

**Scott E. Bennett, P.E.**  
**Director of Highways and Transportation**



**Ft. Smith Noon Exchange Club**

**Friday, June 16, 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**

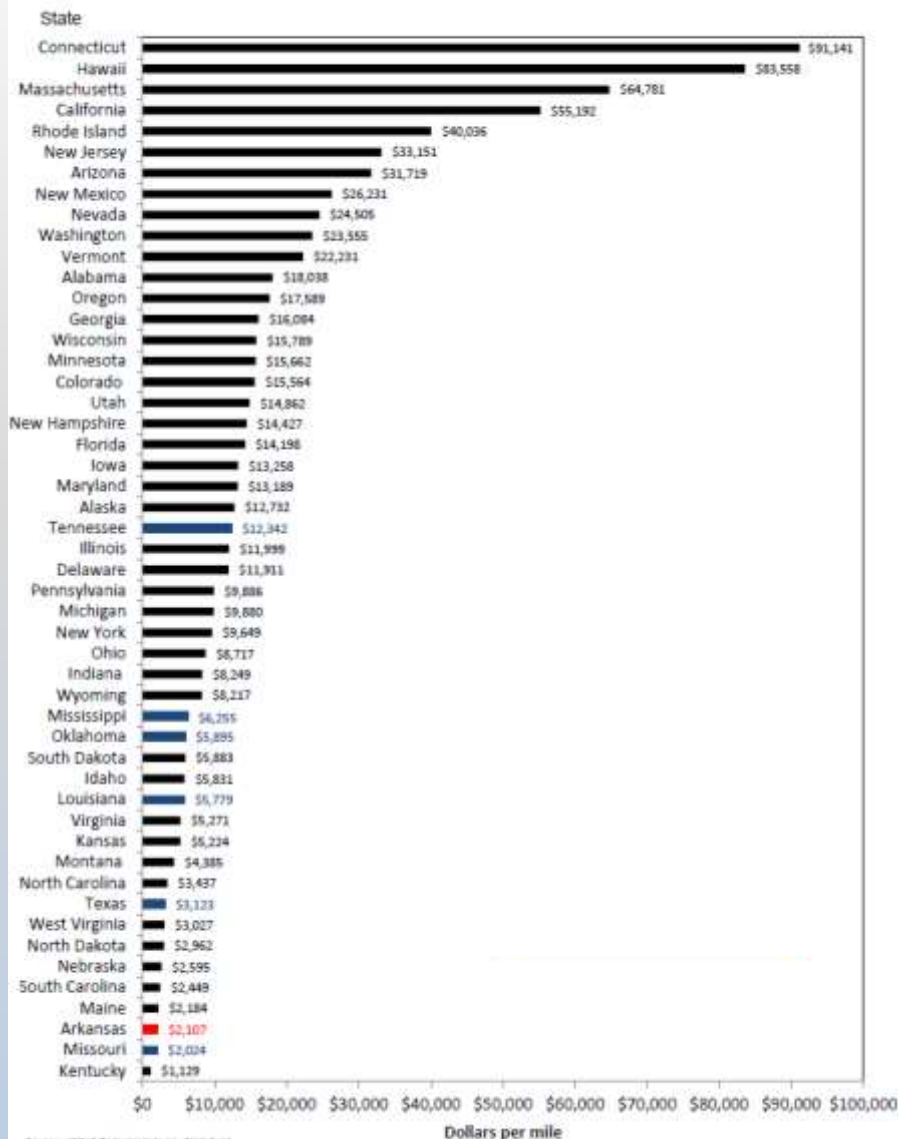
– *Commitment to ethics and transparency*

## **Efficiency**

– *Achieve maximum benefit through fiscal responsibility*

## Administrative Cost Per Mile

Arkansas Ranks 48th in the Nation



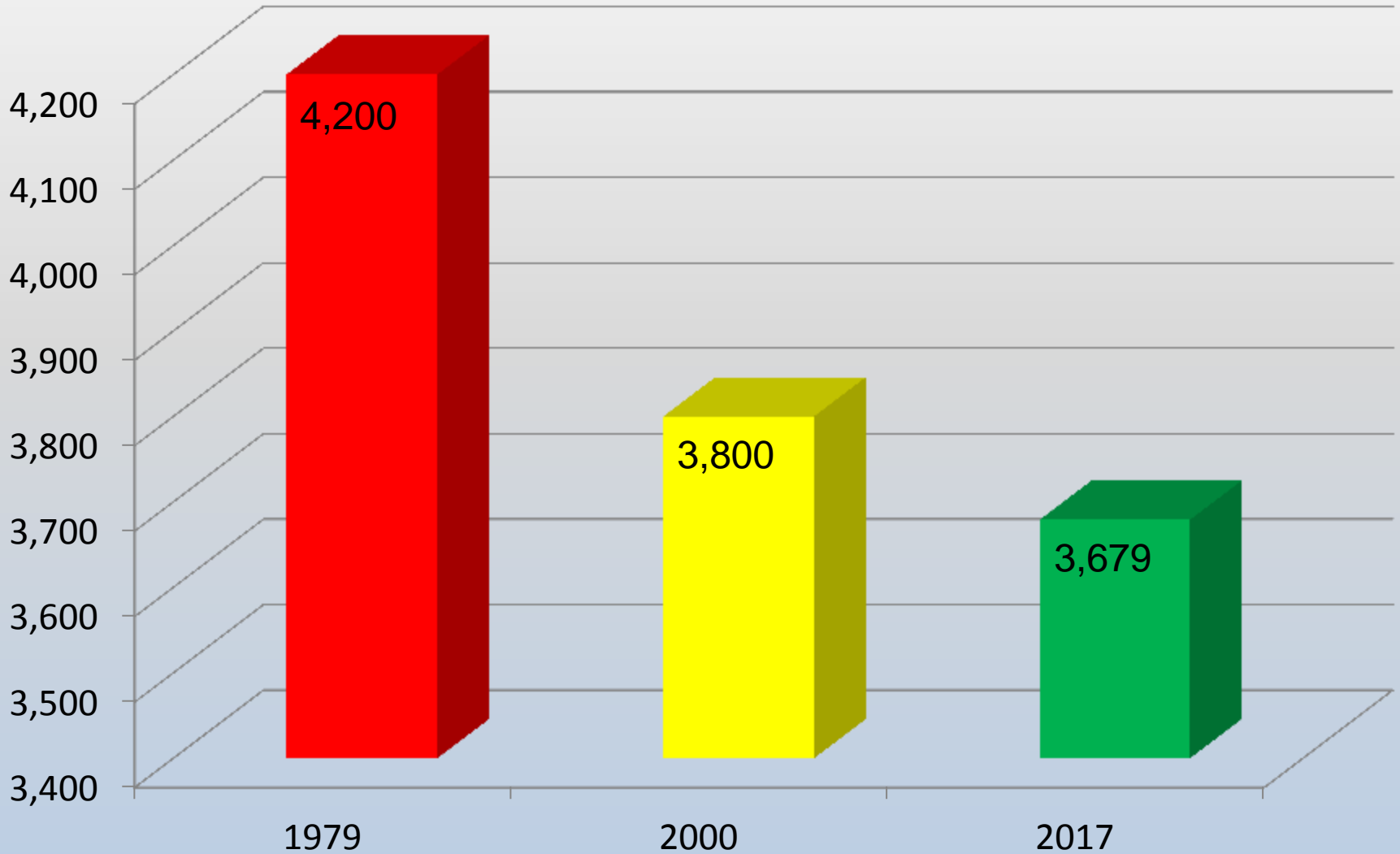
Arkansas has the  
3<sup>rd</sup> Lowest  
Administrative  
Cost Per Mile  
in the Nation

Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

## Department Employees





# Promises Made



# Promises Kept

# 1999 Interstate Rehabilitation Program



**50 Projects**  
**356 Miles**  
**\$973 Million**

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**Prior to Program**

**63% Poor or  
Mediocre**

**After Program**

**72% Good**

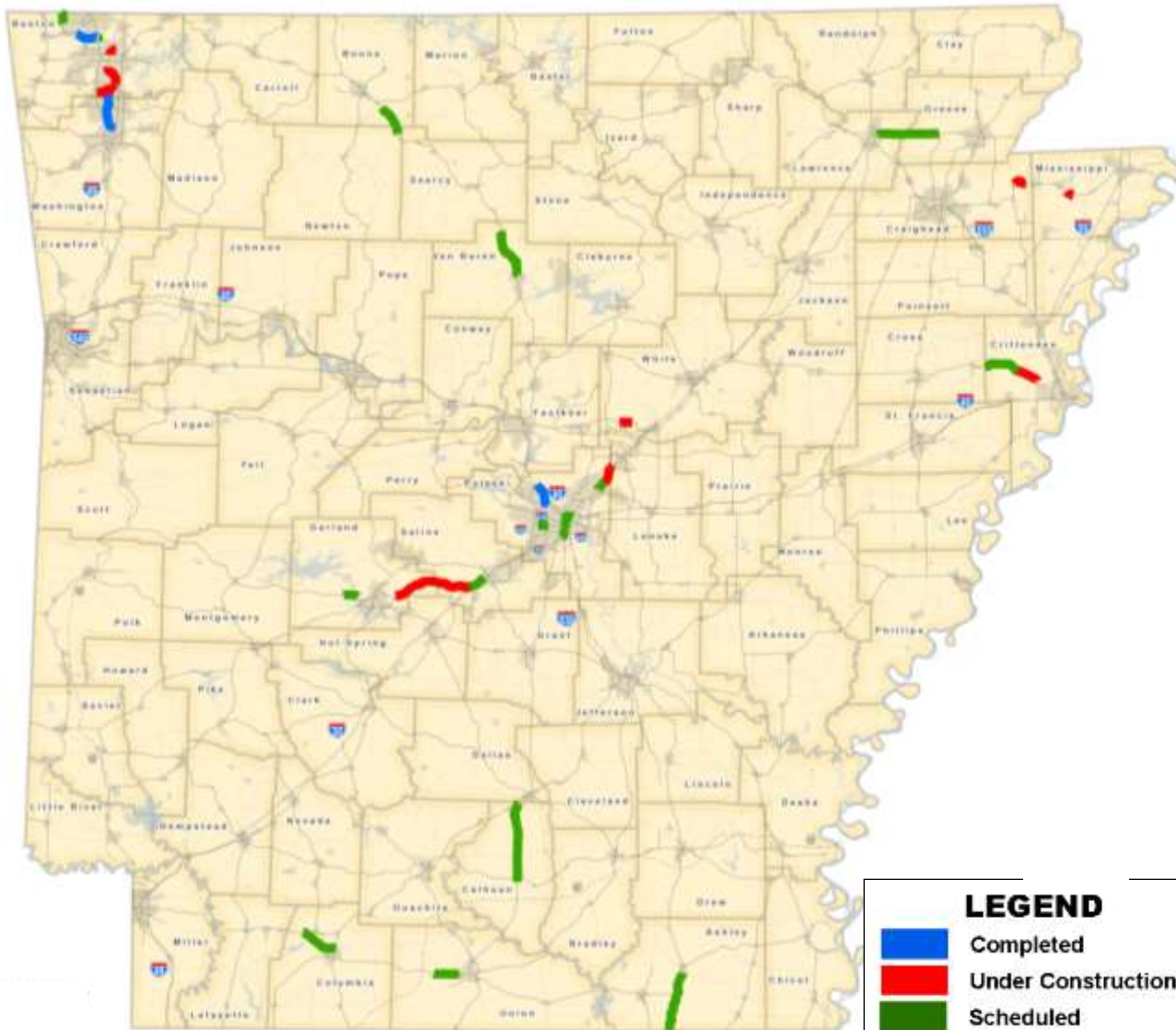


**Completed:**  
**31 Projects**  
**200 miles**  
**\$595 million**

**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

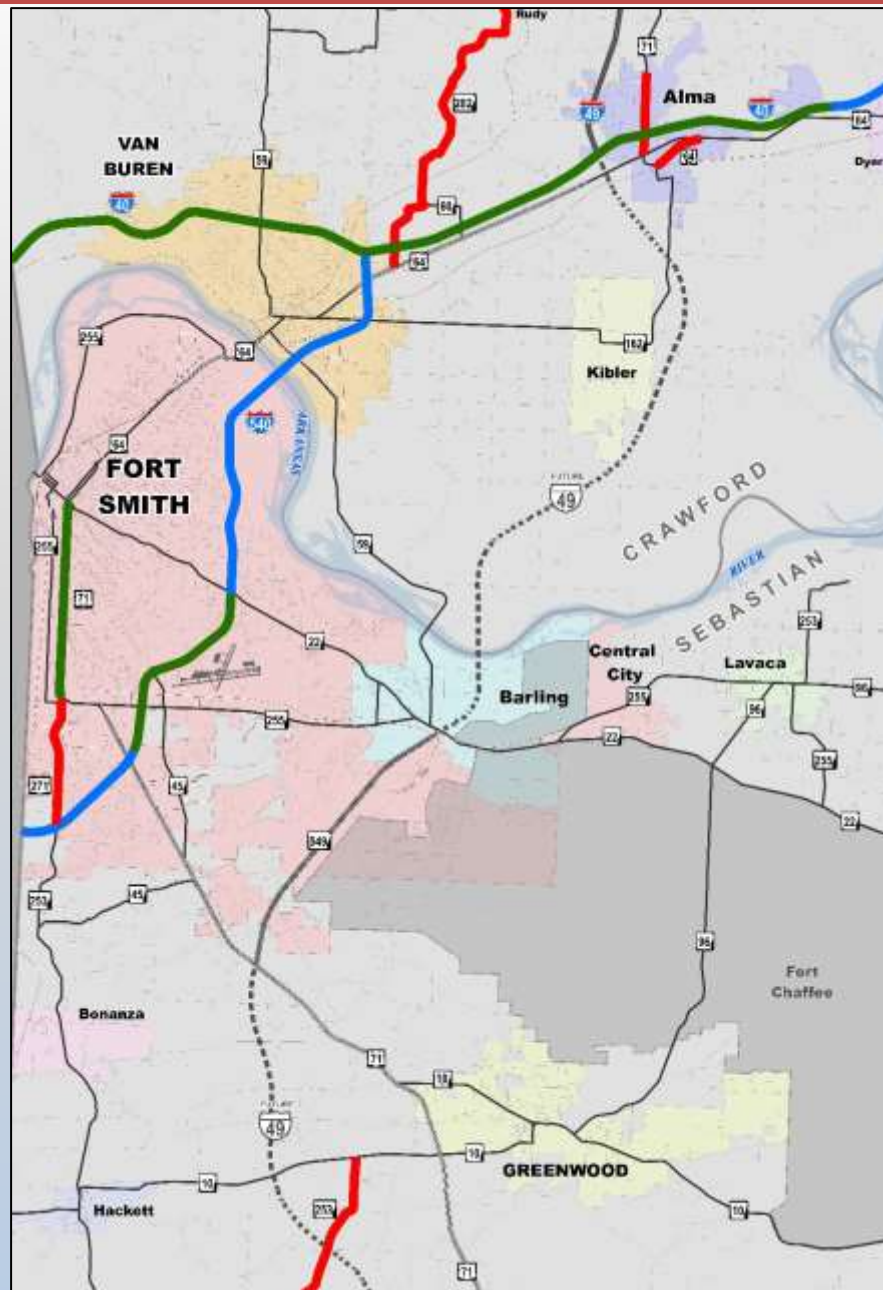
Rehabilitation (3 projects)  
24.0 Miles / \$89.6 Million

## Under Construction

Rehabilitation (5 projects)  
24.1 Miles / \$5.9 Million

## Scheduled

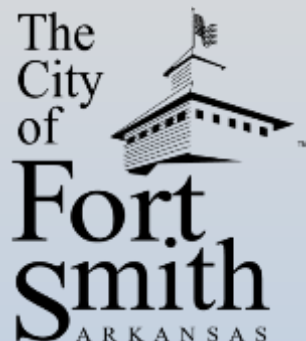
Rehabilitation (4 projects)  
24.7 Miles / \$27.1 Million



# Jenny Lind Rd. & Ingersoll Ave.

**Under Construction**

**City Street Widening  
& New Location  
\$28.7 Million**



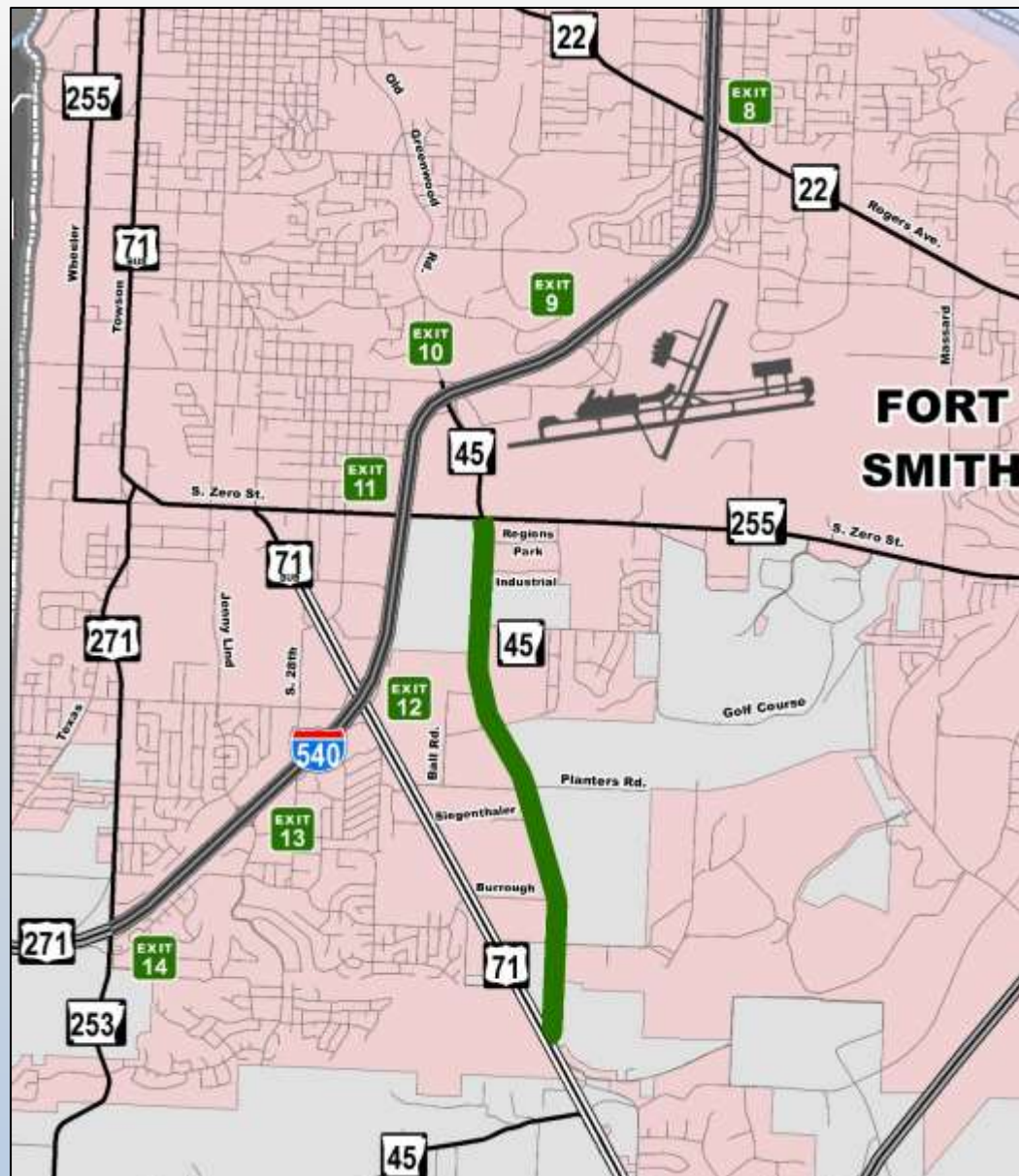


# Highway 45 Widening

Scheduled

Widening

3.0 Miles / \$16 Million

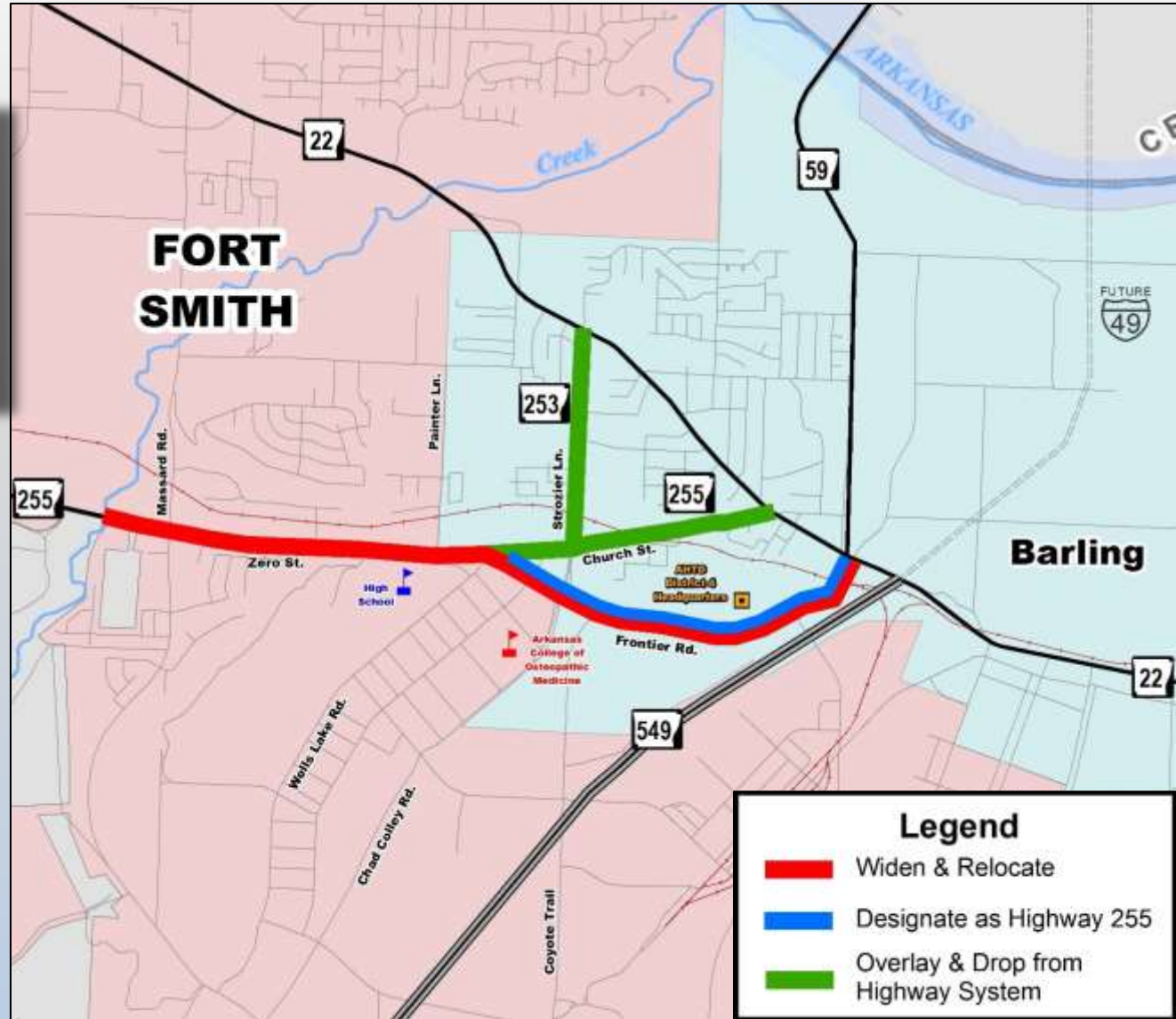


# Highway 255 Widening & Relocation

**Scheduled**

**Widening &  
Relocation**

**3.3 Miles / \$12 Million**



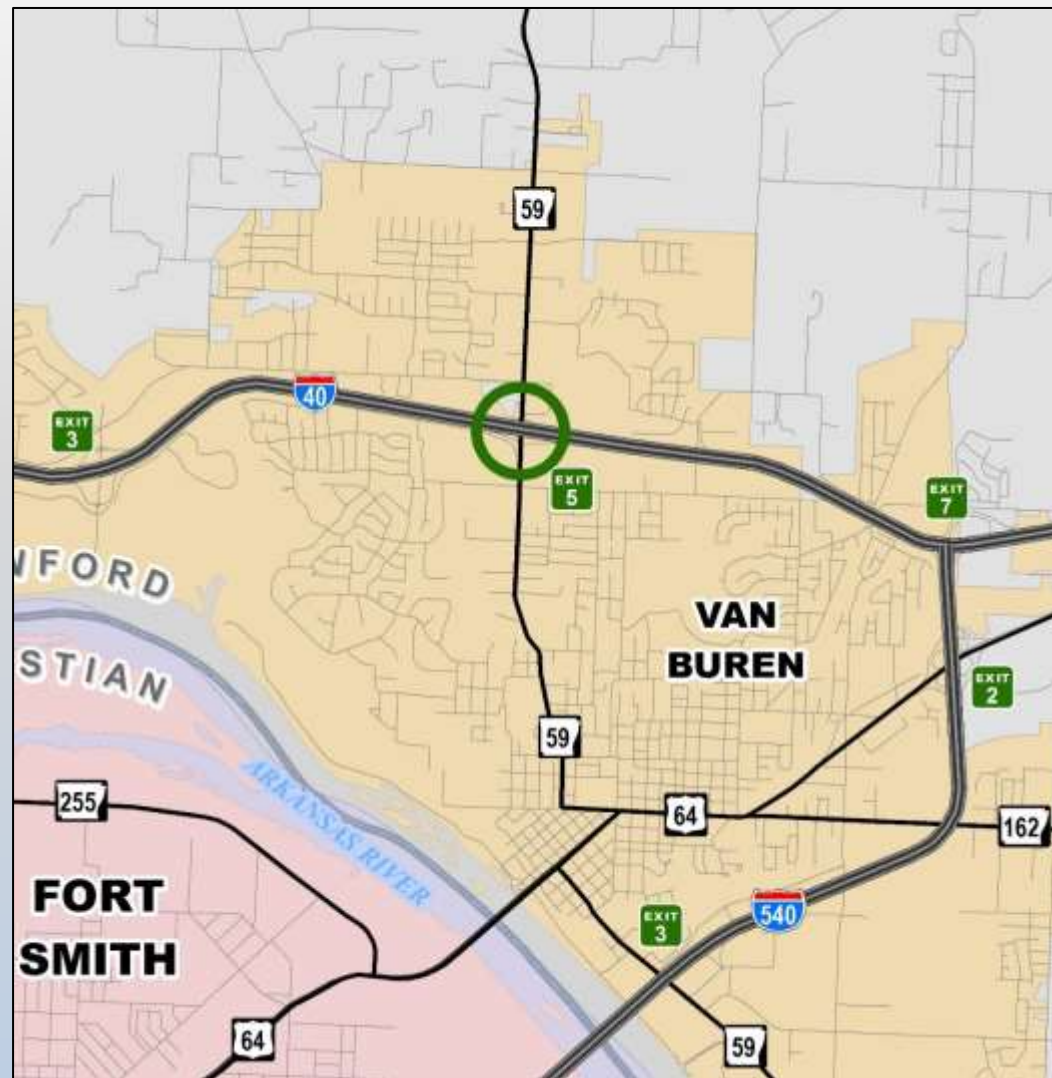
## Scheduled

Preliminary Engineering

I-40/Hwy. 59

Interchange Improvements

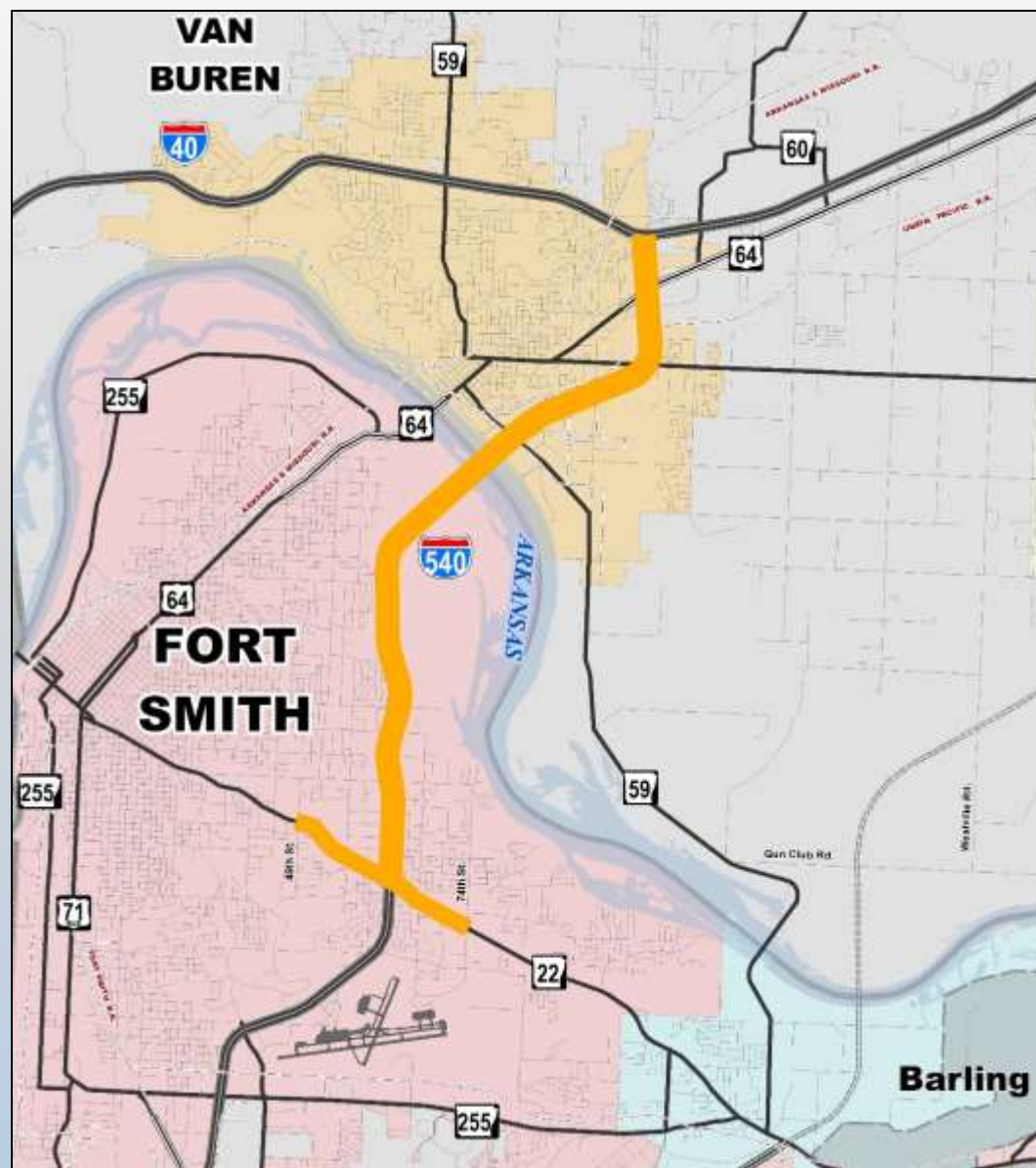
\$700,000



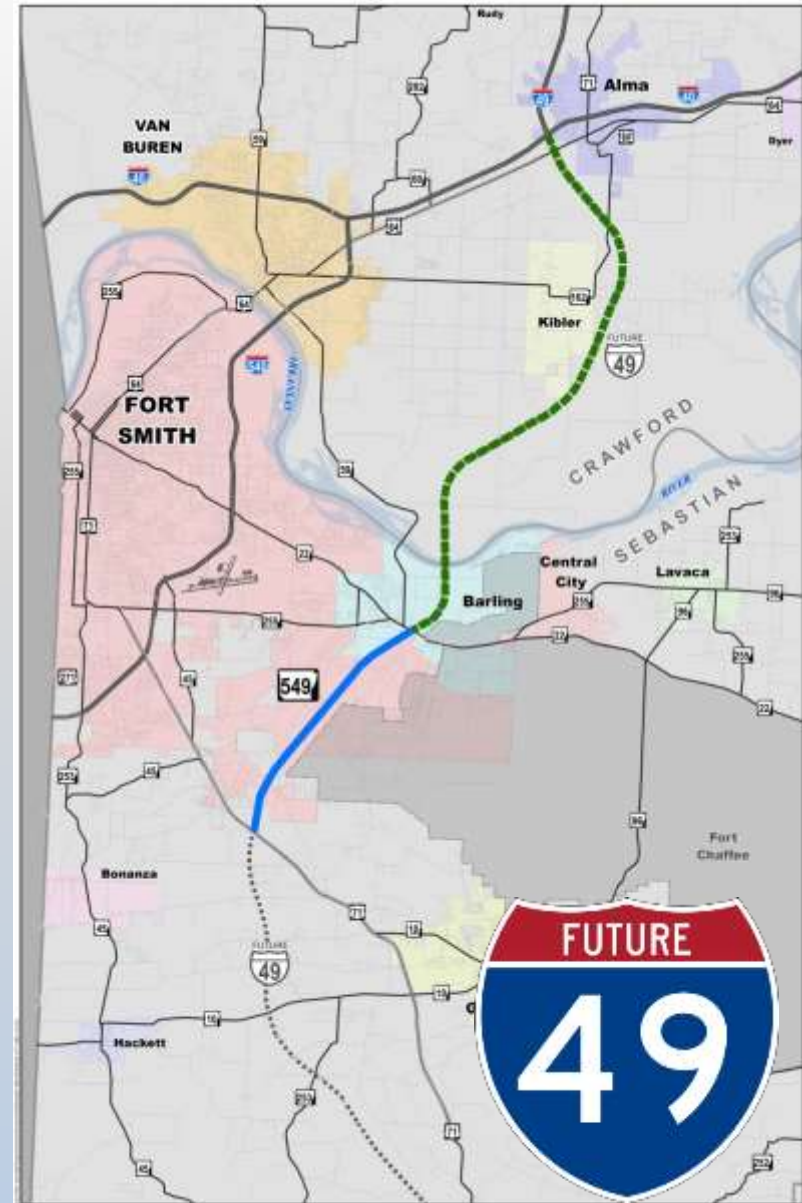


## Corridor Studies

I-540 and Highway 22  
Corridors Improvements  
Study



- Highway 22 to Interstate 40
- Alignment Approved 1997
- STIP –  
Preliminary Engineering \$10 M
- Consultant Services
  - ✓ Environmental Reassessment
  - ✓ Conceptual Design
  - ✓ Cost Estimate
  - ✓ Toll Feasibility
  - ✓ Design/Build/Finance/  
Operate/Maintain

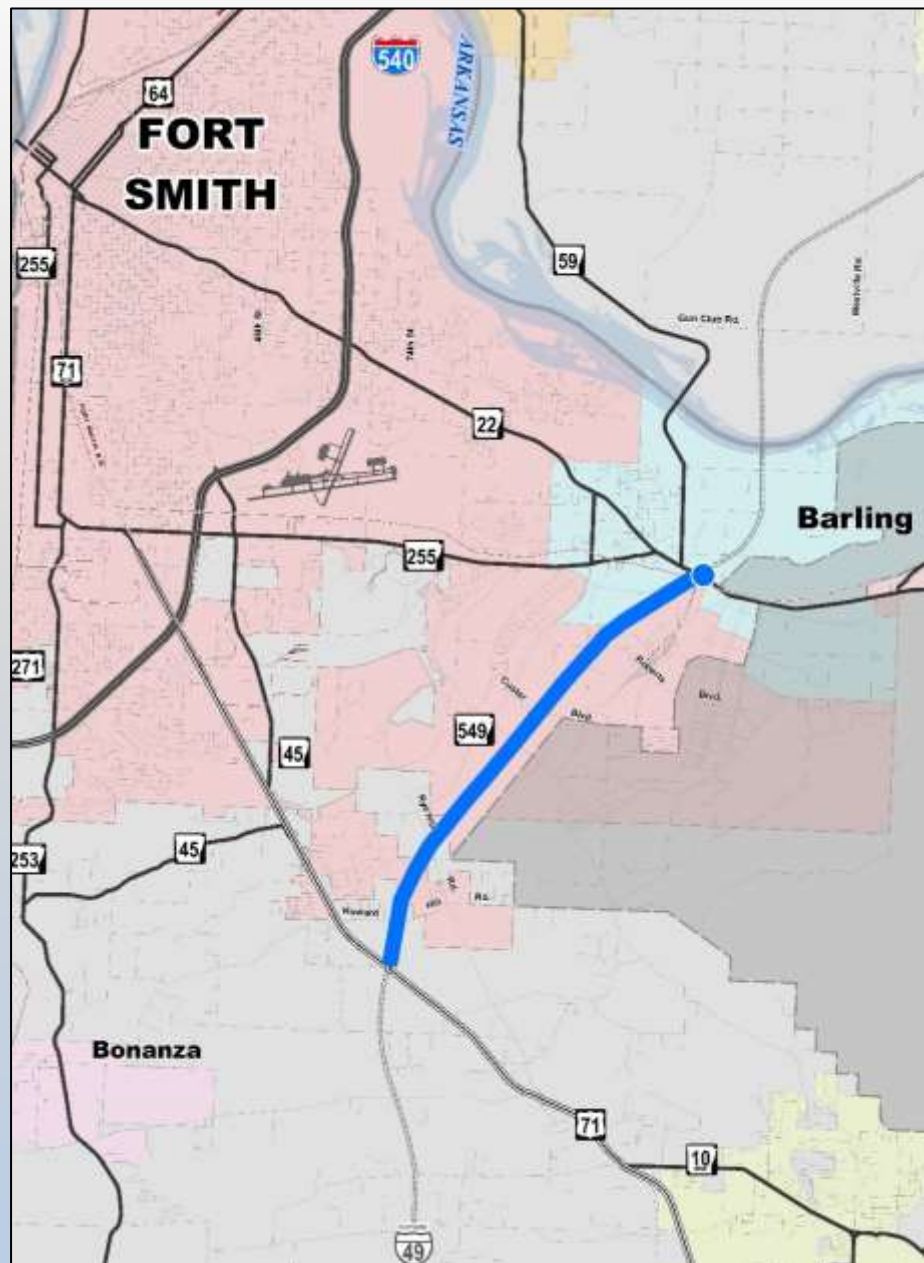




Completed

\$116 Million

5.5 Miles of New Location

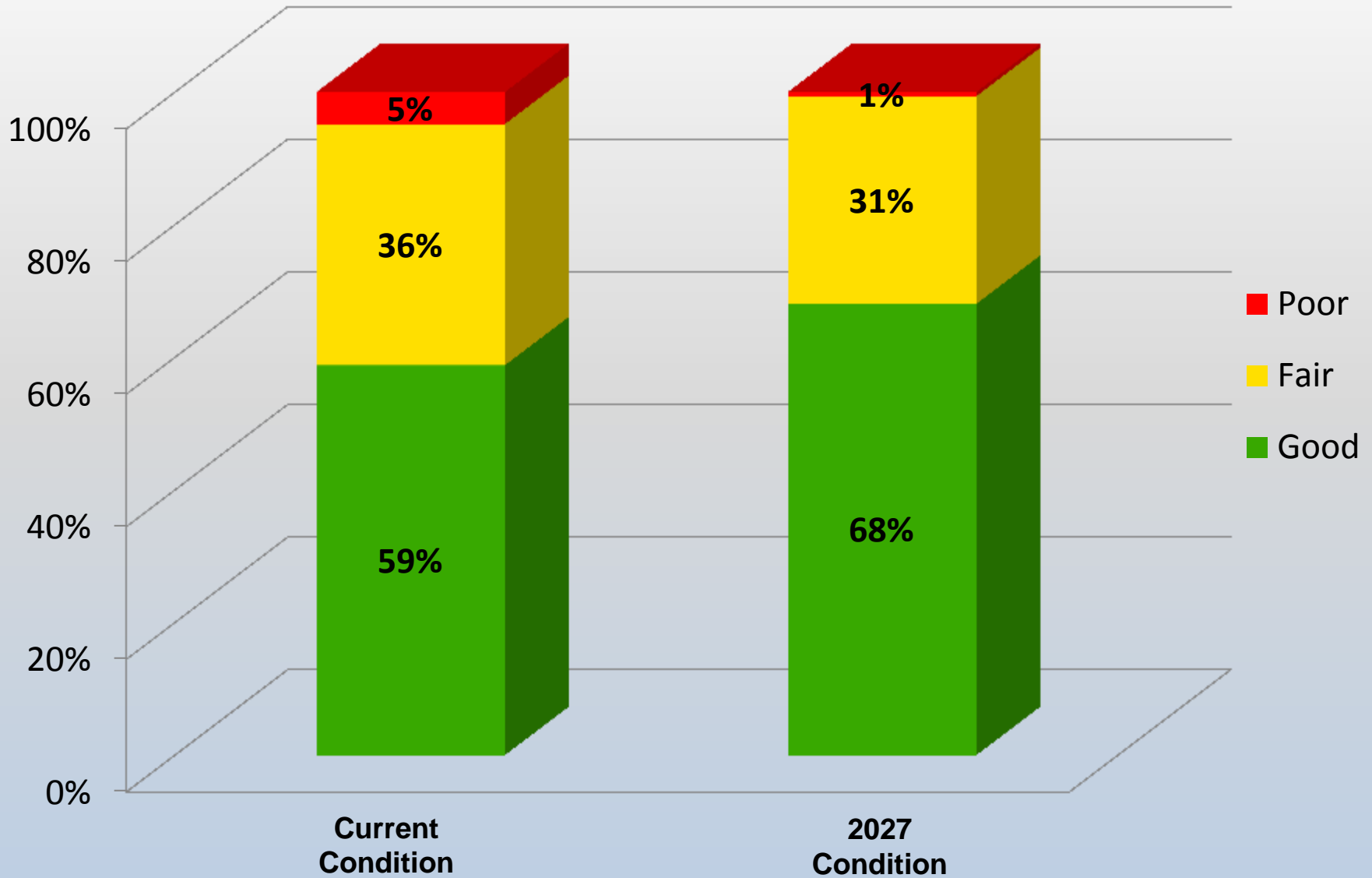


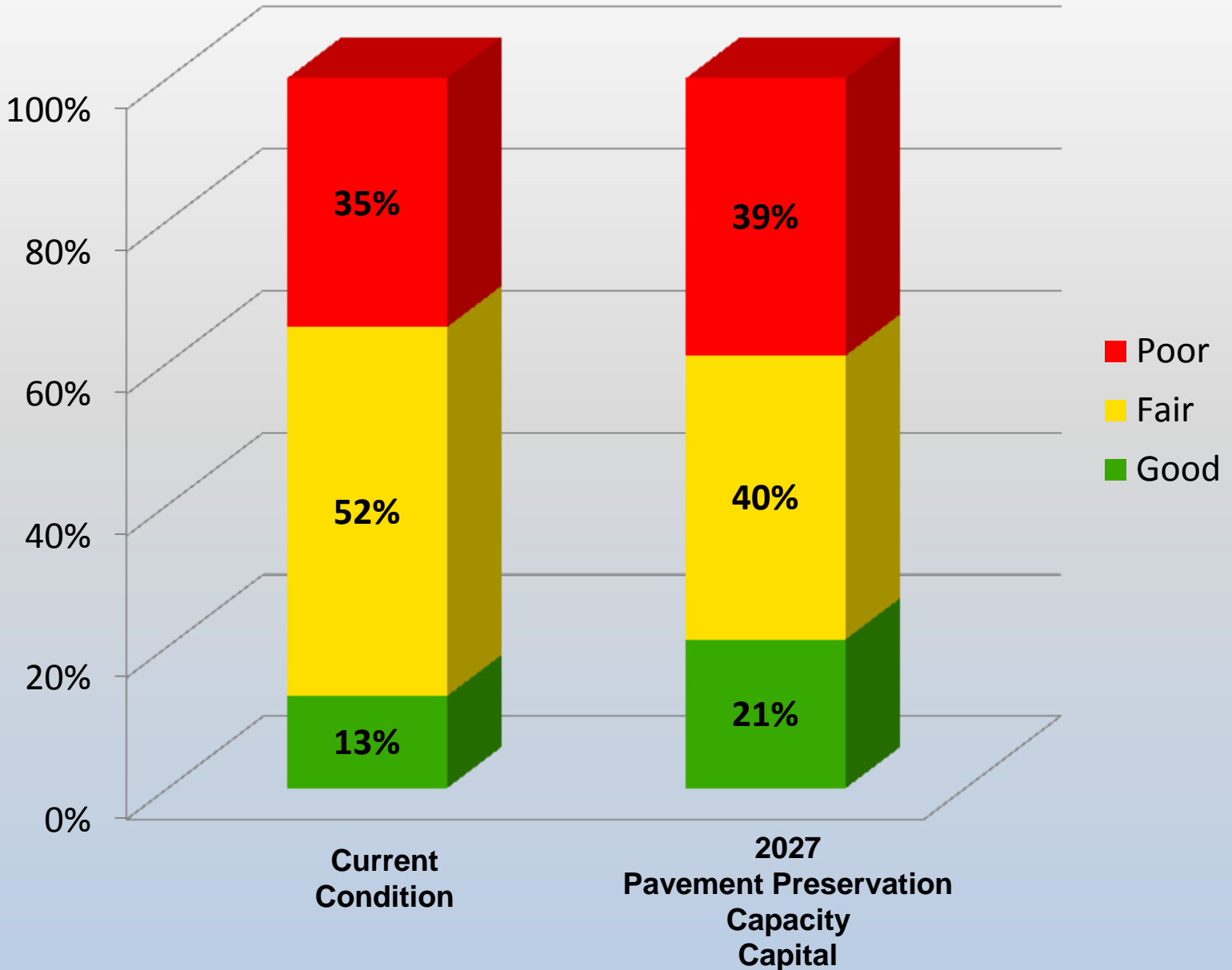
# Highway Condition



# and Needs

# Interstates







Sebastian County  
Highway 71, Section 13  
Log mile 7.14 - 10.25  
4-lane divided highway  
south of Greenwood





Sebastian County  
Highway, 255 Section 4, 5X and 5  
Log mile 0.00 - 4.48, 0.00 – 0.387  
and 0.00 - 1.00  
Truck Route on west side of Fort  
Smith through downtown



# Summary of Needs – 10 Years

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

# Summary: Needs vs Revenue – 10 Years

2016 Dollars

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

(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)
<b>Four-Lane Grid System</b>	
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
<b>TOTAL</b>	<b>\$13,876</b>

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
<b>TOTAL NEEDS</b>	<b>\$22,878</b>
<b>SHORTFALL</b>	<b>\$18,463</b>



# 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)				
<b>2016 Special Session</b>					
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
<b>Totals 2016 Special Session and Potential in Future Years</b>	<b>46.9</b>	<b>76.1</b>	<b>76.1</b>	<b>76.1</b>	<b>76.1</b>

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
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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
<b>FY17 General Revenue Surplus</b>	<b>\$0</b>
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
<b>Total Estimated Funds for 2017-2019 Biennium</b>	<b>\$229,453,060</b>

**FY17 General Revenue Surplus**

**\$0**

# Act 1 - Arkansas Highway Improvement Plan of 2016

	FY17	FY18	FY19	FY20	FY21
	(x \$1 M)				
<b>2016 Special Session</b>					
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
<b>FY18 (Governor's Projection)</b>	<b>FY18 (Current Projection)</b>		<b>Difference</b>		
<b>\$76.1M</b>	<b>\$7.3 M</b>		<b>-\$68.8 M</b>		
<b>Potential in Future Years</b>					
Allocate 25% of Future Surplus to Highways (Estimate Based on 10 Year Average)		48.0	48.0	48.0	48.0
<b>Totals 2016 Special Session and Potential in Future Years</b>	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

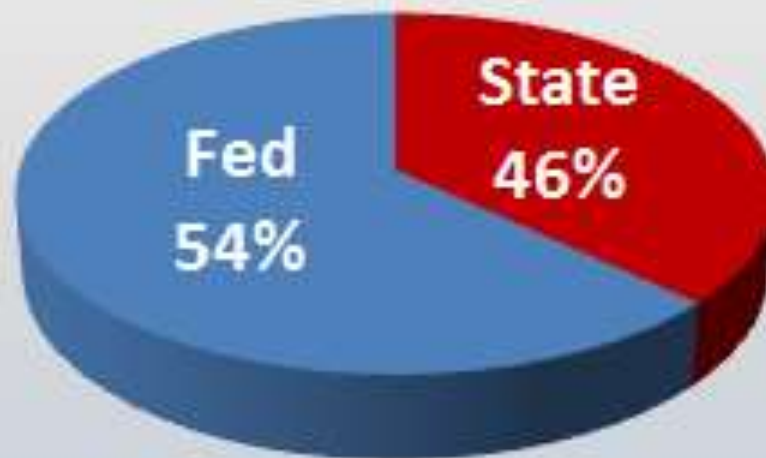
## 1993

### Hwy. Funding Breakdown



## 2016

### Hwy. Funding Breakdown



# How Did We



# Get Here?



# Challenges

➤ **12<sup>th</sup>** largest system in the country

➤ **42<sup>nd</sup>** in highway revenue per mile.

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➤ **\$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

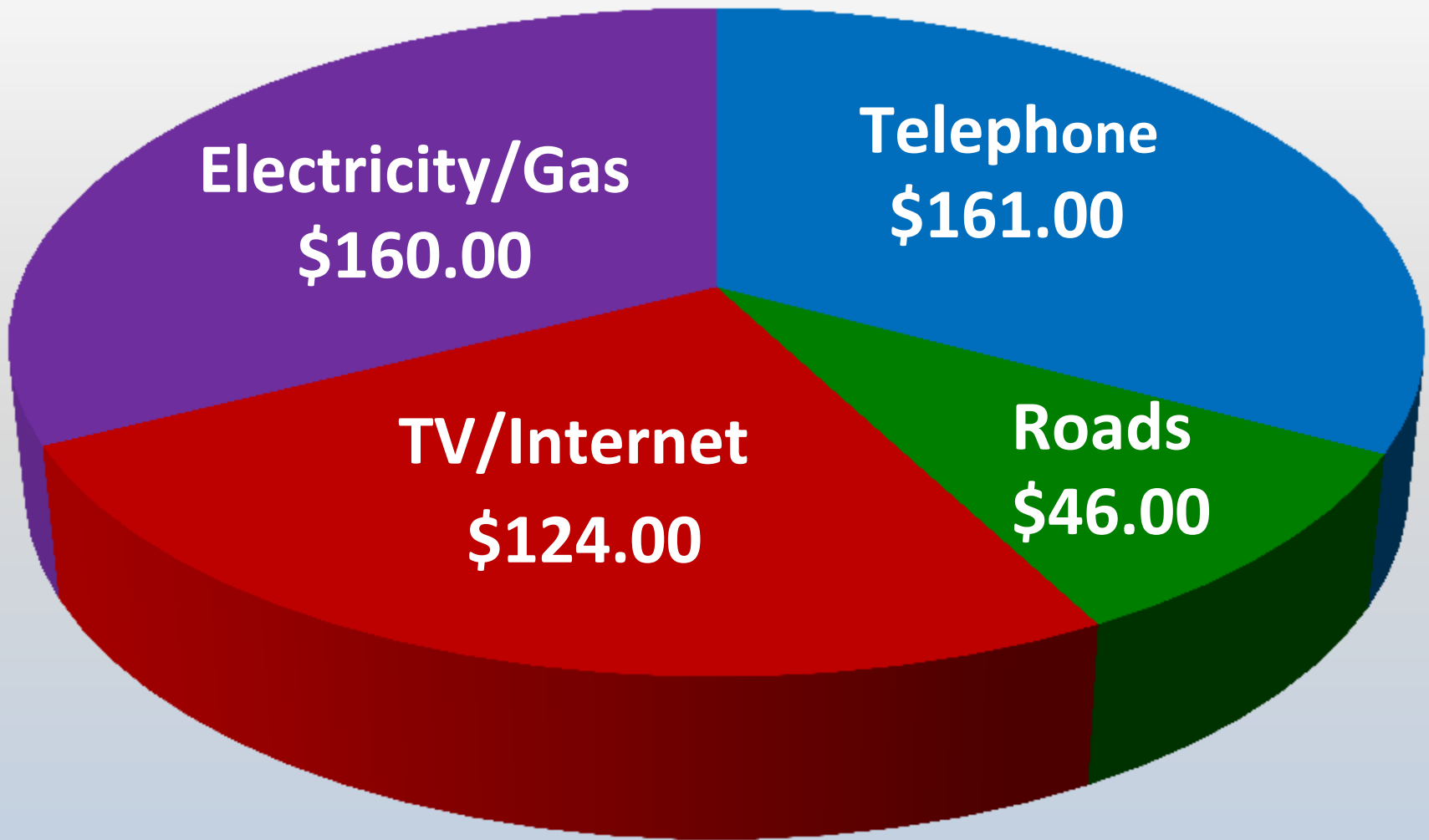
22 years ago, in 1995,  
**200 miles** of Highway  
could be overlaid.

## 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

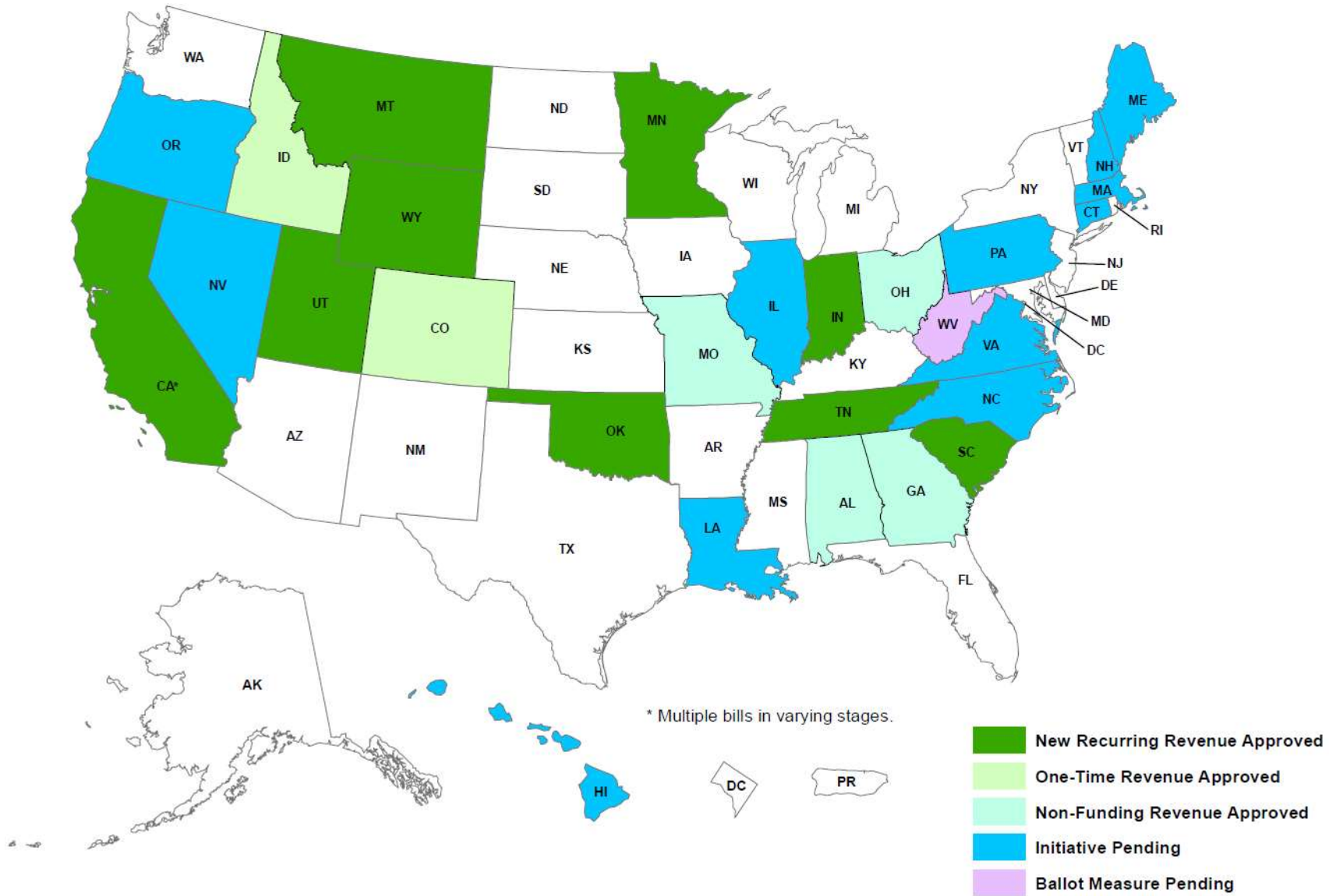


“We proved we can’t do it through the legislative process so far with the political situation we’re in. It’s got to be a ballot initiative.”



*Representative Dan Douglas  
R-Bentonville*

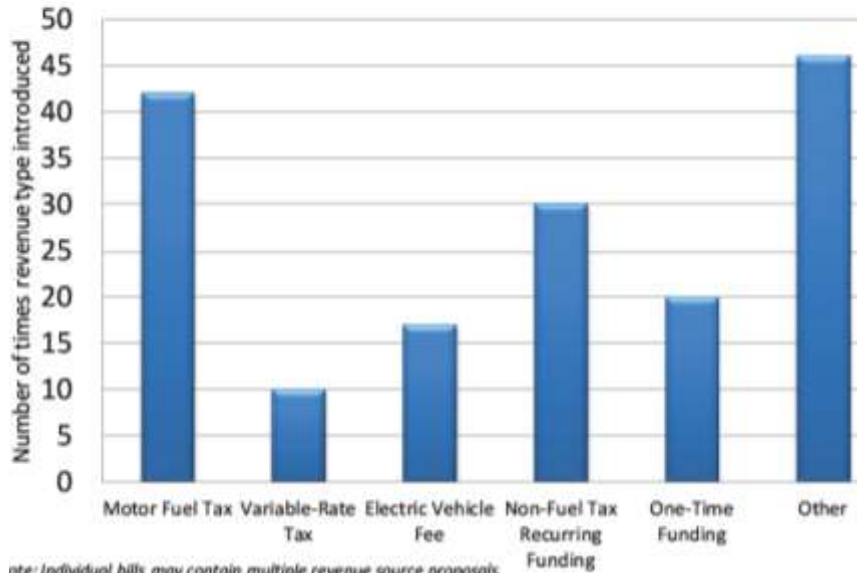
# 2017 Transportation Funding Related Bills





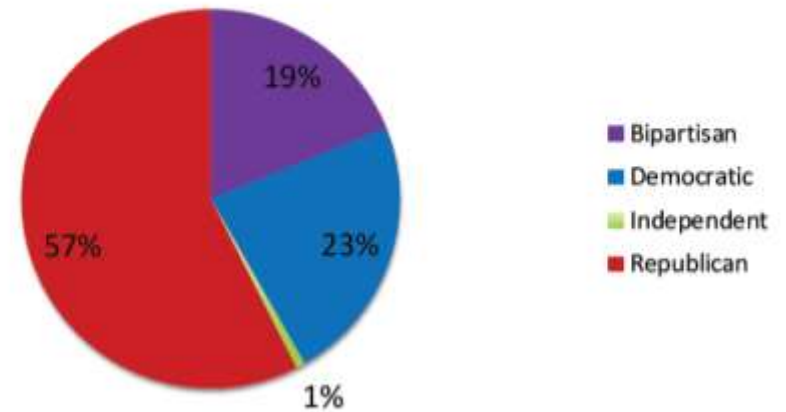
# 2017 Transportation Funding Related Bills

## Types of State Transportation Funding Revenue Increases Introduced in 2017



*note: Individual bills may contain multiple revenue source proposals.*

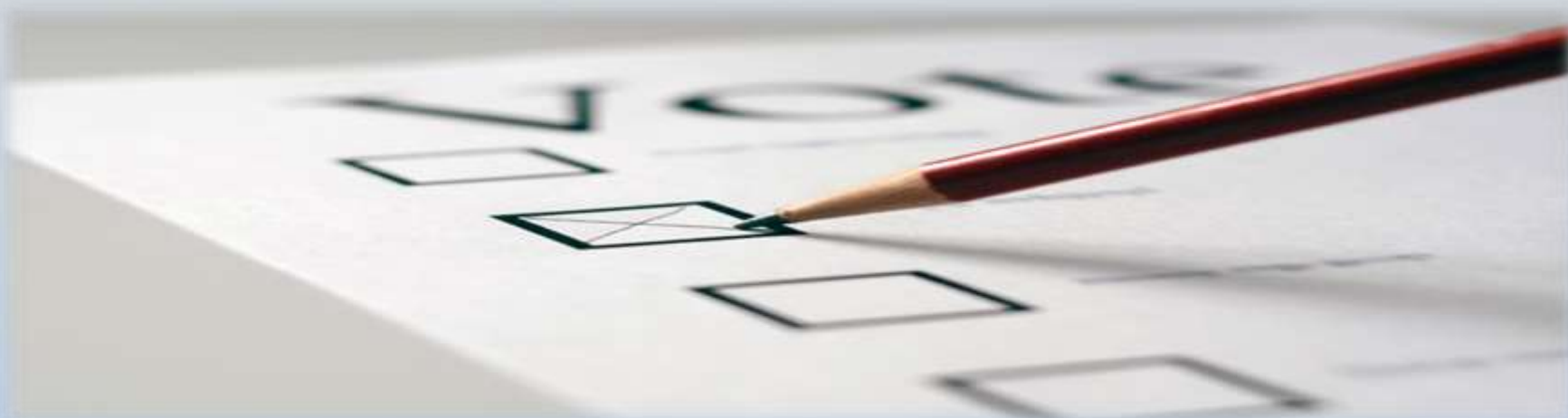
## Political Parties of State Legislators Introducing Transportation Funding Legislation in 2017



## □ 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 <sup>1</sup>
1 Cent Motor Fuel Tax Increase	\$ 14 M
Remove Sales Tax Exemption (Wholesale \$1.70 per Gallon) <sup>2</sup>	\$ 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 <sup>2</sup>	\$ 228 M
Transfer Sales Tax on Auto Repair Parts, Services, etc. <sup>2</sup>	\$ 74 M
1% General Sales Tax	\$ 344 M

<sup>1</sup> Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.

<sup>2</sup> Transfer of 4.5% (“general” portion of statewide sales tax)

# Options for Generating Additional Revenue

Source	\$200 Million for Highways <sup>(1)</sup>	\$300 Million for Highways <sup>(1)</sup>	\$400 Million for Highways <sup>(1)</sup>
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 <sup>(2)</sup>	0.58%	0.87%	1.16%

<sup>1</sup> Amount shown is annual net to highways – after deduction for CFA/CSF and 30% to cities and counties.

<sup>2</sup> Transfer of 4.5% (“general” portion of statewide sales tax)



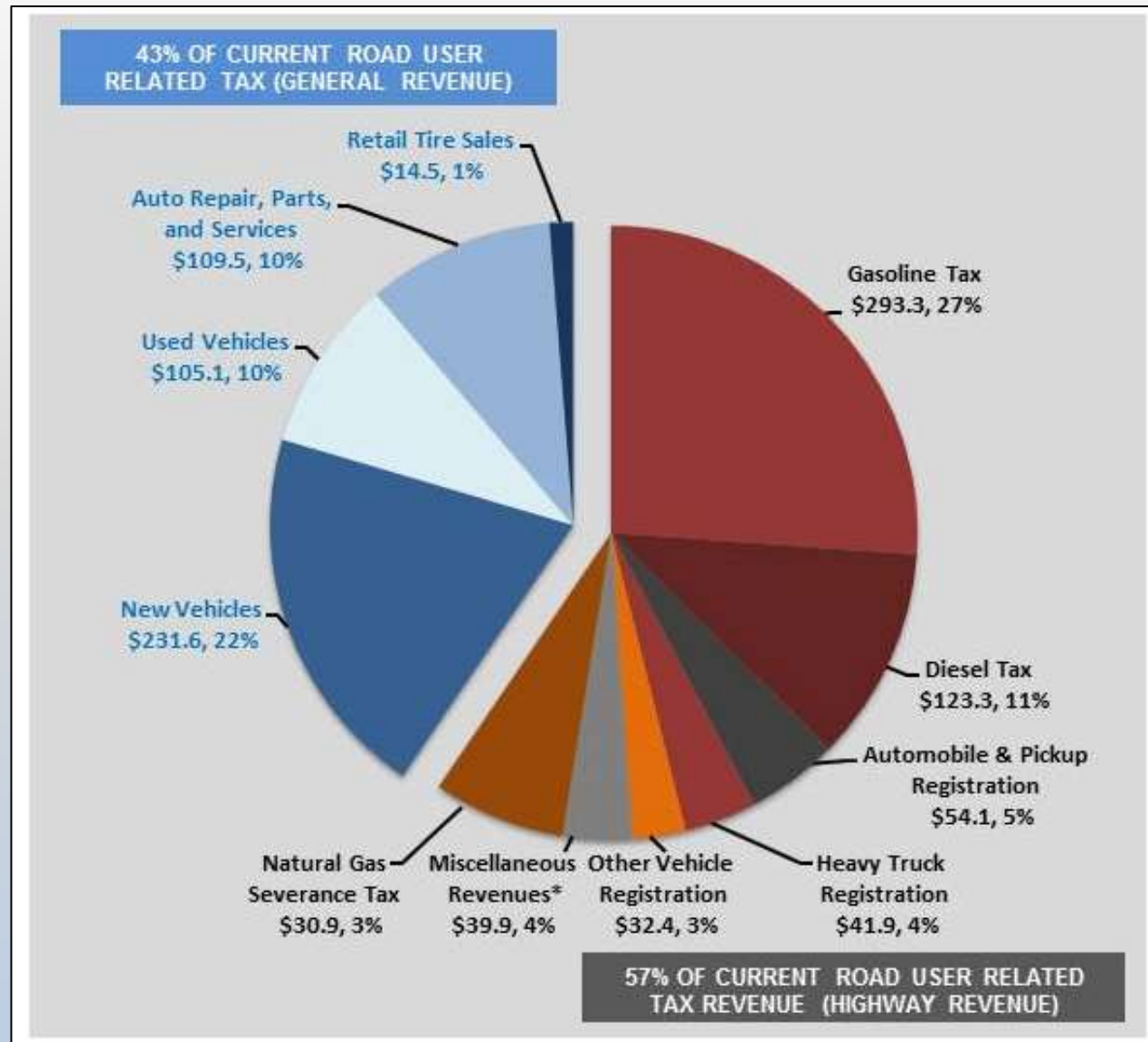
# Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue  
**\$1,076.5 Million**

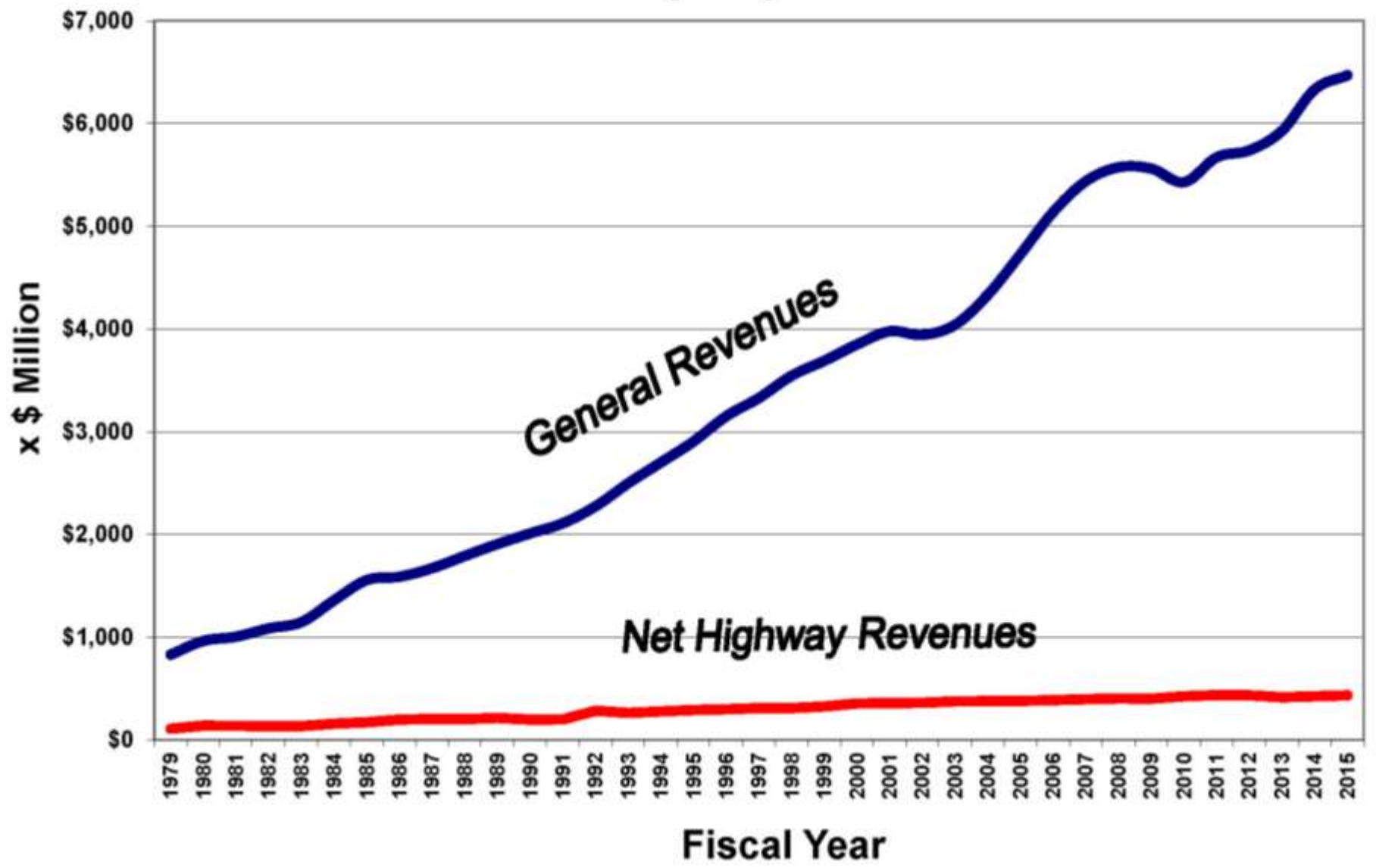
Distribution:

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
<b>TOTAL TO THE HIGHWAY FUND IN YEAR 2024</b>				<b>\$ 595.5</b>	<b>\$ 416.8</b>

# 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
<b>TOTAL TO THE HIGHWAY FUND IN YEAR 2024</b>					<b>\$ 611.0</b>	<b>\$ 427.7</b>



# 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
<b>TOTAL TO THE HIGHWAY FUND IN YEAR 2024</b>				<b>\$ 570.9</b>	<b>\$ 399.6</b>

# 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
<b>TOTAL ADDITIONAL TO THE HIGHWAY FUND IN YEAR 2024</b>					<b>\$ 520.8</b>	<b>\$ 364.6</b>

# 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](mailto: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](http://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**

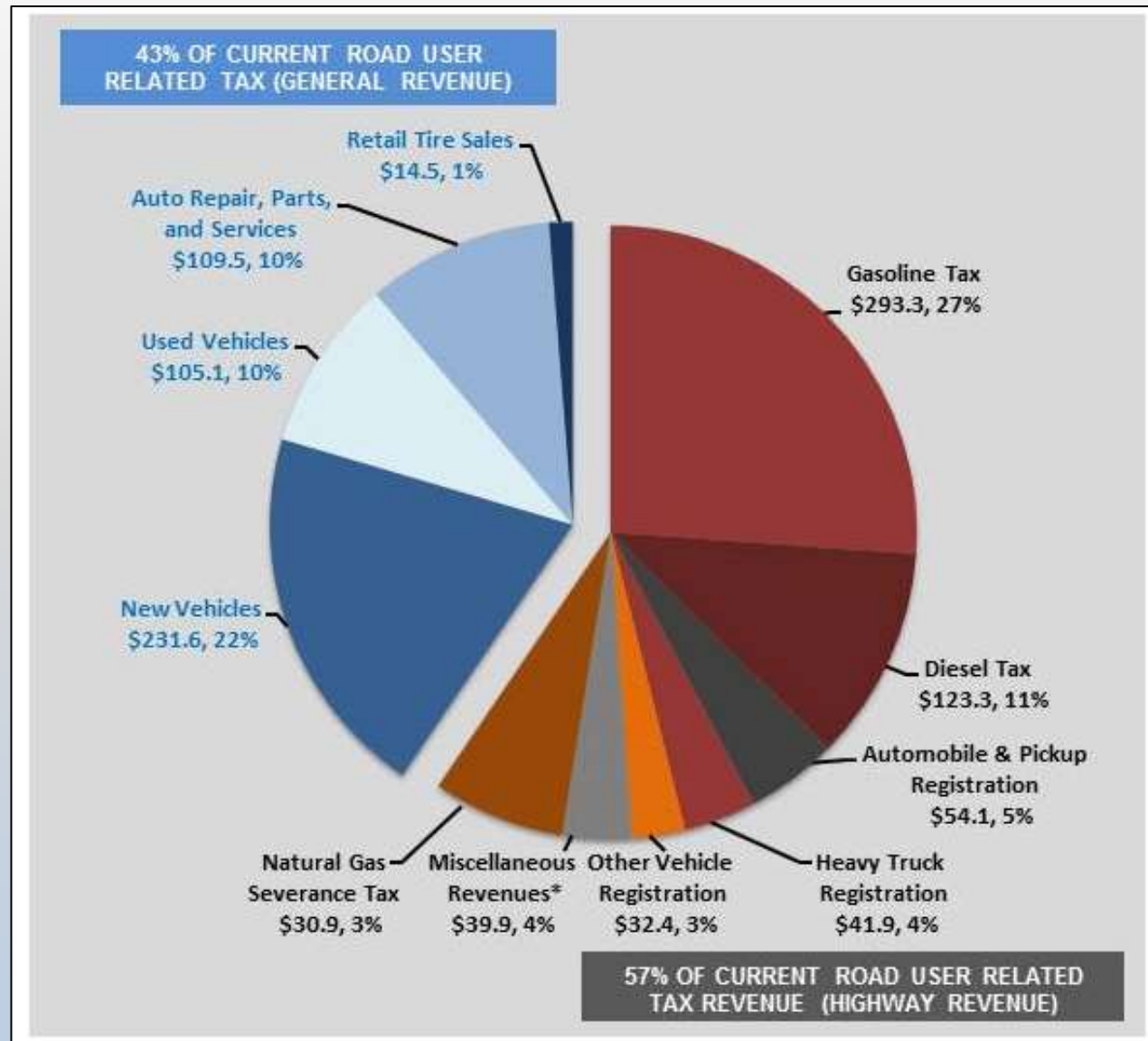
### Distribution:

#### General Revenue

**\$460.7 Million (43%)**

#### Highway Revenue

**\$615.9 Million (57%)**



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



@AHTD



# Questions?

