

Lorie Tudor, P.E.

Deputy Director and Chief Operating Officer



Alma Area Chamber of Commerce

Tuesday, July 18, 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

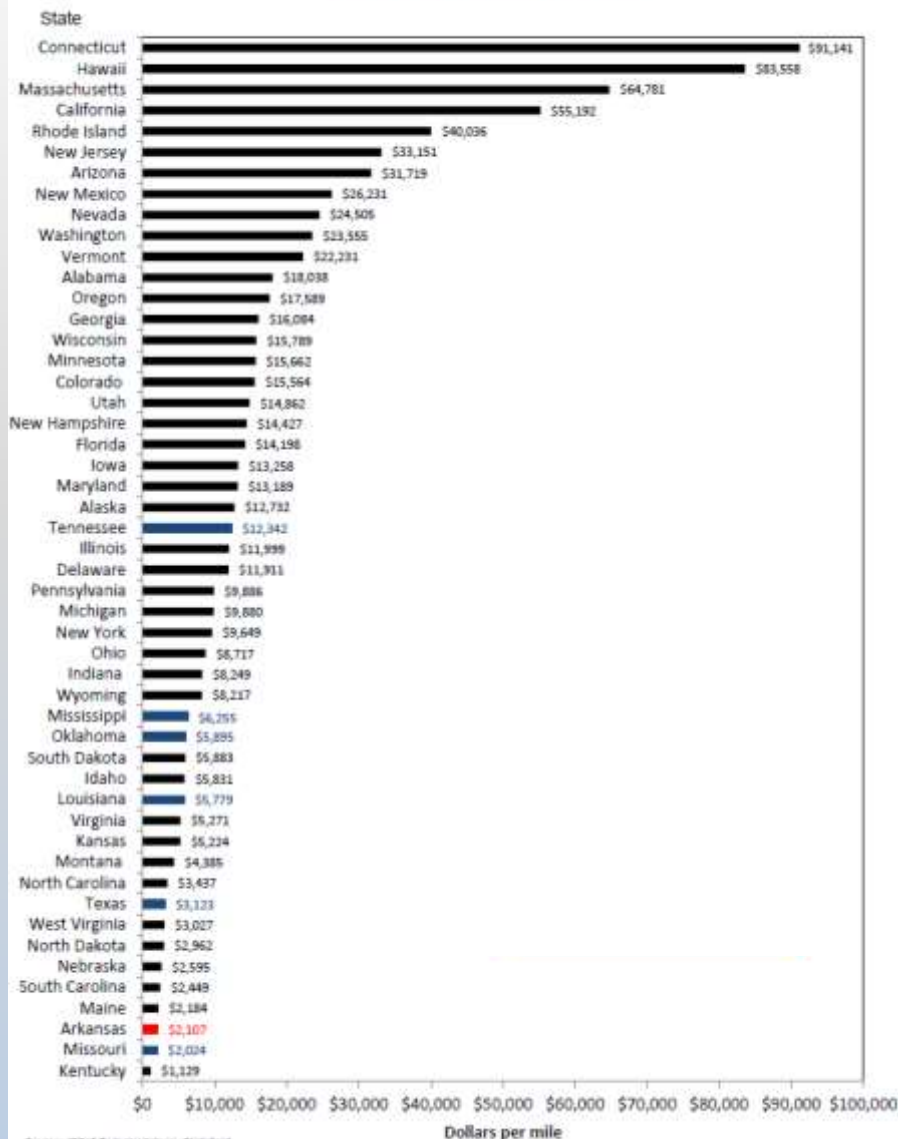
– *Commitment to ethics and transparency*

Efficiency

– *Achieve maximum benefit through fiscal responsibility*

Administrative Cost Per Mile

Arkansas Ranks 48th in the Nation



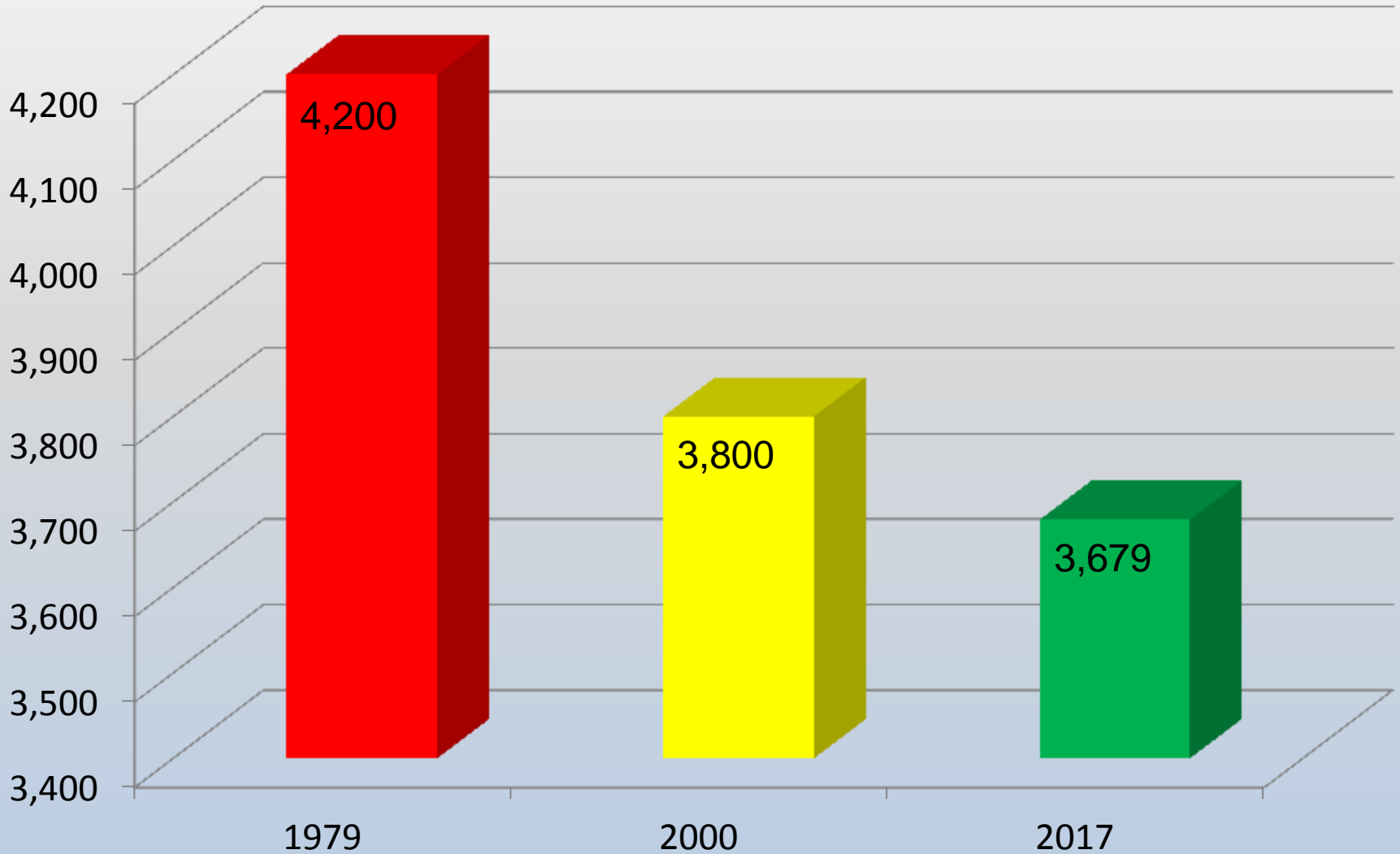
Arkansas has the
3rd Lowest
Administrative
Cost Per Mile
in the Nation

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

Prior to Program

**63% Poor or
Mediocre**

After Program

72% Good

Completed

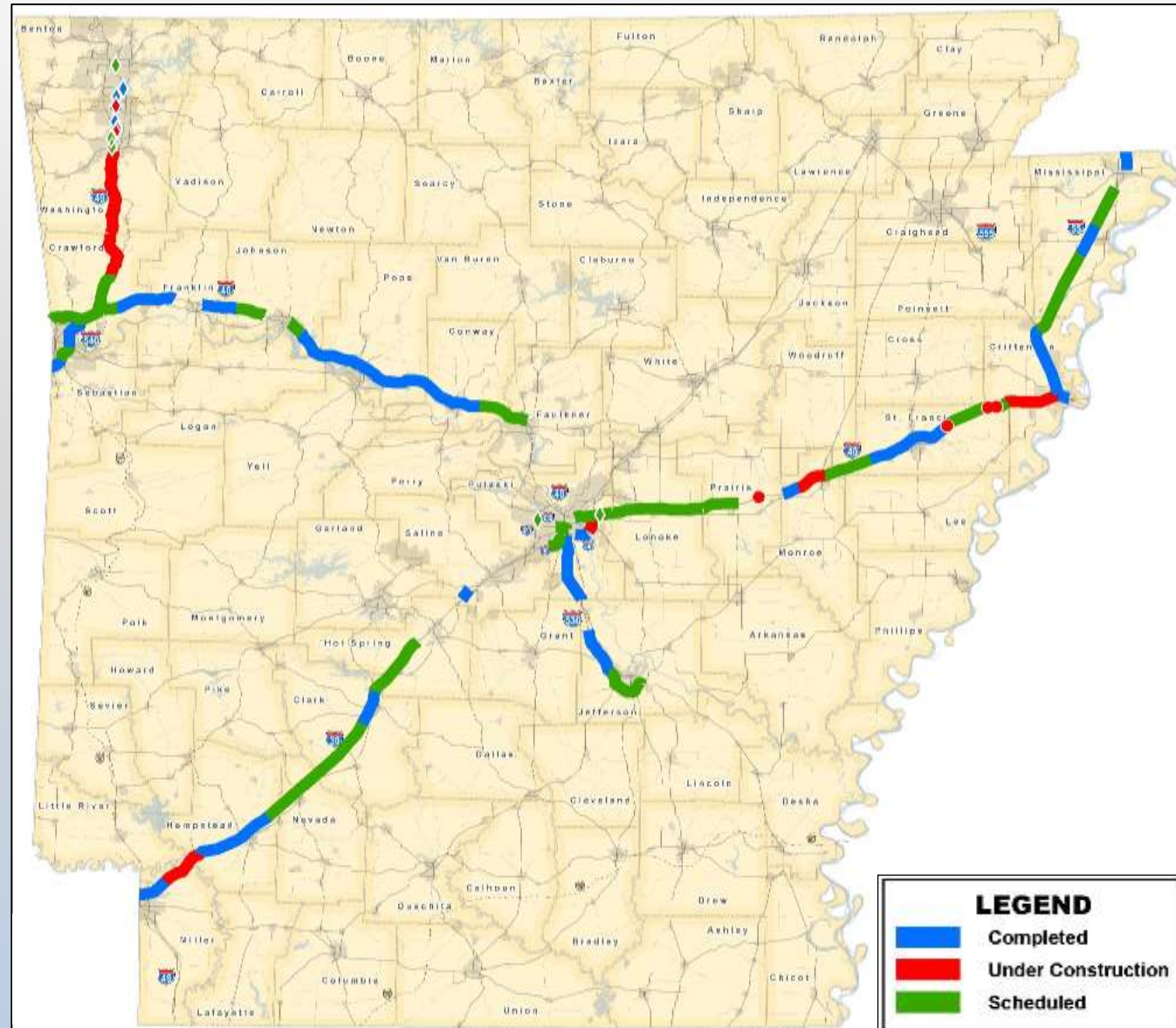
32 Projects
205 Miles
\$625 Million

Under Construction

14 Projects
87 Miles
\$492 Million

Scheduled

37 Projects
202 Miles
\$398 Million



Connecting Arkansas Program

Completed

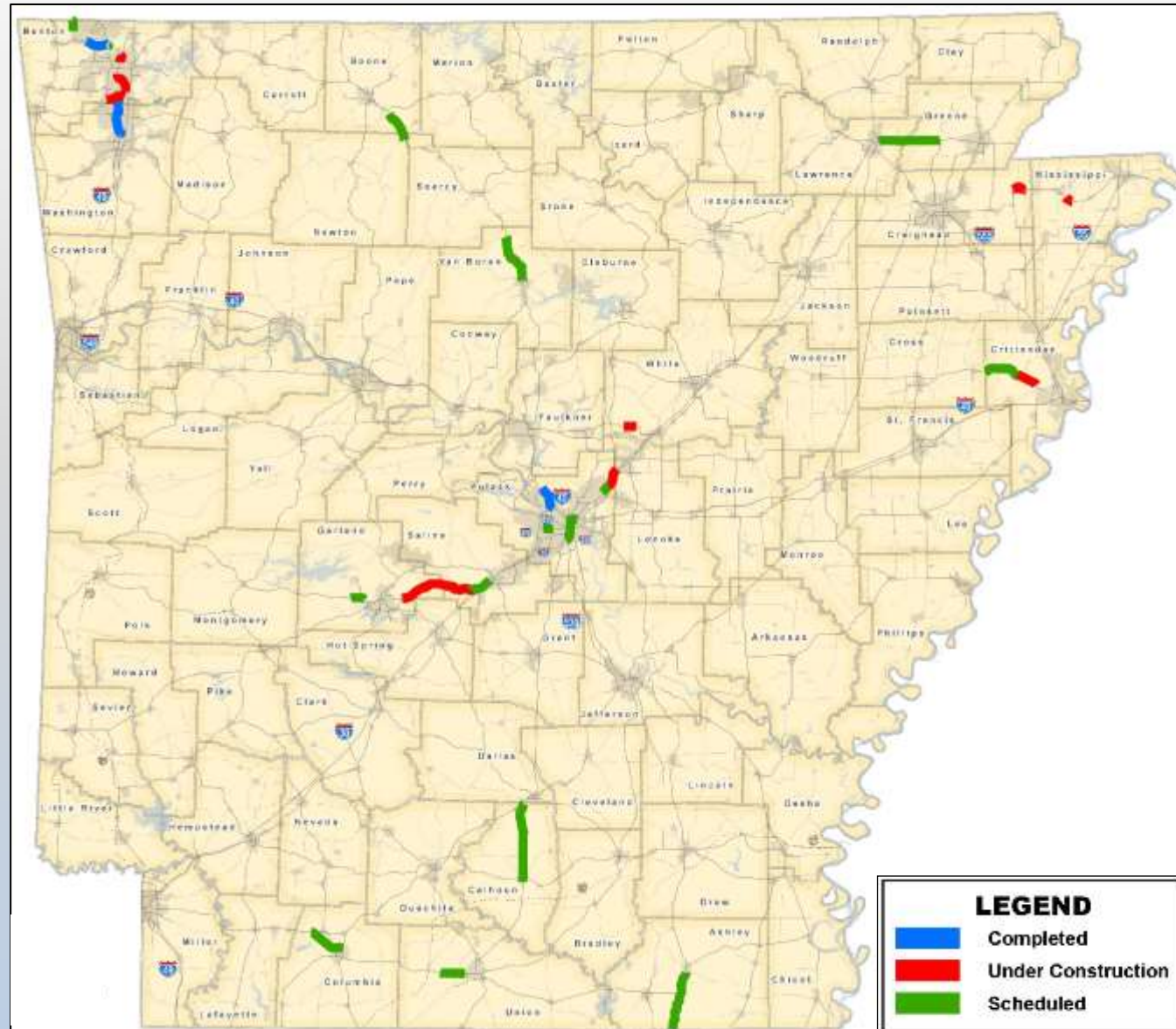
4 Projects
19 Miles
\$141 Million

Under Construction

9 Projects
49 Miles
\$405 Million

Scheduled

23 Projects
117 Miles
\$1.33 Billion



Local Project



Updates

Highway 549 (Future I-49)

Completed
New Location
5.5 Miles
\$116 Million

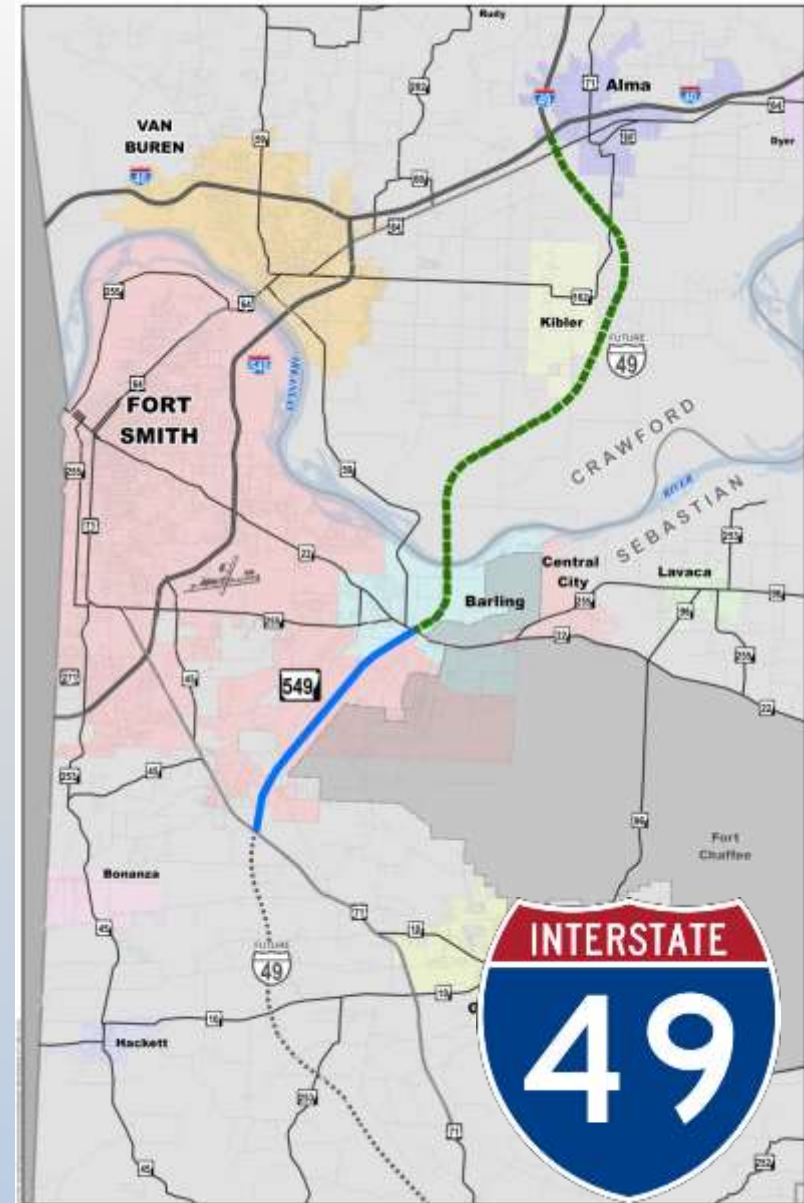


FUTURE



Future Interstate 49

- 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



Interstate 40

Completed

Resurfacing
13.9 Miles
\$8.4 Million



Scheduled

Resurfacing
17.0 Miles
\$10-\$15 Million



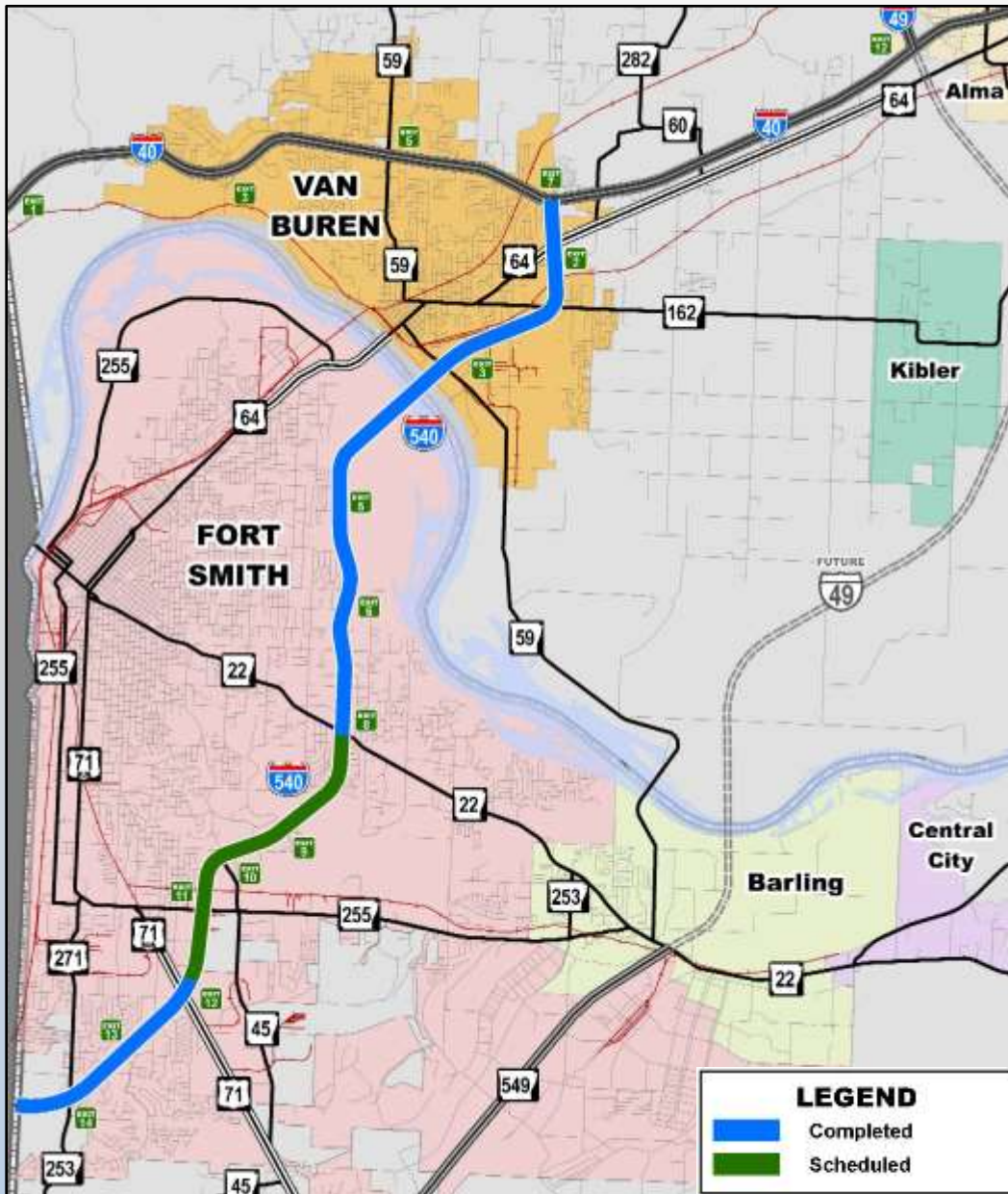
Interstate 540

Completed

Reconstruction &
Bridge Replacement
9.7 Miles
\$75.2 Million

Scheduled

Resurfacing
3.9 Miles
\$10-\$15 Million



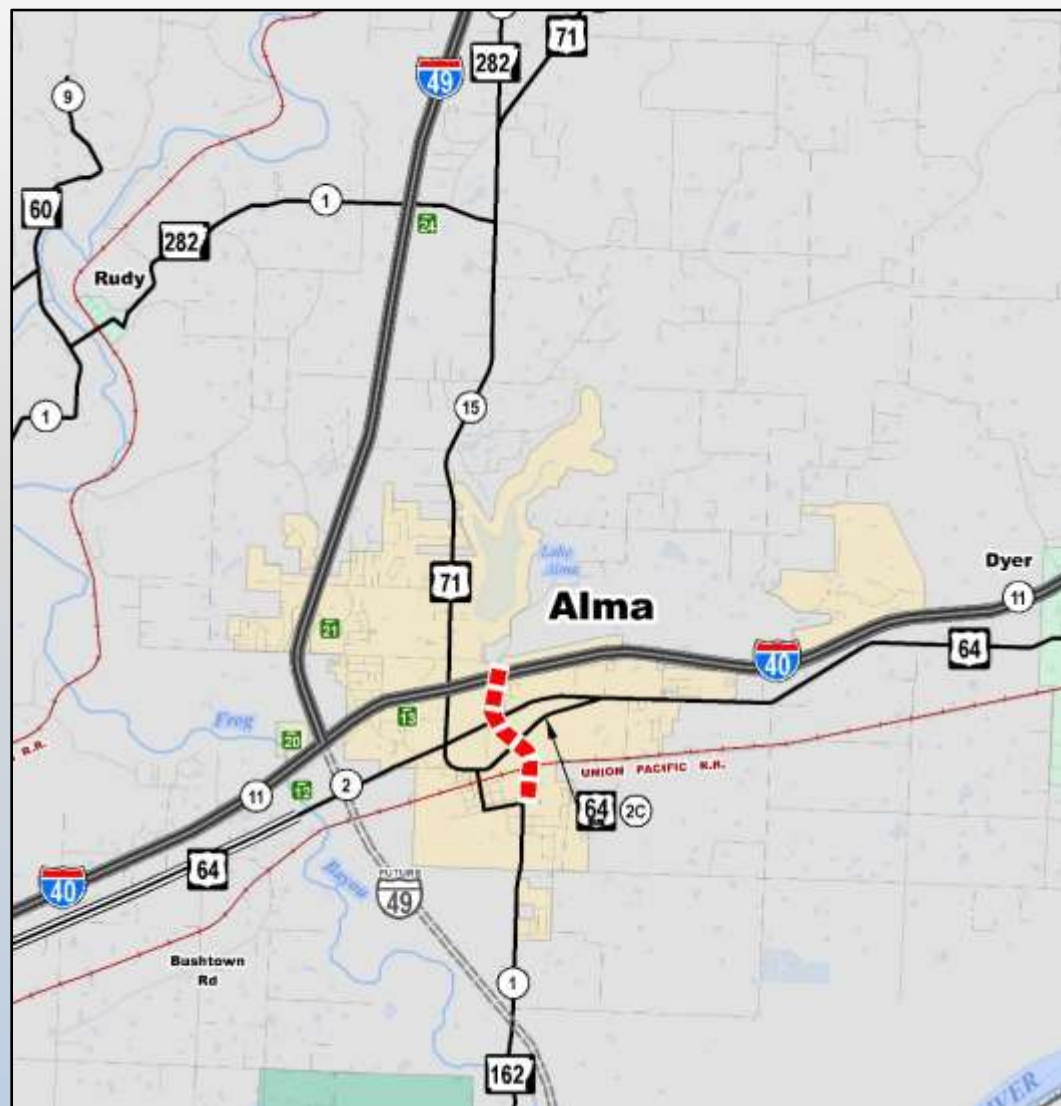
**Substantially
Complete**

New Location

0.7 Miles

\$9.6 Million

Partnering Project



Highway 71 / Highway 162

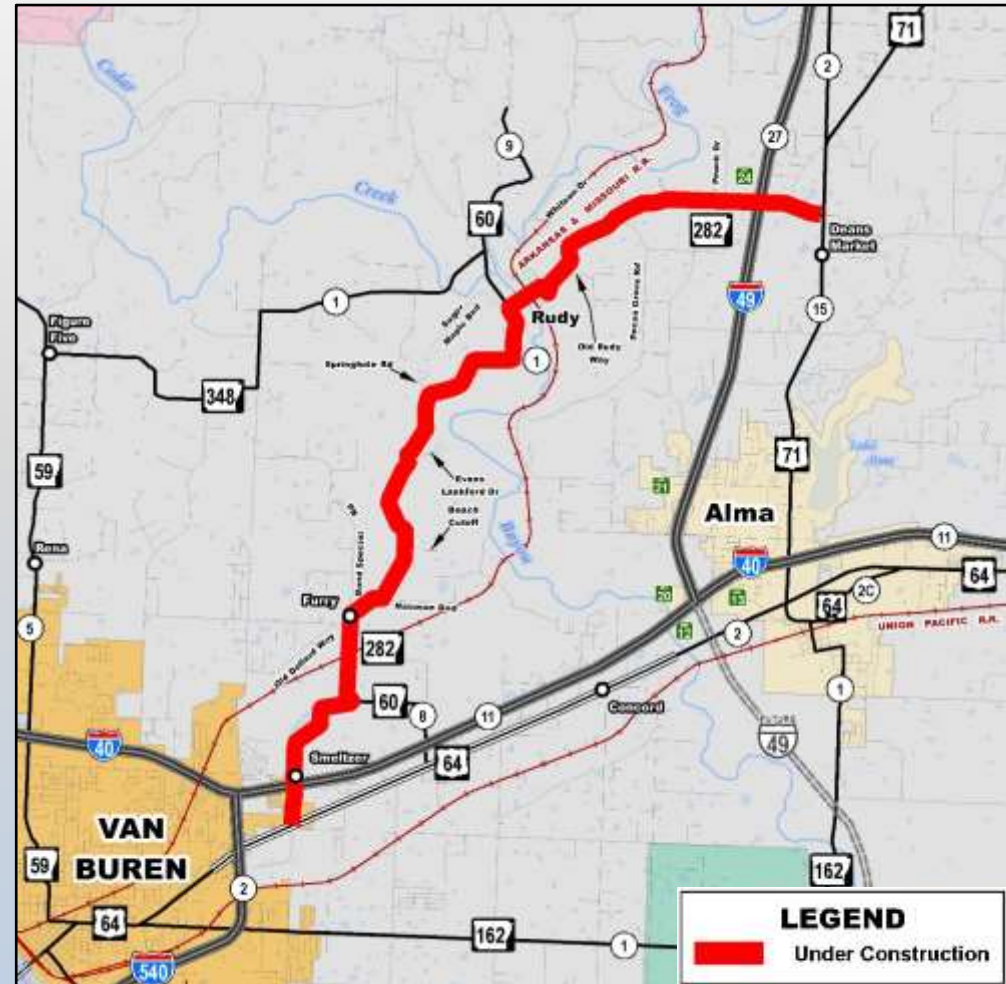
Under Construction

Resurfacing
1.6 Miles
\$1.0 Million



Under Construction

Resurfacing
10.1 Miles
\$1.6 Million



Under Construction

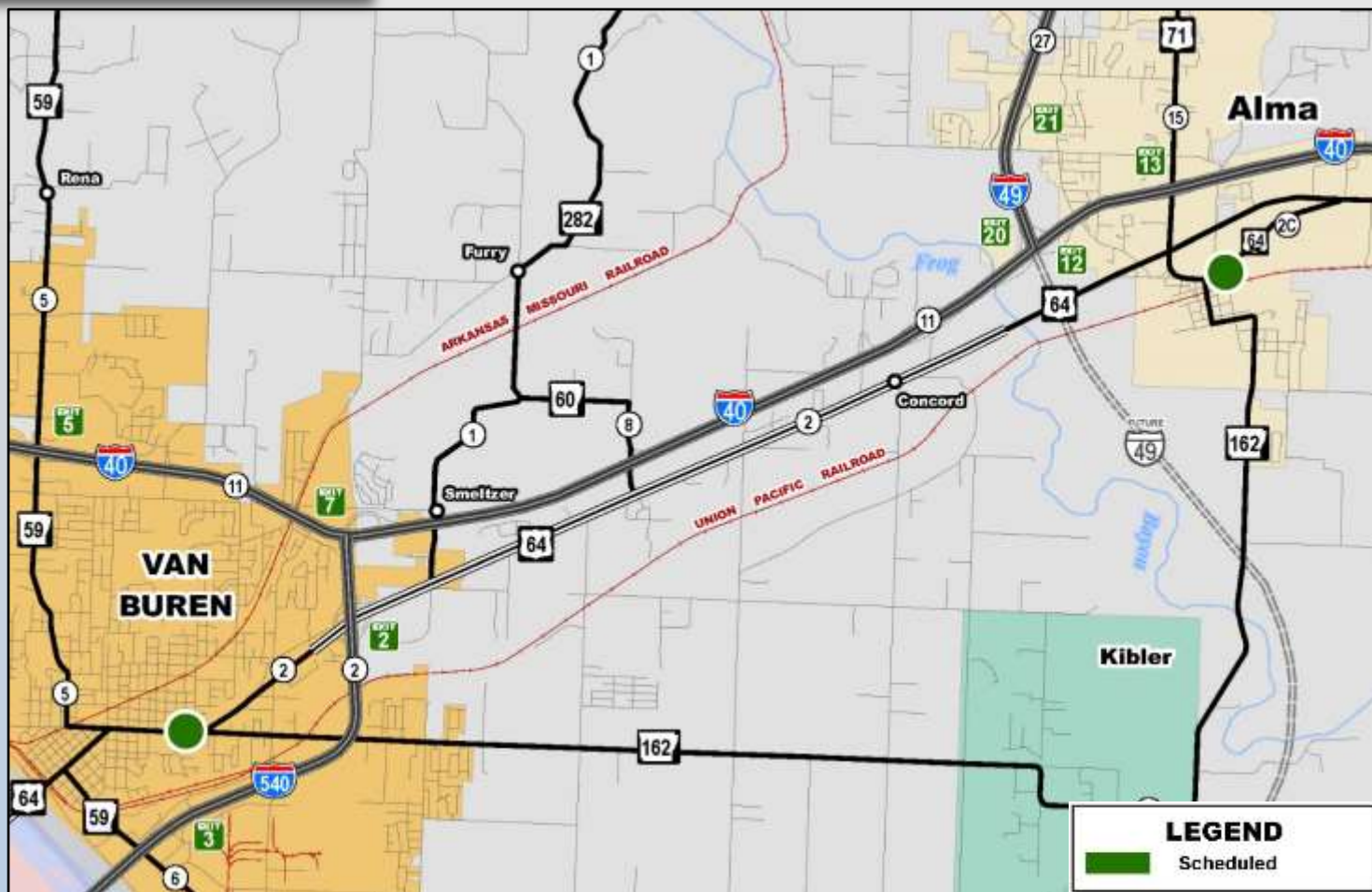
Resurfacing

1.1 Miles

\$380,000



Scheduled
Replace 2 Bridges
\$1-\$5 Million

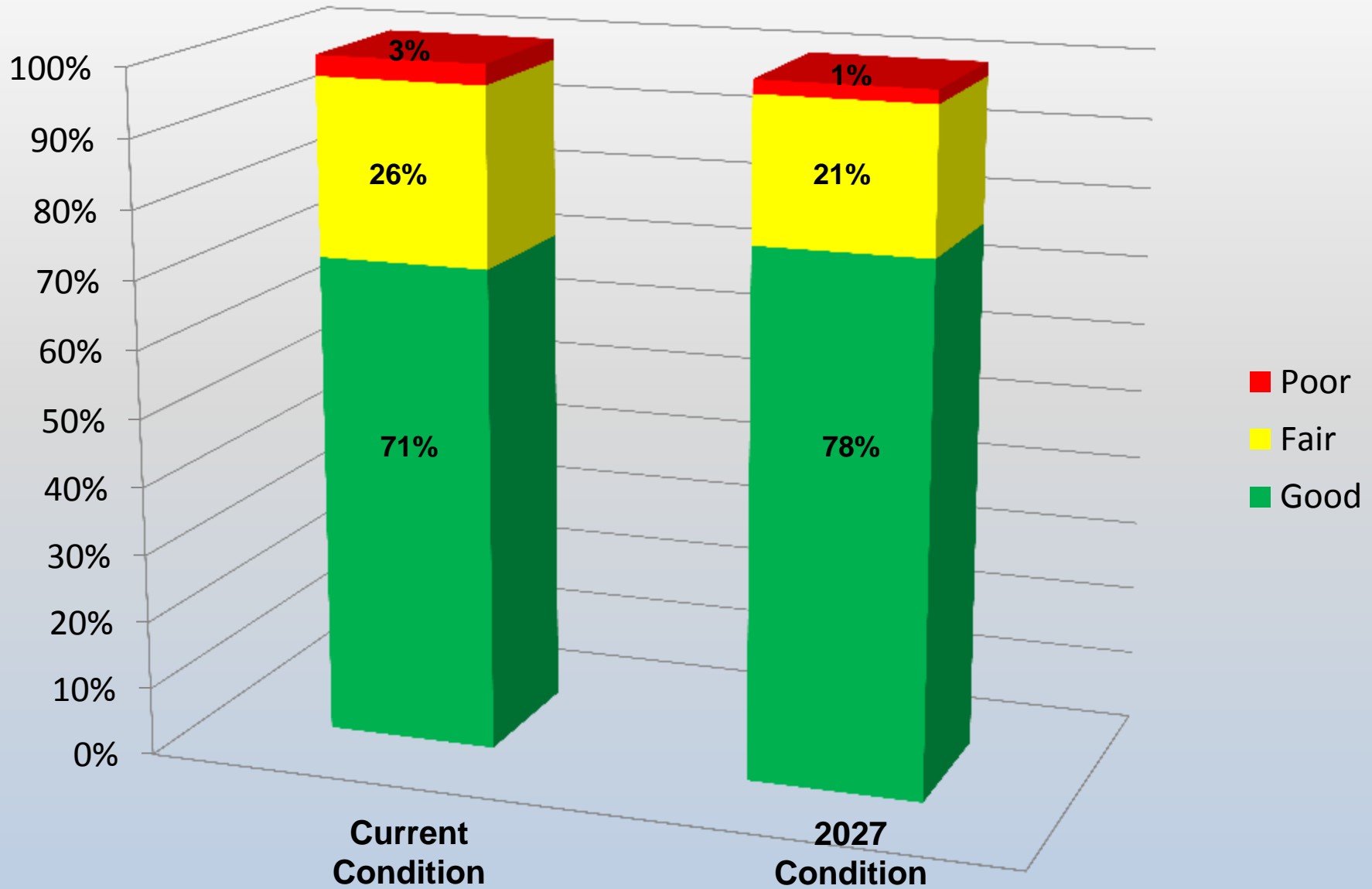


Highway Condition

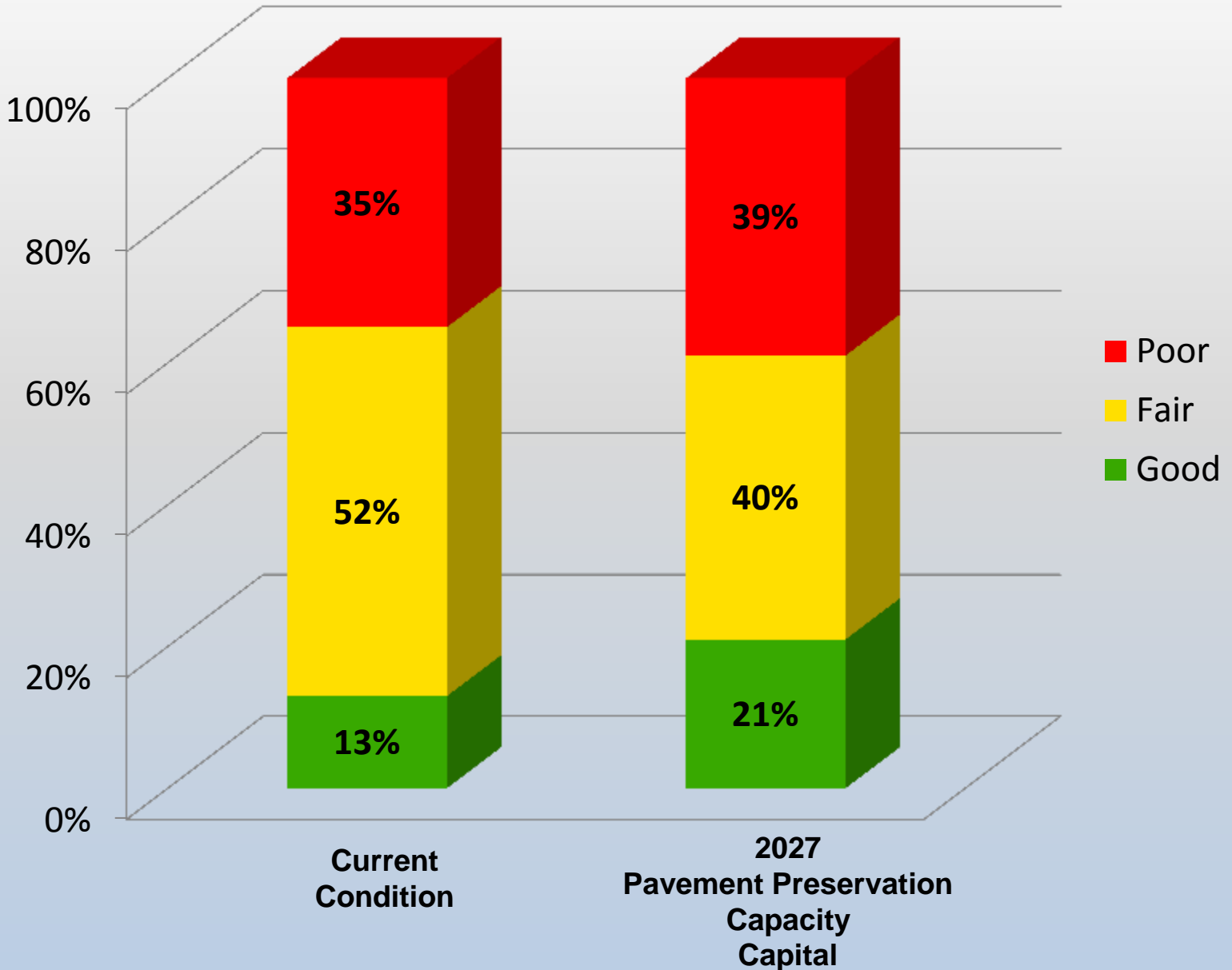


and Needs

Interstates



All State Highways – Including Interstates



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

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

Federal vs. State Funding

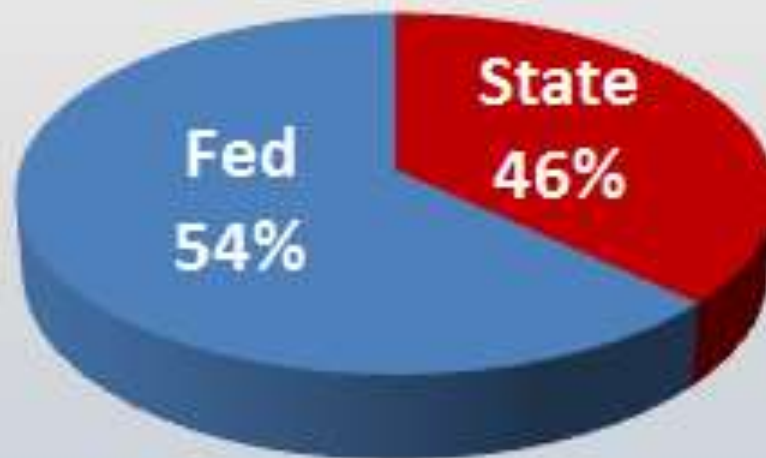
1993

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.

➤ **\$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

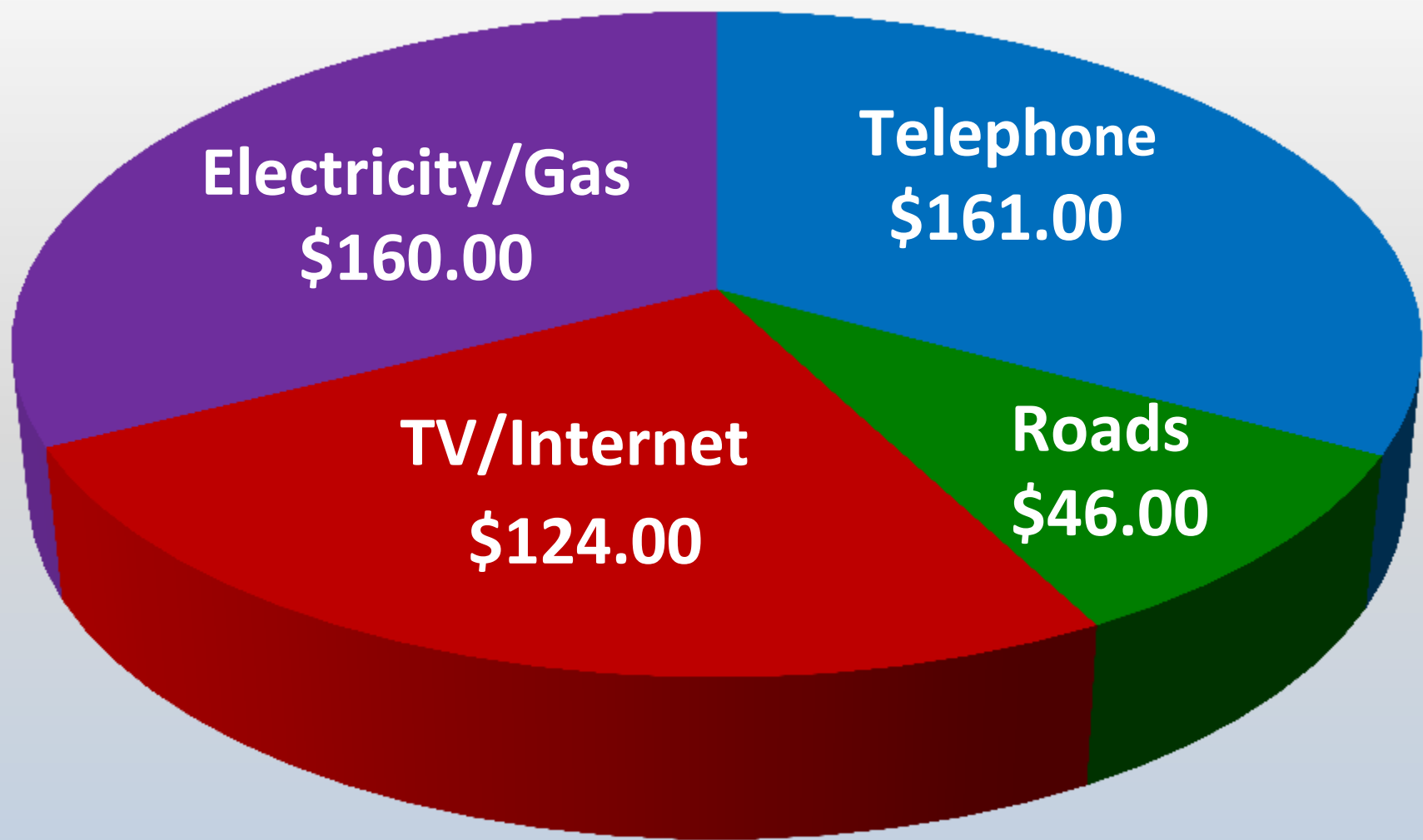
22 years ago, in 1995,
200 miles of Highway
could be overlaid.

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

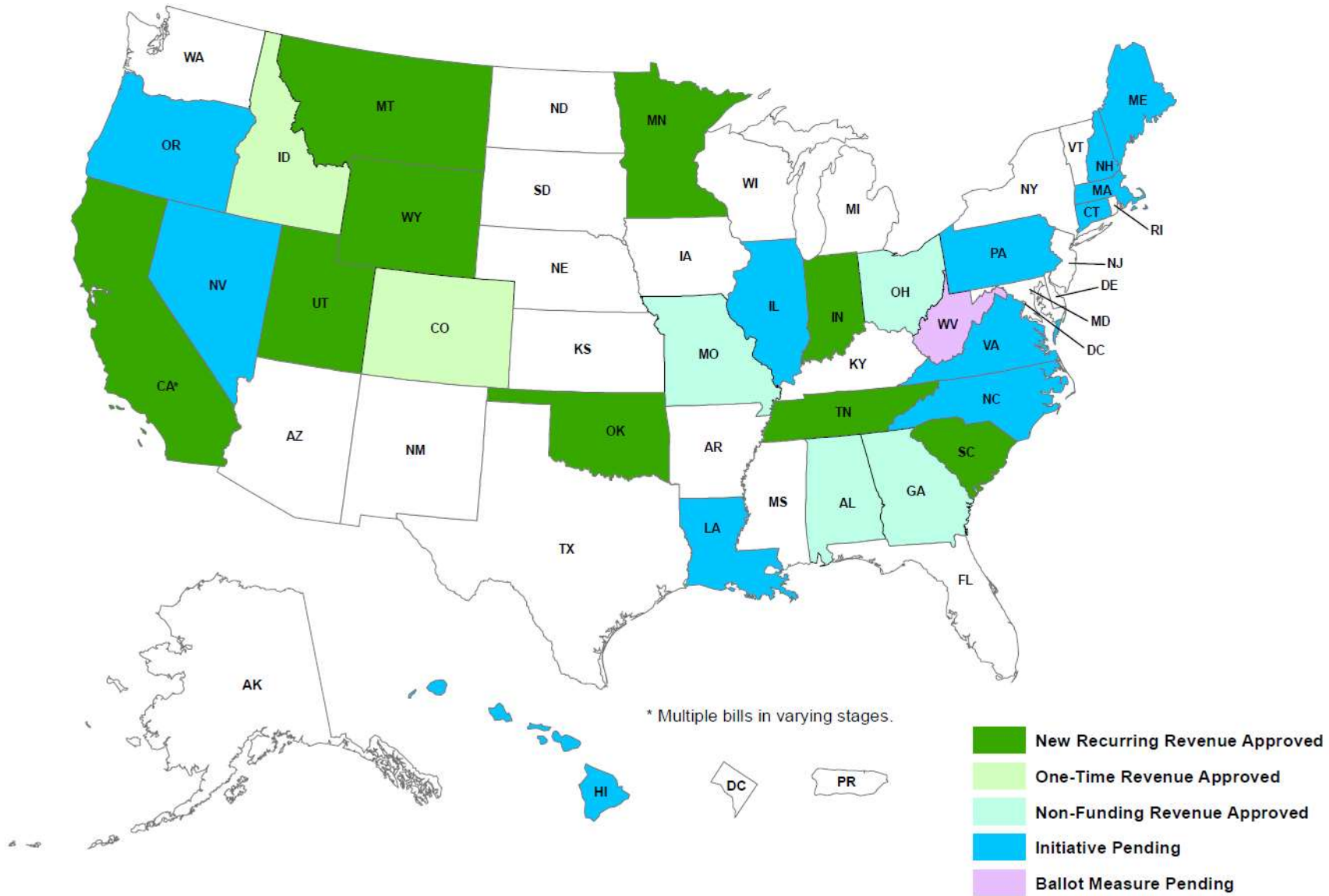


“We proved we can’t do it through the legislative process so far with the political situation we’re in. It’s got to be a ballot initiative.”



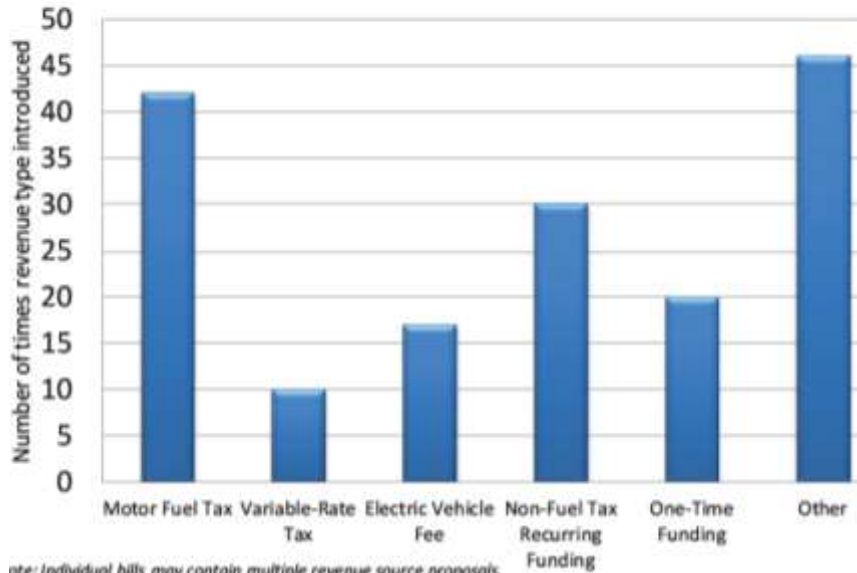
*Representative Dan Douglas
R-Bentonville*

2017 Transportation Funding Related Bills



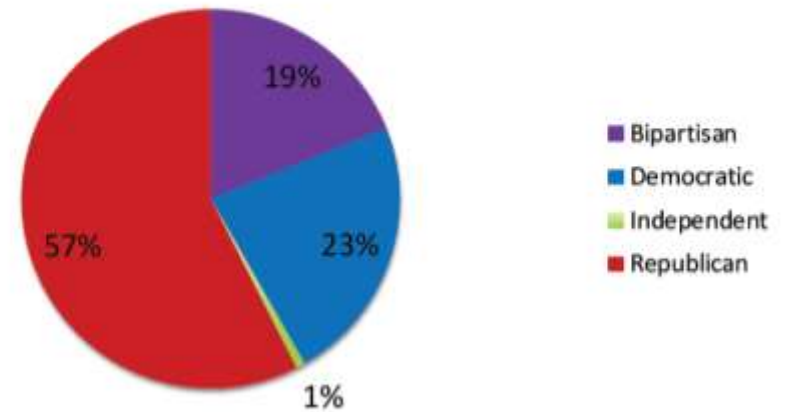
2017 Transportation Funding Related Bills

Types of State Transportation Funding Revenue Increases Introduced in 2017



note: Individual bills may contain multiple revenue source proposals.

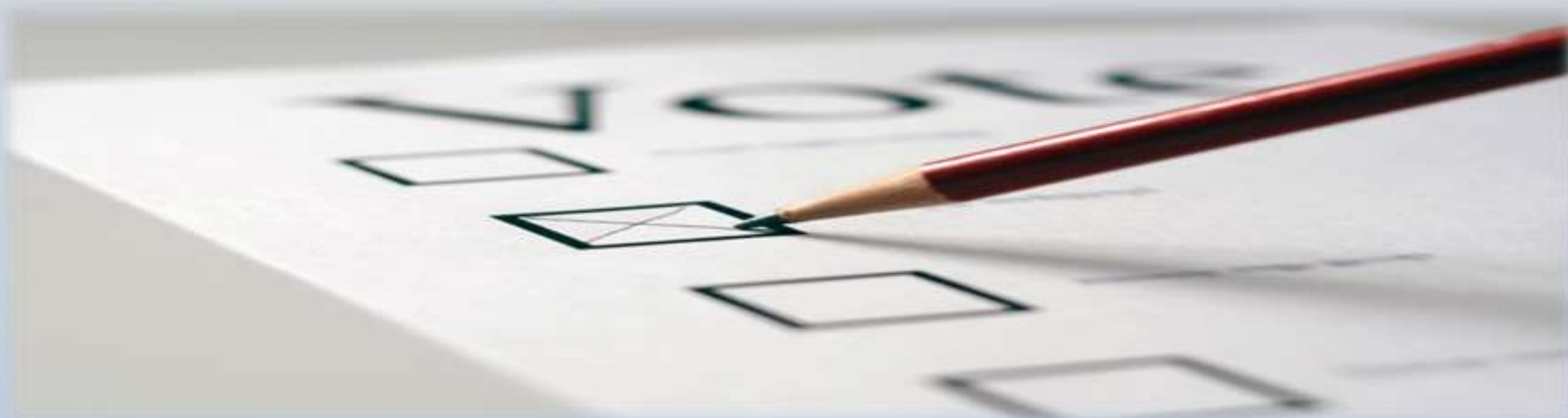
Political Parties of State Legislators Introducing Transportation Funding Legislation in 2017



□ 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 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

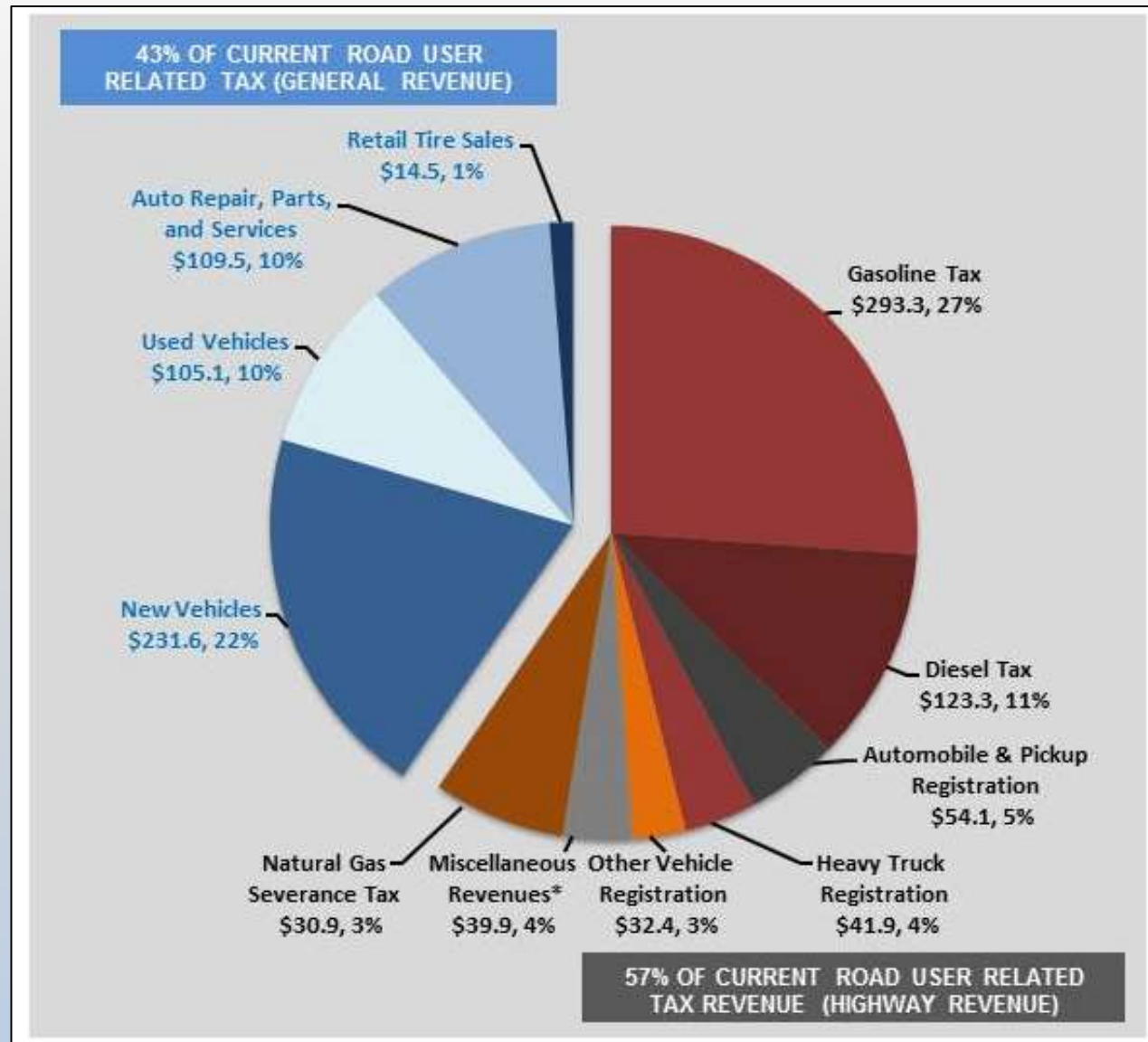
Distribution:

General Revenue

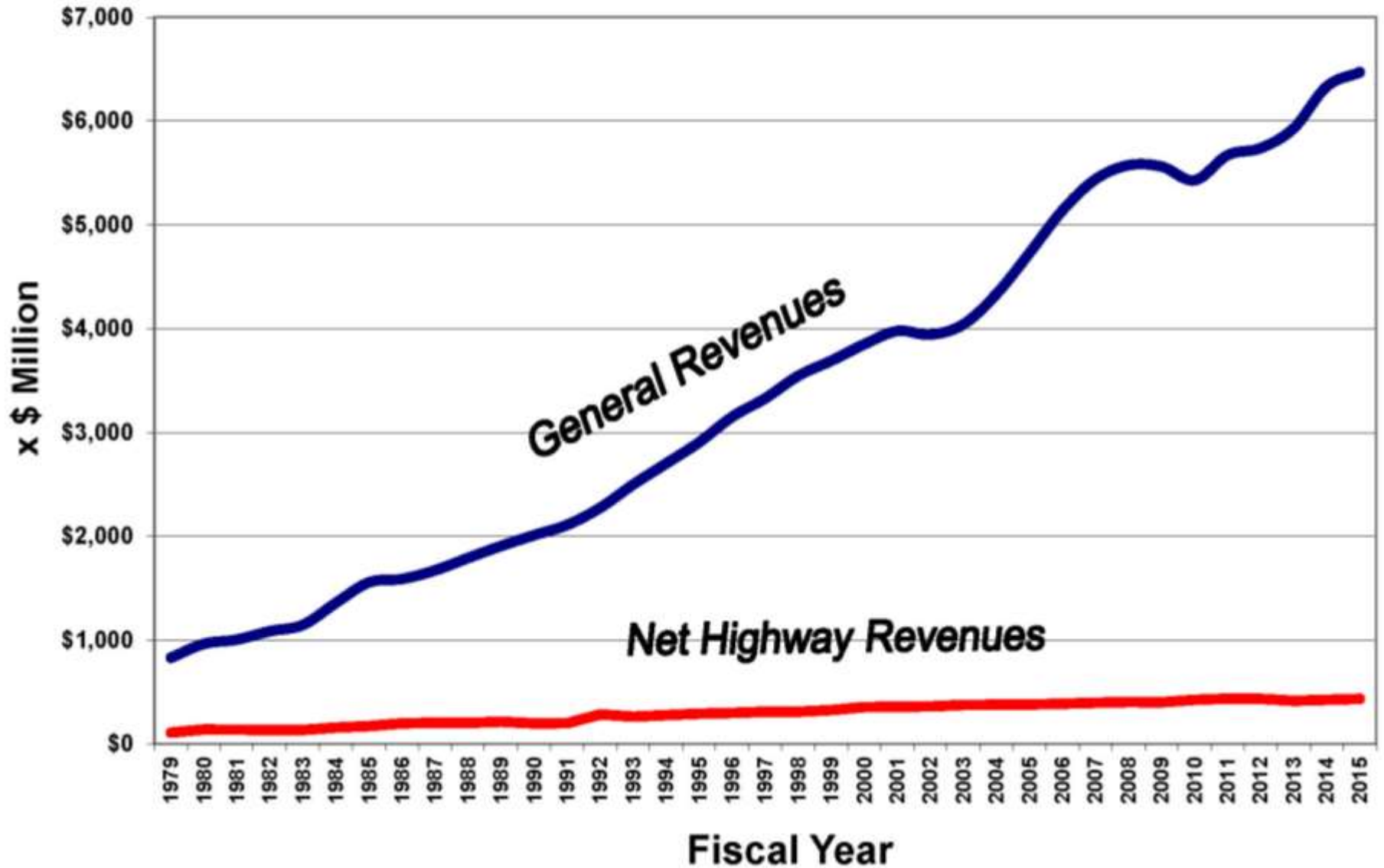
\$460.7 Million (43%)

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

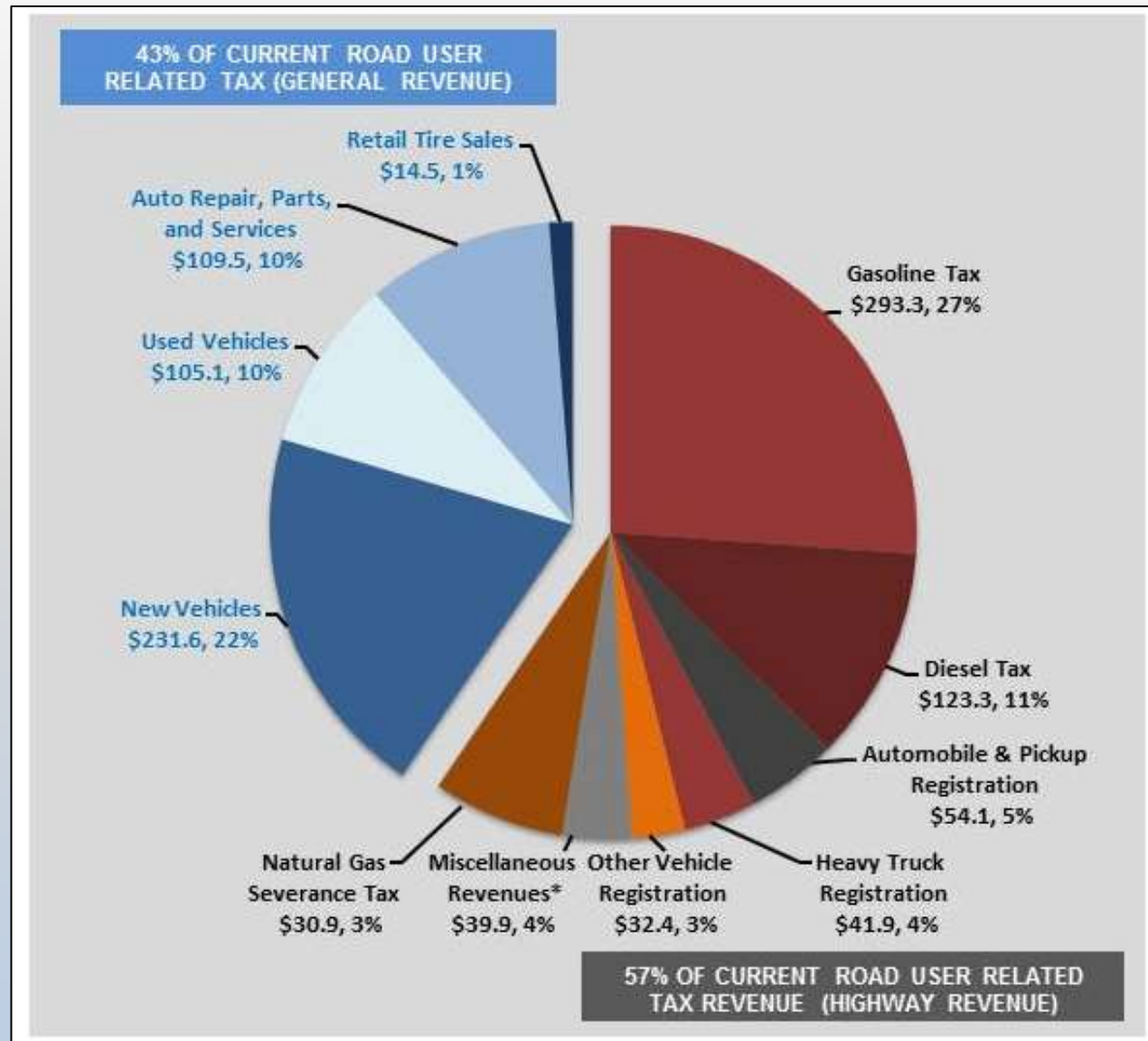
Distribution:

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?

