

**Chad Adams, P.E.**  
**District 4 Engineer**



**Frontier Regional Planning**  
**Monday, November 6, 2017**



1929  
Arkansas  
Highway and  
Department of  
Lands

1977  
Arkansas State  
Highway and  
Transportation  
Department

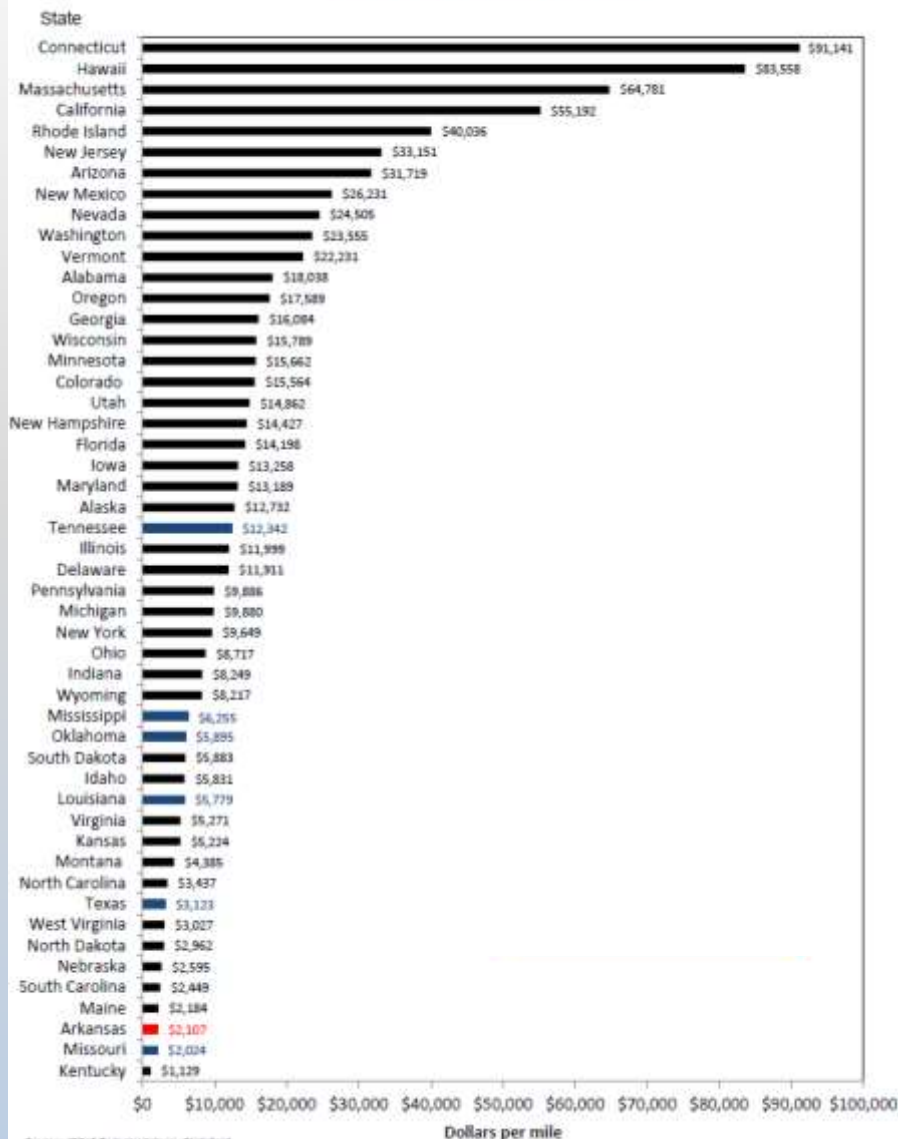
2017  
Arkansas  
Department of  
Transportation

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

**Adopted June 7, 2017**

## Administrative Cost Per Mile

Arkansas Ranks 48th in the Nation



Source: "2013 Federal Highway Statistics"  
Note: Excludes Toll Facilities

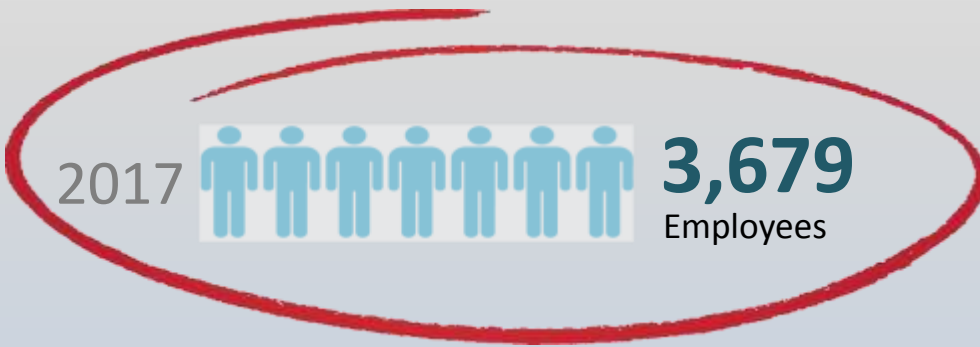
Arkansas  
\$2,107

National Average  
\$9,224

Surrounding States Average  
\$4,334

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

# Employment Levels Efficiency





# 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**

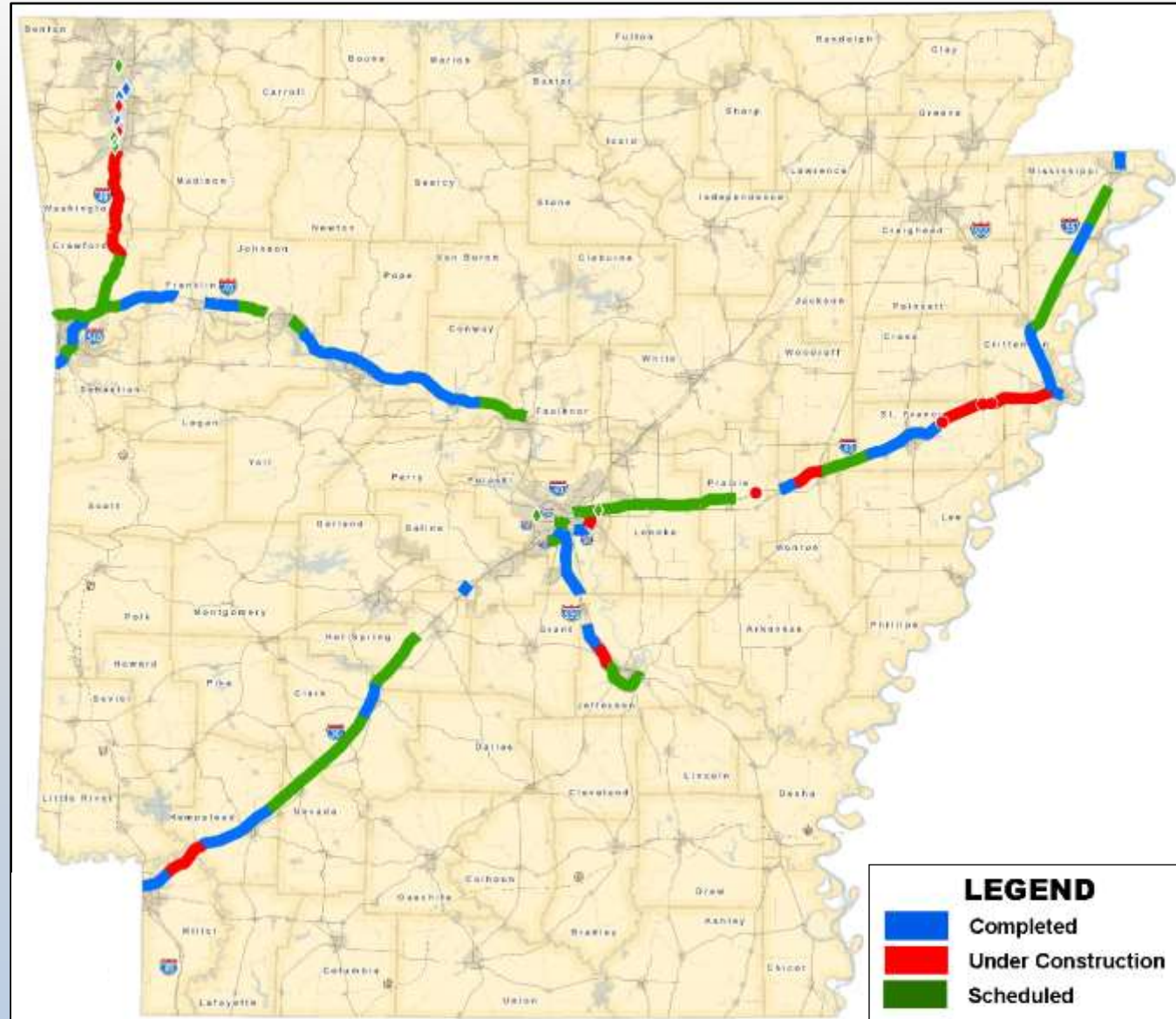
**After Program**

**72% Good**

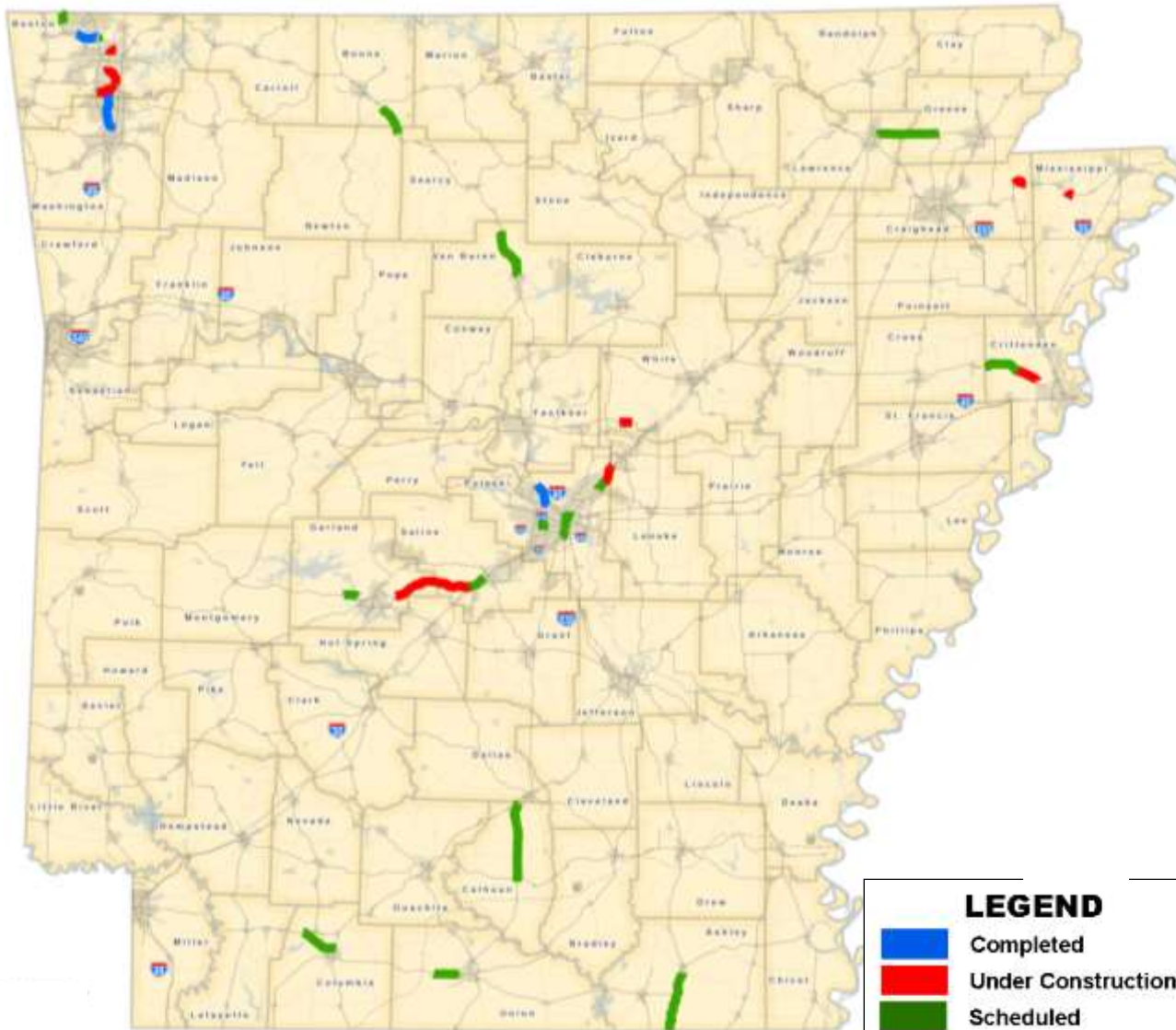
**Completed:**  
**31 Projects**  
**200 miles**  
**\$595 million**

**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

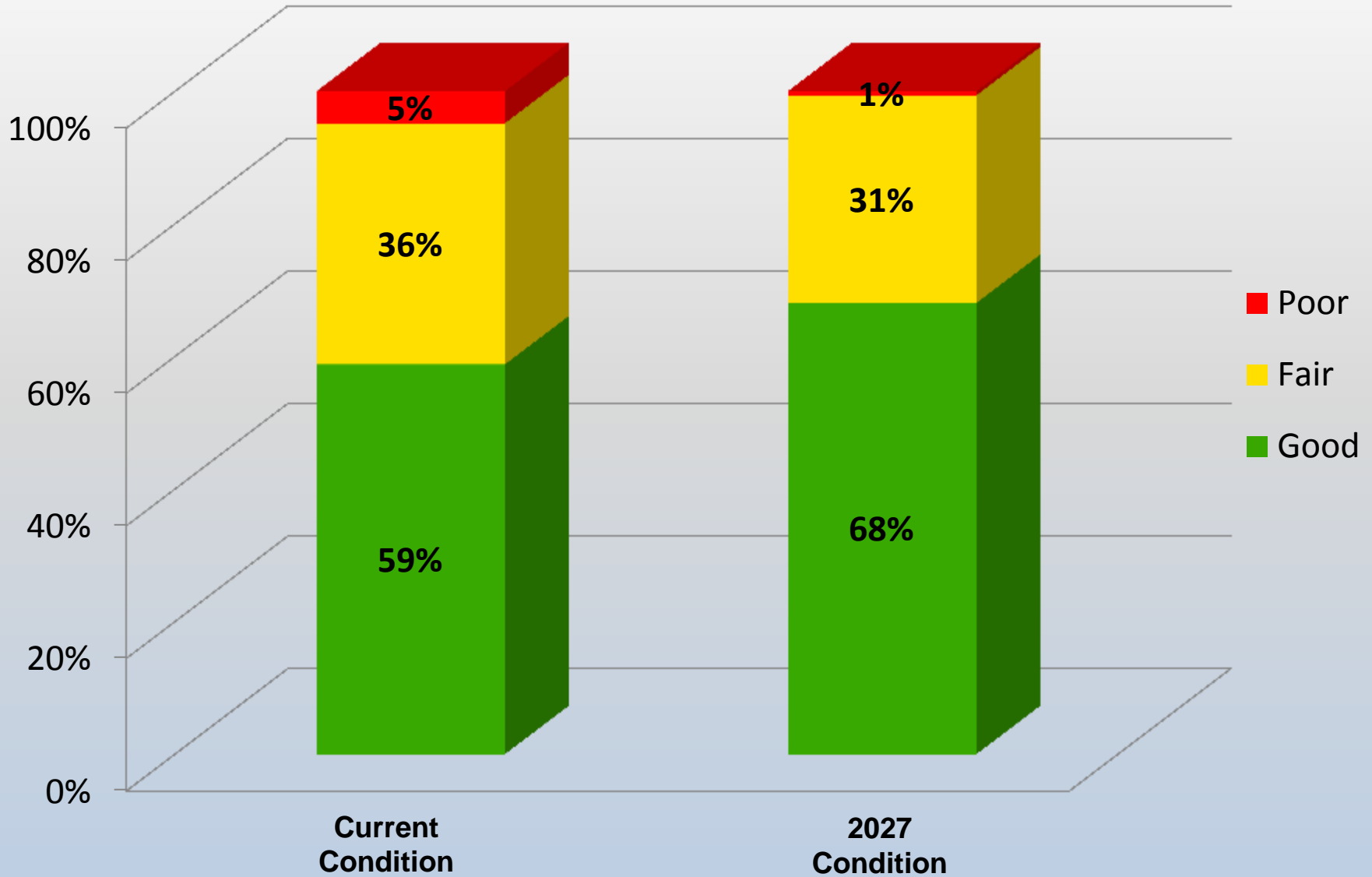


# Highway Condition

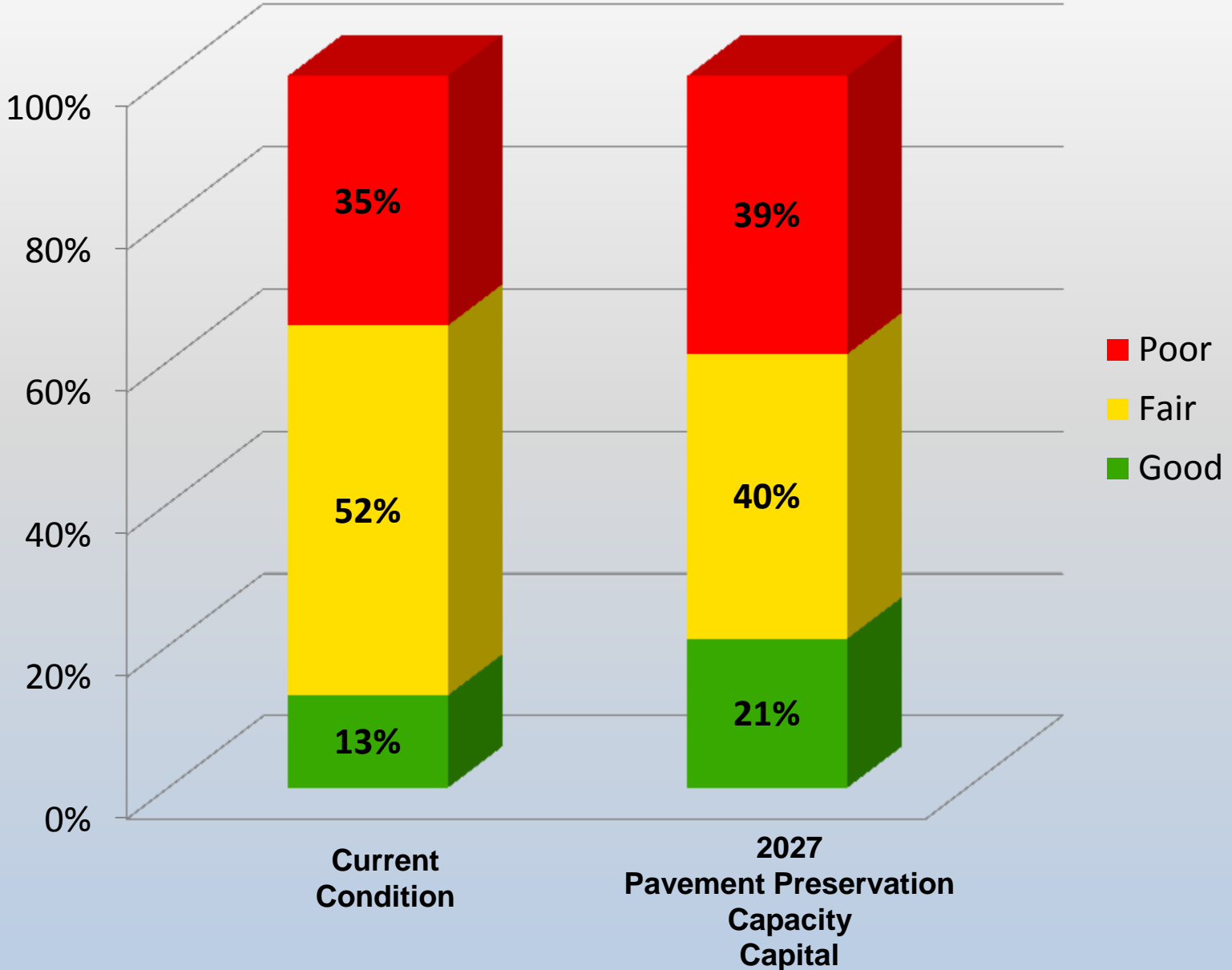


# and Needs

# Interstates



# All State Highways – Including Interstates







**Stone County  
Highway 9, Section 11  
Log mile 0.00 – 18.4  
Cleburne County line to  
Jct. Highway 9 and  
Highway 66**



**Hempstead County  
Highway 195, Section 1  
Log mile 0.96 - 9.48  
approximately 1 mile  
east of Fulton to  
Crossroads**



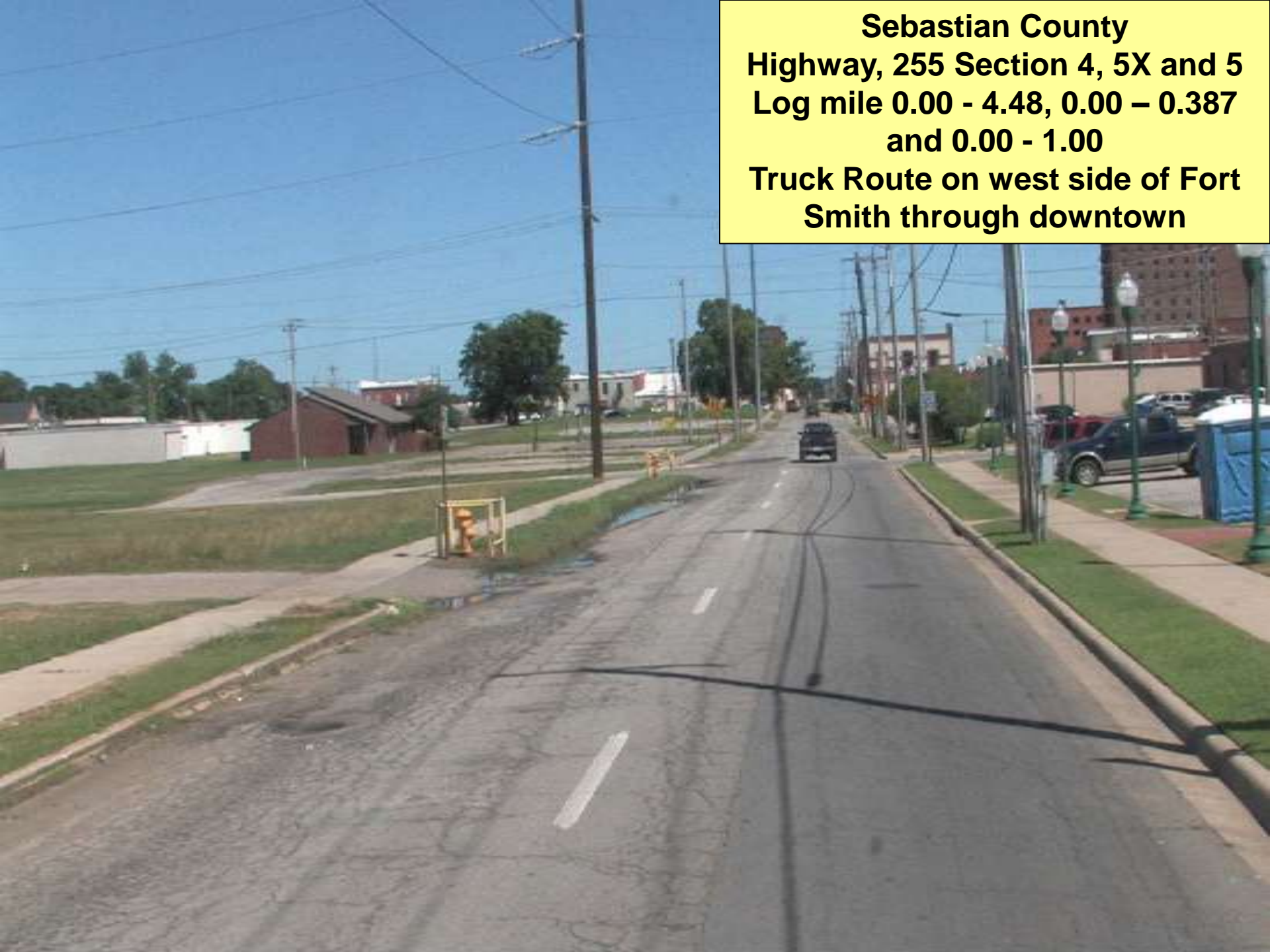


**Randolph County  
Highway 231, Section 4  
Log mile 0.00 – 3.02  
approximately 0.25 miles  
north of Highway 90**





**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**





## Pay a **Little** Now



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

## Pay a **Whole Lot** Later



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

# 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>

# 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

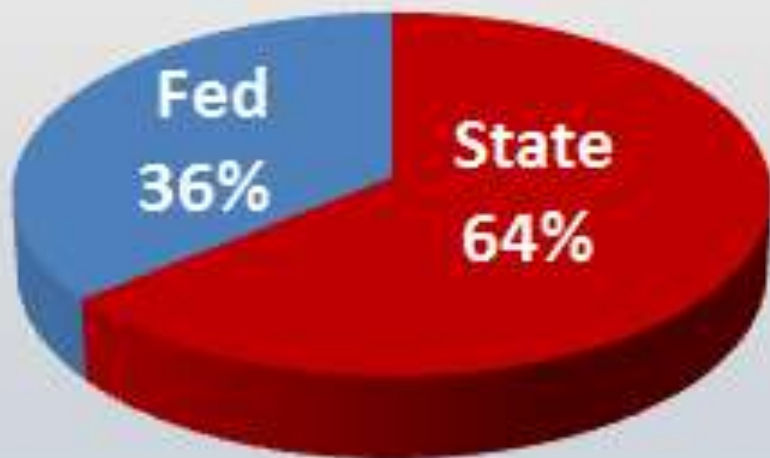
➤ **\$4.4 billion** in available revenue



# Federal vs. State Funding

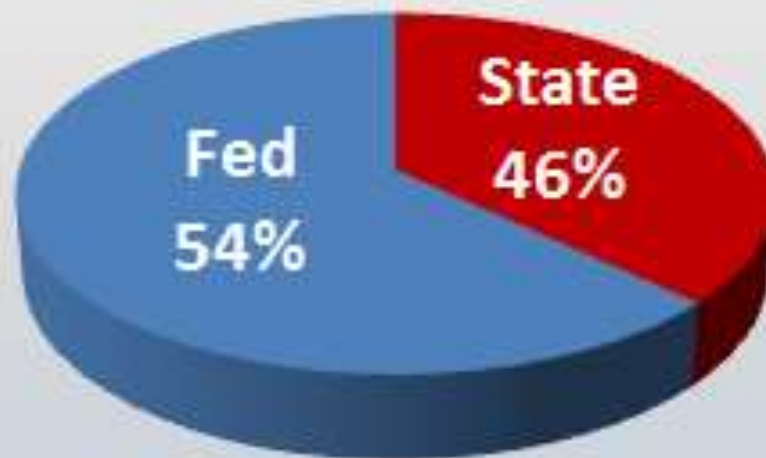
## 1993

Hwy. Funding Breakdown



## 2016

Hwy. Funding Breakdown



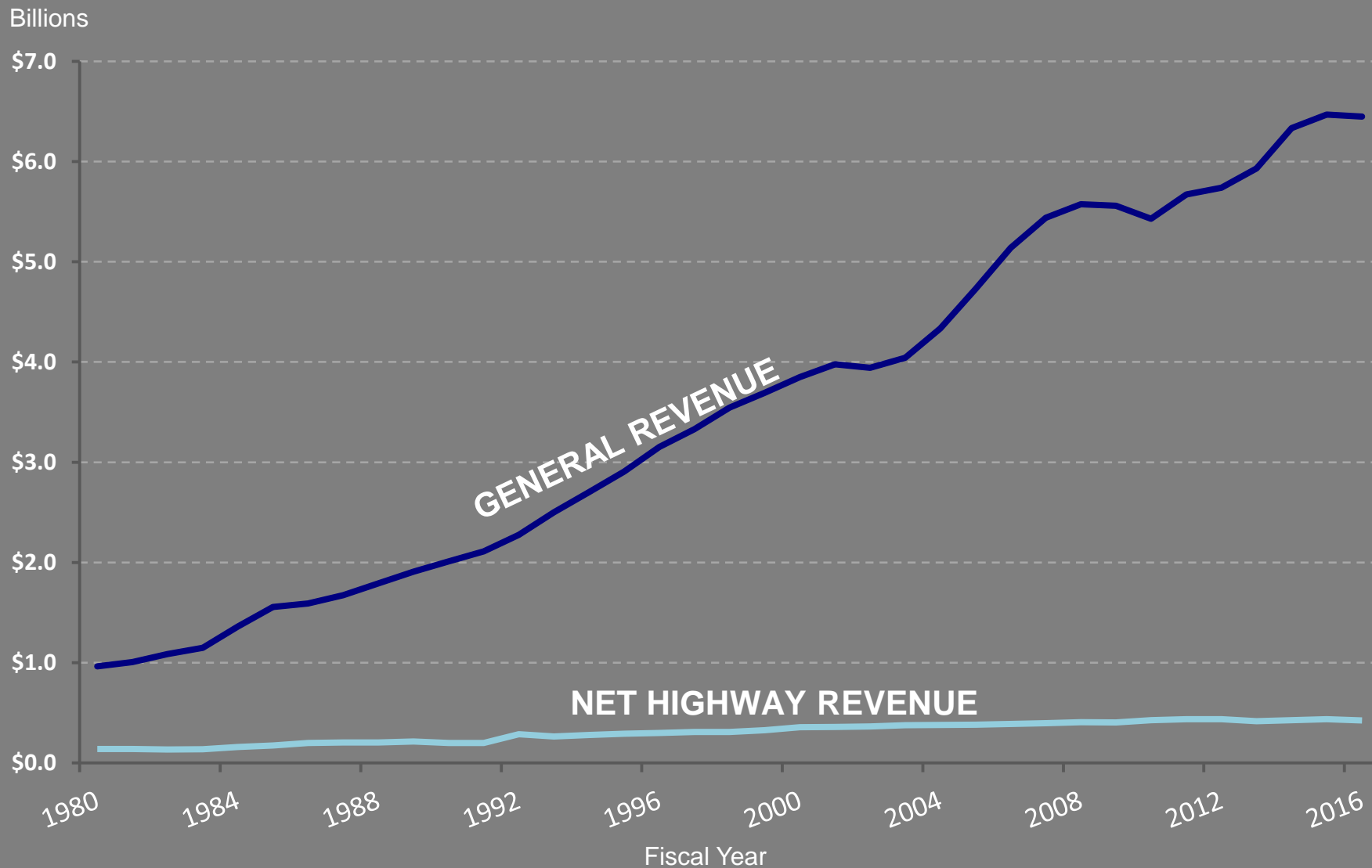


**Great amount of uncertainty at the federal level**

**State funds stagnant at best**



# General Revenues vs ARDOT Net Highway Revenues



Excludes County & City Aid funds | Excludes CAP funds

## 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.



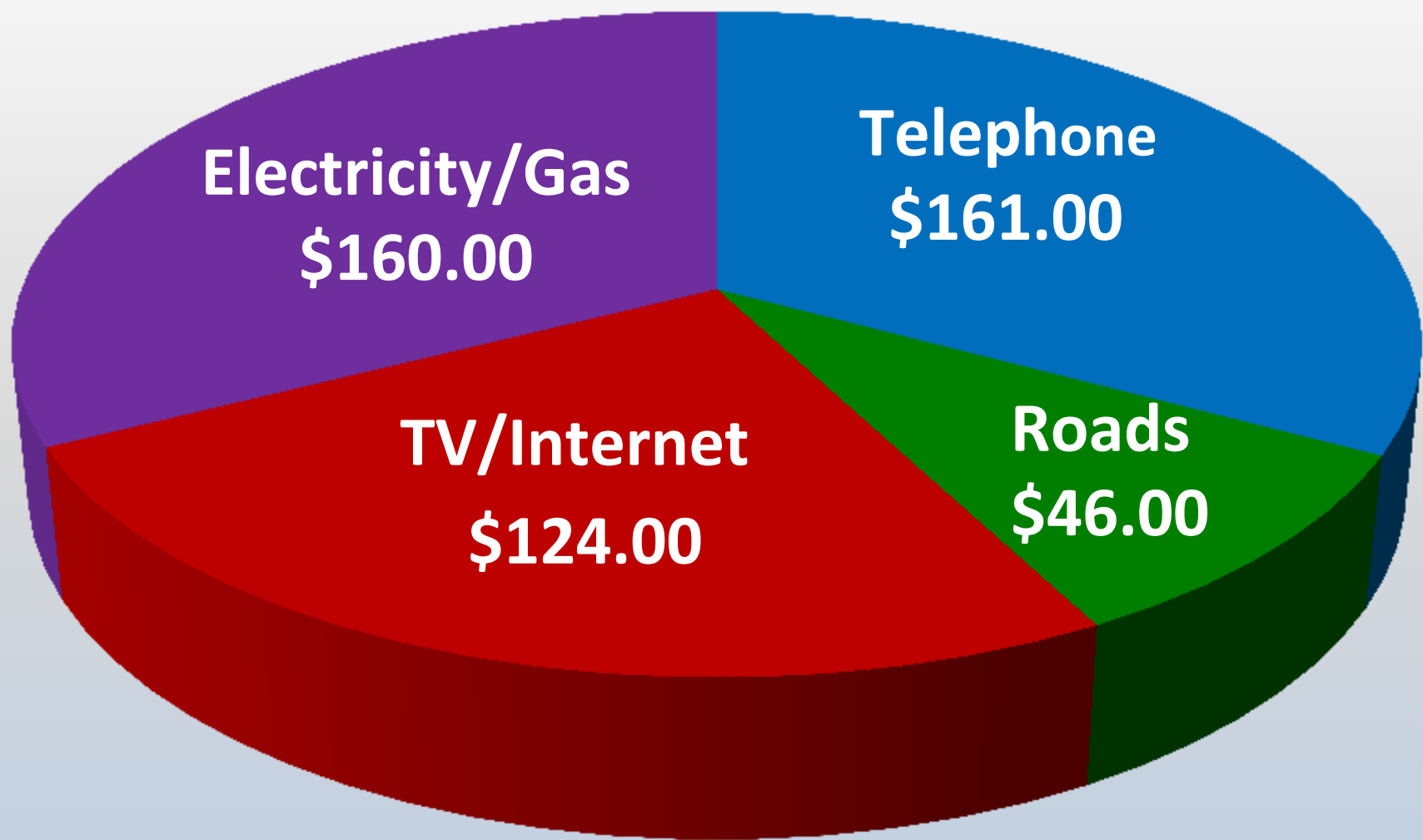


# Where



# Are We Going?

# Average Monthly Household Expenditures



# Promises



Rebuilding Arkansas  
Interstates



IRP



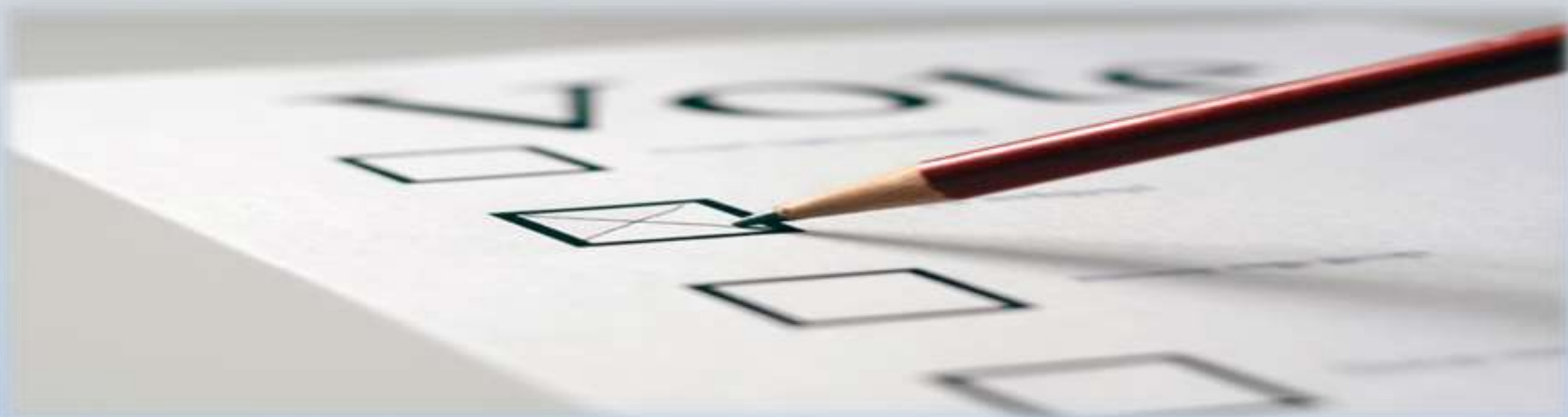
CAP



## □ 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	Additional Annual Revenues	Additional Annual Expenditures	Additional Annual Net
System Preservation			
Pavement			
Bridges			
Total System Preservation			
Capacity Relief			
Safety Improvements			
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>

**\$ 447,000,000**

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

## 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			Additional Annual Revenues
System Preservation			
Pavement			
Bridges			
Total System Preservation			
Capacity Relief			2,000,000
Safety Improvements			12,000,000
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>

**\$ 478,000,000**

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**

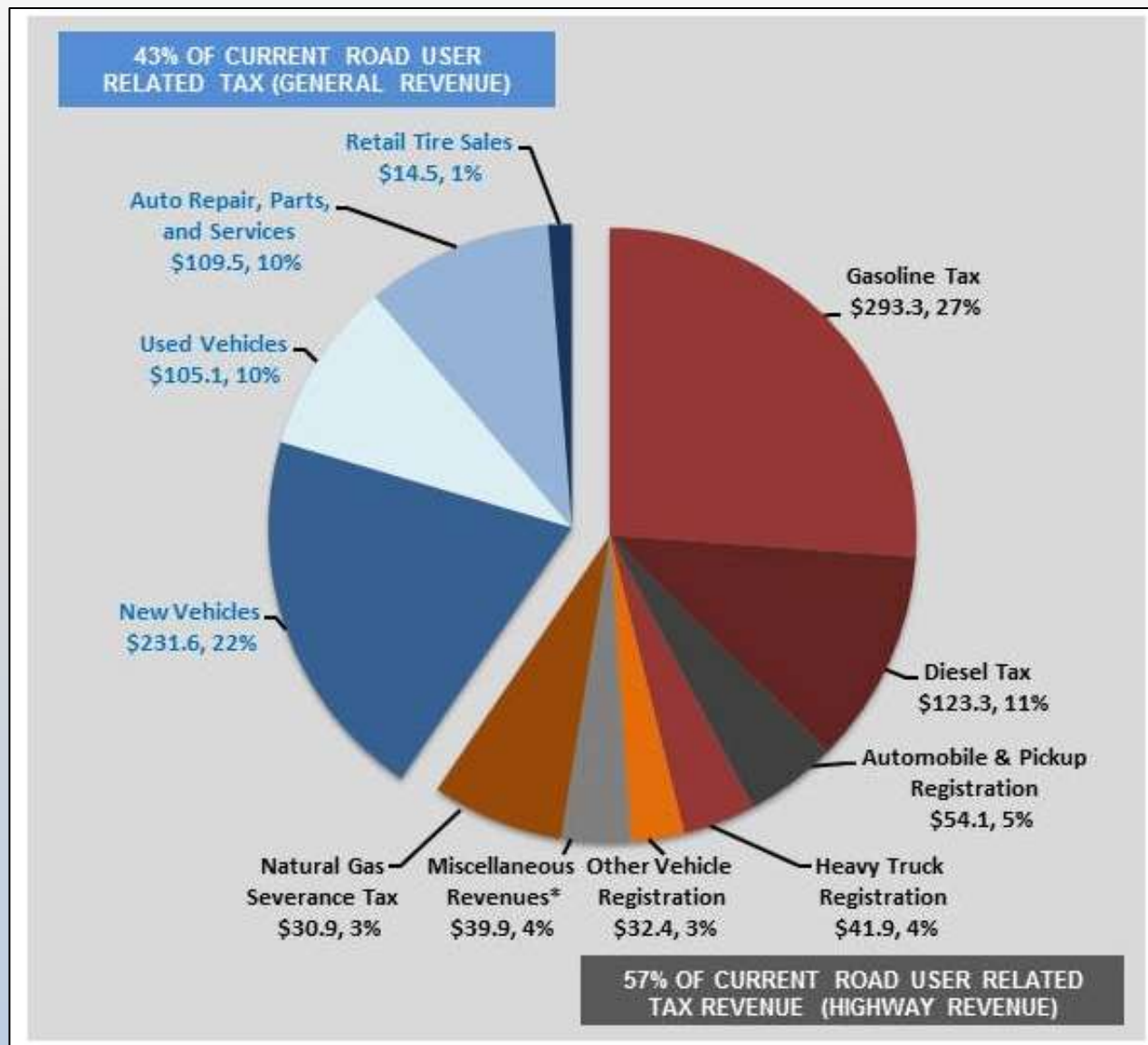
### Distribution:

#### General Revenue

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

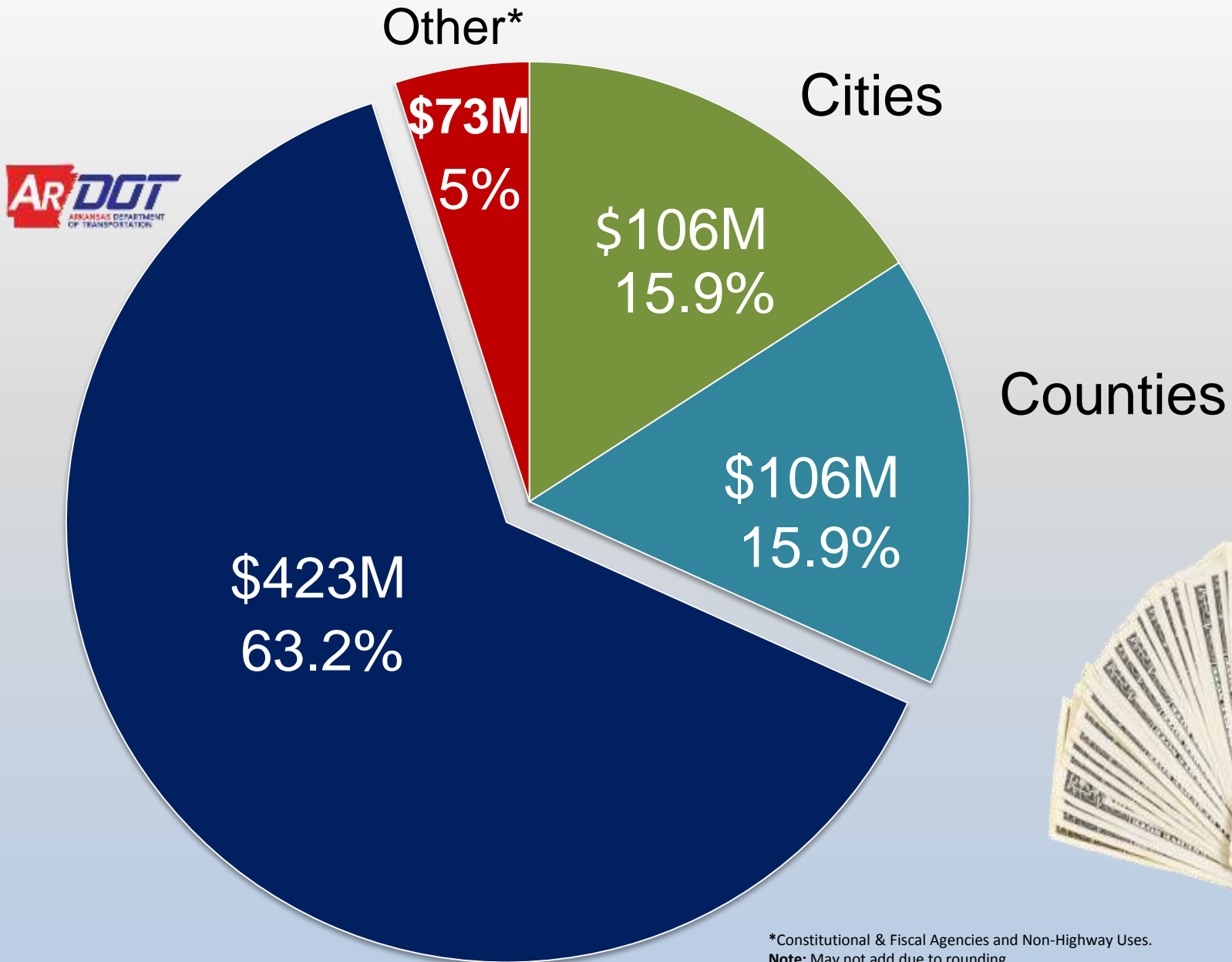
#### Highway Revenue

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





# Annual Highway User Revenue Distribution



\*Constitutional & Fiscal Agencies and Non-Highway Uses.

Note: May not add due to rounding



*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: \_\_\_\_\_

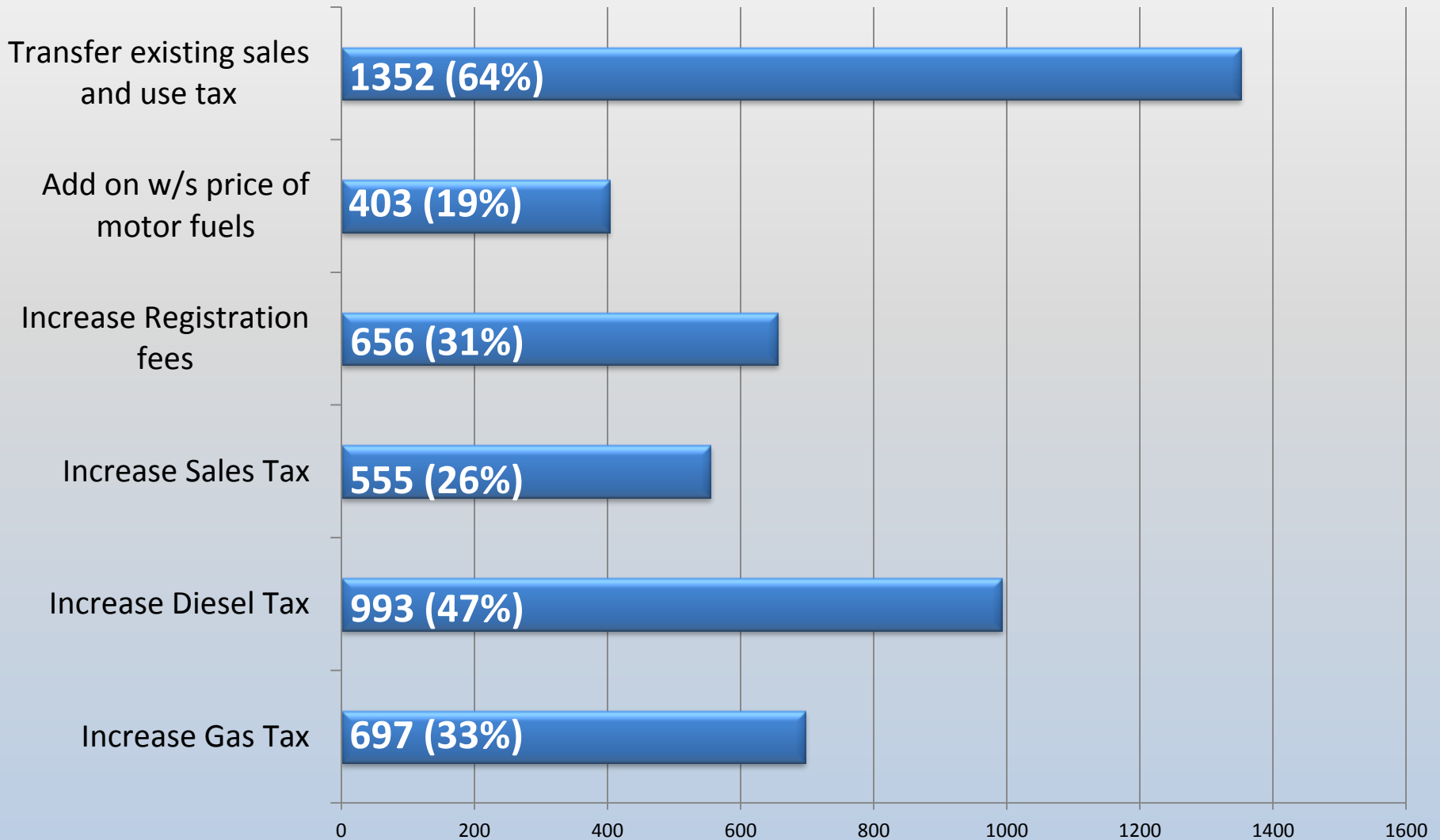
Online Form Available Here:





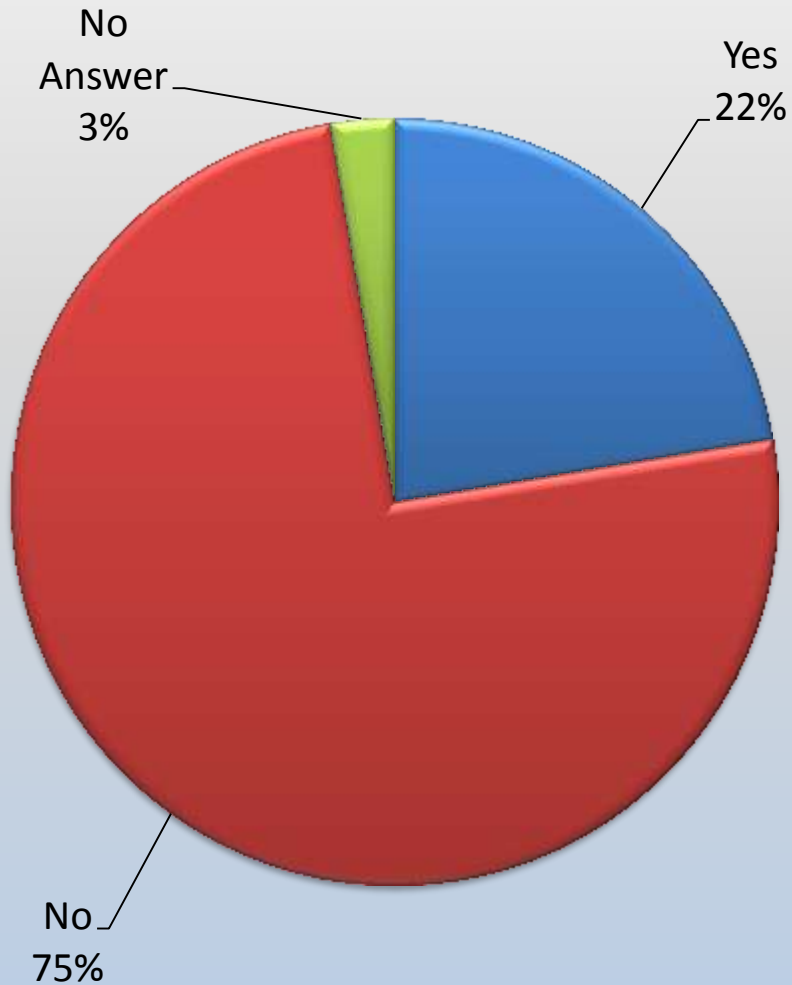
# Survey Results

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

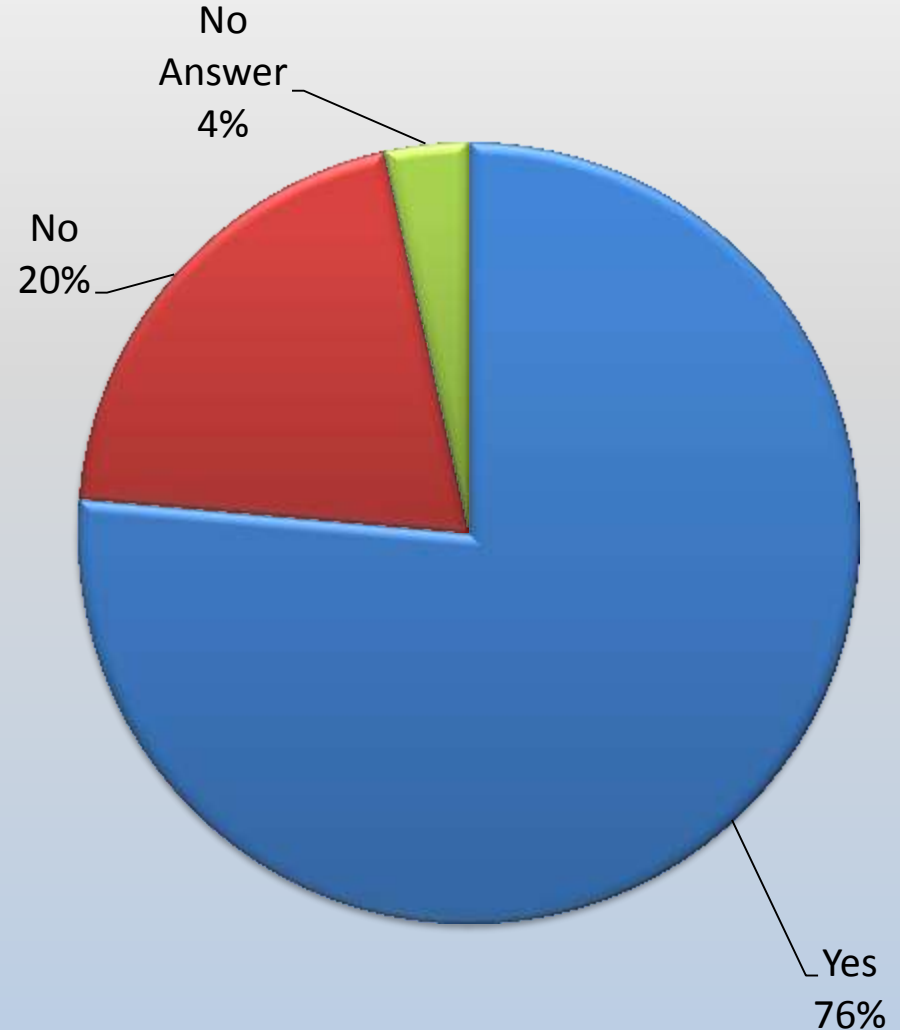


# Survey Results

Are you satisfied with the condition of the existing highway system?



Would you support a new highway program that would generate additional revenue?



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



@myARDOT





# Questions?

