

**Lorie Tudor, P.E.**

**Deputy Director & Chief Operating Officer**



**Metroplan Board Meeting**  
**Wednesday, September 27, 2017**



1929  
Arkansas  
Highway and  
Department of  
Lands

1977  
Arkansas State  
Highway and  
Transportation  
Department

2017  
Arkansas  
Department of  
Transportation

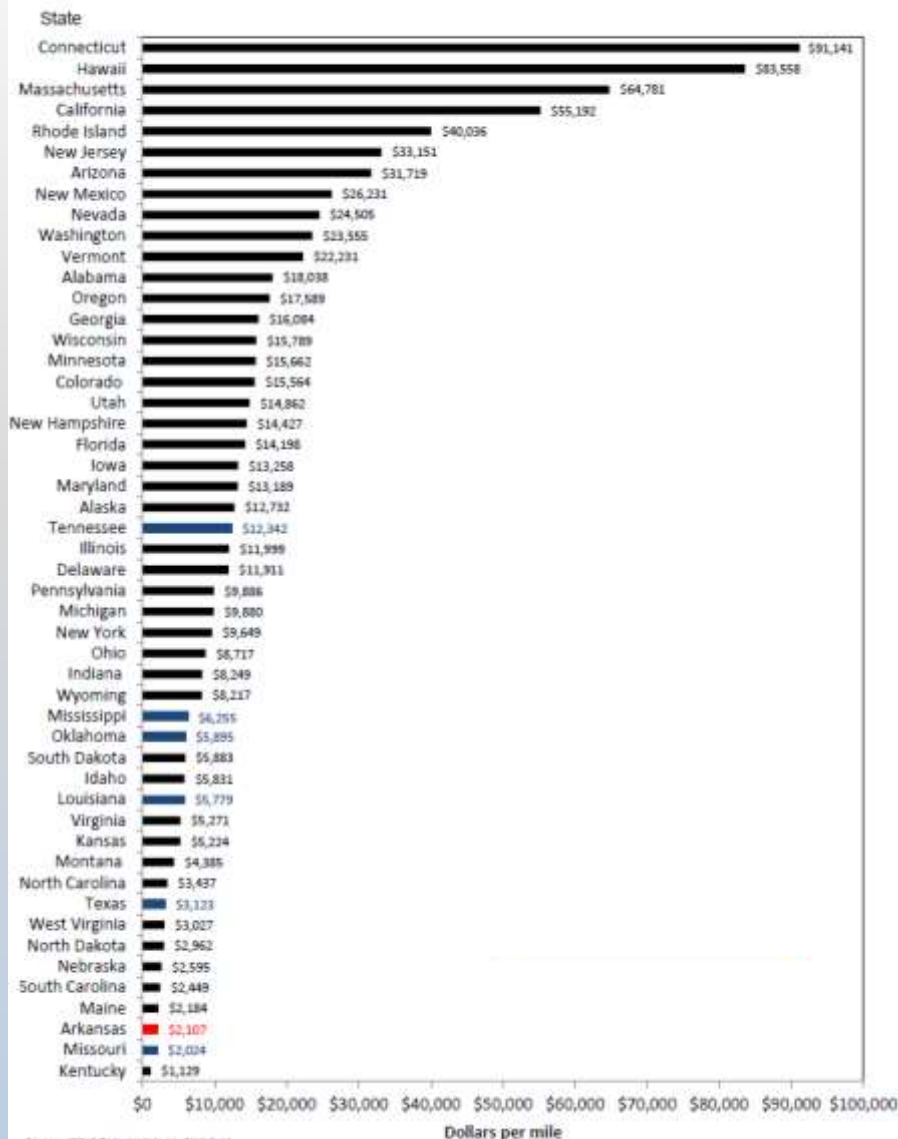
# New Name – New Identity

*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

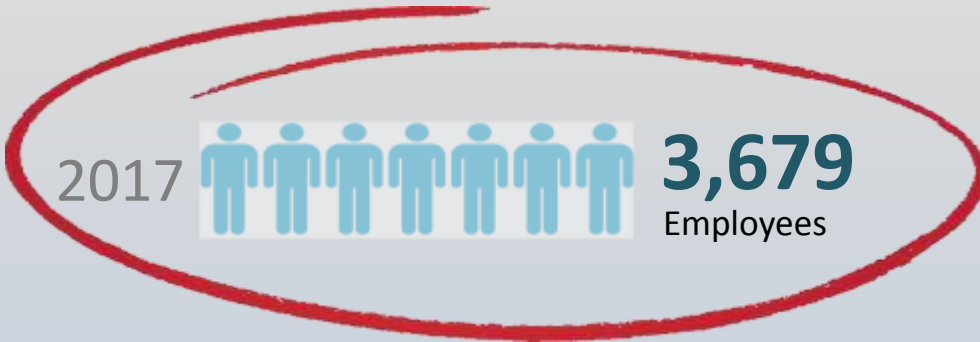
Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

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

# Employment Levels Efficiency

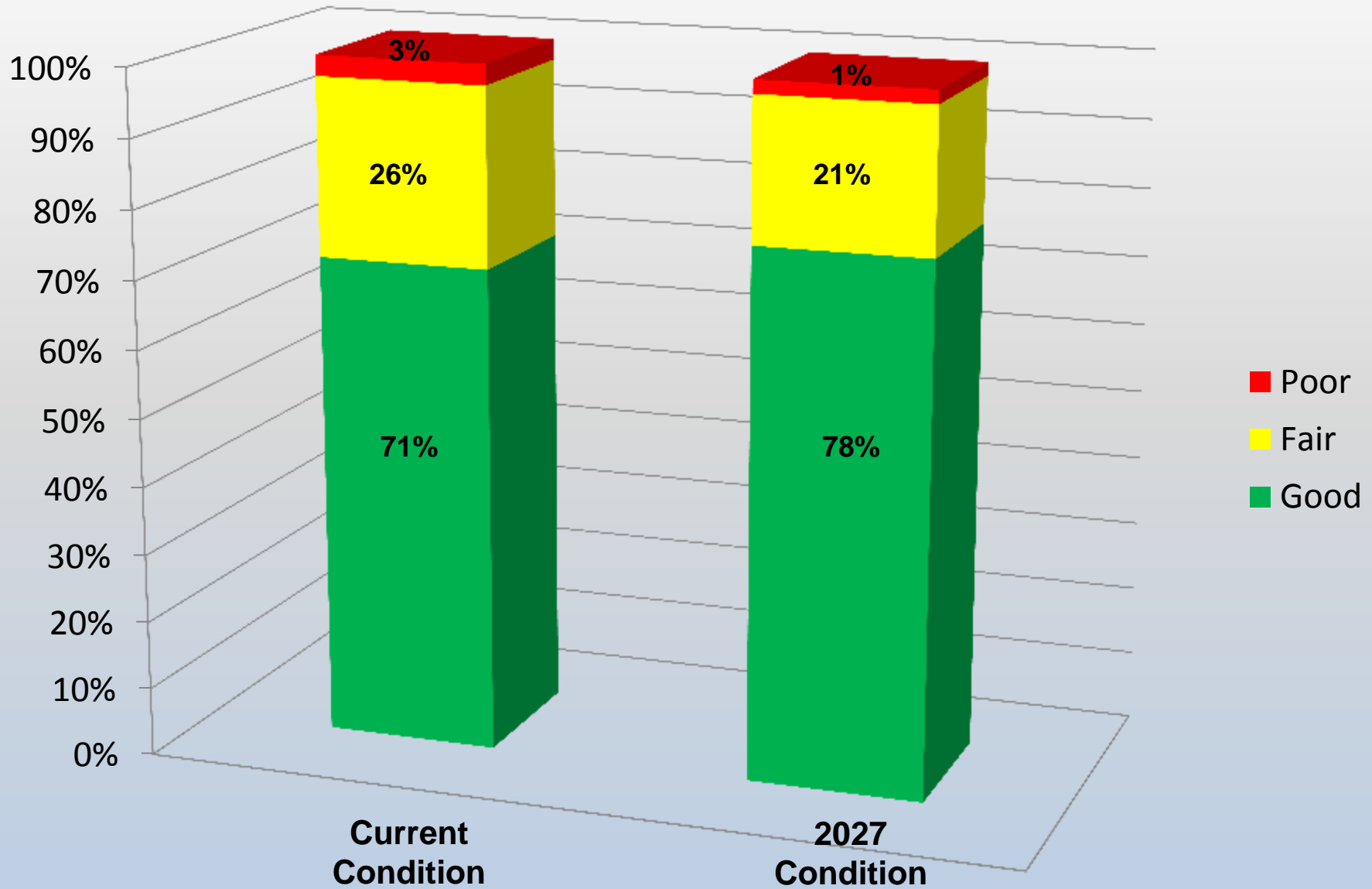


# Highway Condition



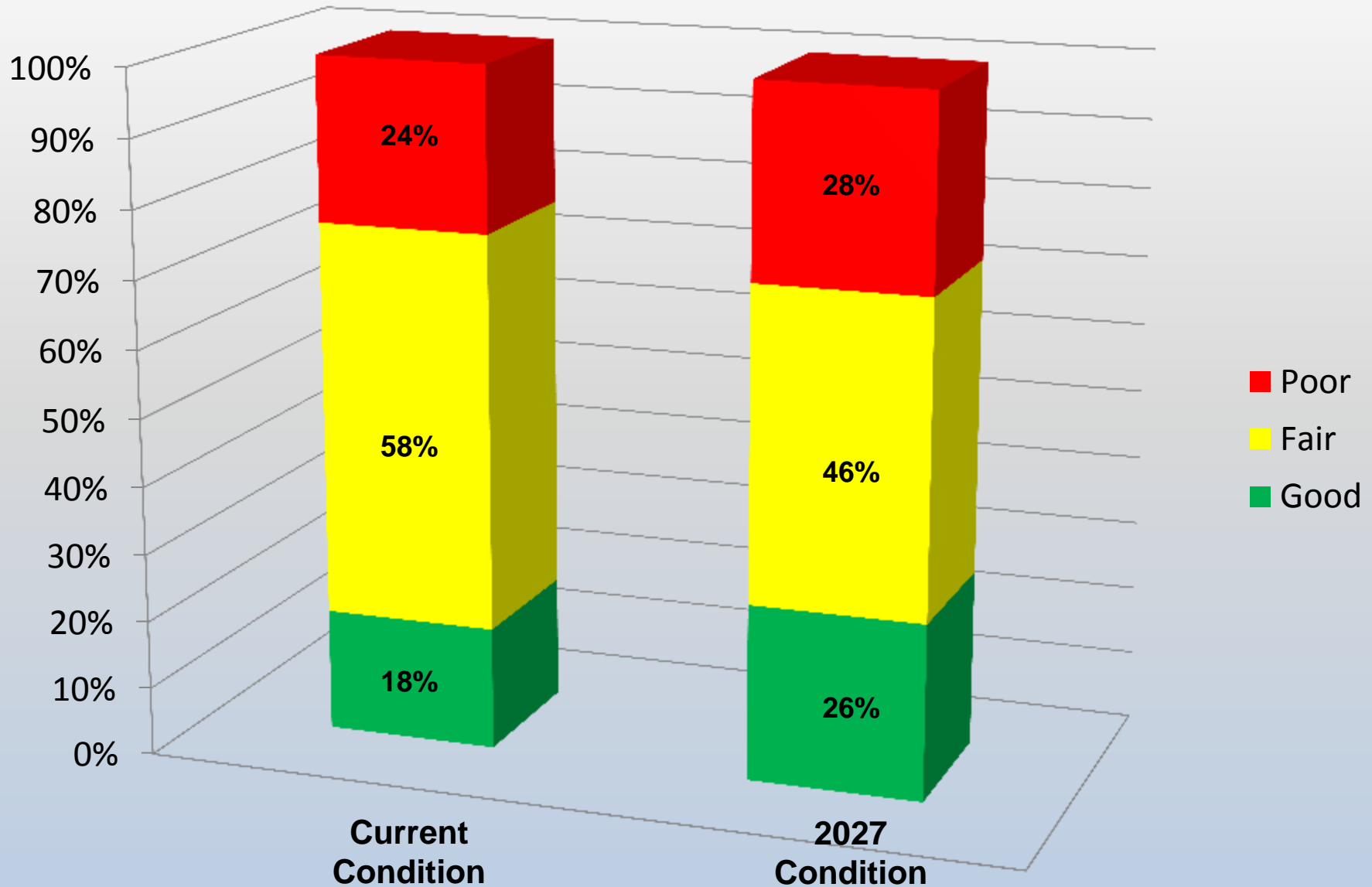
# and Needs

# Interstates





# All State Highways – Including Interstates



**Pulaski County  
Highway 100, Section 0  
Log mile 6.86 to 8.72  
Between I-430 and I-40**



## Pay a **Little** Now



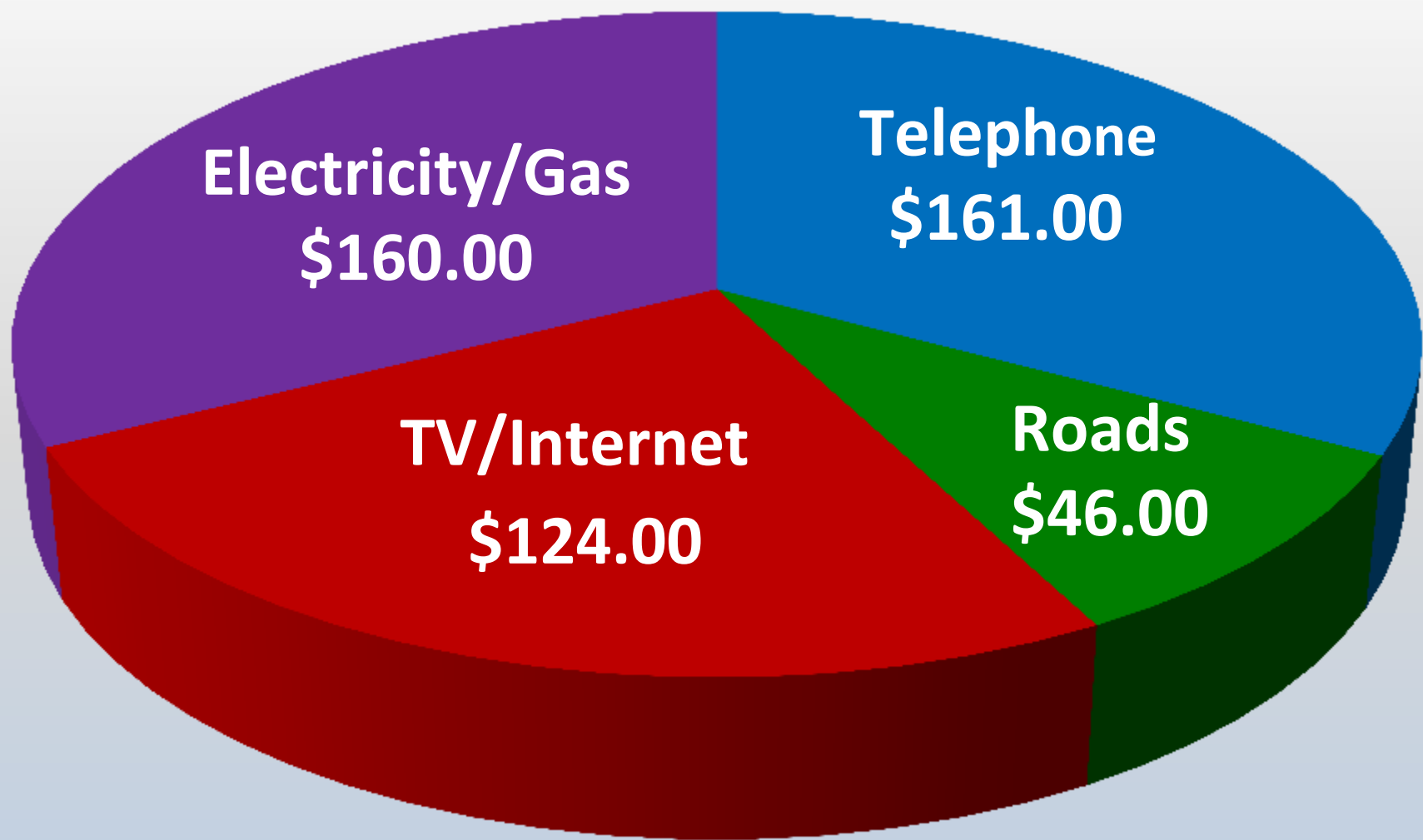
Overlay  
**\$100,000**  
per lane mile

## Pay a **Whole Lot** Later



Reconstruction  
**\$1,500,000**  
per lane mile

# Average Monthly Household Expenditures



# Funding



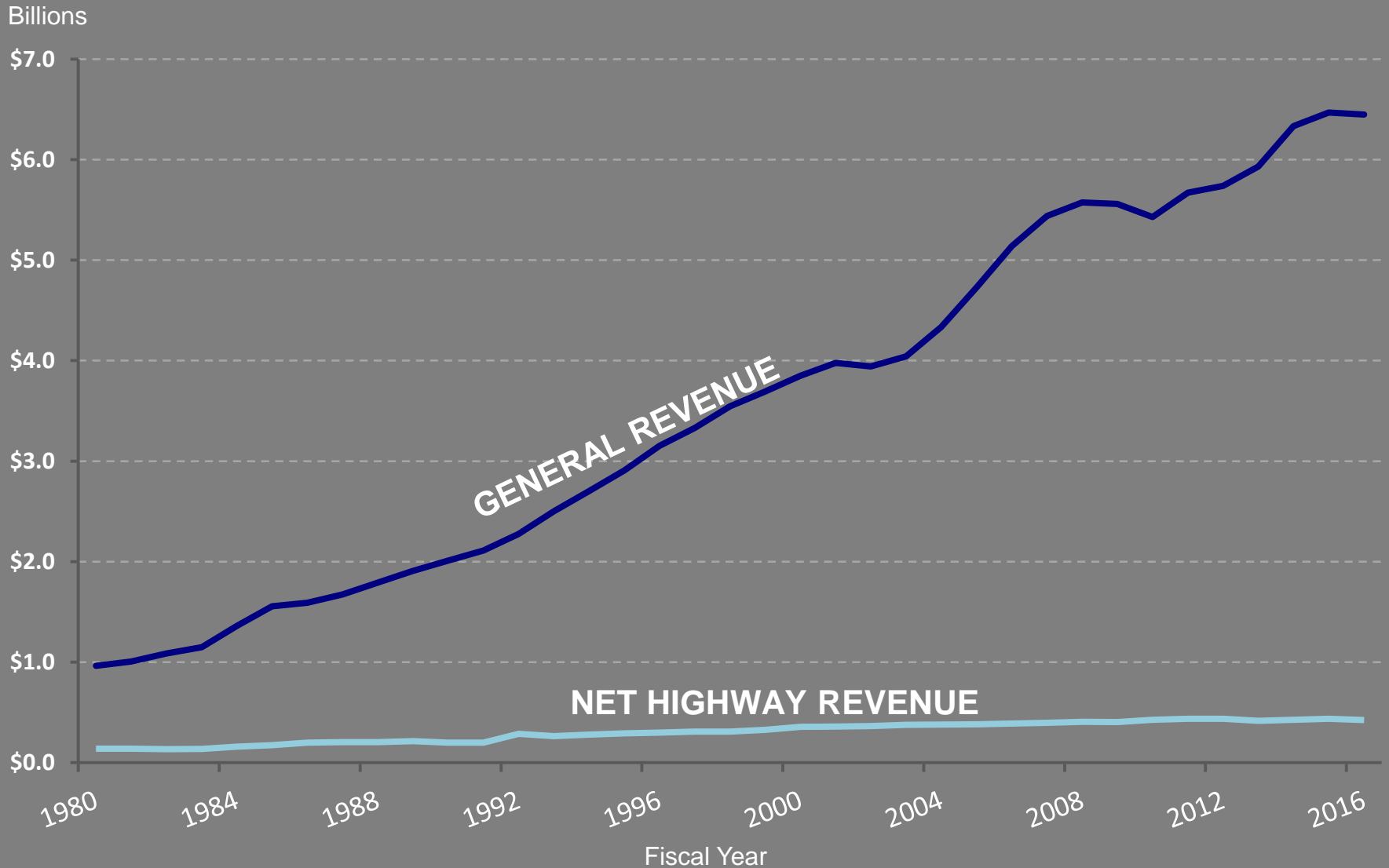
# Update

**Great amount of uncertainty at the federal level**

**State funds stagnant at best**

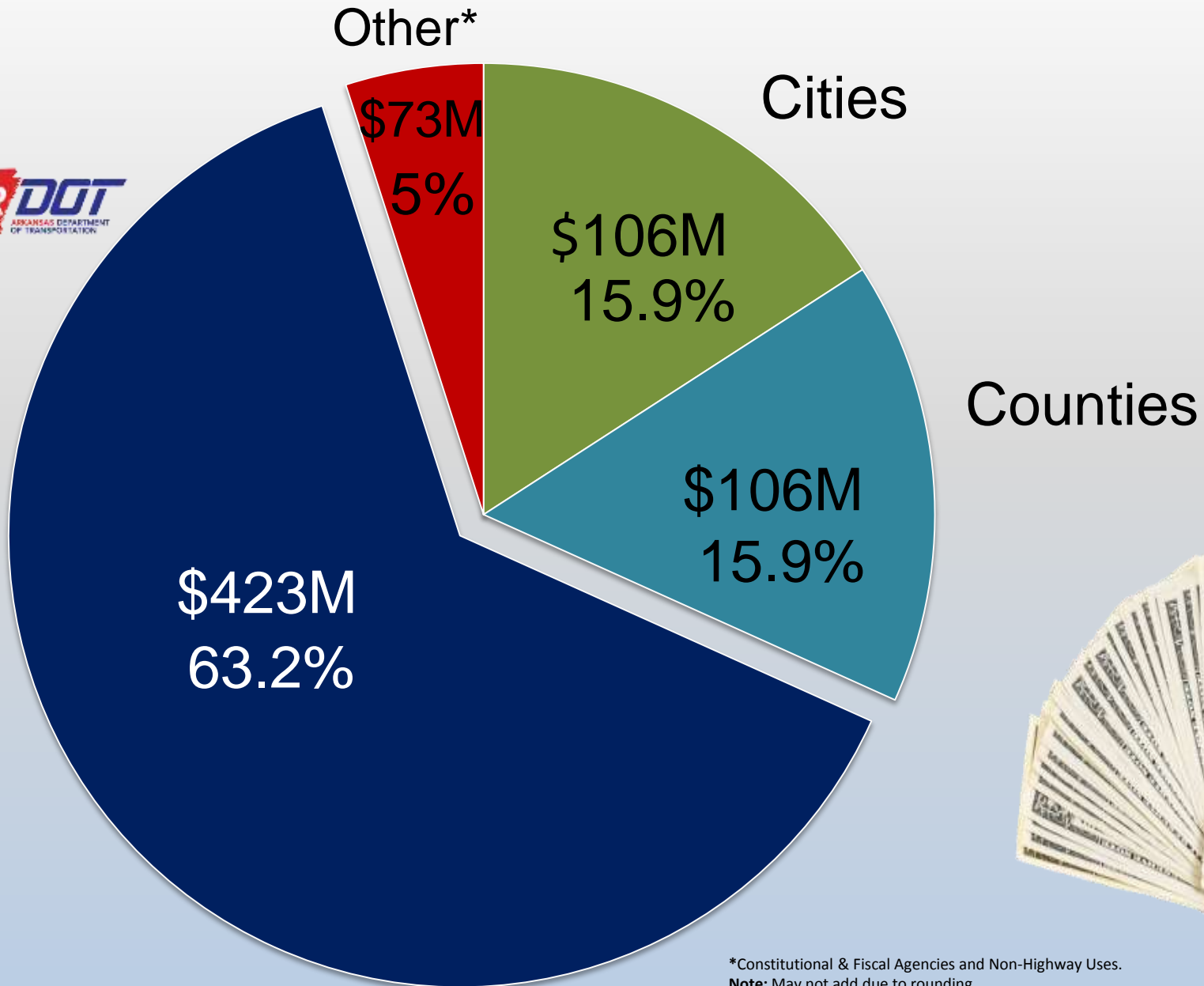


# General Revenues vs ARDOT Net Highway Revenues



Excludes County & City Aid funds | Excludes CAP funds

# Annual Highway User Revenue Distribution



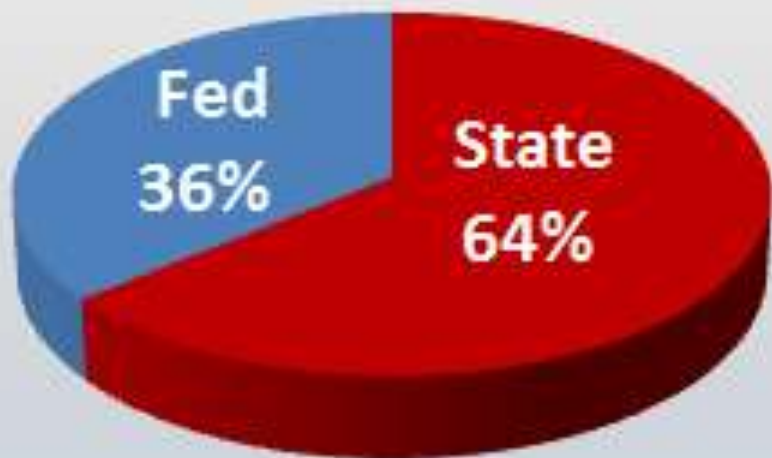
\*Constitutional & Fiscal Agencies and Non-Highway Uses.  
Note: May not add due to rounding



# Federal vs. State Funding

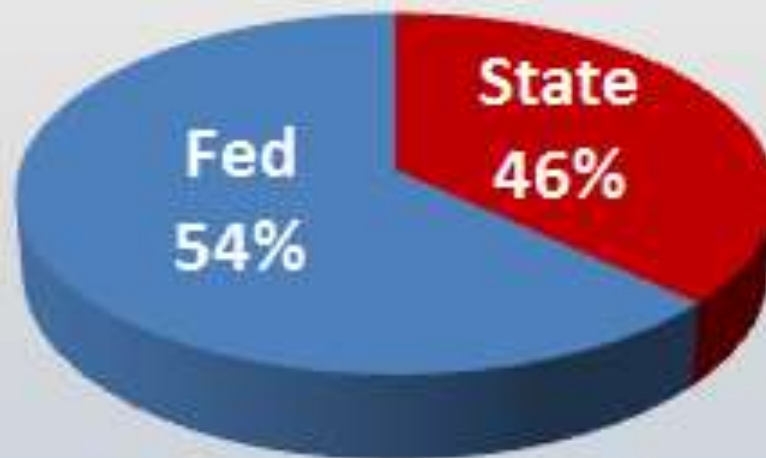
## 1993

Hwy. Funding Breakdown



## 2016

Hwy. Funding Breakdown



## 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.



# Challenges

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

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

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➤ **\$9.3 billion** in needs

➤ **\$4.5 billion** in available revenue



# Where

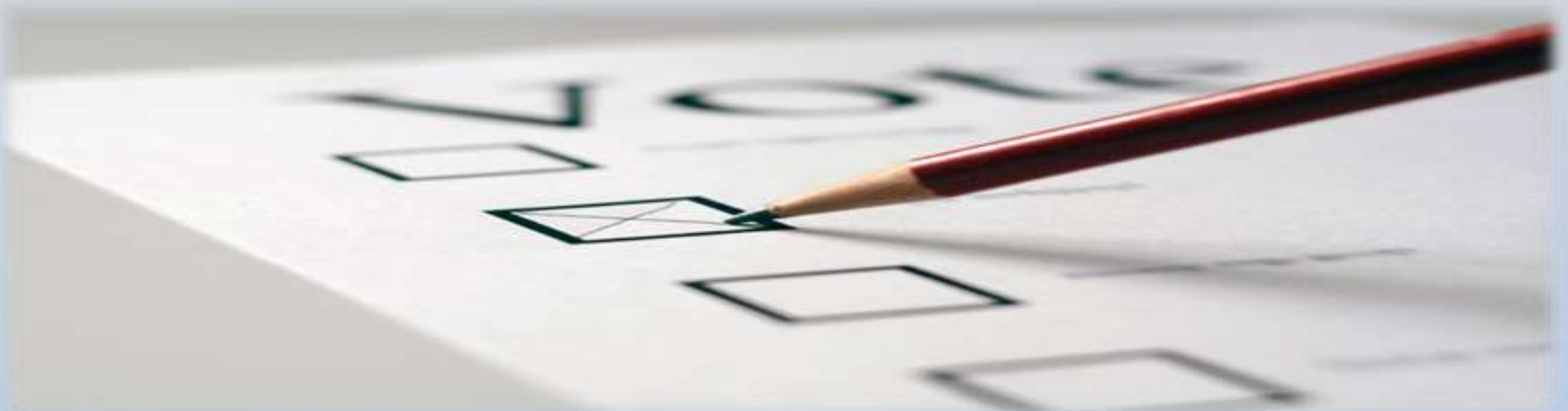


# Are We Going?

## □ 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.



## 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.



"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



# Arkansas Legislative Audit

- May 16, 2017 – Arkansas Legislative Audit - Review of Highway Funding
- Purpose:
  - ✓ To review and verify ARDOT information, estimates and calculations related to highway funding
- Report Objectives:
  - ✓ History of funding sources
  - ✓ History of construction and maintenance costs
  - ✓ State match needed for Federal funds
  - ✓ Additional State revenue to meet system preservation needs
- August 31, 2017 – Report Released





# Arkansas State Highway Needs

## 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	504,000,000	227,000,000	277,000,000
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	30,000,000	19,000,000	11,000,000
<b>Totals</b>	<b>\$ 925,000,000</b>	<b>\$ 447,000,000</b>	<b>\$ 478,000,000</b>

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 Highway Needs

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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.

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.

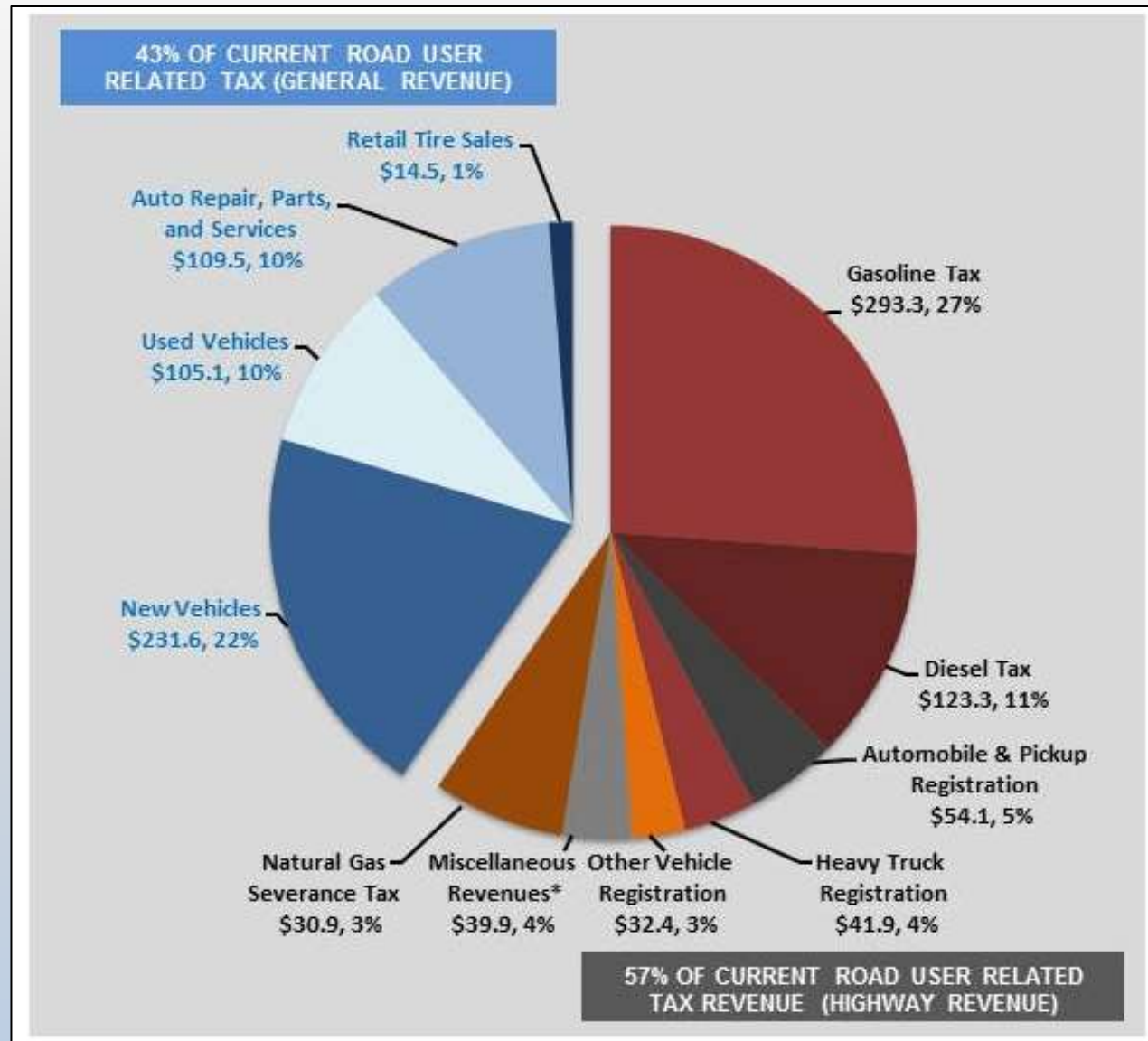
<sup>2</sup> Transfer of 4.5% (“general” portion of statewide sales tax)

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

**Distribution:**

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

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





*Your*  
**TRANSPORTATION SYSTEM**

# 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](mailto: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:

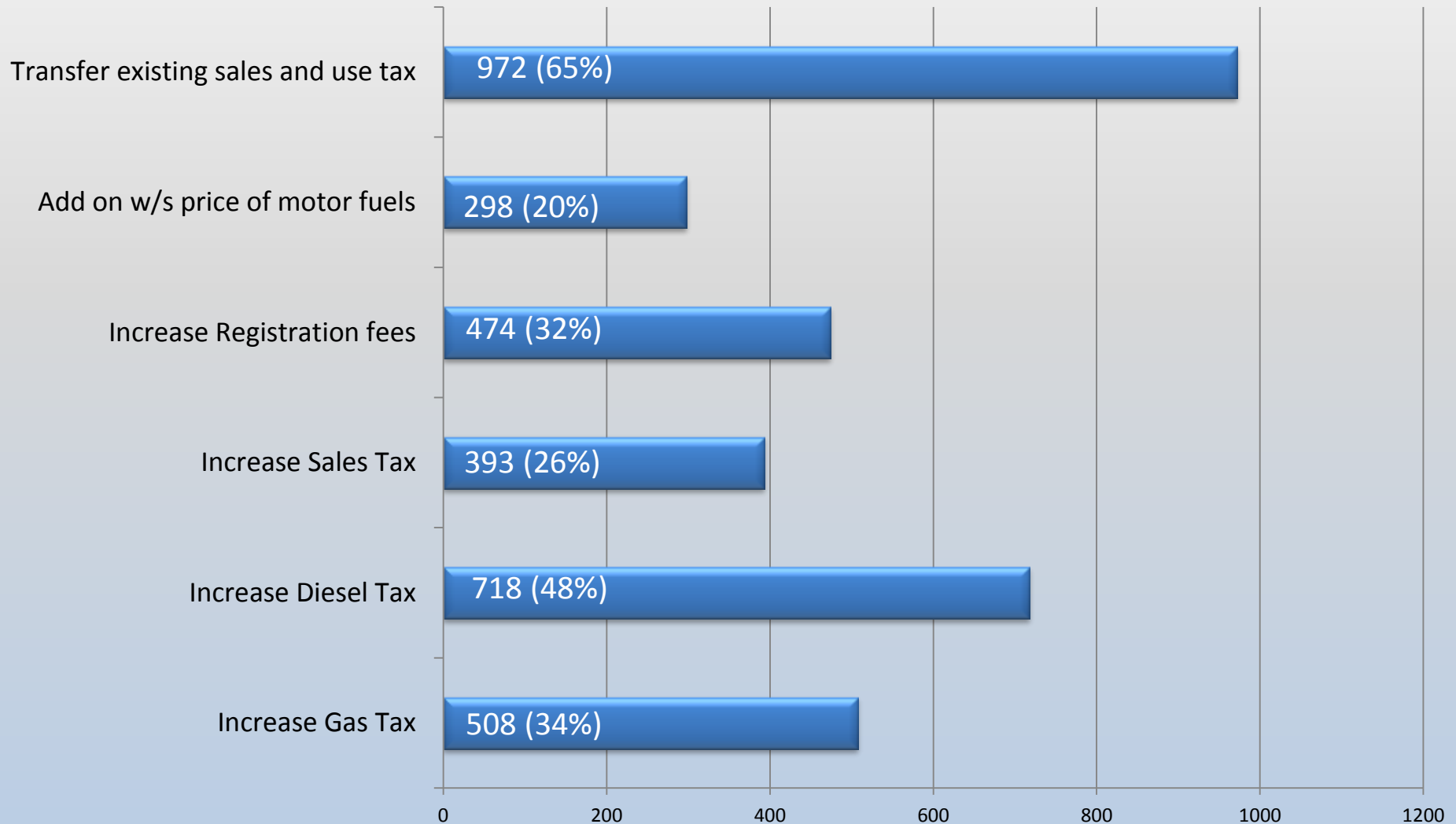
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_

Online Form Available Here:



# Survey Results

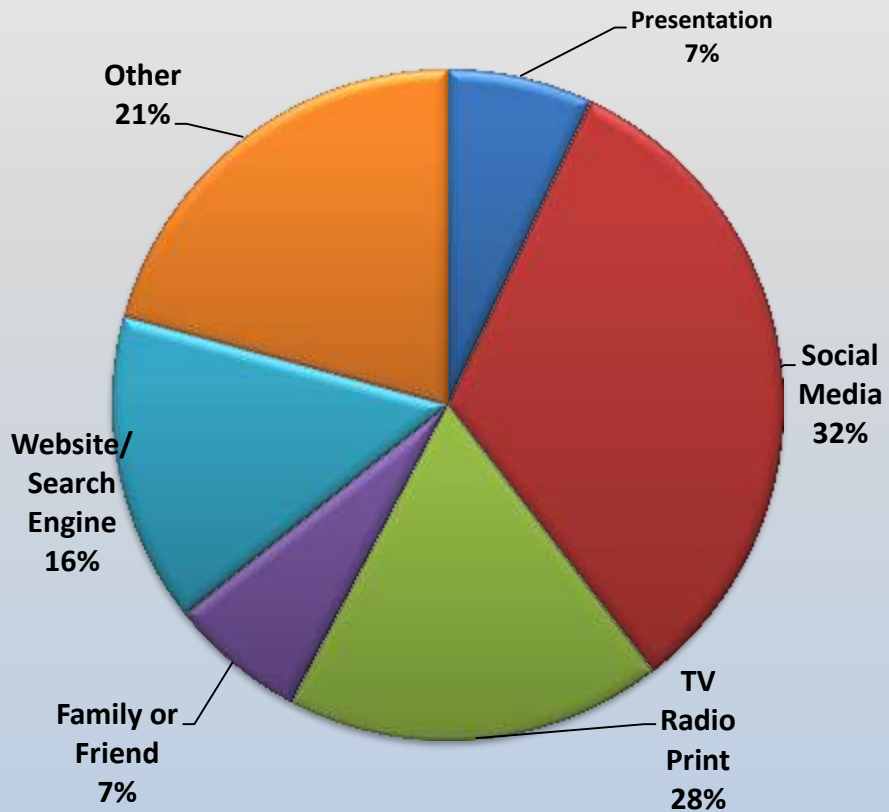
Which of the following sources do you recommend be utilized in obtaining additional funds?



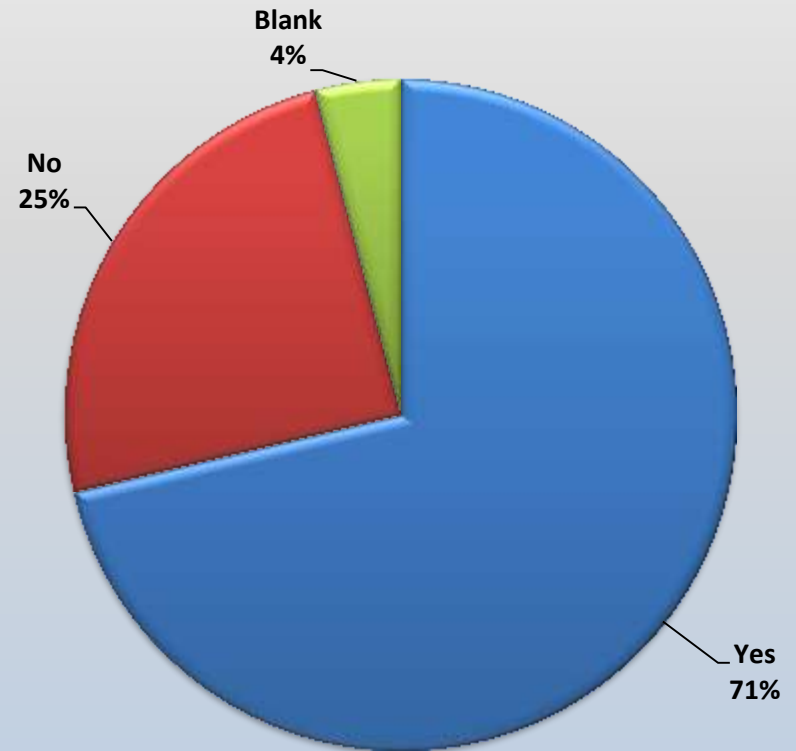


# Survey Results

How did you hear about us?



Would you be willing to sign a petition?



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



@myARDOT



# Questions?

