

Chad Adams
District Engineer



Fayetteville Chamber of Commerce
Transportation Committee

Wednesday, 15 November, 2017



1929
Arkansas
Highway and
Department of
Lands

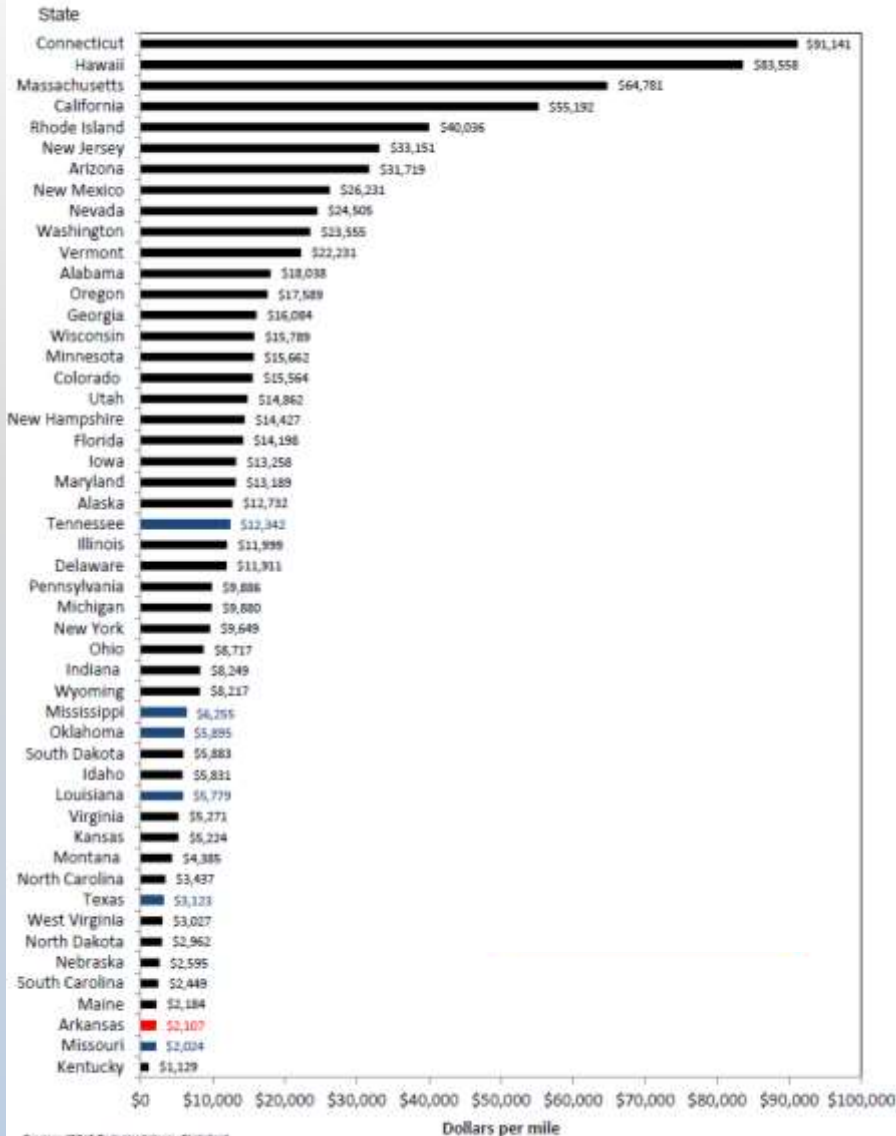
1977
Arkansas State
Highway and
Transportation
Department

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

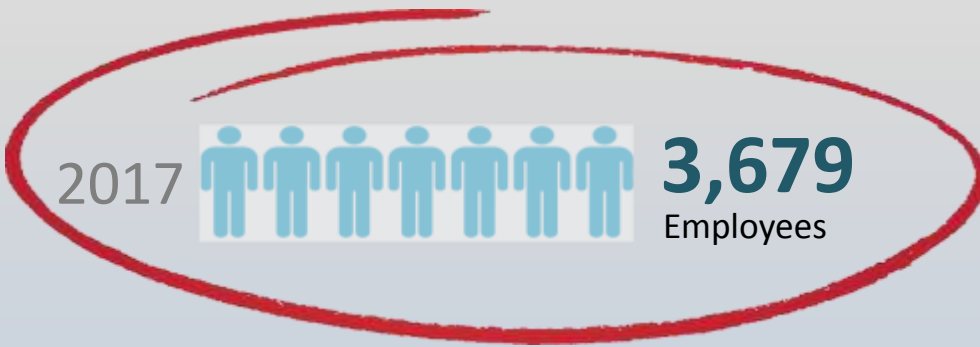
Arkansas = \$2,107

Surrounding States Average = \$4,334

National Average = \$9,224

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

Employment Levels Efficiency



Promises Made



Promises Kept

1999 IRP

- 50 Projects
- 356 Miles
- \$973 Million



2011 IRP

- 83 Projects
- 494 Miles
- \$1.51 Billion



2012 CAP

- 36 Projects
- 185 Miles
- \$1.9 Billion



CAP and IRP



Updates

Completed

35 Projects
217 Miles
\$651 Million

Under Construction

13 Projects
86 Miles
\$541 Million

Scheduled

35 Projects
191 Miles
\$334 Million



Completed

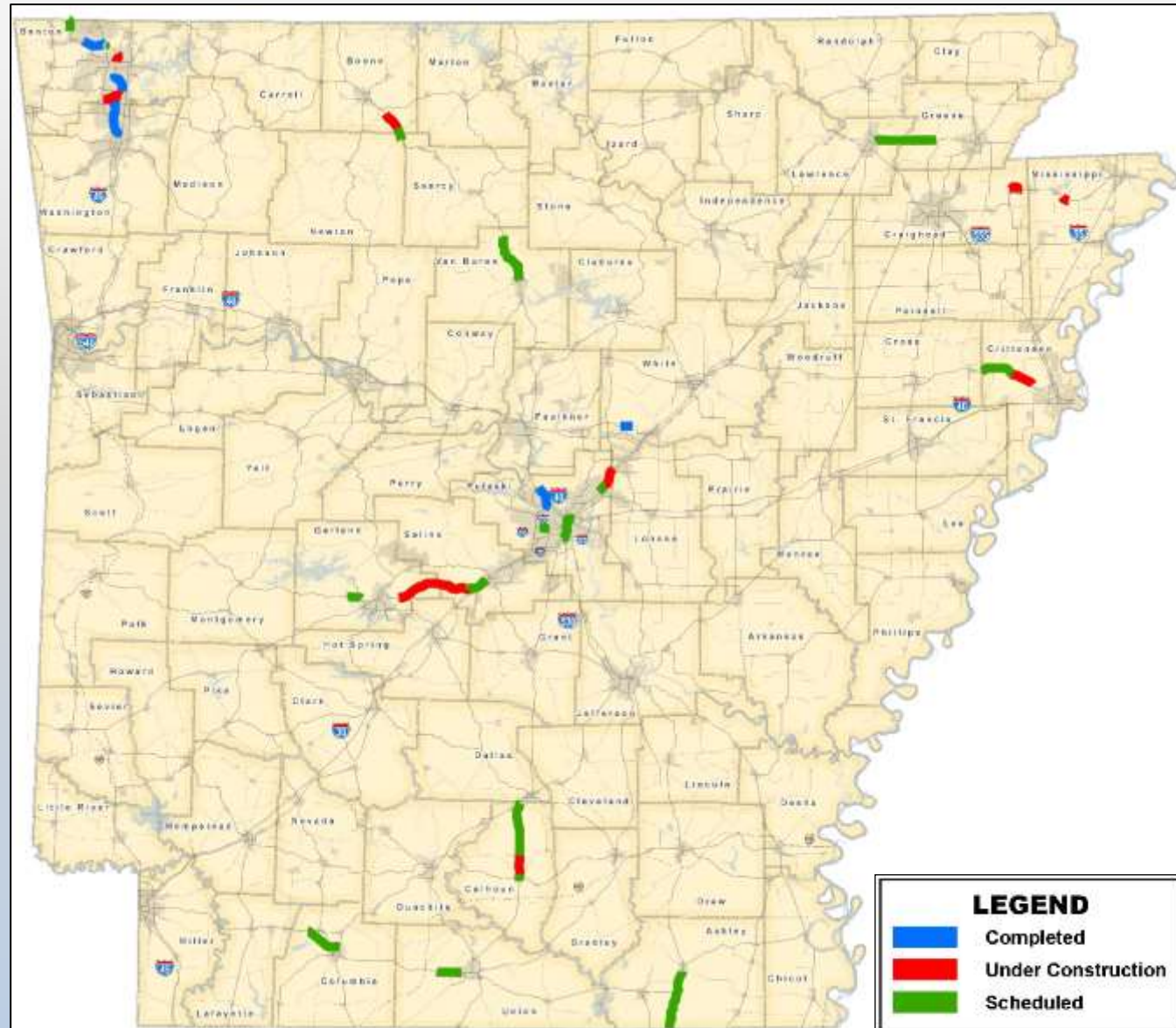
6 Projects
27 Miles
\$188 Million

Under Construction

9 Projects
49 Miles
\$403 Million

Scheduled

21 Projects
108 Miles
\$1.31 Billion



Washington County

Received \$3.9 Million to date

Projected to Receive \$9.1 Million

Total \$13 Million (Ending in 2023)



City of Fayetteville

Received \$4.1 Million to date

Projected to Receive \$9.8 Million

Total \$13.9 Million (Ending in 2023)

Local Project



Updates

Bella Vista Bypass

Completed

3 Projects
12 Miles
\$86 Million

Scheduled

5 Projects
9.6 Miles
\$120 Million



Completed

14 Projects
19.8 Miles
\$166 Million

Under Construction

3 Projects
6.2 Miles
\$151 Million

Scheduled

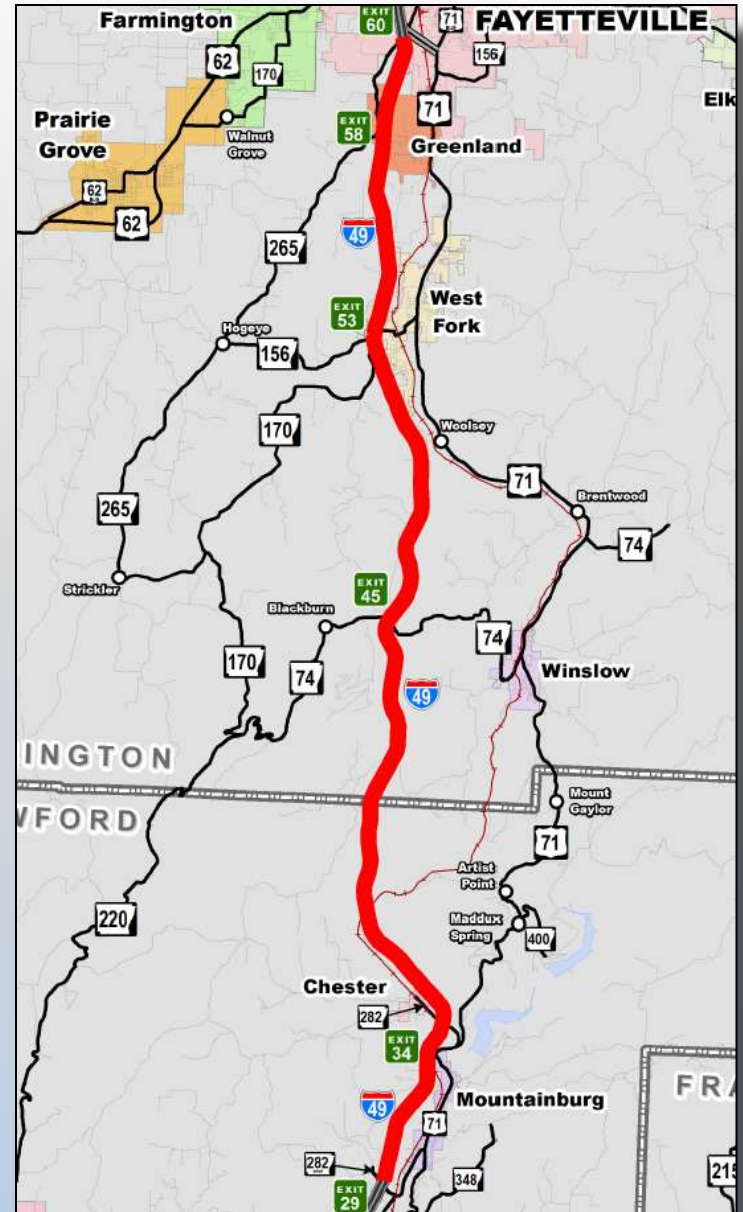
3 Projects
\$80 Million



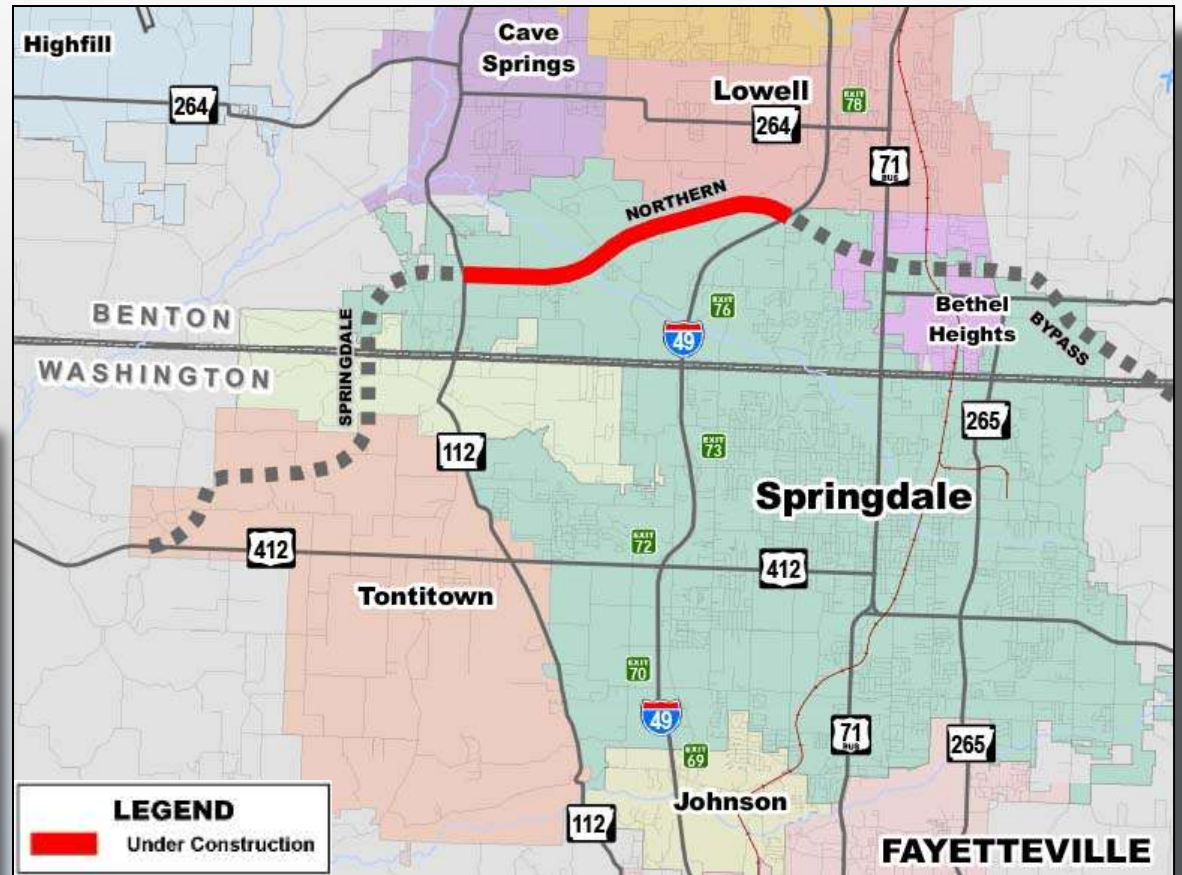
Mountainburg to Fayetteville

28 Miles

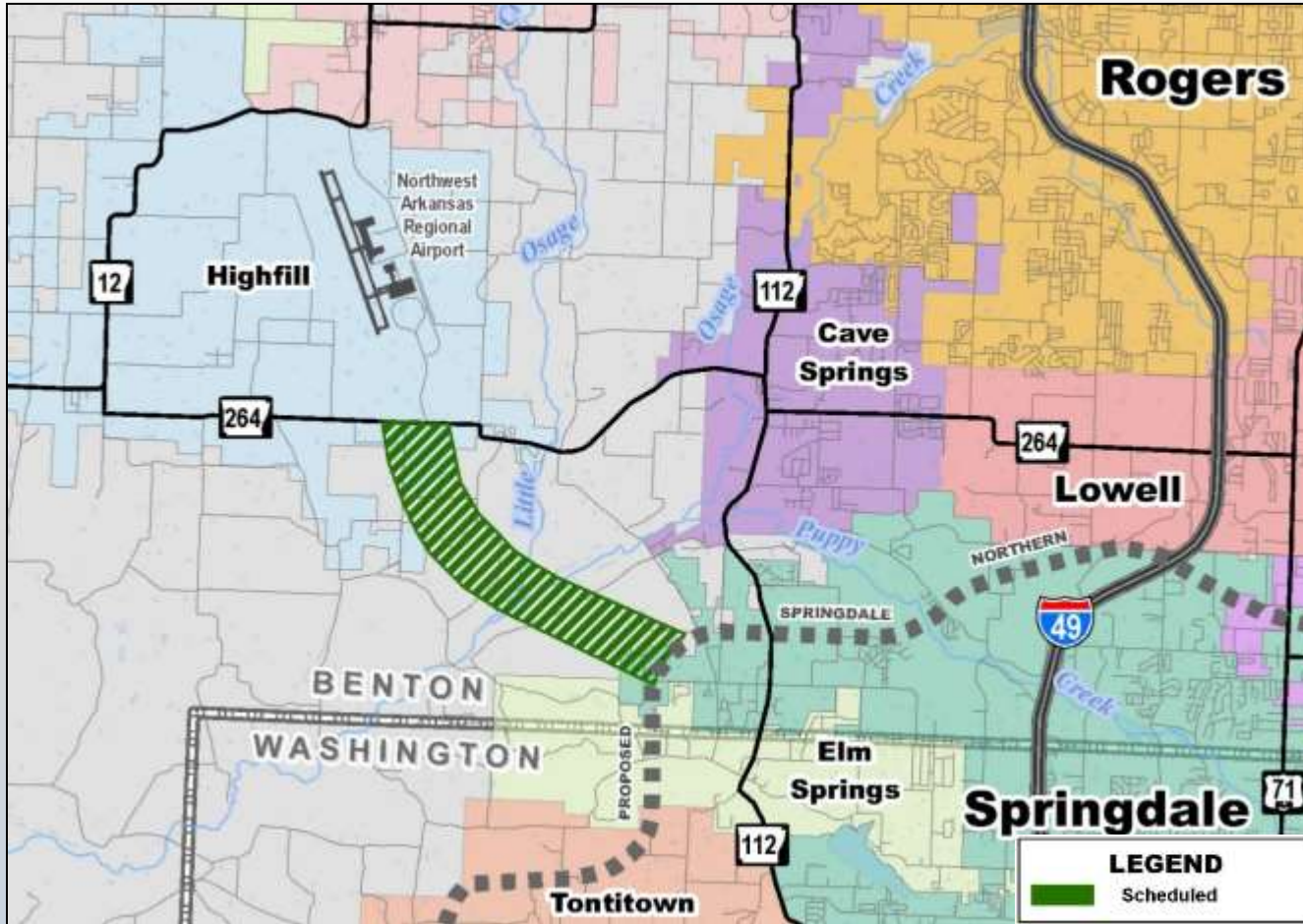
\$22 Million



Highway 112 To I-49



Proposed Airport Connector



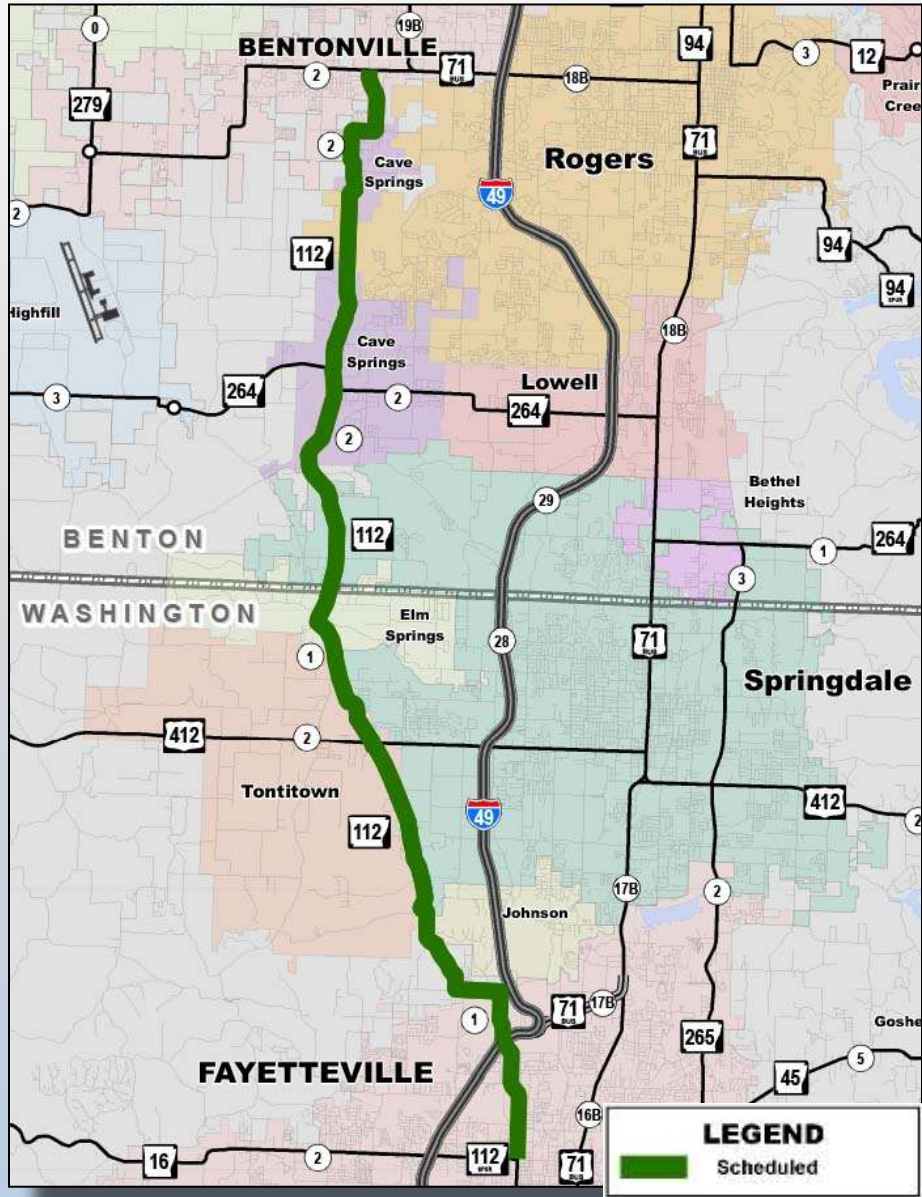
Highway 264
To
Future Springdale Bypass

Corridor Study Fayetteville to Bentonville

Adopted in July 2015

Recommendations

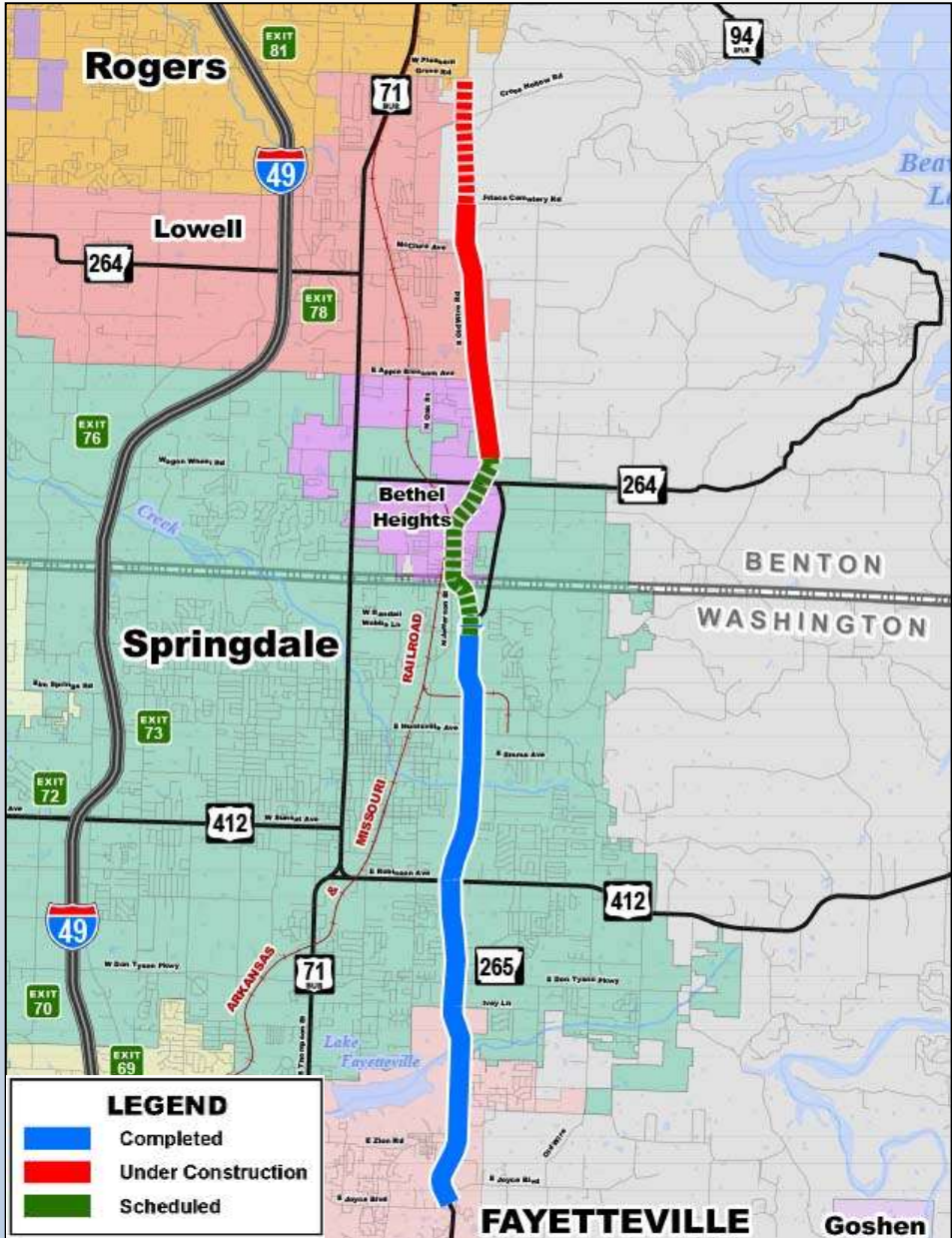
Cost Estimates



Completed
4 Projects
6 Miles
\$17 Million

Under Construction
1 Project
4 Miles
\$15.5 Million

Scheduled
1 Project
2 Miles
\$10-\$15 Million

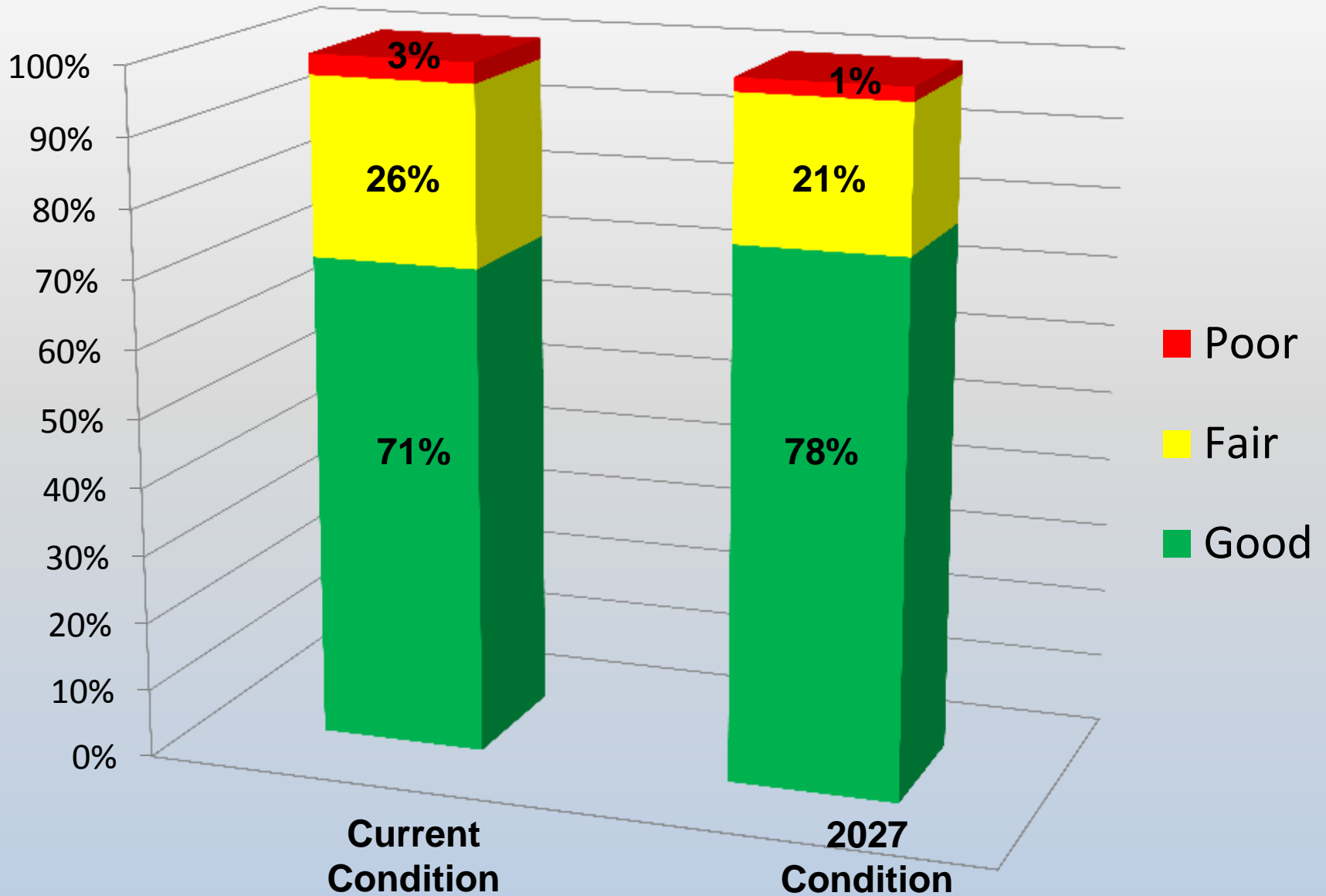


Highway Condition

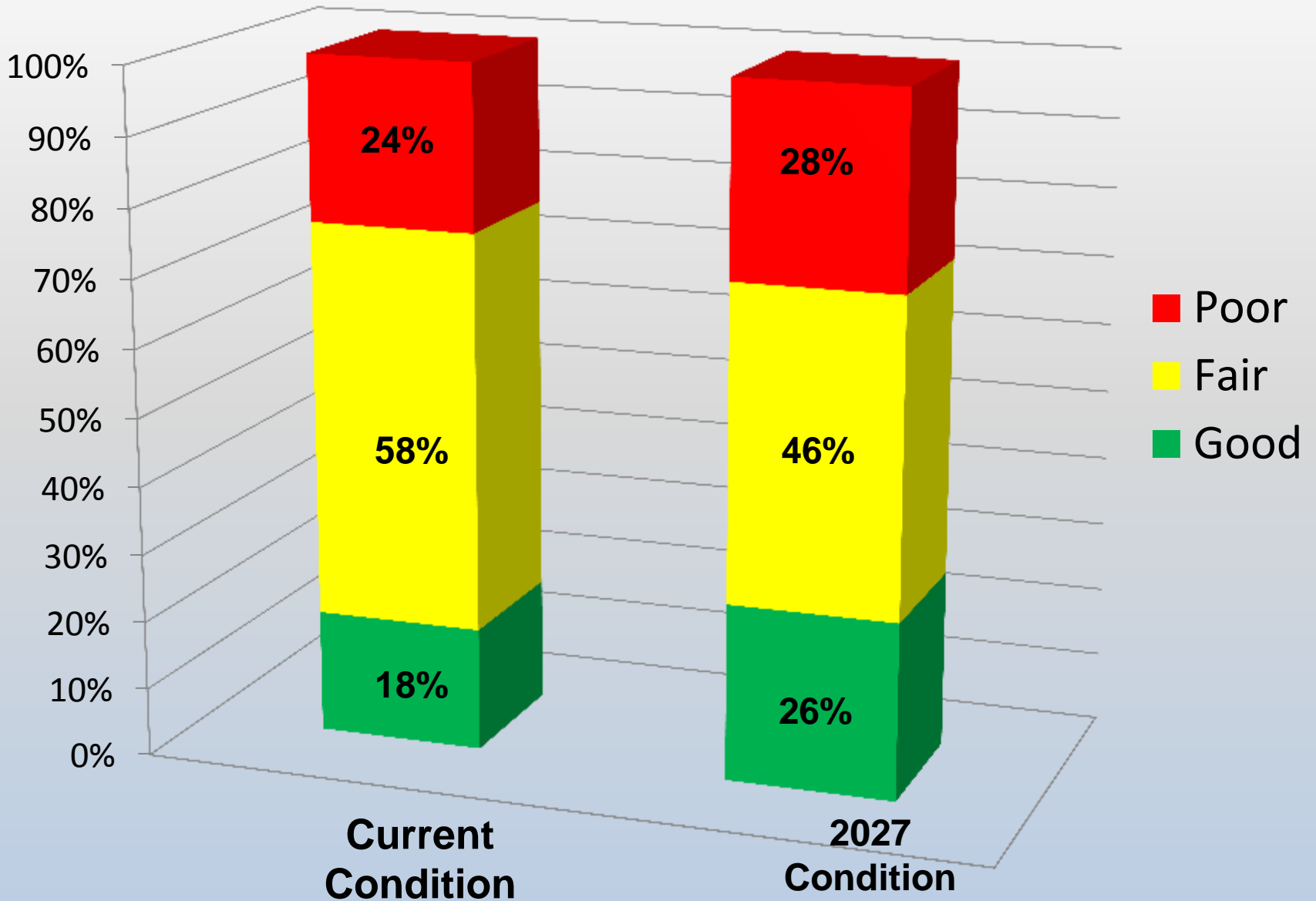


and Needs

Interstates



All State Highways – Including Interstates



**Benton County
Highway 59, Section 1
Log mile 12.4 – 18.9
North Decatur to Gentry**



Pay a **Little** Now



Overlay
\$100,000
per lane mile

Pay a **Whole Lot** Later

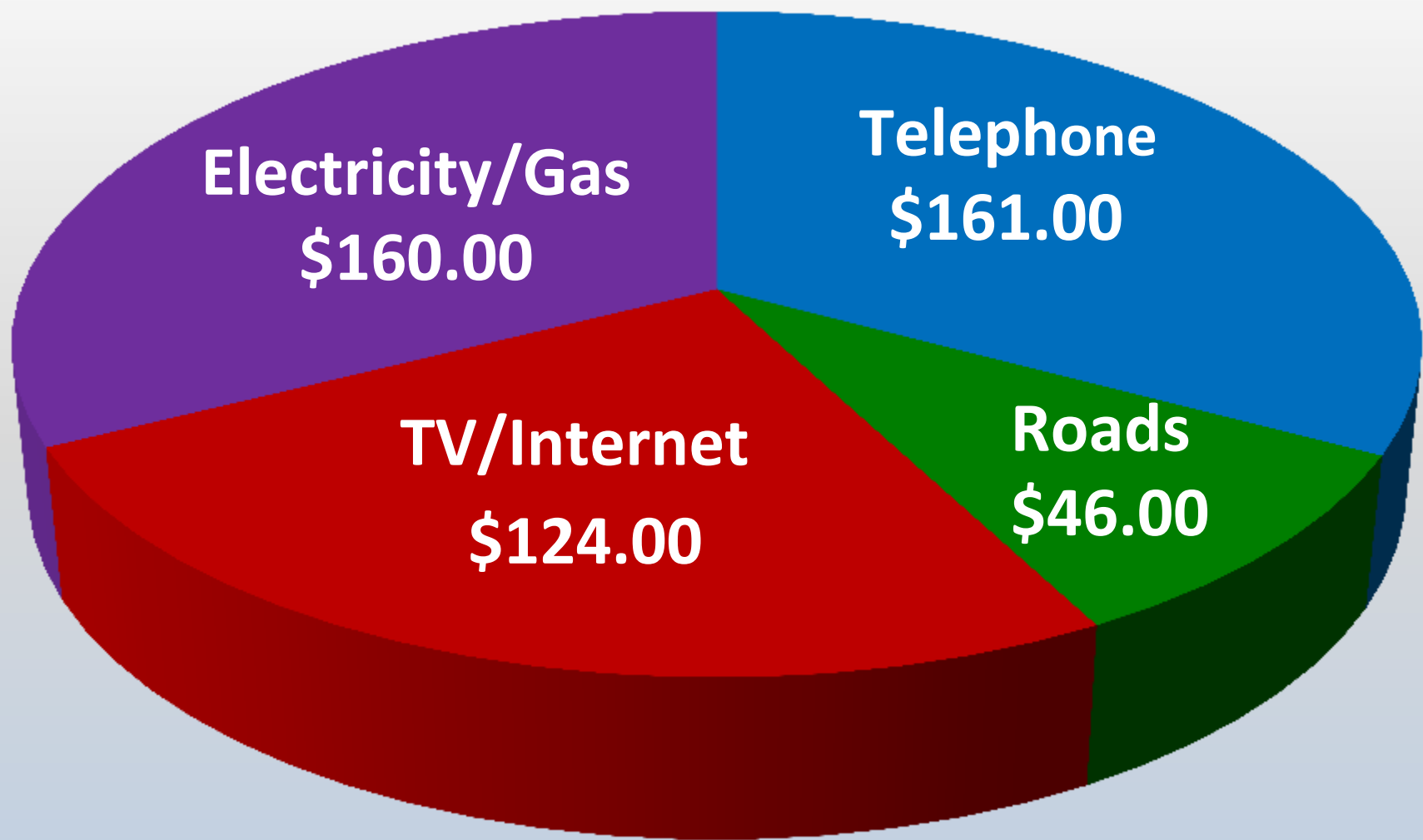


Reconstruction
\$1,500,000
per lane mile



Pay a Little Now or a Lot Later!

Average Monthly Household Expenditures



Funding



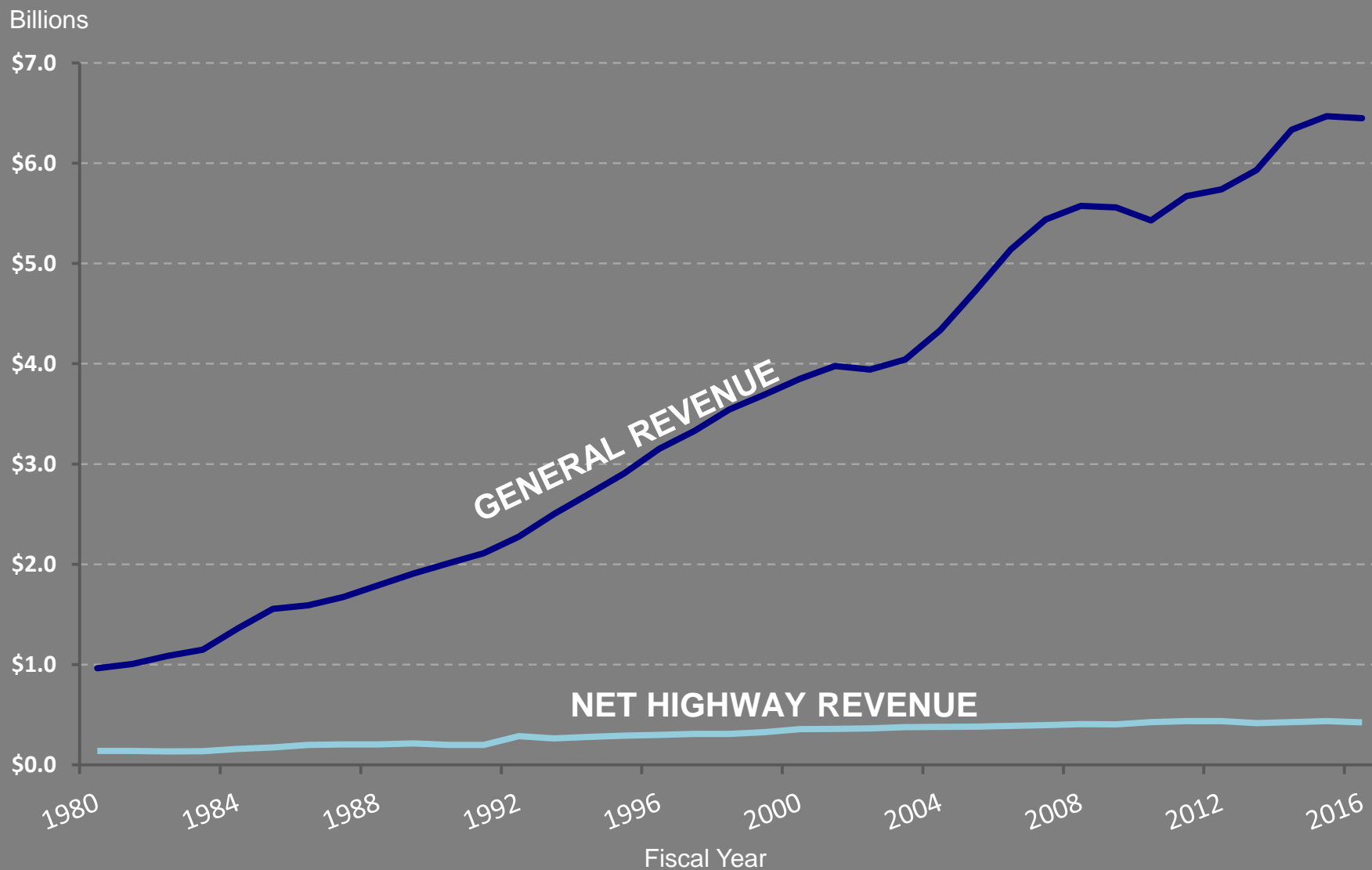
Update

Great amount of uncertainty at the federal level

State funds stagnant at best

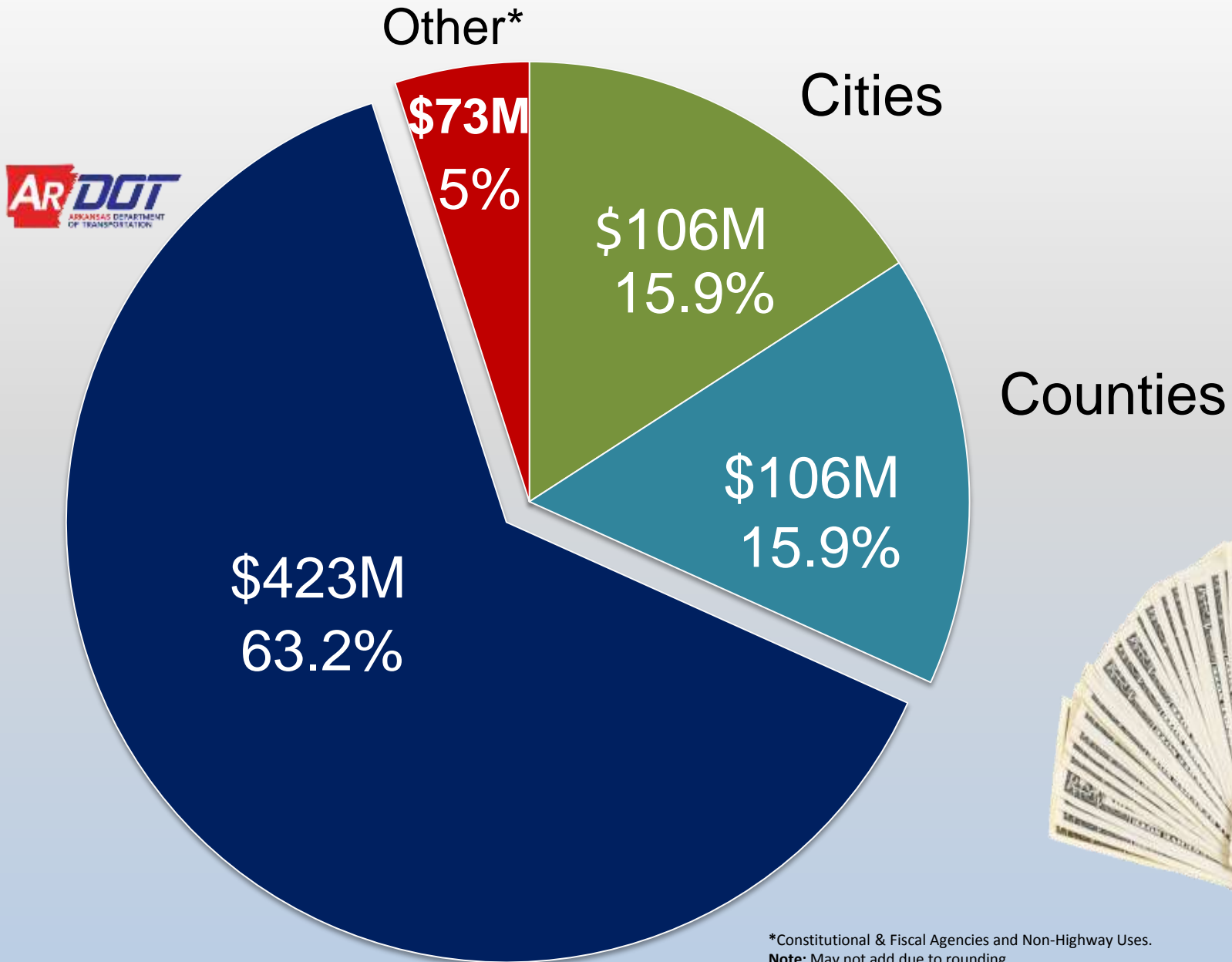


General Revenues vs ARDOT Net Highway Revenues



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

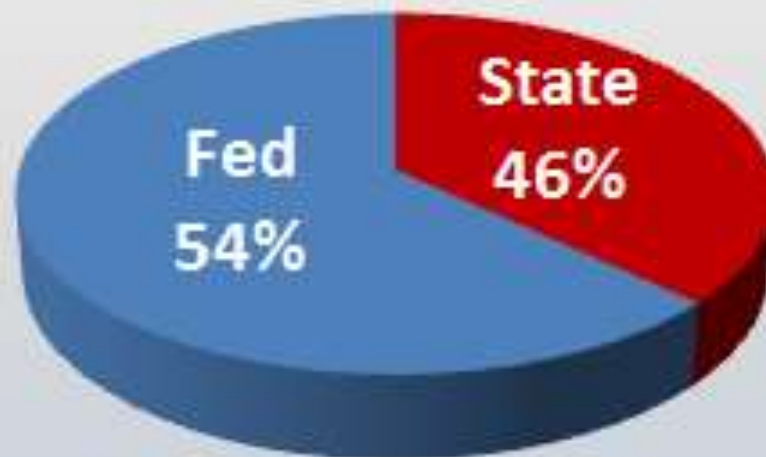
1993

Hwy. Funding Breakdown



2016

Hwy. Funding Breakdown



THEN

22 years ago, in 1995,
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.



Challenges

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

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

➤ **\$9.3 billion** in needs

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



Where

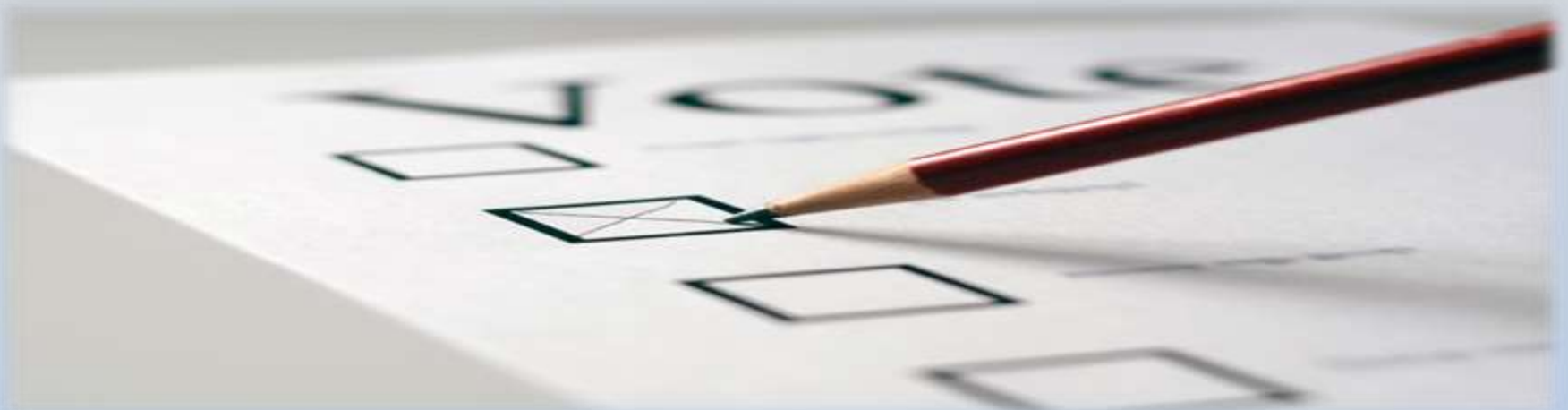


Are We Going?

□ 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



Special Report
Arkansas Legislative Audit

Review of Sources and Uses of Funds
Arkansas Department of Transportation
For the Period July 1, 2009 through June 30, 2016 and
Projected for Fiscal Years 2017 through 2020

INTRODUCTION

This report is presented in response to a request for Arkansas Legislative Audit (ALA) to review information, estimates, and calculations provided by the Arkansas Department of Transportation (ARDOT), formerly known as the Arkansas State Highway and Transportation Department, related to highway funding. ARDOT has indicated that additional state funding is needed to fully maximize available federal funds and to expand non-federal construction and maintenance projects.

OBJECTIVES

The objectives of this report were to:

1. Provide information regarding state funding sources and uses for highways, with associated construction and maintenance costs, for prior years.
2. Determine the amount of matching funds needed annually in order for ARDOT to receive the maximum federal aid available.
3. Determine the amount of additional state revenues needed to fund ARDOT's proposed construction and maintenance program for roads and facilities.
4. Provide a history of bond issuances, including balances and associated costs.

SCOPE AND METHODOLOGY

This report was prepared by reviewing activities for state fiscal years ended June 30, 2010 through 2016, and projections and estimates for federal fiscal years ending September 30, 2017 through 2020. ALA staff reviewed audit reports from prior years, particularly revenues and expenditures related to construction, and determined future federal funding from reports obtained from the Federal Highway Administration. All information for additional construction and maintenance projects was provided by ARDOT and tested for accuracy and reasonableness by ALA staff.

The methodology used in preparing this report was developed uniquely to address the stated objectives; therefore, this report is more limited in scope than an audit or attestation engagement performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

BACKGROUND

ARDOT recognizes revenues from both federal and state sources. State revenues include motor fuel taxes, registration fees, natural gas severance fees, and overload permits and penalties. Many highway construction projects are funded with both federal and state monies. The percentage of state participation in these projects varies depending on the federal program involved, but most programs require a 20% match.

ARKANSAS LEGISLATIVE AUDIT
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Phone: 501-683-8600 • Fax: 501-683-8605
www.arklegaudit.gov

Report ID: SP5A02516 Report Date: August 31, 2017



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			1,000,000
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
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

\$ 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
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

\$ 478,000,000

ALA staff reviewed supporting documentation obtained from ARDOT to verify that costs for the projects were reasonable, based on historical information.

Note: Amounts shown are rounded.

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)

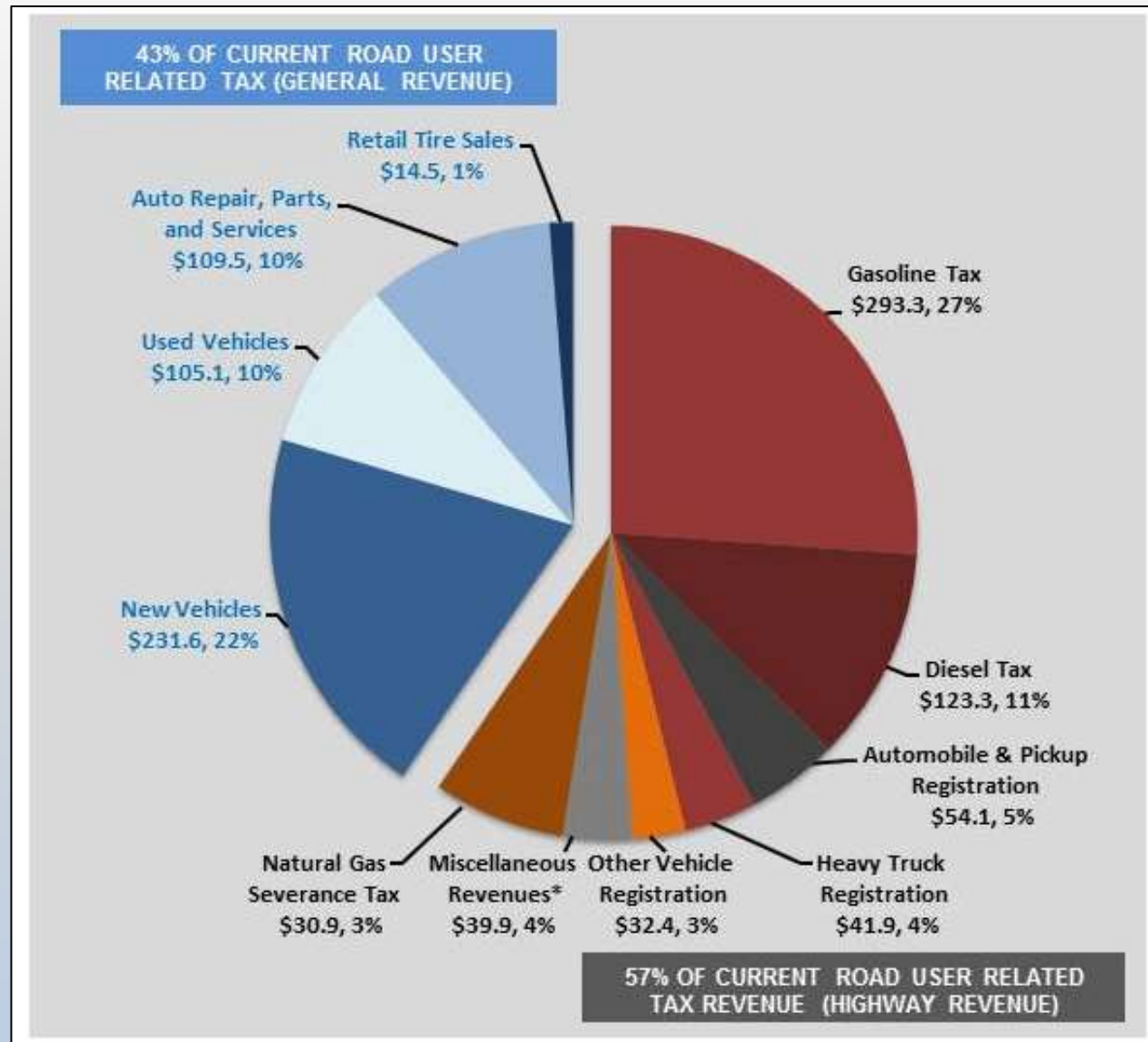
Road User Related Tax Revenue (SFY 2016)

Total Road User Revenue
\$1,076.5 Million

Distribution:

General Revenue
\$460.7 Million (43%)

Highway Revenue
\$615.9 Million (57%)





Your
TRANSPORTATION SYSTEM

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



Survey Results

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

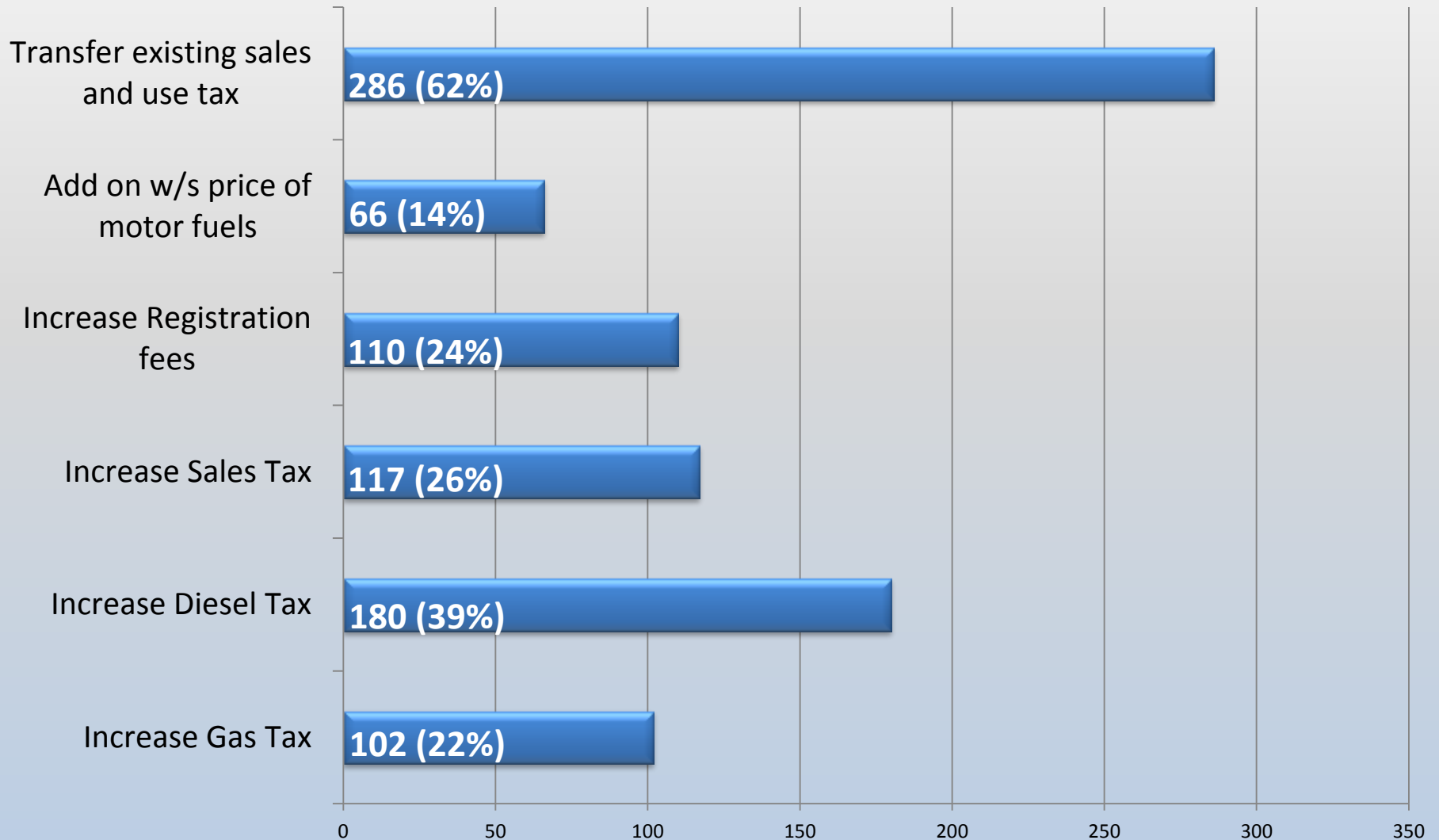


Would you support a new highway program that would generate additional revenue?



Survey Results

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



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



@myARDOT



Questions?

