

Kevin Thornton, P.E.
Assistant Chief Engineer - Planning

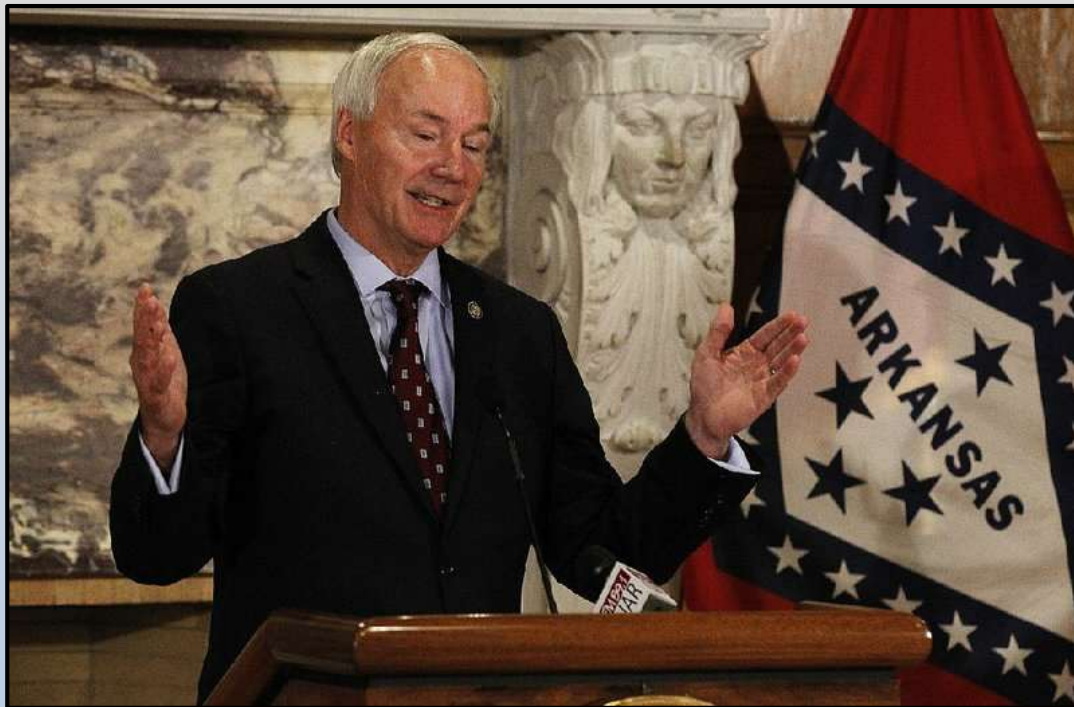


Arkansas Society of Civil Engineers

Thursday, March 7, 2019

Governor Hutchinson's Four T's:

- Tax Cuts
- Transformation
- Teacher Pay
- Transportation



Governor Hutchinson's Highway Package

Two Bills

Four Revenue Sources

\$300 Million Per Year



Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas

2.9% Tax On Wholesale Price of Diesel



Motor Fuel Taxes

Gasoline

**1.6% x \$1.875 Wholesale Price/Gallon =
\$0.03 Tax/Gallon**

Diesel

**2.9% x \$2.069 Wholesale Price/Gallon =
\$0.06 Tax/Gallon**

Motor Fuel Taxes

Results in **\$86 Million** in Additional Annual Revenue

\$58 Million to ARDOT

\$14 Million to Cities and Counties Each



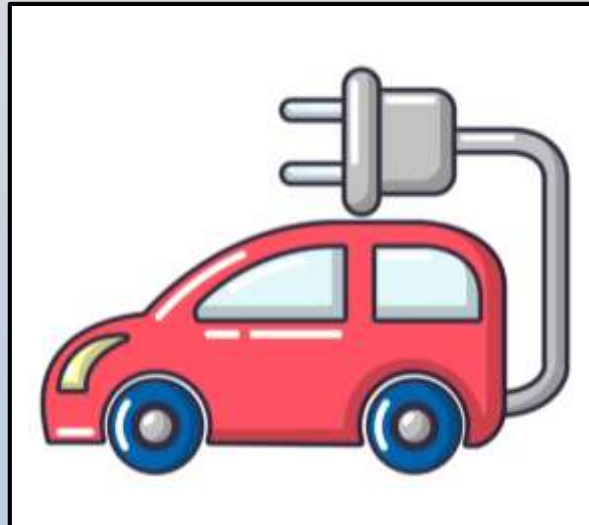
“And we feel like we would like to invest proactively and spend money to make the roads better so that they are safer, so that they are easier on the equipment, so that the volume of traffic can move more freely. The benefit of those things outweighs the increased costs.”

Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - \$200 Registration Fee

Hybrid Vehicles - \$100 Registration Fee

\$2 Million to ARDOT



Senate Bill 336

Casino Revenue

All New Casino Revenue

\$35 Million Annually to ARDOT



Senate Bill 336 Summary

Motor Fuel Tax	\$ 58 Million
Electric and Hybrid Vehicle Registration Fees	\$ 2 Million
Casino Revenue	\$ 35 Million
Total To ARDOT	\$ 95 Million



Proposed Constitutional Amendment

- To Be Voted On In General Election
- ½ Cent Sales Tax Permanent After 2023
- Continues To Provide **\$205 Million** To ARDOT Annually
- Continues To Provide **\$44 Million** To Cities Annually
- Continues To Provide **\$44 Million** To Counties Annually

Summary

Senate Bill 336

\$ 95 Million

House Joint Resolution 1018

\$205 Million

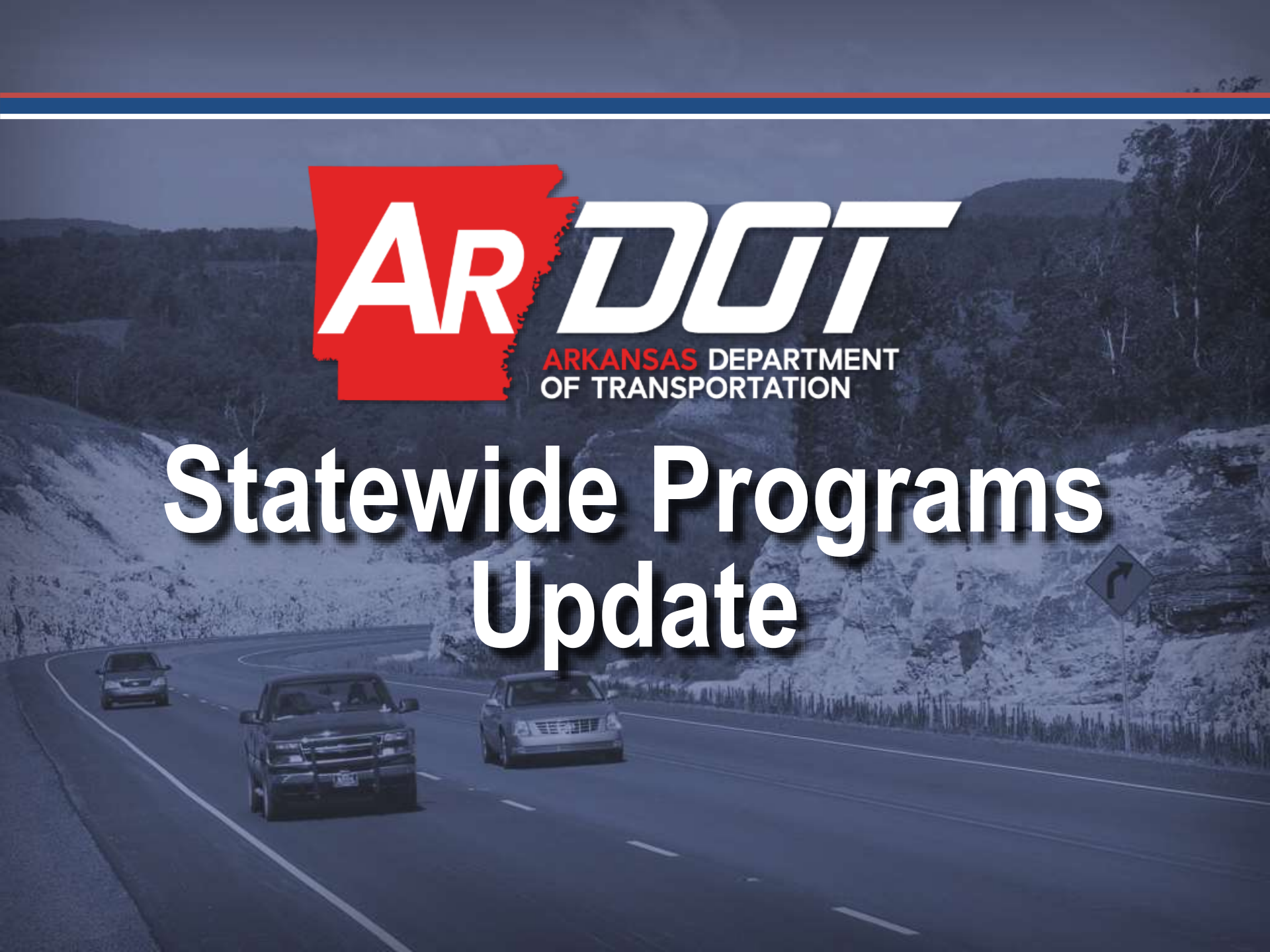
Total To ARDOT

\$300 Million





Statewide Programs Update



Completed

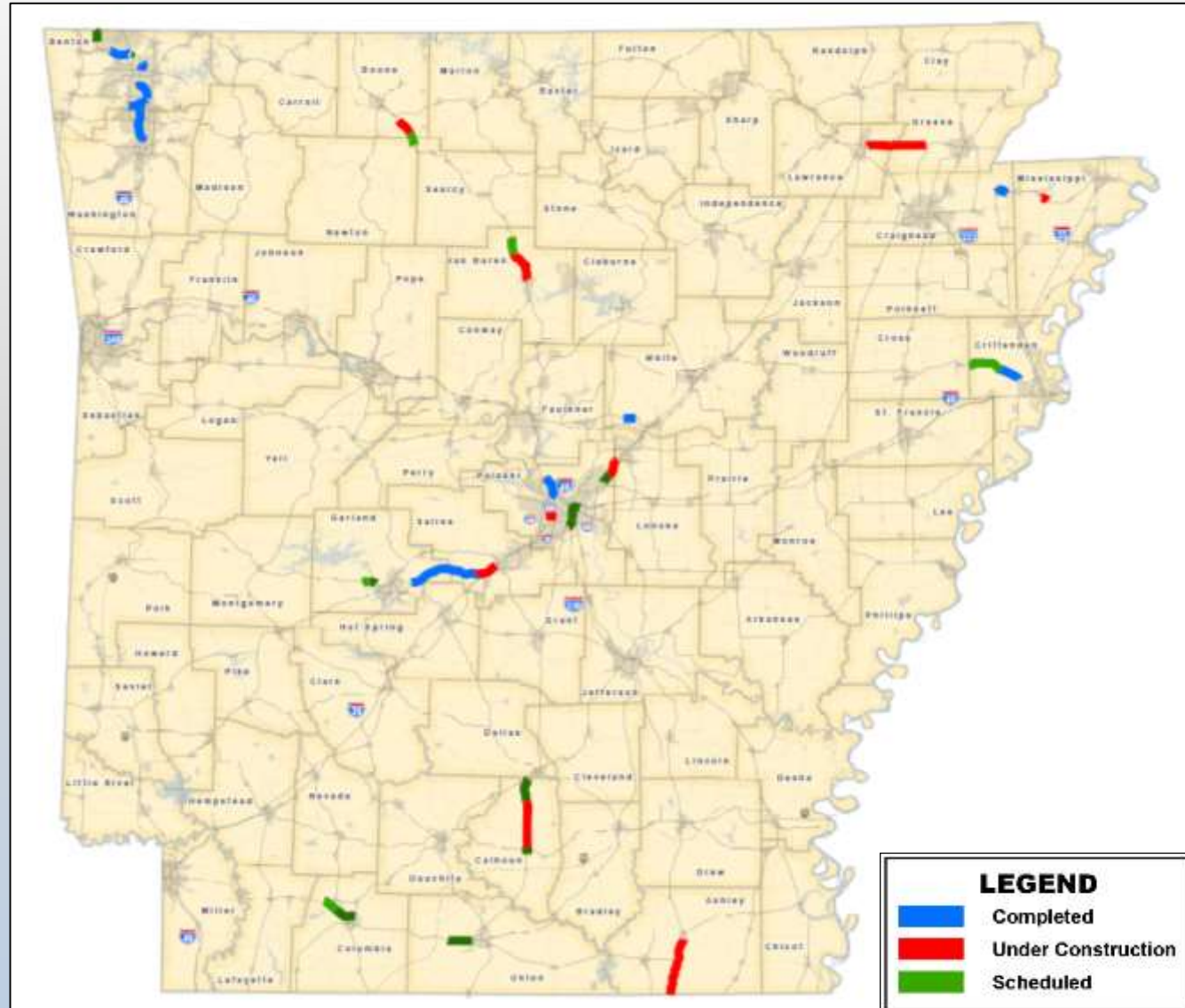
11 Projects
61 Miles
\$432 Million

Under Construction

11 Projects
68 Miles
\$627 Million

Scheduled

14 Projects
56 Miles
\$974 Million



Completed

46 Projects
 290 Miles
 \$1.0 Billion

Under Construction

6 Projects
 54 Miles
 \$314 Million

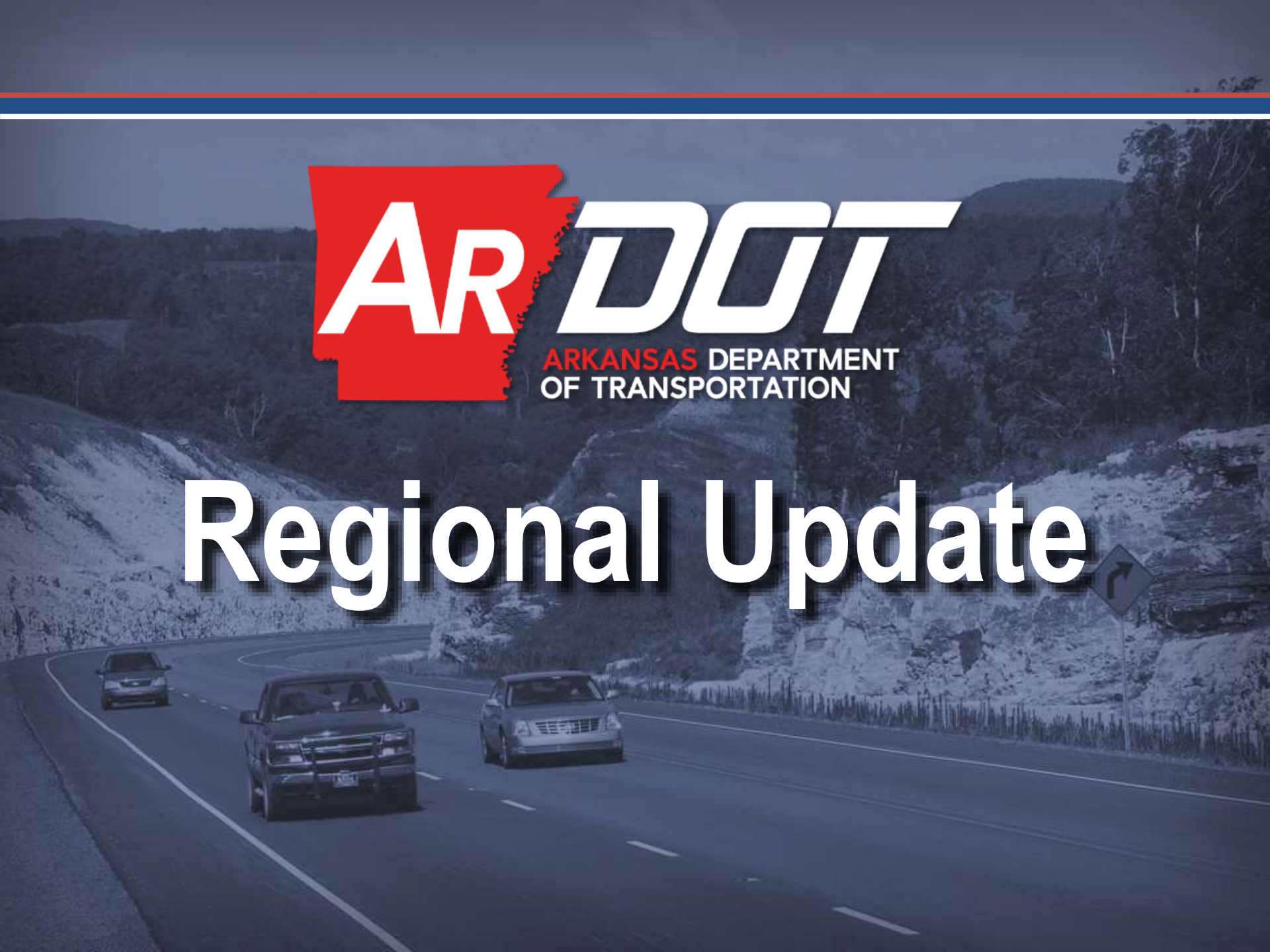
Scheduled

27 Projects
 159 Miles
 \$220 Million





Regional Update



Interstate 49 – Washington County

Completed

11 Projects
40 Miles
\$212 Million



Scheduled

2 Projects
\$45 Million

Interstate 49 (Benton Co.)

Completed

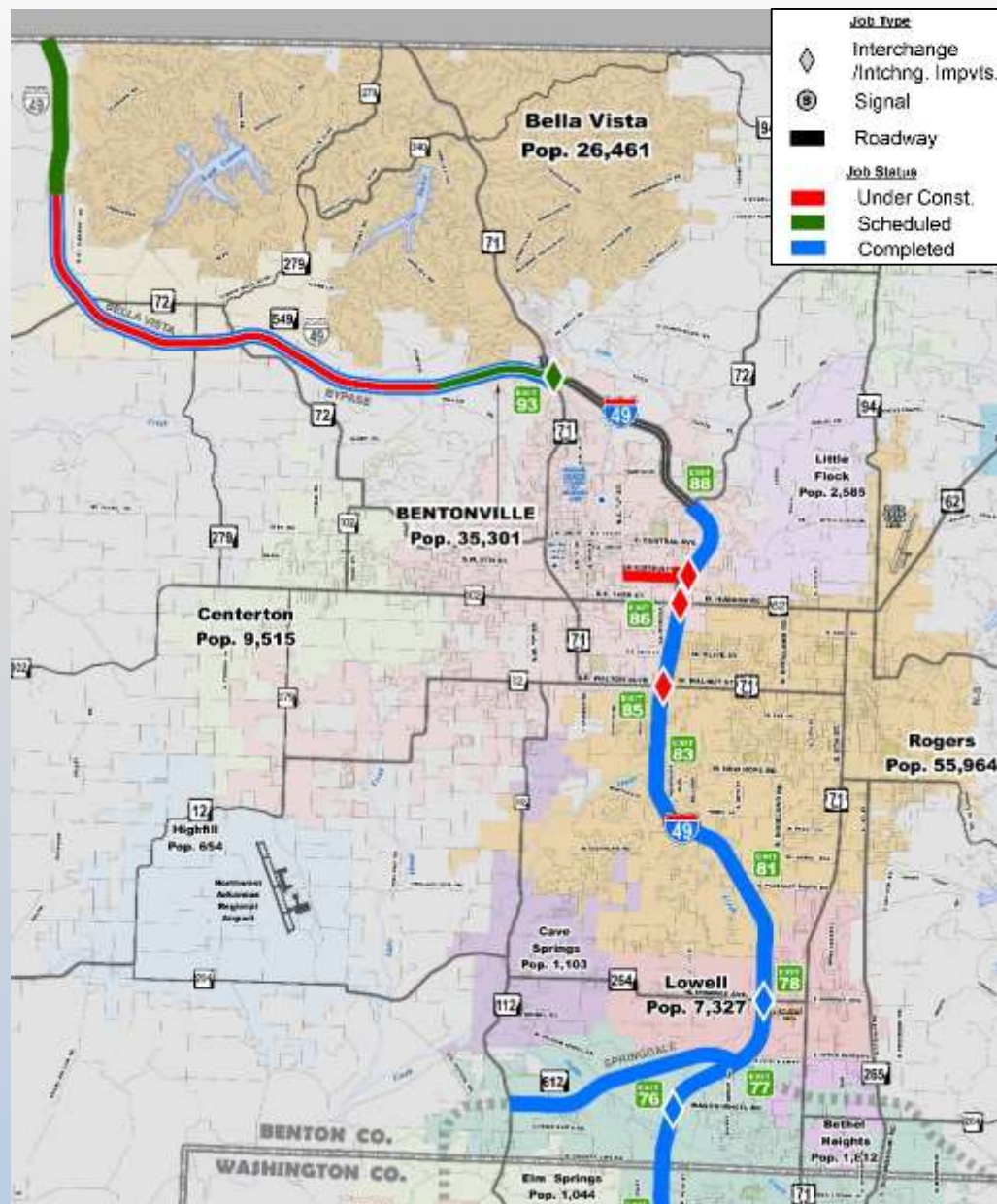
11 Projects
34 Miles
\$291 Million

Under Construction

3 Projects
8 Miles
\$83 Million

Scheduled

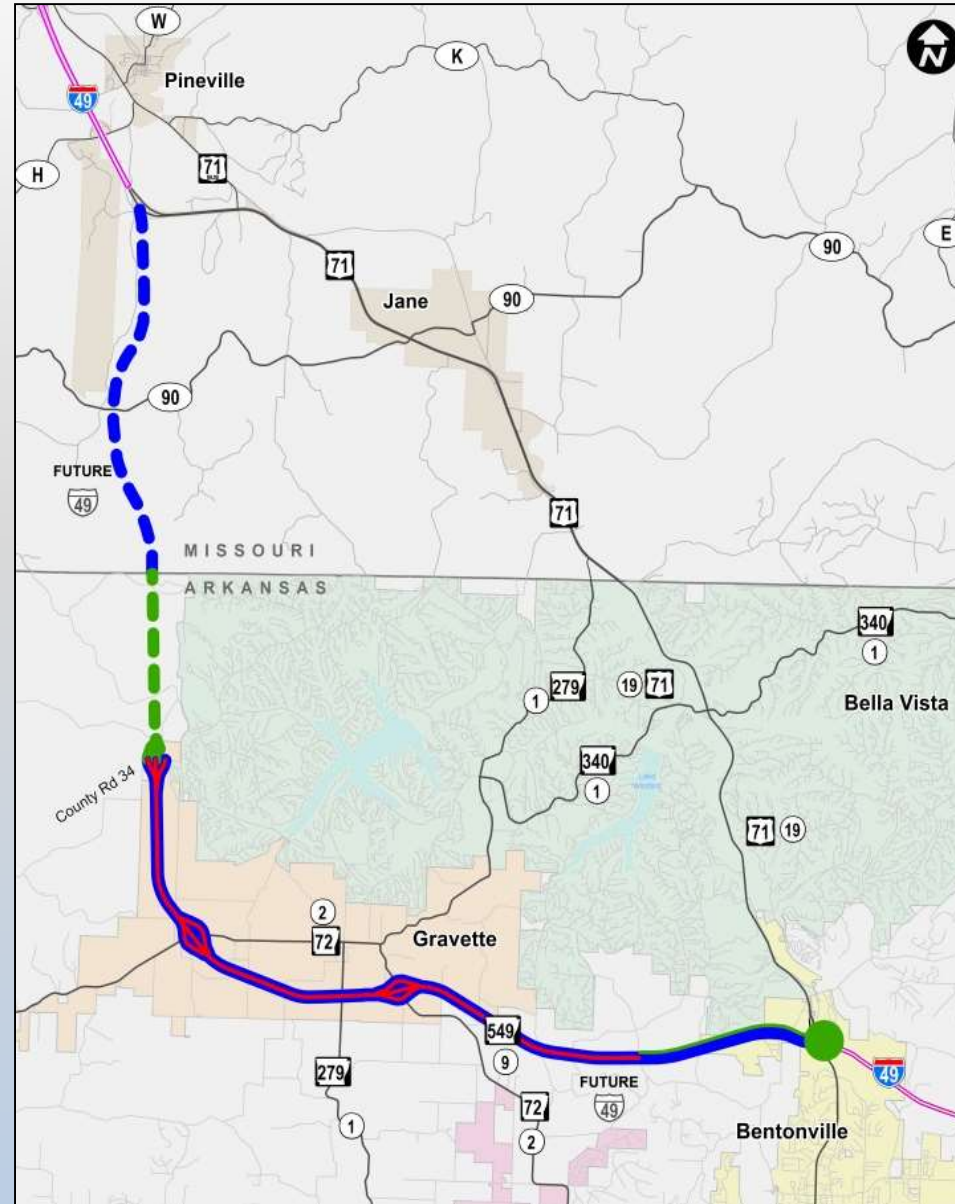
2 Projects
5 Miles
\$87 Million



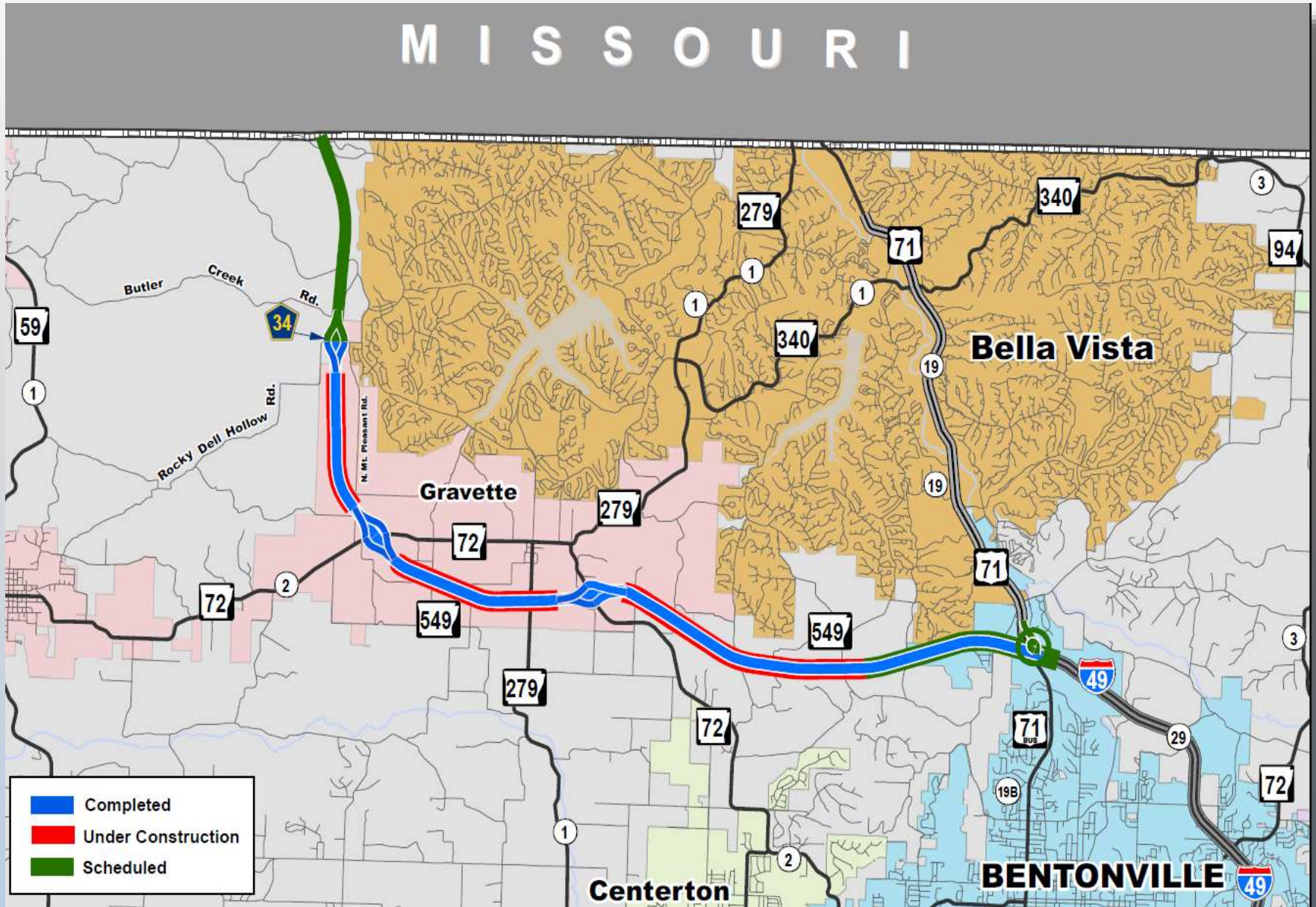
Interstate 49

Missouri – Arkansas Connector

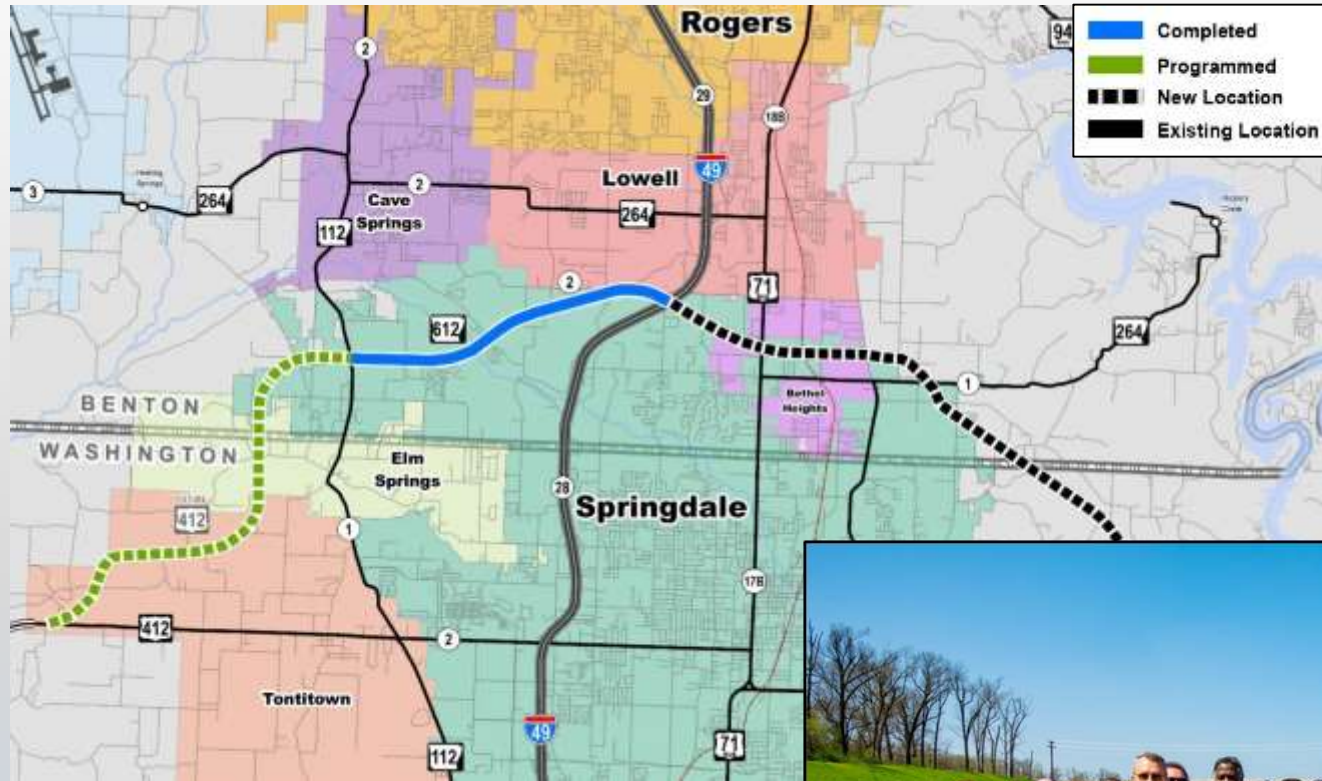
(Bella Vista Bypass)



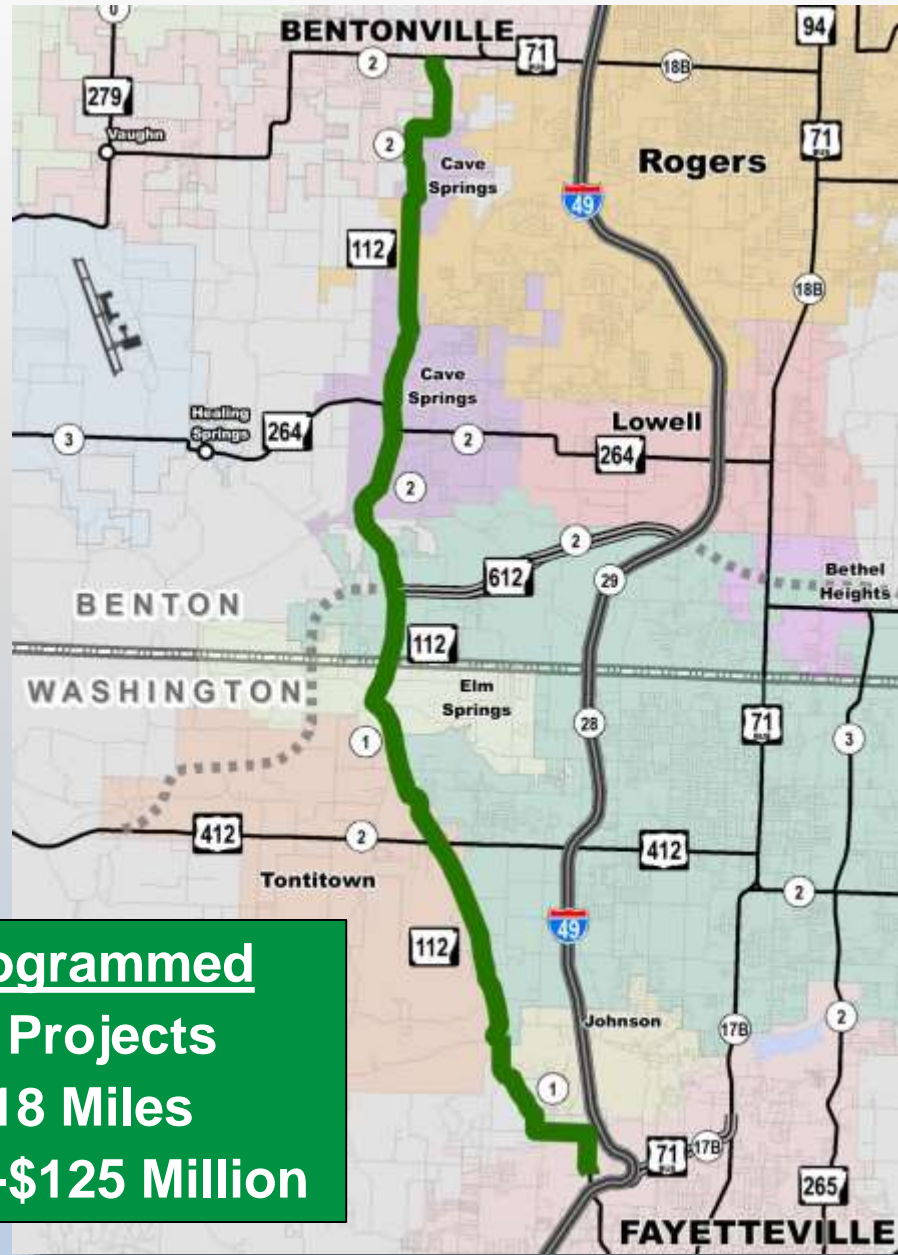
Bella Vista Bypass Update



Springdale Bypass



State Highway 112



Programmed
7 Projects
18 Miles
\$100-\$125 Million

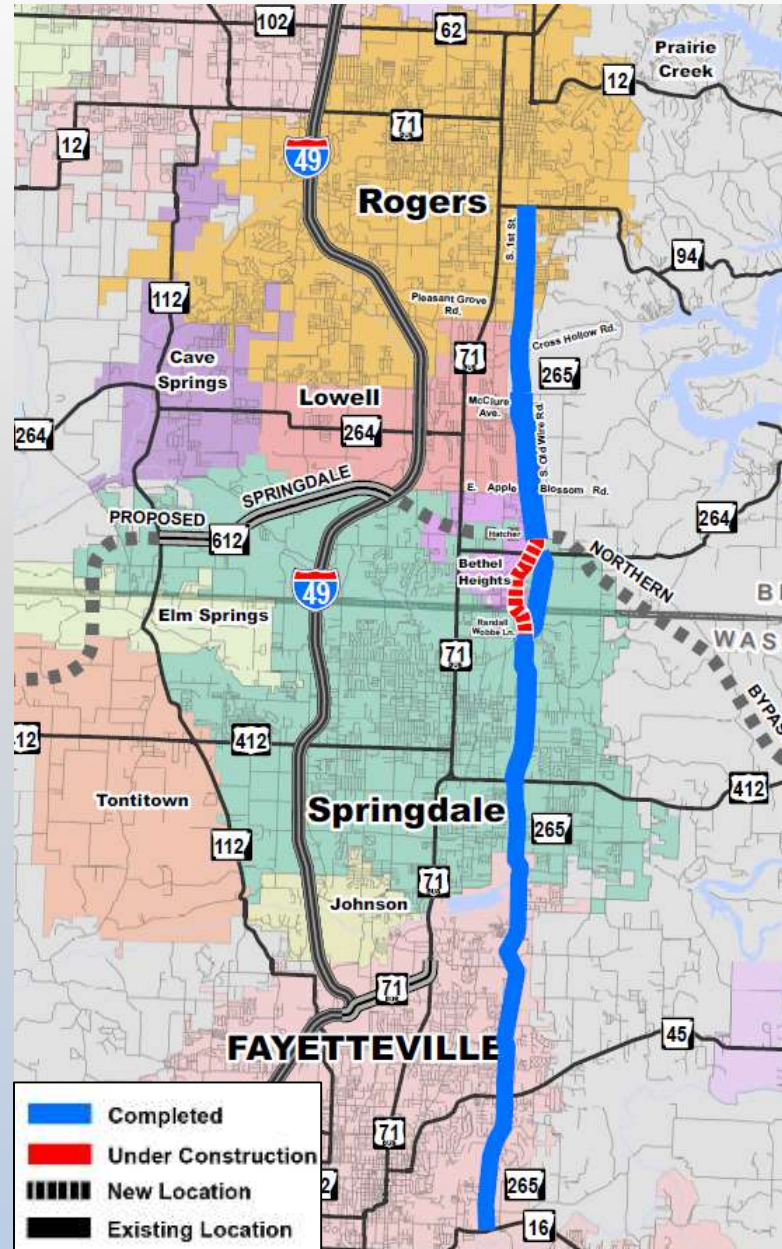
State Highway 265

Completed

7 Projects
 15 Miles
 \$53 Million

Under Construction

1 Project
 2 Miles
 \$10 Million



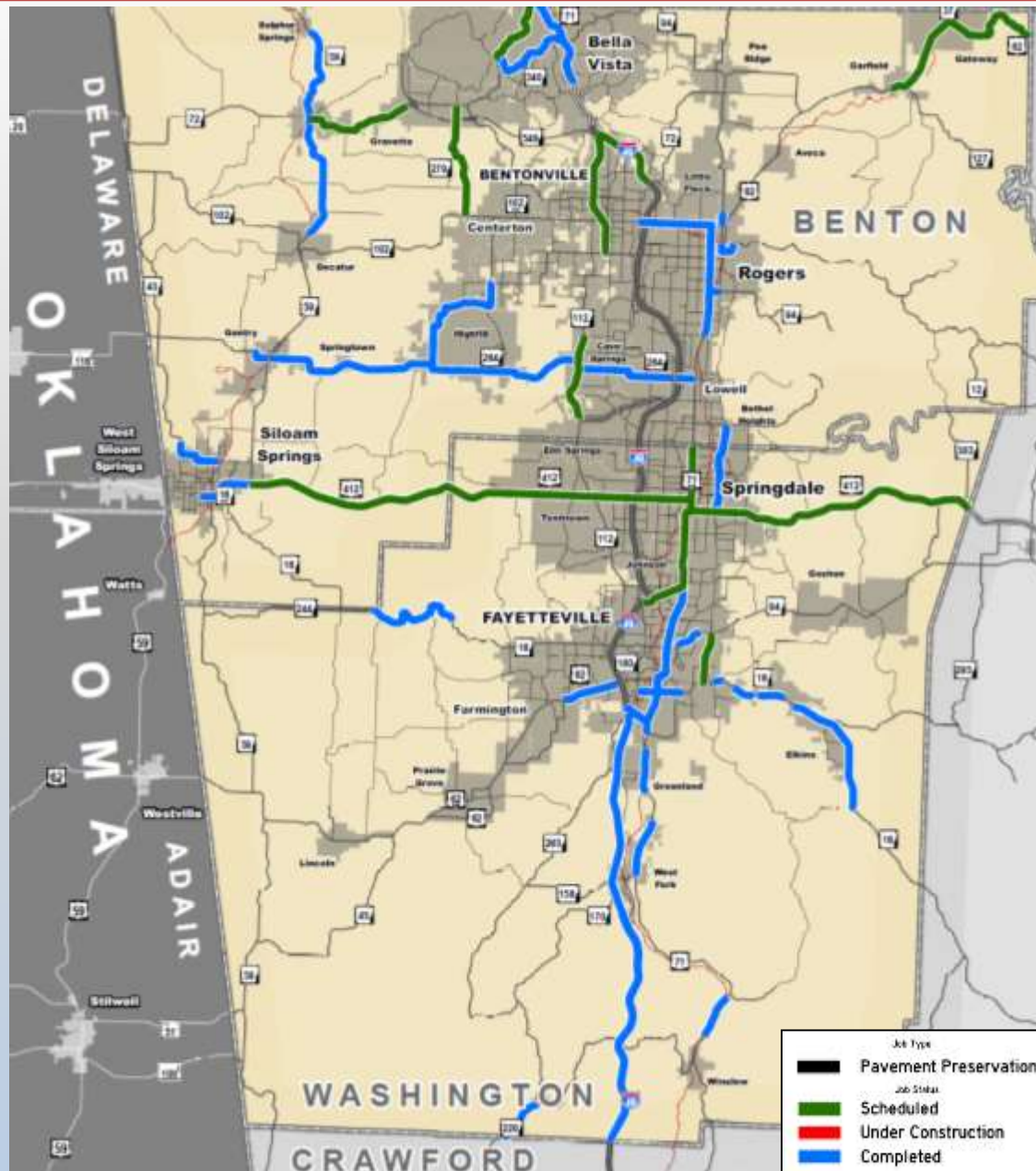
Pavement Preservation

Completed

32 Projects
145 Miles
\$58 Million

Scheduled

12 Projects
83 Miles
\$20-\$30 Million



Bridge Preservation

Completed

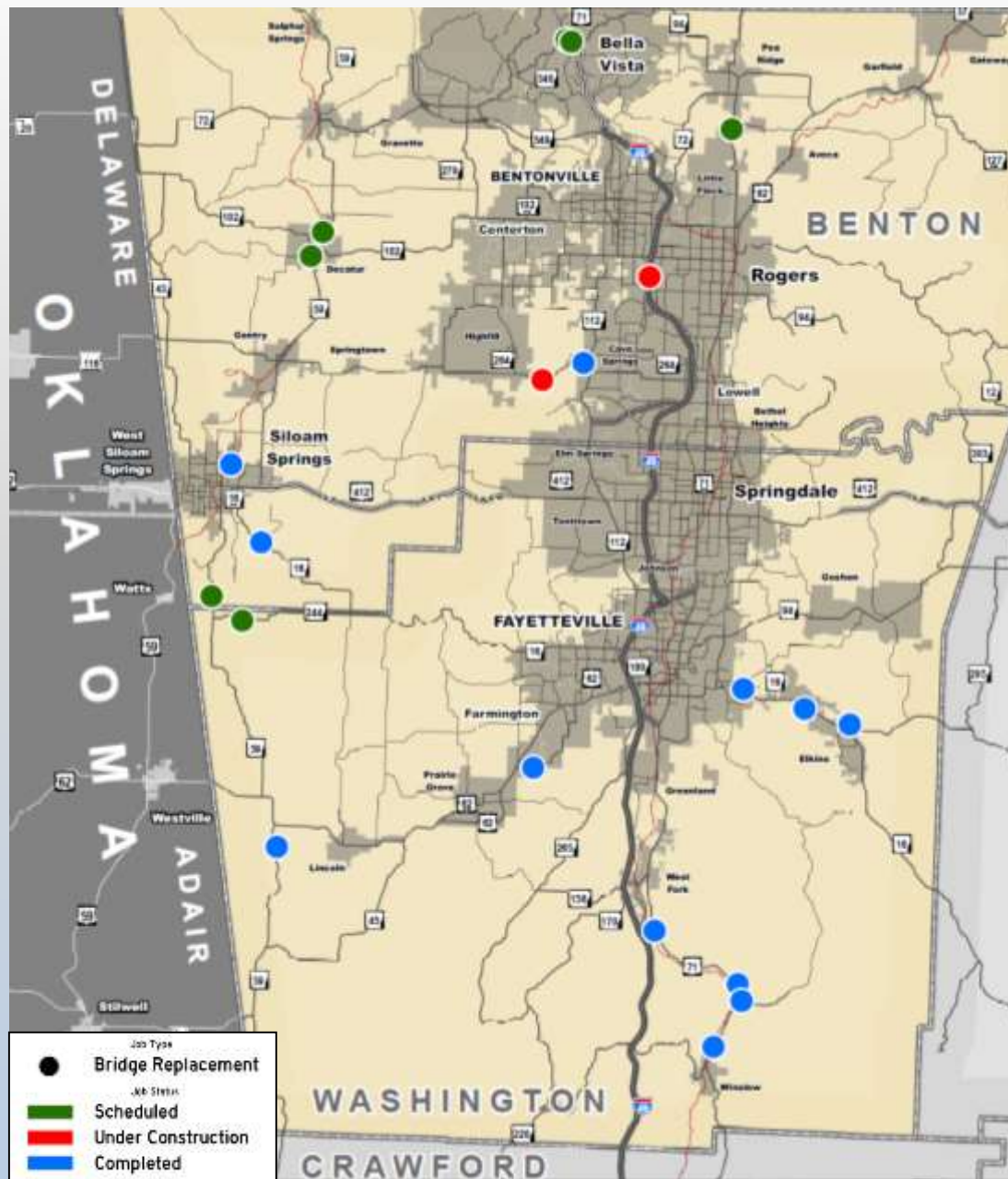
9 Projects
12 Structures
\$48 Million

Under Construction

2 Project
2 Structures
\$5 Million

Scheduled

5 Projects
7 Structures
\$20-\$30 Million





Funding Challenges



Challenges

- **12th** largest system in the country
 - **42nd** in highway revenue per mile.
-

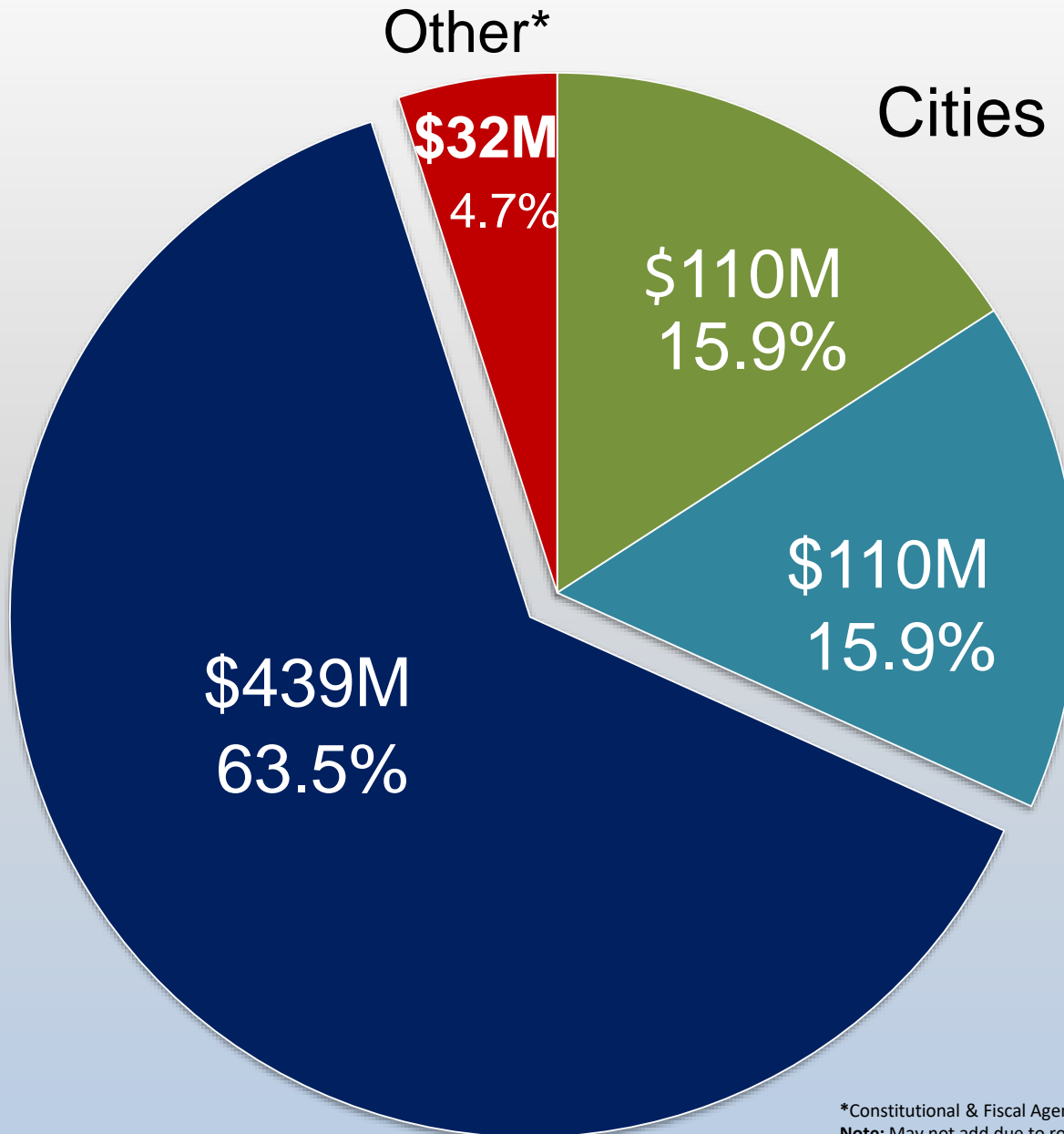
- **\$9.3 billion** in needs
- **\$4.5 billion** in available revenue

“This is a problem that we can’t leave for our children or grandchildren to solve.”

*~Arkansas Department of Transportation Director
Scott Bennett*



Average Annual Highway User Revenue Distribution

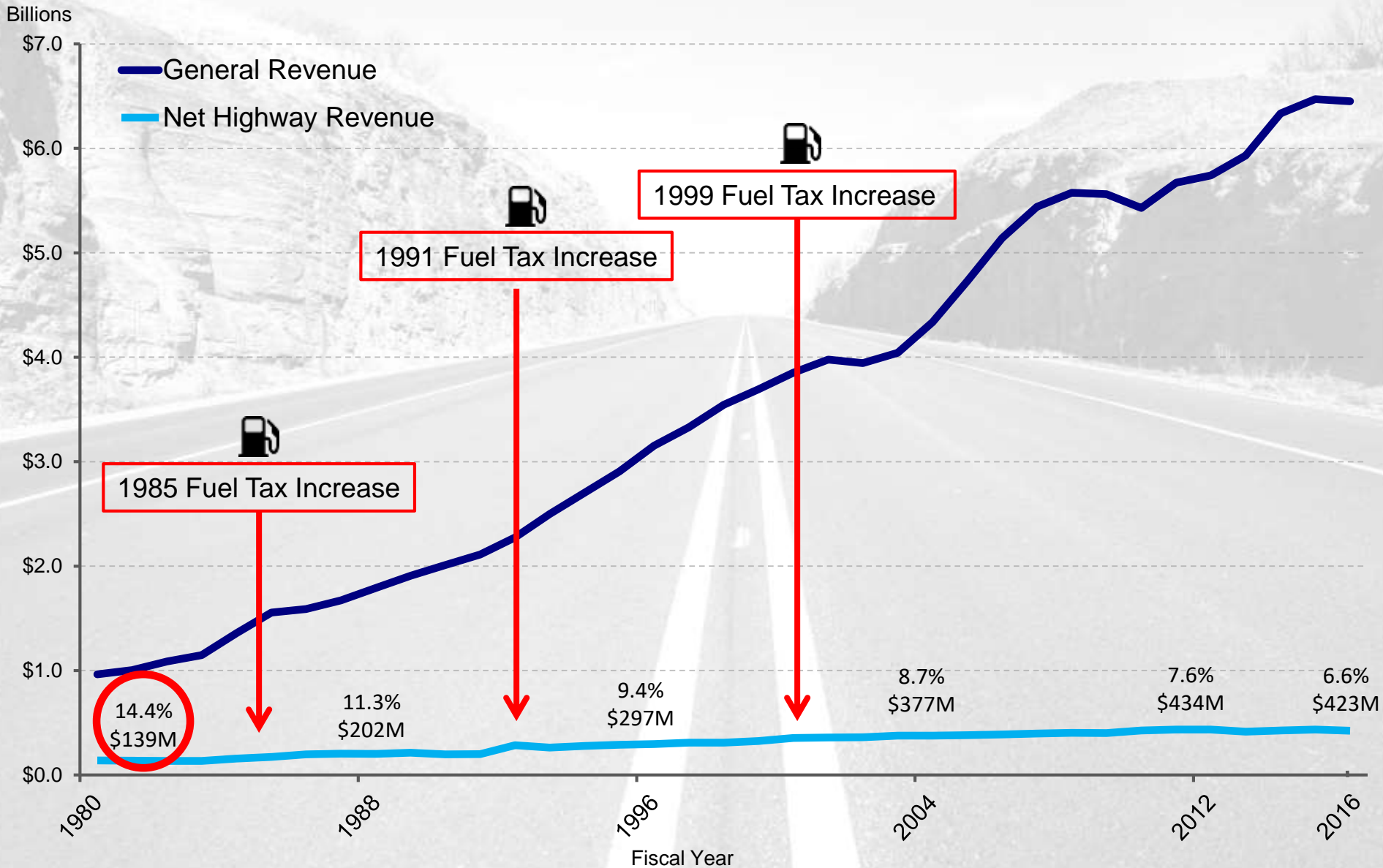


Counties



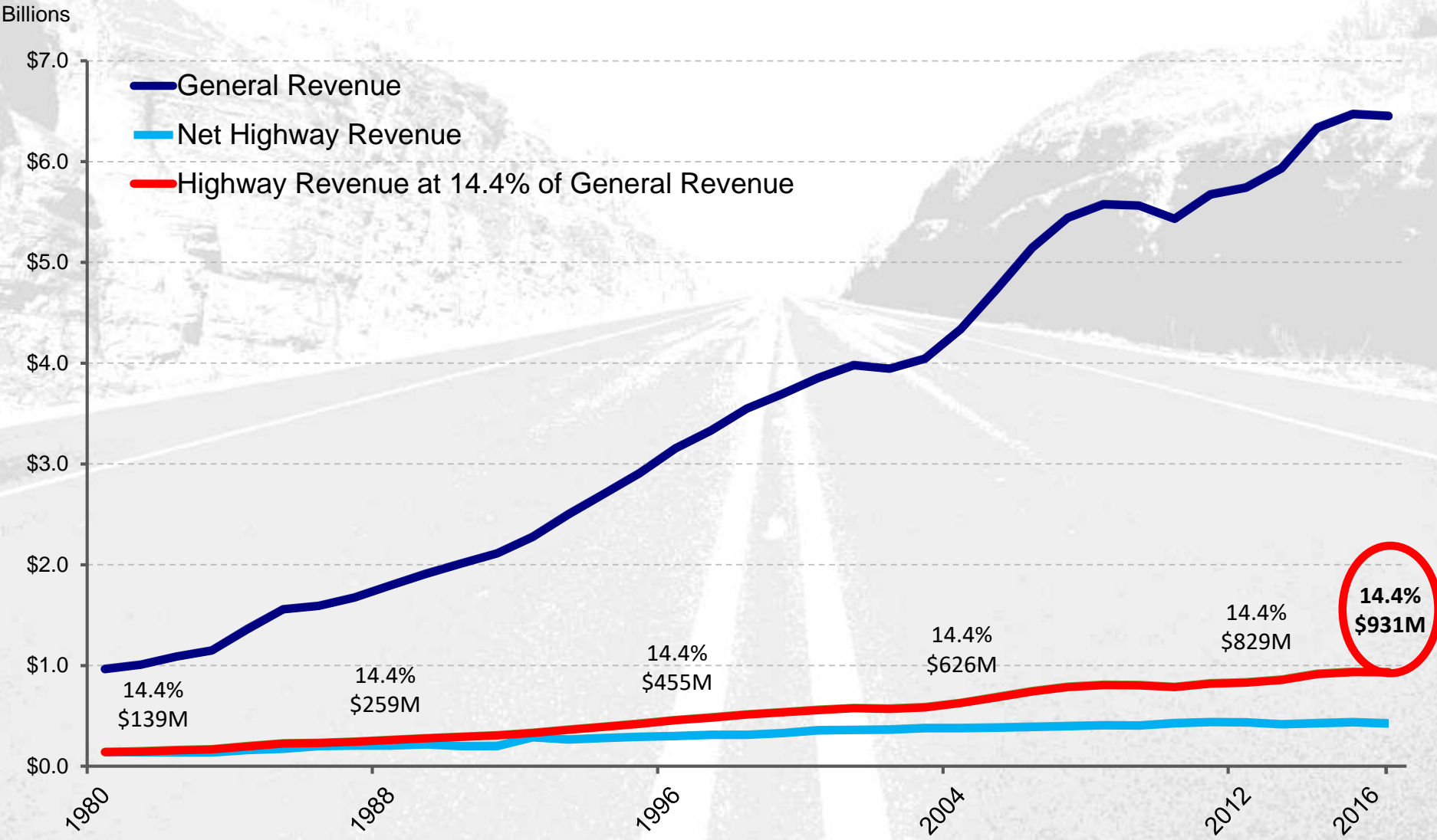
*Constitutional & Fiscal Agencies and Non-Highway Uses.
Note: May not add due to rounding

Percent of Highway vs. General Revenue

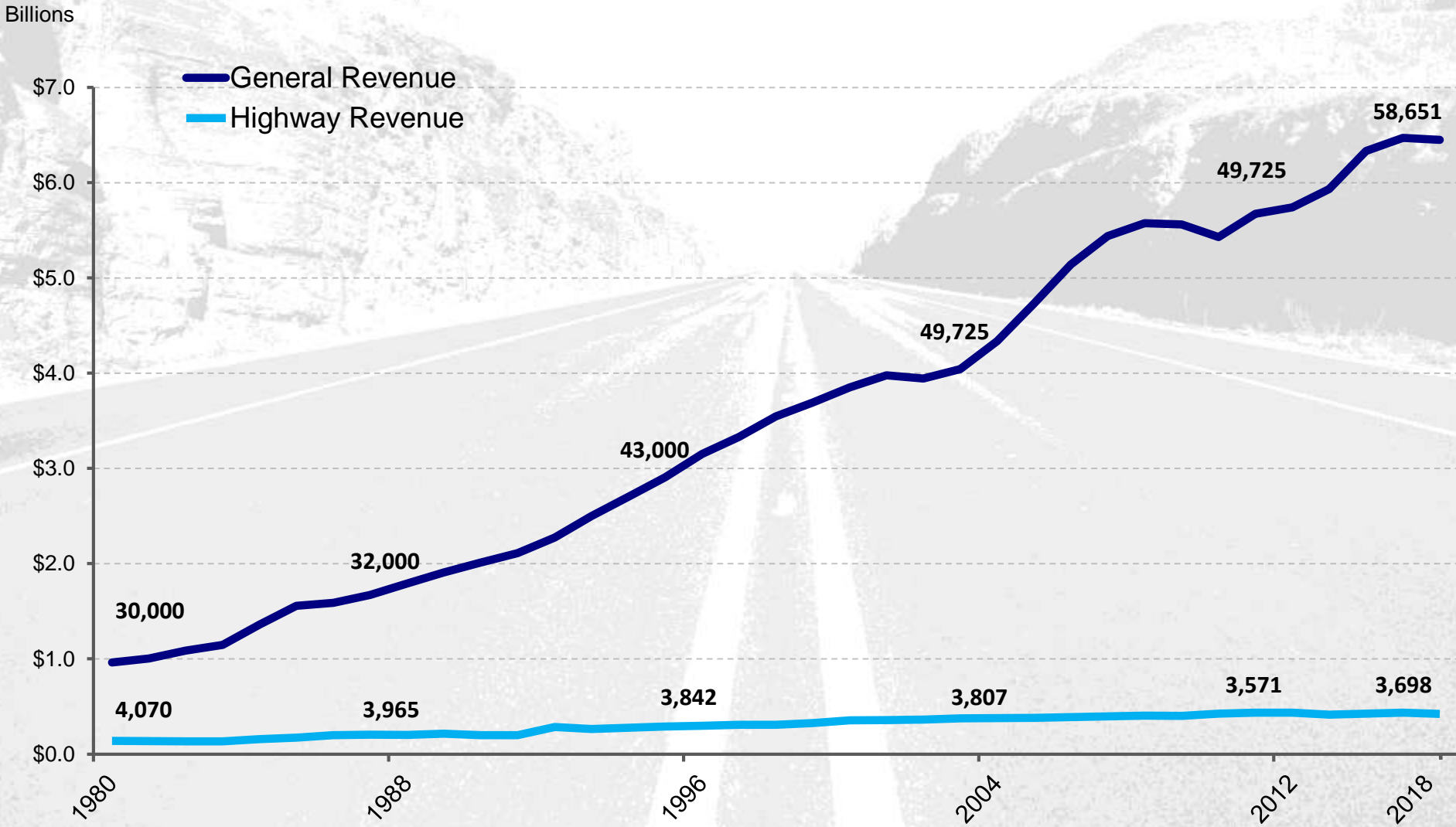


Excludes County & City Aid funds | Excludes CAP funds

Highway Revenue at 14.4% of General Revenue



Highway vs. General Revenue Compared to Employment Levels



THEN

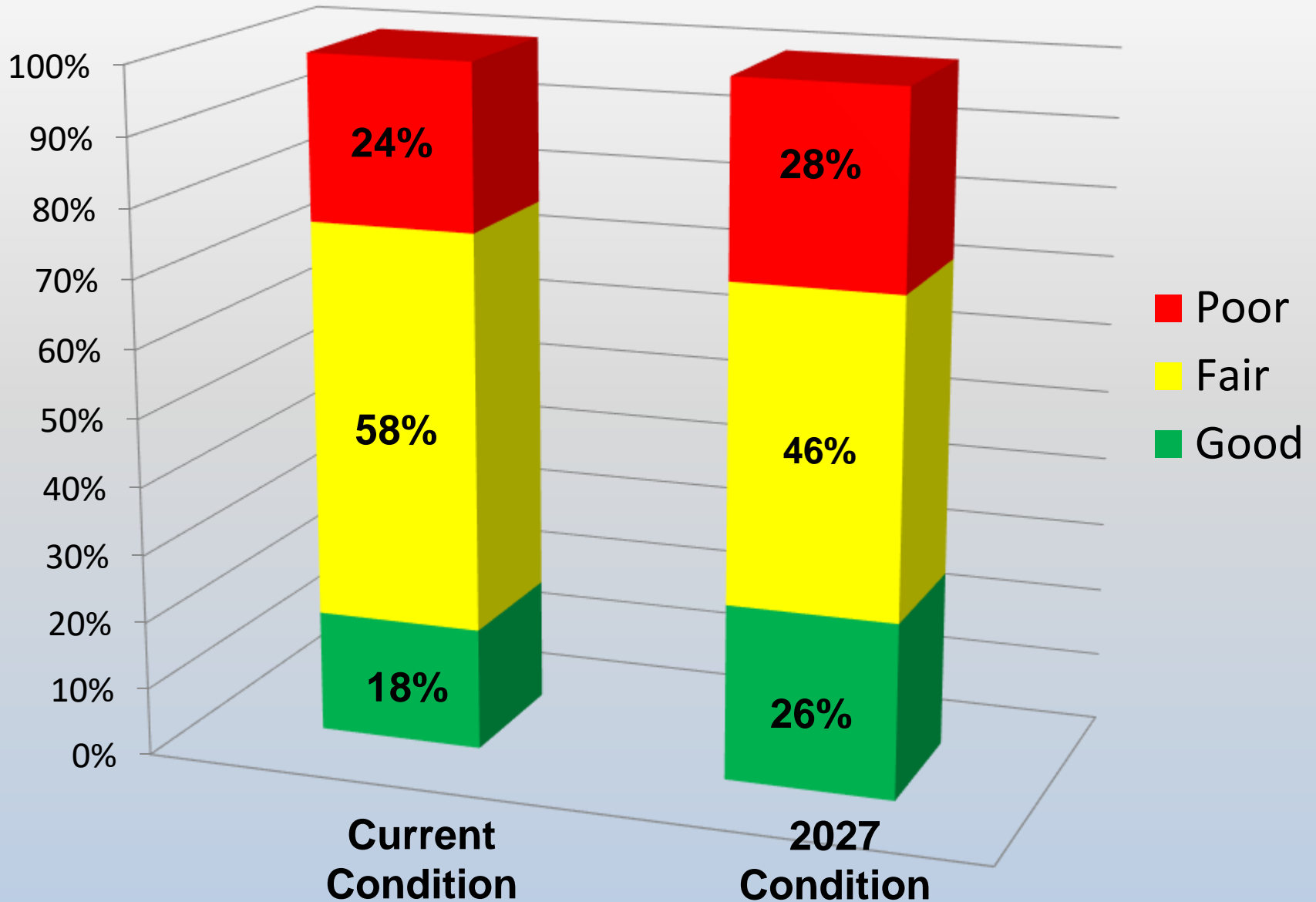
23 years ago, in 1995,
200 miles of Highway
could be overlaid.

NOW

As of 2017, using the
same resources, only
54 miles of Highway
could be overlaid.



All State Highways – Including Interstates



Pay a **Little** Now

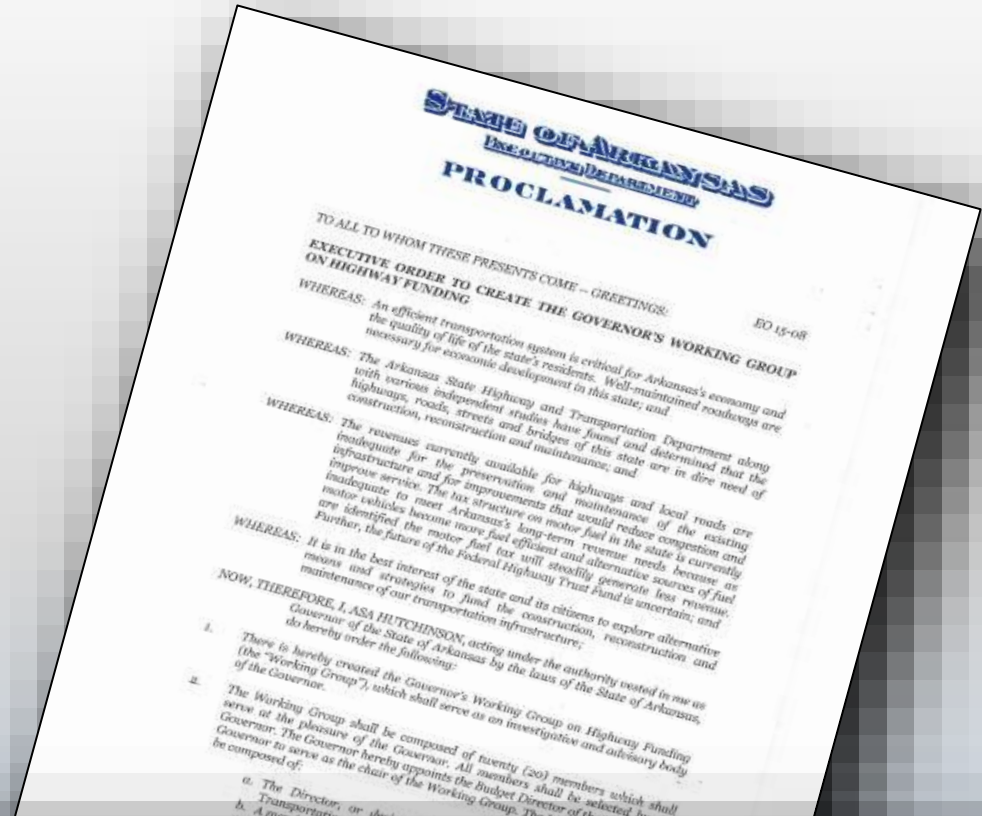


Overlay
\$100,000
per lane mile

Pay a **Whole Lot** Later



Reconstruction
\$1,500,000
per lane mile

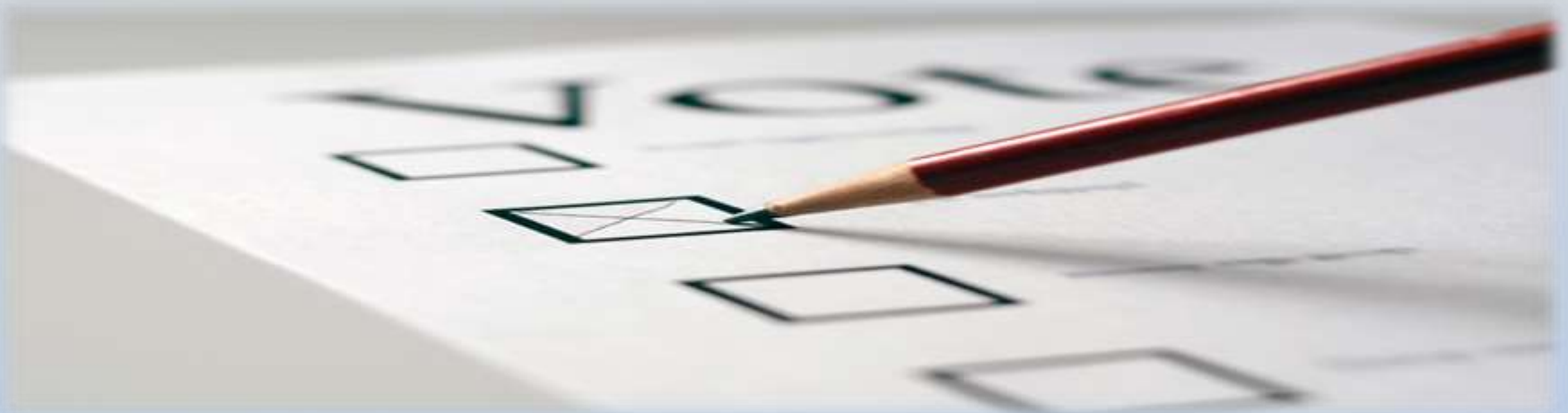


“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”

□ 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.



- 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
 - ✓ History of bond activities



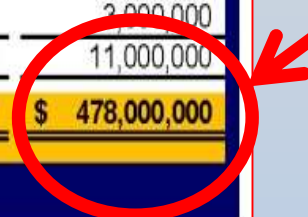
Exhibit III

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

Note: Amounts shown are rounded.

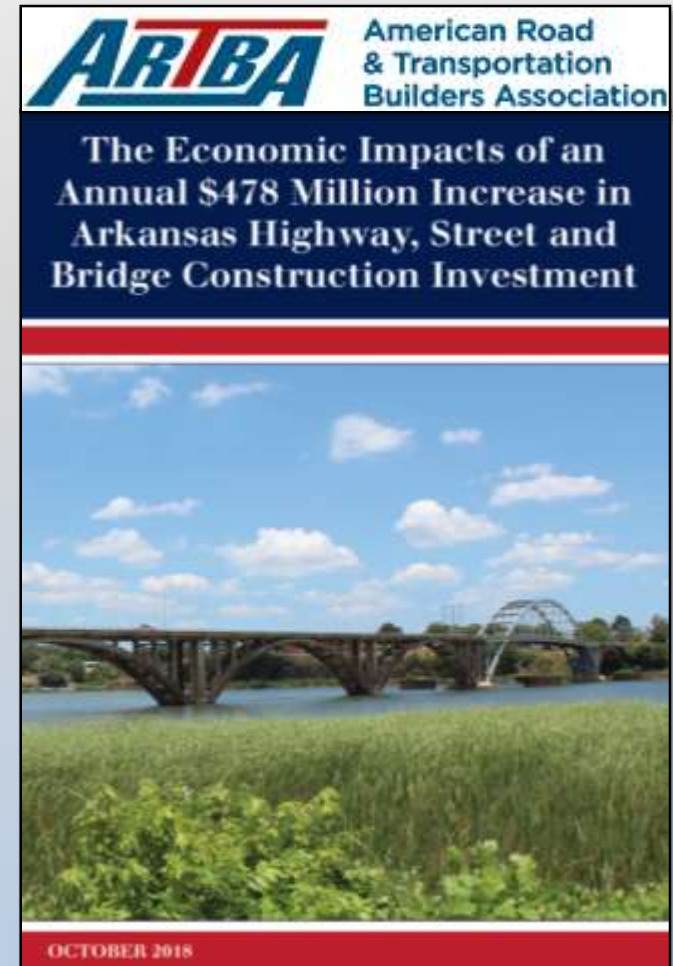
\$ 478,000,000



American Road & Transportation Builders Association

\$478 Annual Investment Results

- **Immediate Economic Benefits of Increasing Investment**
 - ✓ Supports **\$1.3 Billion** in Economic Activity
 - ✓ Supports **5,729 Jobs**
- **Neighbors Are Not Waiting**
 - ✓ Seven Have Raised State Gas Tax
 - ✓ Six Have Variable Gas Tax
 - ✓ Eight Have Electric Vehicle Registration Fees
- **Significant Transportation Challenges**
 - ✓ Safety Needs
 - ✓ Increasing Freight Demands
 - ✓ Impacts From Congestion



Crittenden County
Highway 42 Near Heafer



Hempstead County
Highway 195 East of Fulton



Miller County
Highway 134 Near Fouke



Jefferson County
Highway 199 East of Moscow



Sebastian County
Highway 71 South of Greenwood



Boone County
Highway 62 Near Alpena



Perry County
Highway 7 Near the Garland County Line



Sebastian County
Highway 255 in Fort Smith





Lawrence County
Highway 34 Near Okean



Mississippi County
Highway 34 East of Highway 77



Randolph County
Highway 34 North of Highway 90

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

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

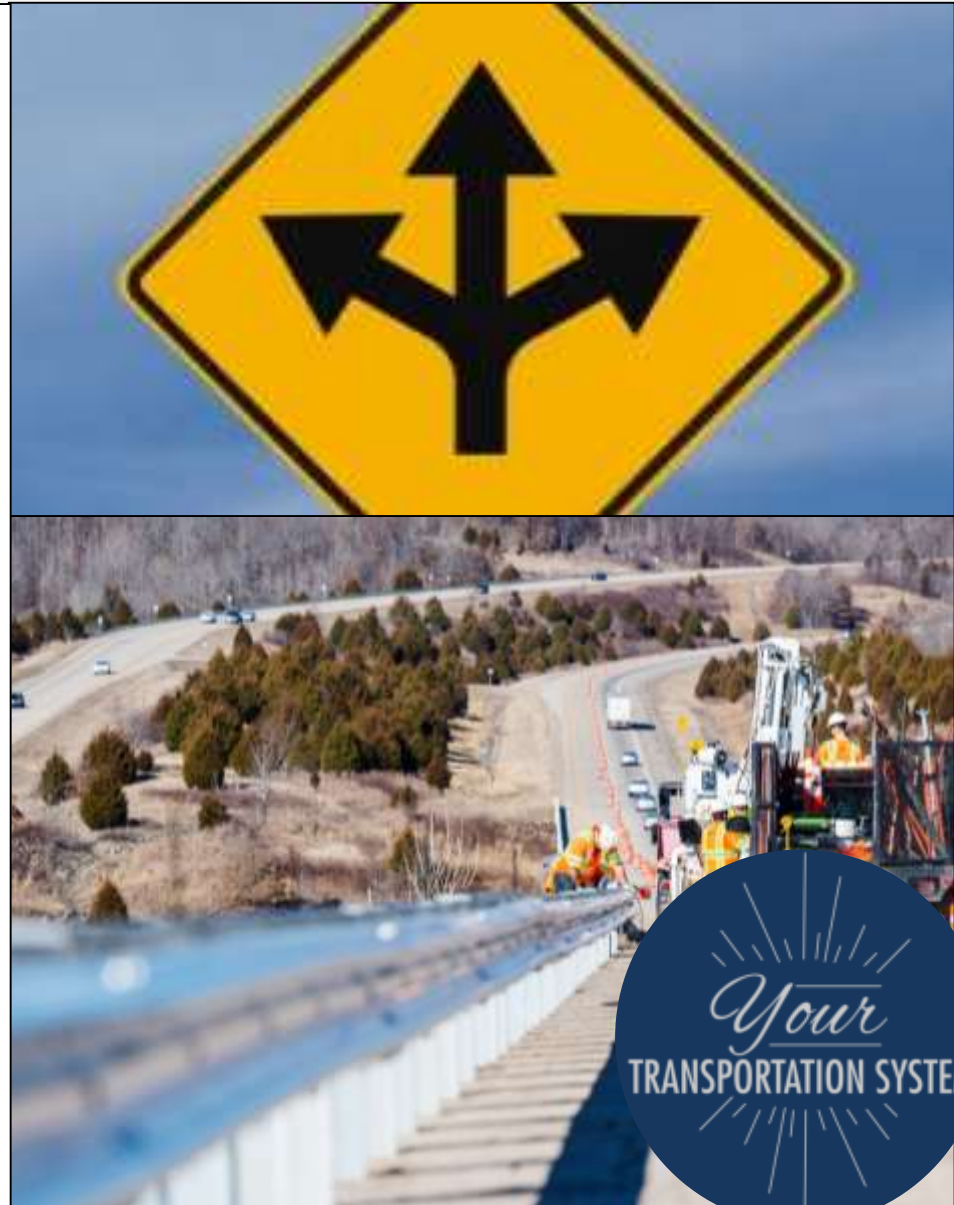
How did you hear about this survey?

- Presentation
- Social Media
- Other: _____
- TV/Radio/Print
- Family or Friend
- Website/Search Engine

Optional:

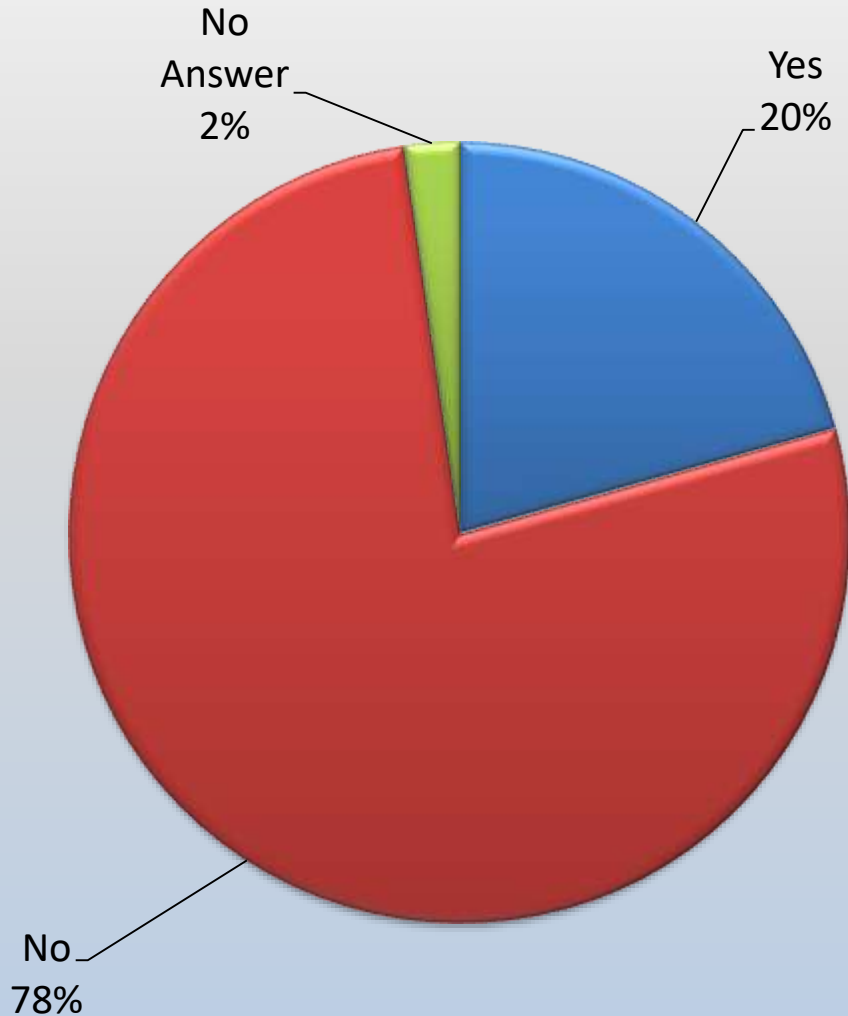
Name: _____
 Address: _____
 City, State, Zip: _____

Online Form Available Here:

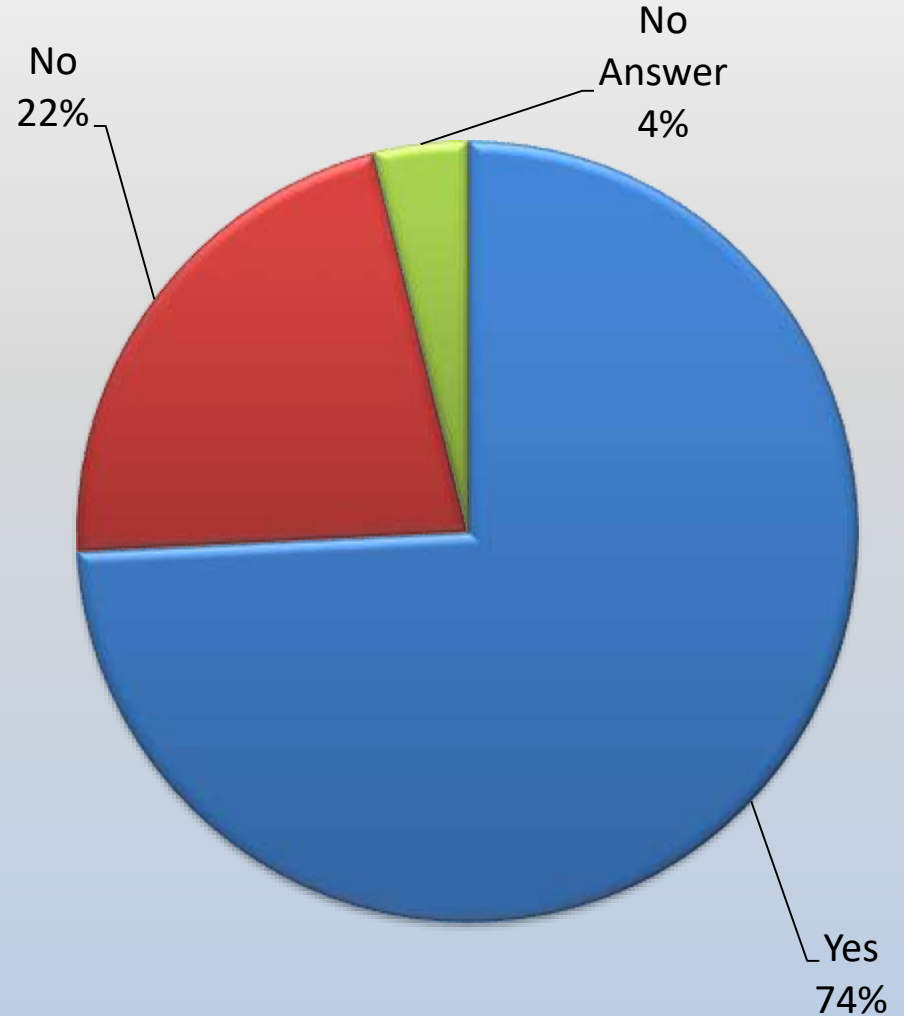


Survey Results

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



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





Your
TRANSPORTATION SYSTEM



Questions?

