

**Scott Bennett, P.E.**  
**Director**



**Farmer's Day at the Capitol**  
**Tuesday, March 12, 2019**



# Challenges



# Challenges

- **12<sup>th</sup>** largest system in the country
  - **41<sup>st</sup>** in highway revenue per mile.
- 

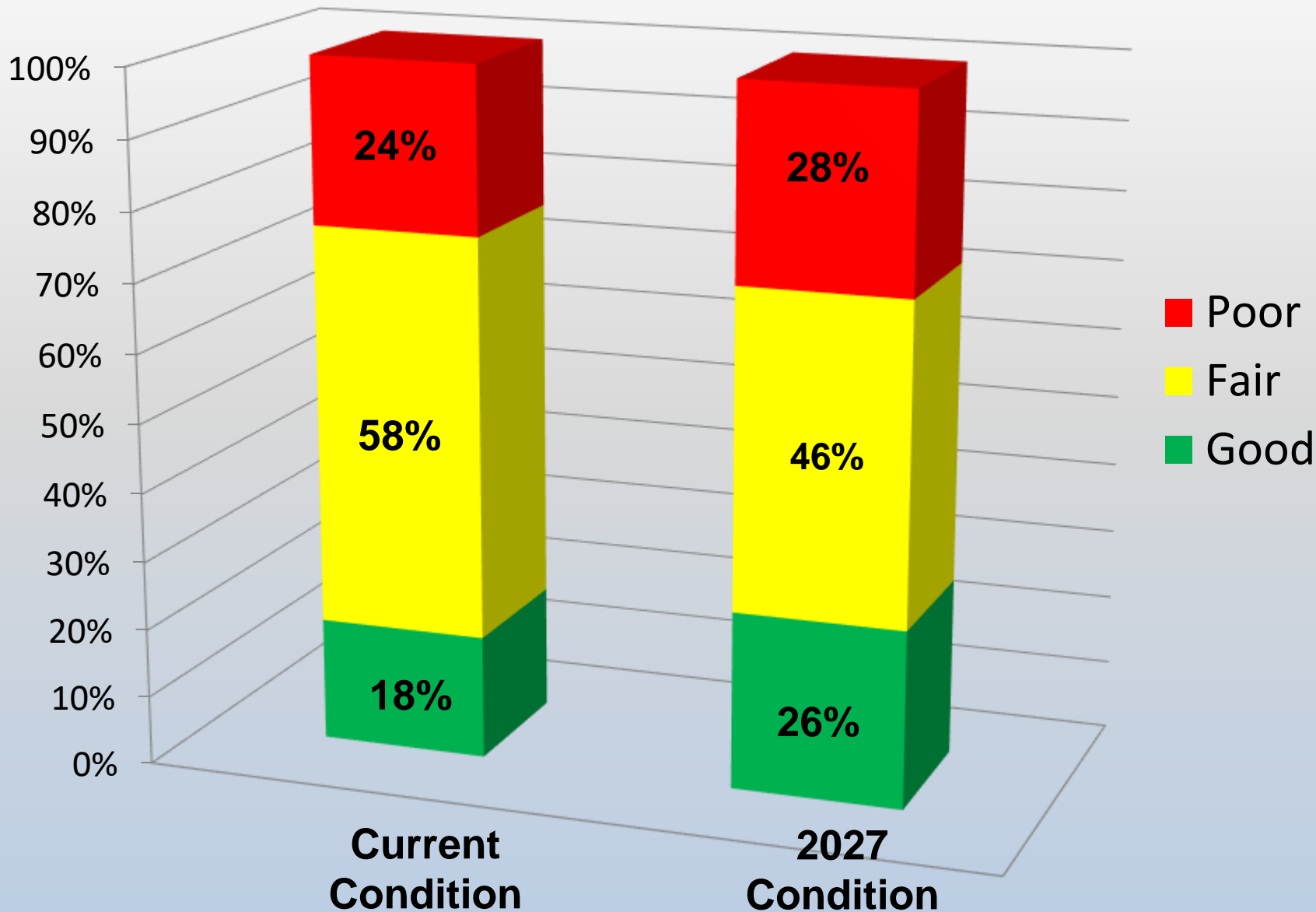
- **\$9.3 billion** in needs
- **\$4.5 billion** in available revenue

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

*~Arkansas Department of Transportation Director  
Scott Bennett*



# All State Highways – Including Interstates





## Pay a **Little** Now



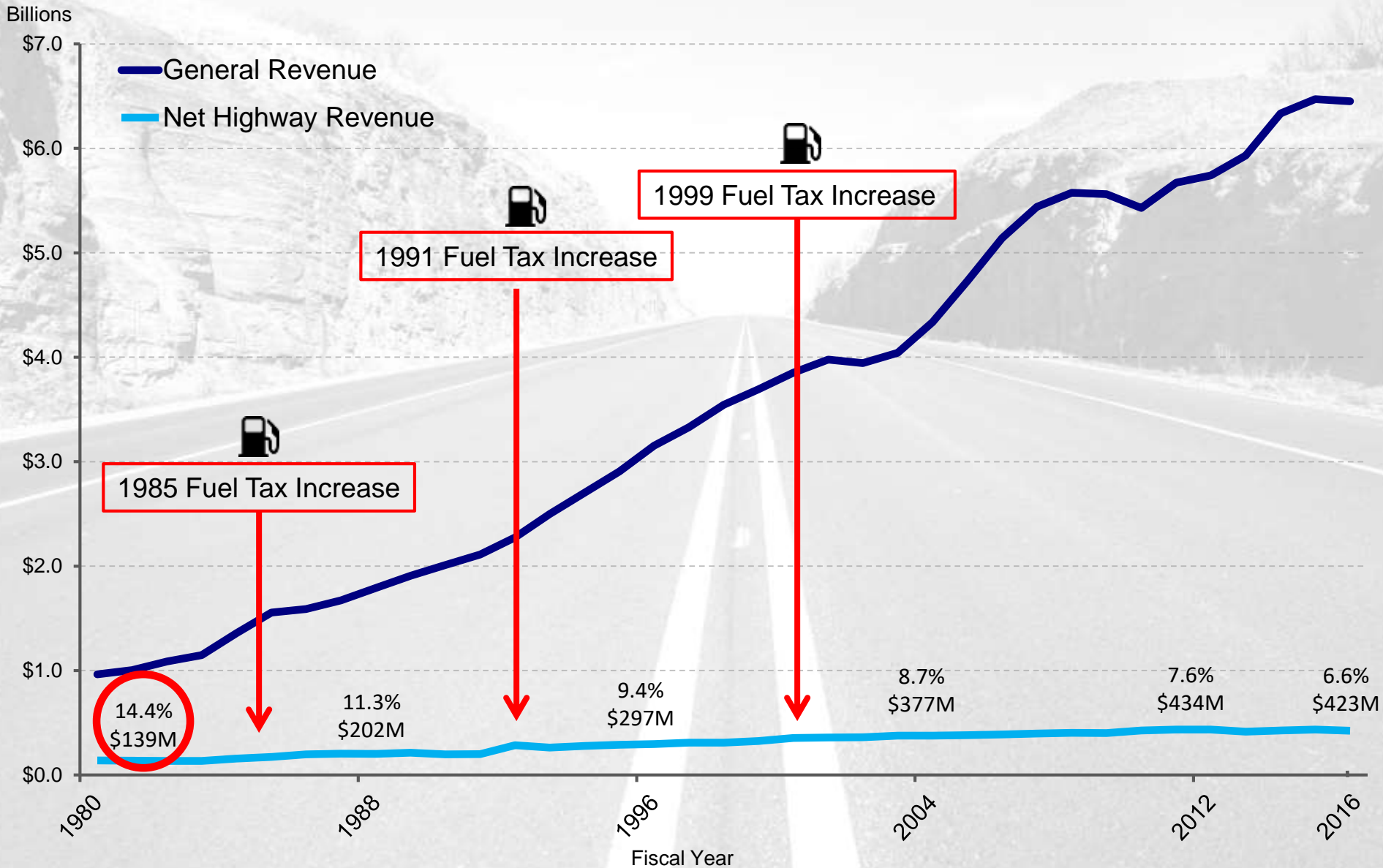
Overlay  
**\$100,000**  
per lane mile

## Pay a **Whole Lot** Later



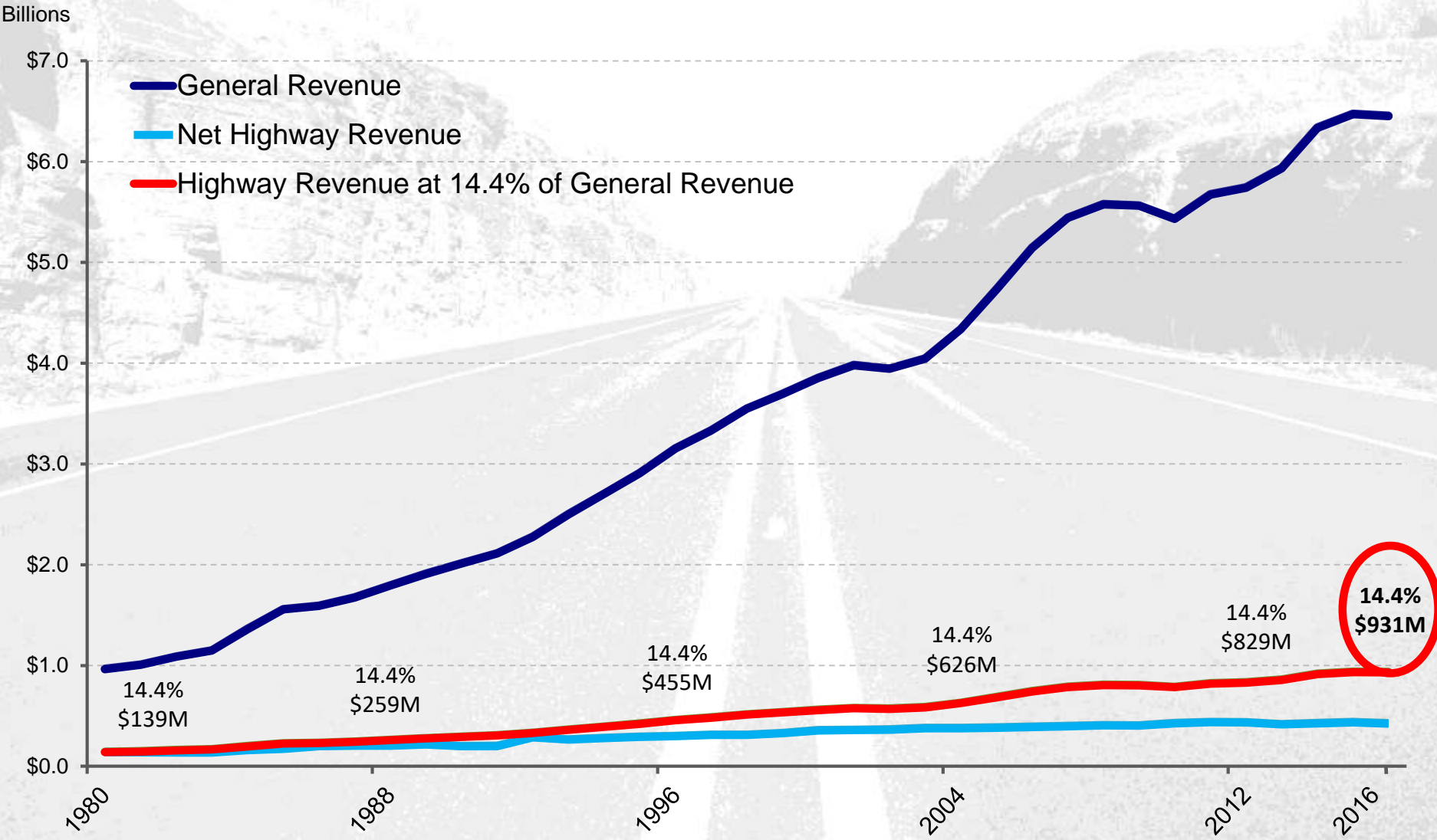
Reconstruction  
**\$1,500,000**  
per lane mile

# Percent of Highway vs. General Revenue



Excludes County & City Aid funds | Excludes CAP funds

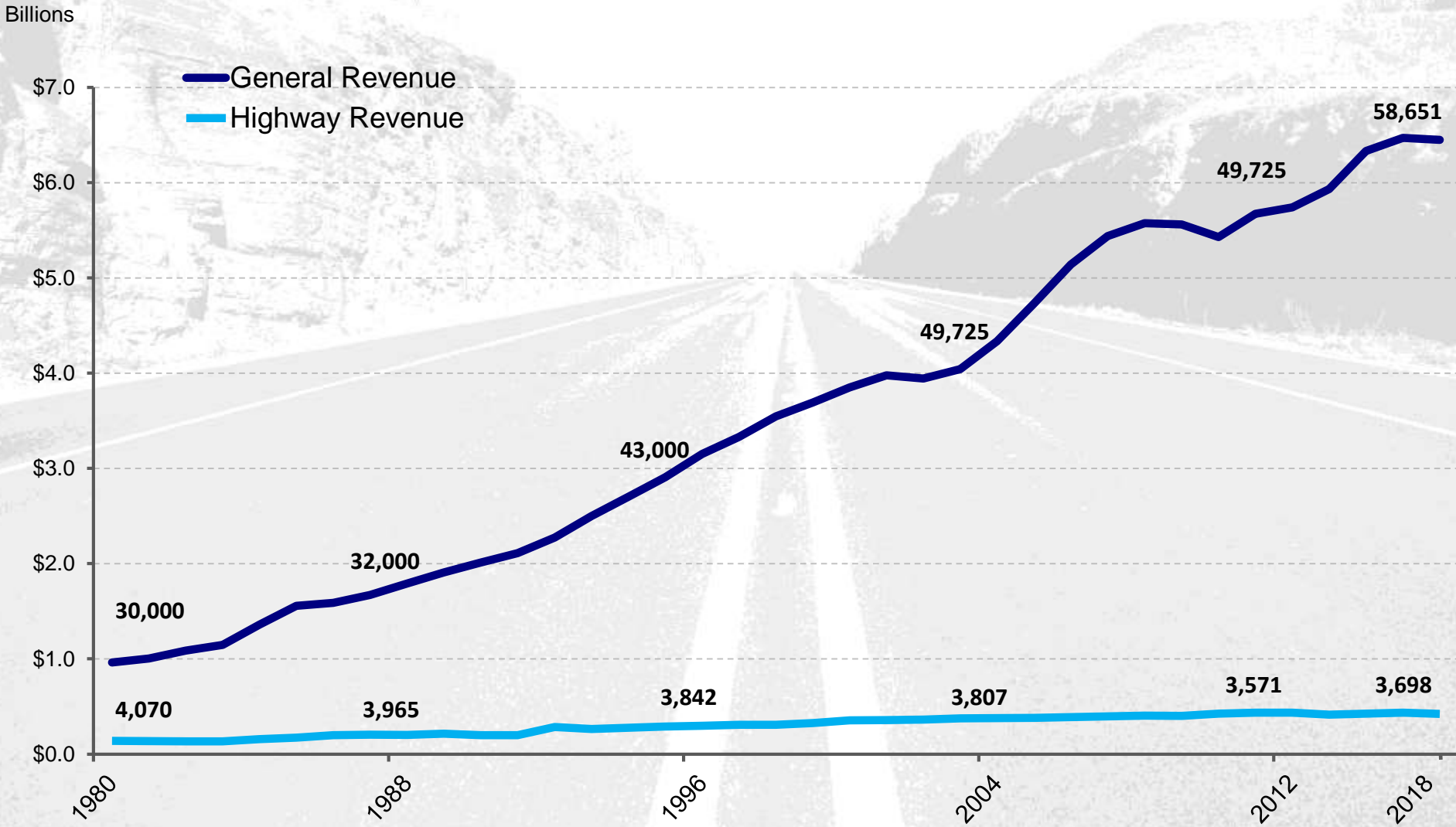
# Highway Revenue at 14.4% of General Revenue



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year

# Highway vs. General Revenue Compared to Employment Levels



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year



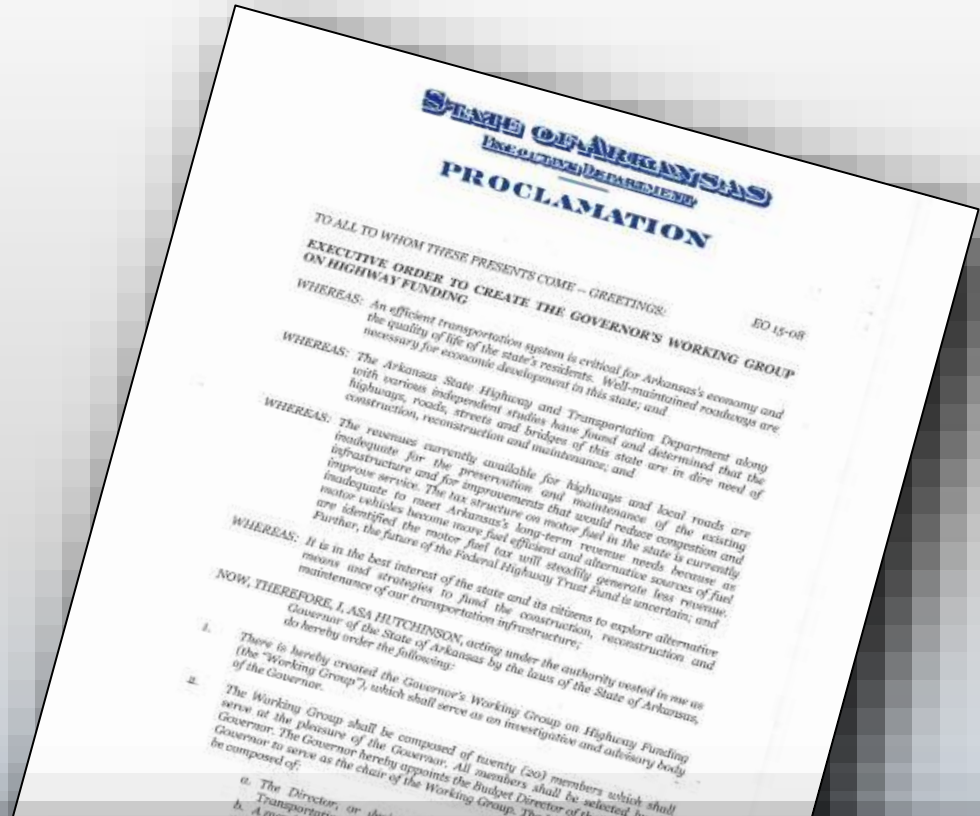
## THEN

In 1995, **200 miles** of highway could be overlaid with \$10 million.

## NOW

Using \$10 million today, only **54 miles** of highway can be overlaid.



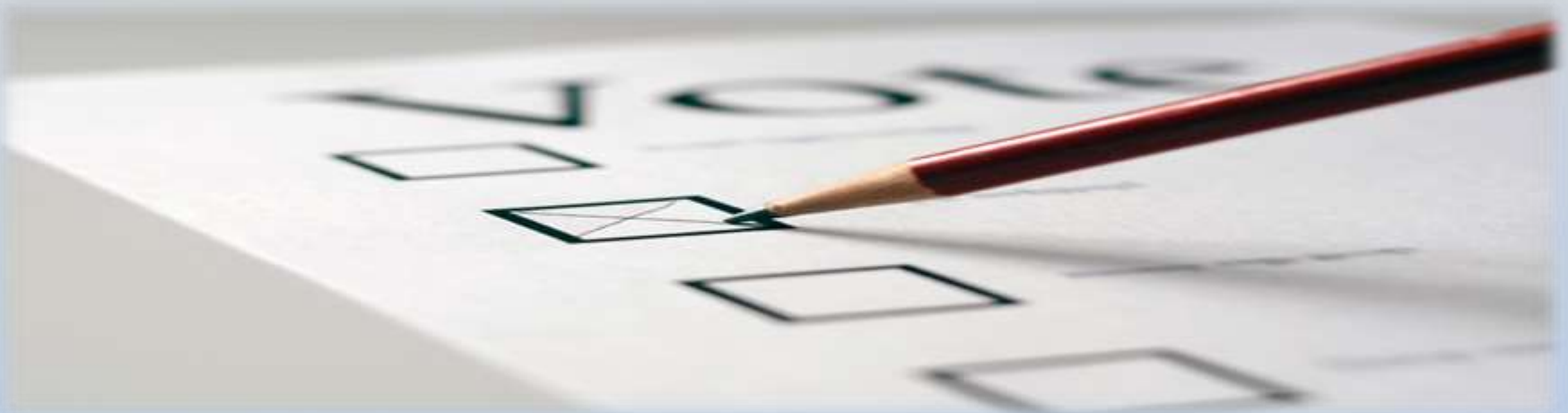


**“An efficient transportation system is critical for Arkansas’ economy and the quality of life of the state’s residents.”**

## □ 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>
<b>Totals</b>	<b><u>\$ 925,000,000</u></b>	<b><u>\$ 447,000,000</u></b>	<b><u>\$ 478,000,000</u></b>

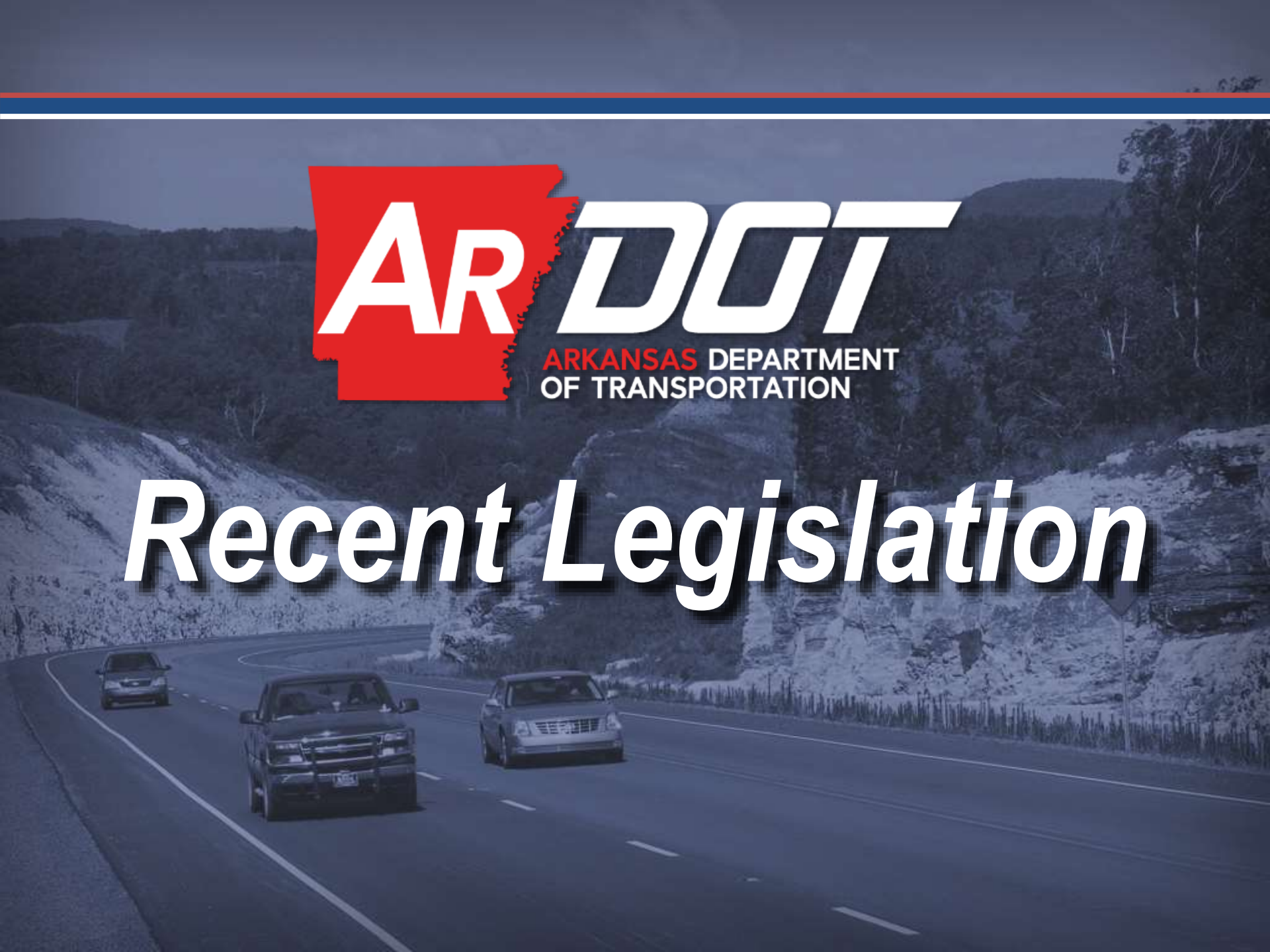
**\$ 478,000,000**



Note: Amounts shown are rounded.

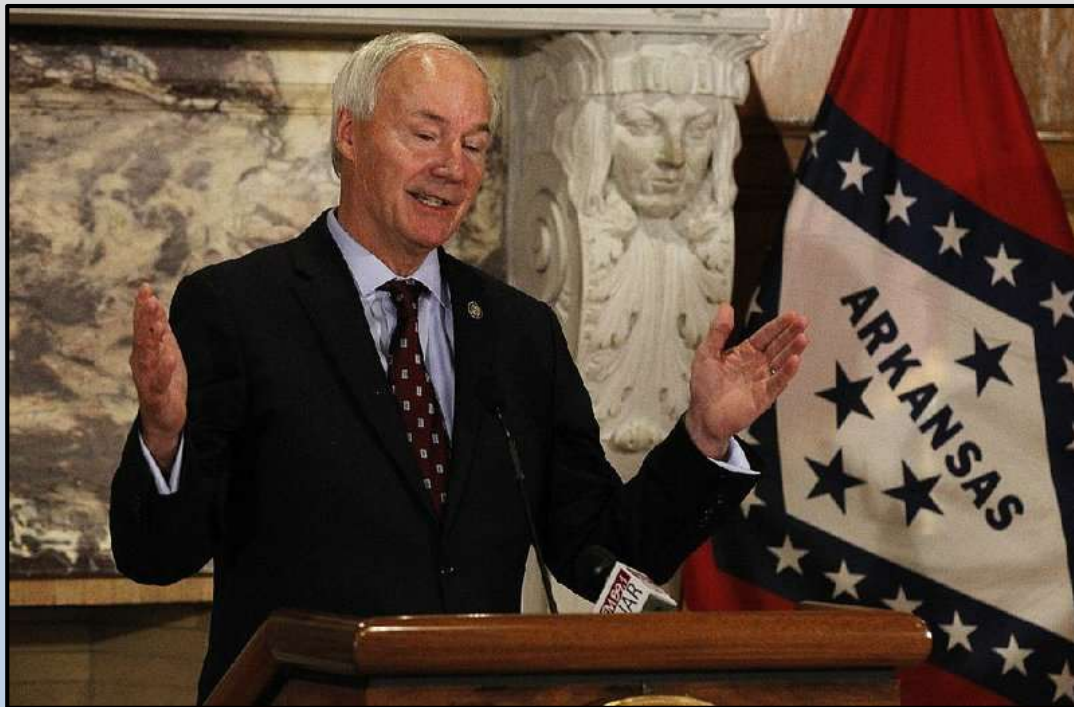


# *Recent Legislation*



## 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





# Senate Bill 336

## Motor Fuel Taxes

1.6% Tax On Wholesale Price of Gas  
*(equals 3 cents per gallon)*

2.9% Tax On Wholesale Price of Diesel  
*(equals 6 cents per gallon)*



# Senate Bill 336

## 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 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 any increased costs.”*

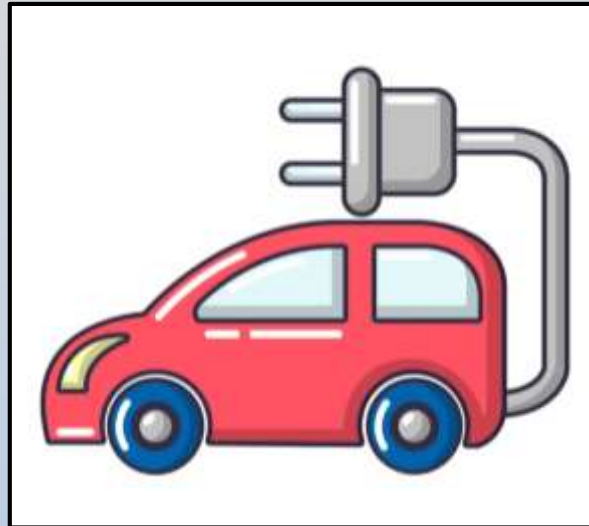
*– Shannon Newton, Arkansas Trucking Association President*

## 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	<u>\$ 35 Million</u>
<b>Total To ARDOT</b>	<b>\$ 95 Million</b>



# Senate Bill 336

## Senate Bill 336 Summary

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

***All for System Preservation,  
Pavements, Bridges, etc.***

## Proposed Constitutional Amendment

- To Be Voted On In General Election – November 2020
- ½-Cent Sales Tax Permanent After 2023
- Continues To Provide **\$205 Million** To ARDOT Annually
- Continues To Provide **\$43 Million** To Cities Annually
- Continues To Provide **\$43 Million** To Counties Annually

## Summary

Senate Bill 336

\$ 95 Million

House Joint Resolution 1018

\$205 Million

**Total To ARDOT**

**\$300 Million**







*Promises Made,  
Promises Kept*



## Completed

46 Projects  
 290 Miles  
 \$1.0 Billion

## Under Construction

6 Projects  
 54 Miles  
 \$314 Million

## Scheduled

27 Projects  
 159 Miles  
 \$220 Million





## Completed

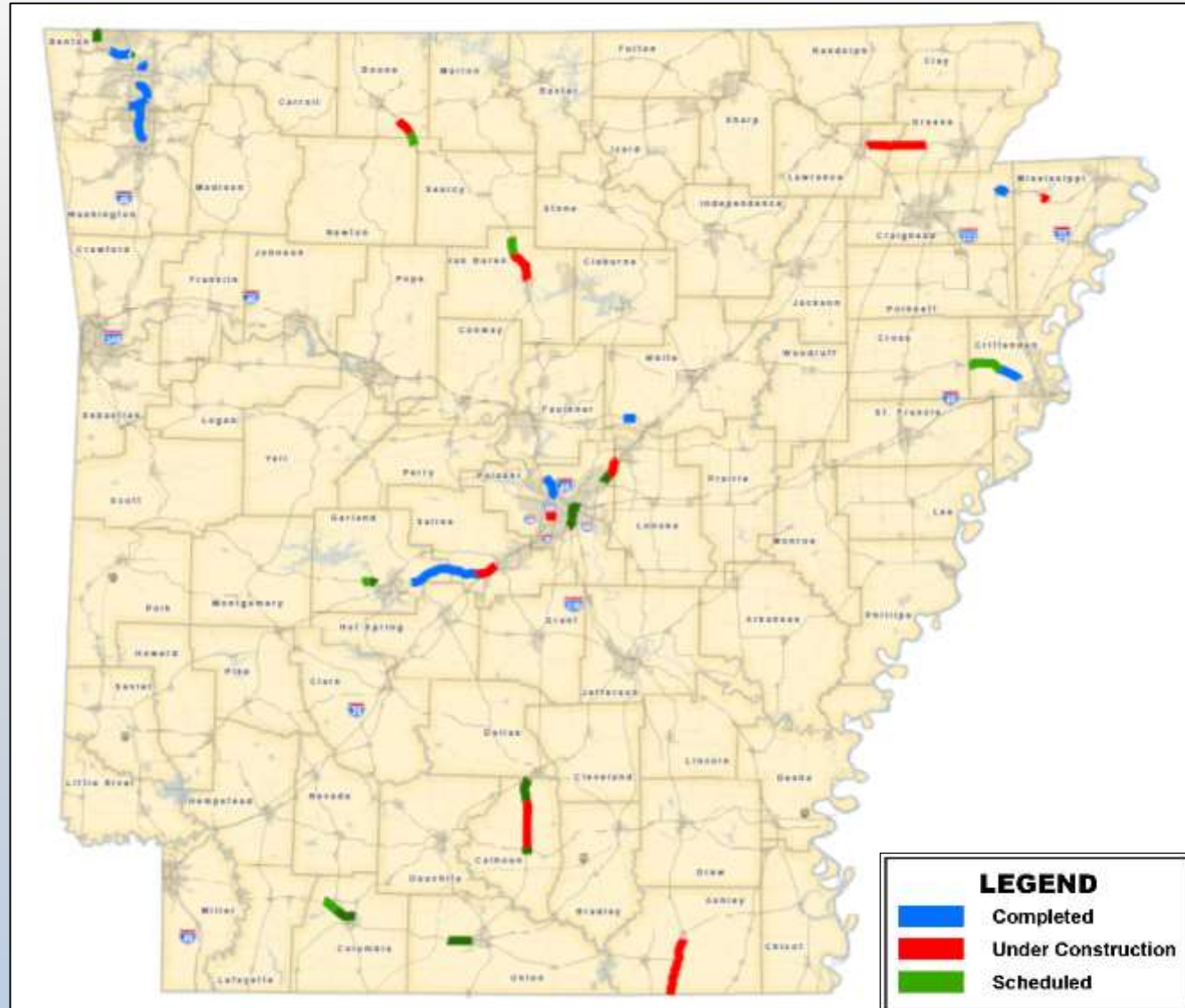
11 Projects  
61 Miles  
\$432 Million

## Under Construction

11 Projects  
68 Miles  
\$627 Million

## Scheduled

14 Projects  
56 Miles  
\$974 Million



## Turnback to Cities

2023 - \$156 million

2024 - \$113 million

***Nearly a 30% Reduction***



## Turnback to Counties

2023 - \$156 million

2024 - \$113 million

***Nearly a 30% Reduction***





*Your*  
**TRANSPORTATION SYSTEM**



*Questions?*

