITIONAL TO THE HIGHWAY FUND IN YEAR 2024					\$ 520.8	\$ 364.6

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

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



Mission Statement

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

\$1 Billion in Highway Investment = 22,000 Jobs

Total Road User Revenue

\$1,076.5 Million

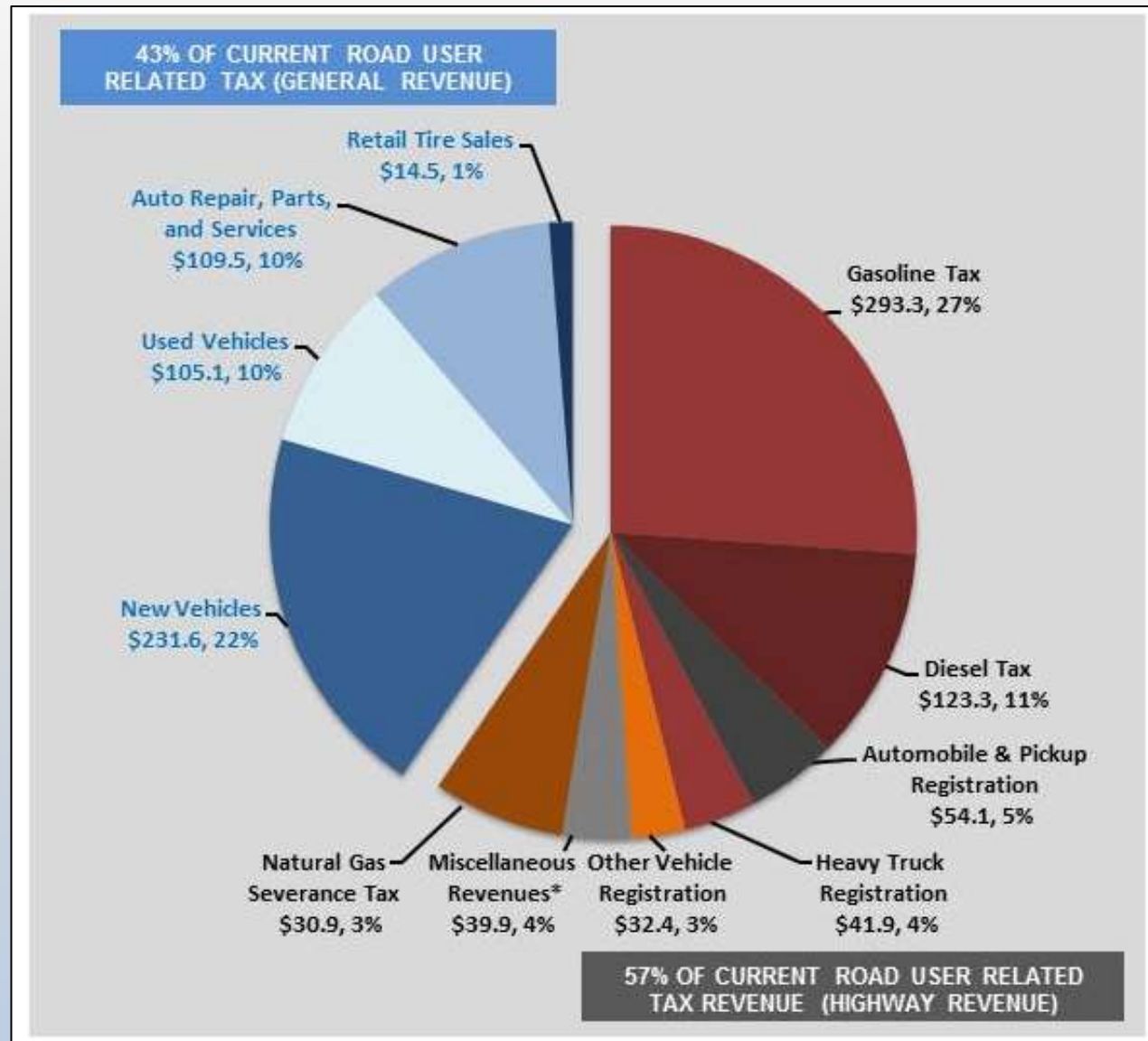
Distribution:

General Revenue

\$460.7 Million (43%)

Highway Revenue

\$615.9 Million (57%)



- ArkansasHighways.com
- ConnectingArkansasProgram.com
- Vimeo.com/AHTD
- IDriveArkansas.com
- [Twitter.com @AHTD](https://twitter.com/AHTD)



@AHTD



Questions?

