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District Engineer – District 2



Pine Bluff MOAA

Friday, September 27, 2019



Recent Legislation

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
(equals 3 cents per gallon)

2.9% Tax On Wholesale Price of Diesel
(equals 6 cents per 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 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.”

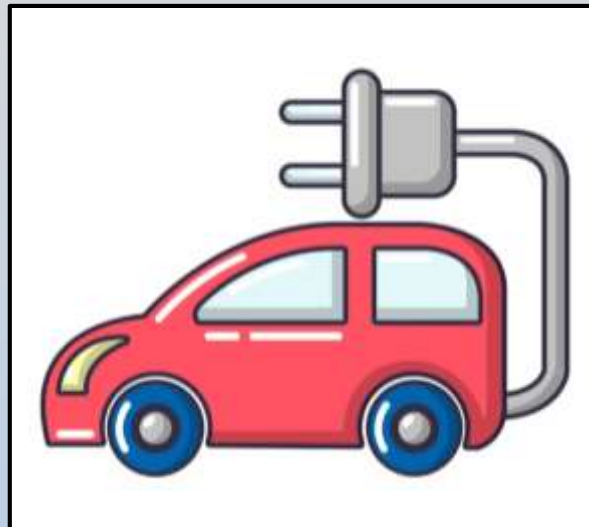
– Shannon Newton, Arkansas Trucking Association President

Electric and Hybrid Vehicle Registration Fees

Electric Vehicles - \$200 Registration Fee

Hybrid Vehicles - \$100 Registration Fee

\$2 Million to ARDOT



Casino Revenue

All New Casino Revenue

\$35 Million Annually to ARDOT



Act 416 Summary

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



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

Act 416

\$ 95 Million

House Joint Resolution 1018

\$205 Million

Total To ARDOT

\$300 Million



Recipe for Success

- Consensus
- Unity
- Bipartisanship
 - ✓ Governor
 - ✓ Legislature
 - ✓ Stakeholders
 - ✓ ARDOT





Funding Challenges



Challenges

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

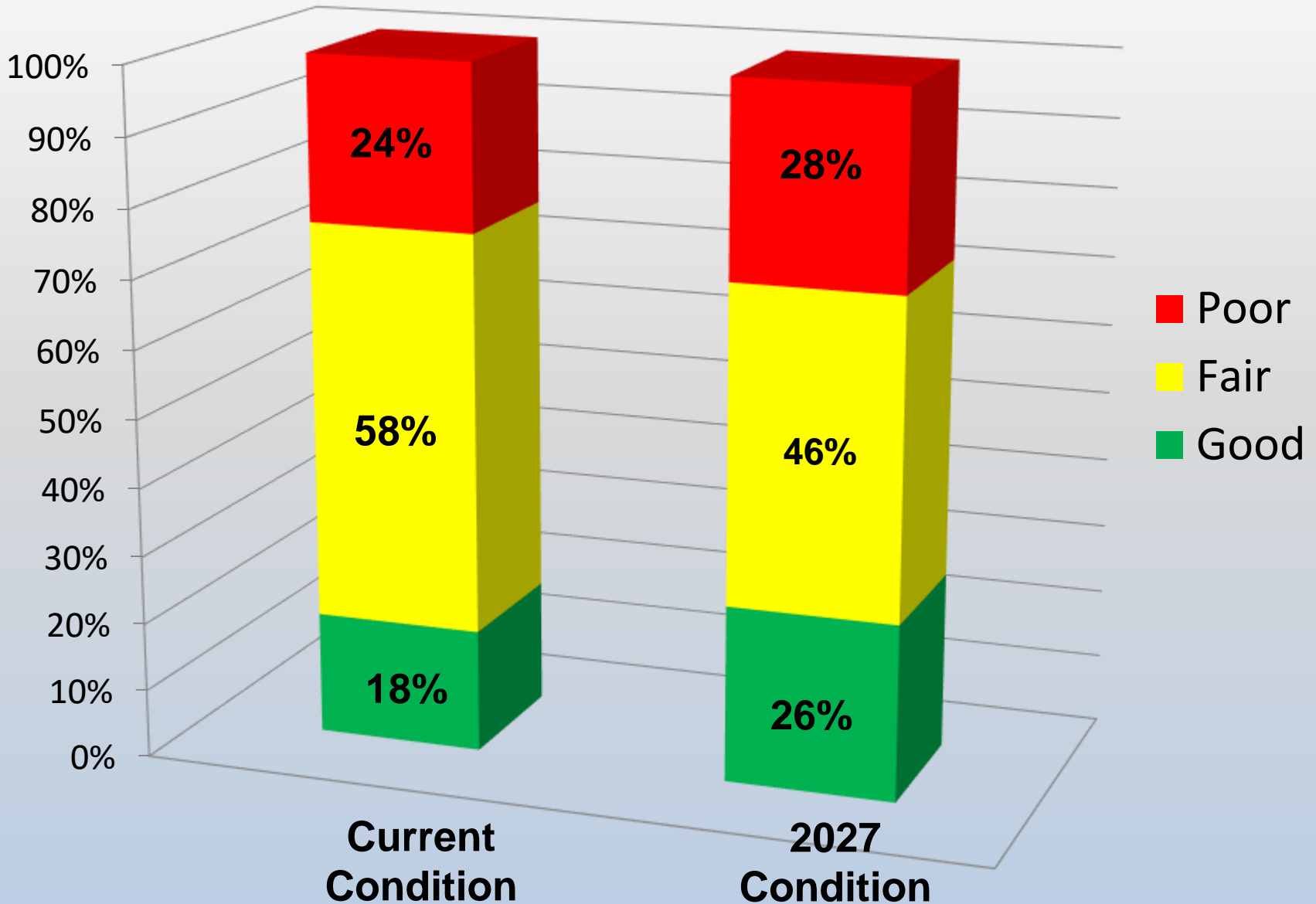
- **\$9.3 billion** in needs
- **\$4.5 billion** in available revenue

“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

THEN

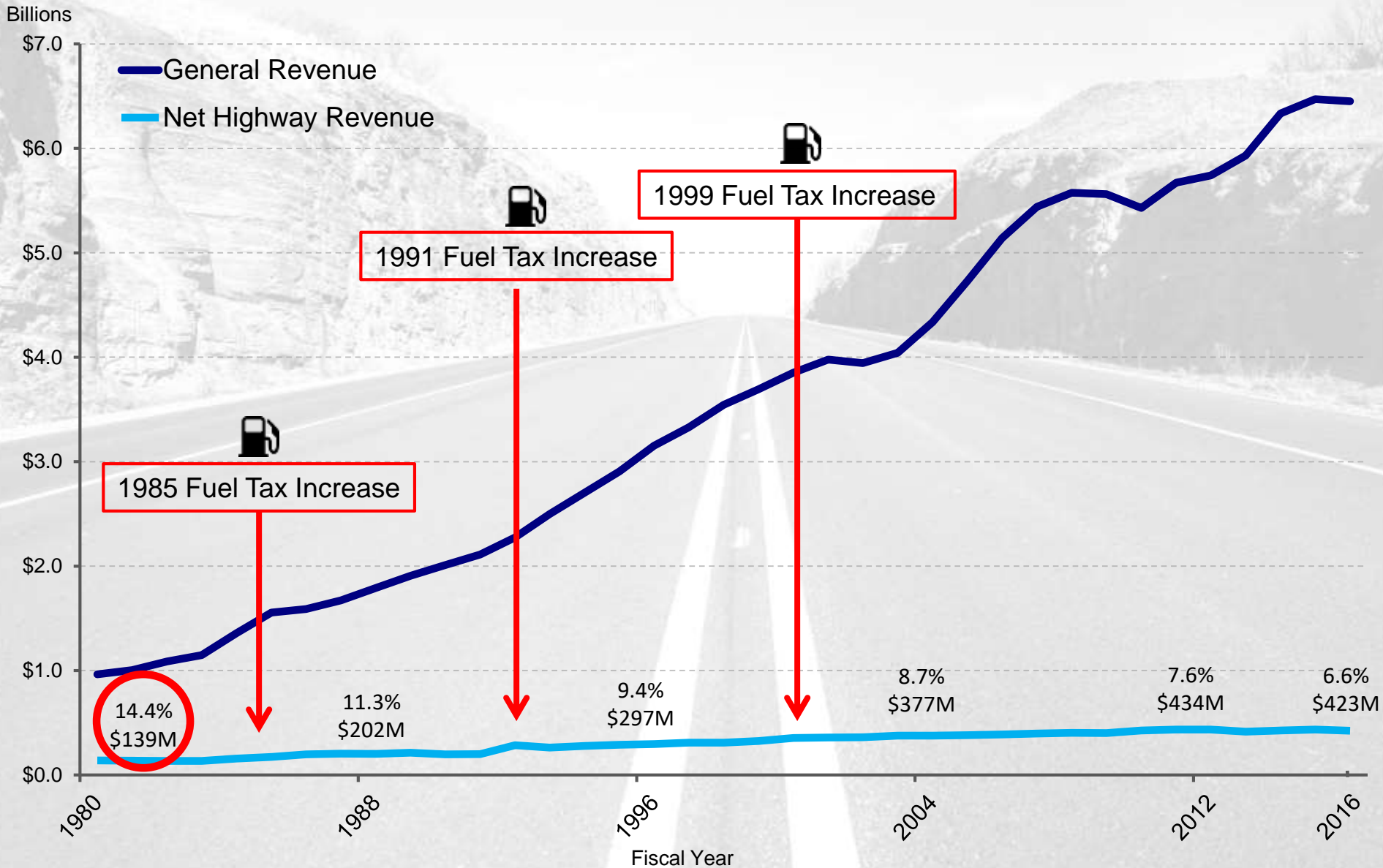
In 1995, **200 miles** of highway could be overlaid with \$10 million.

NOW

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

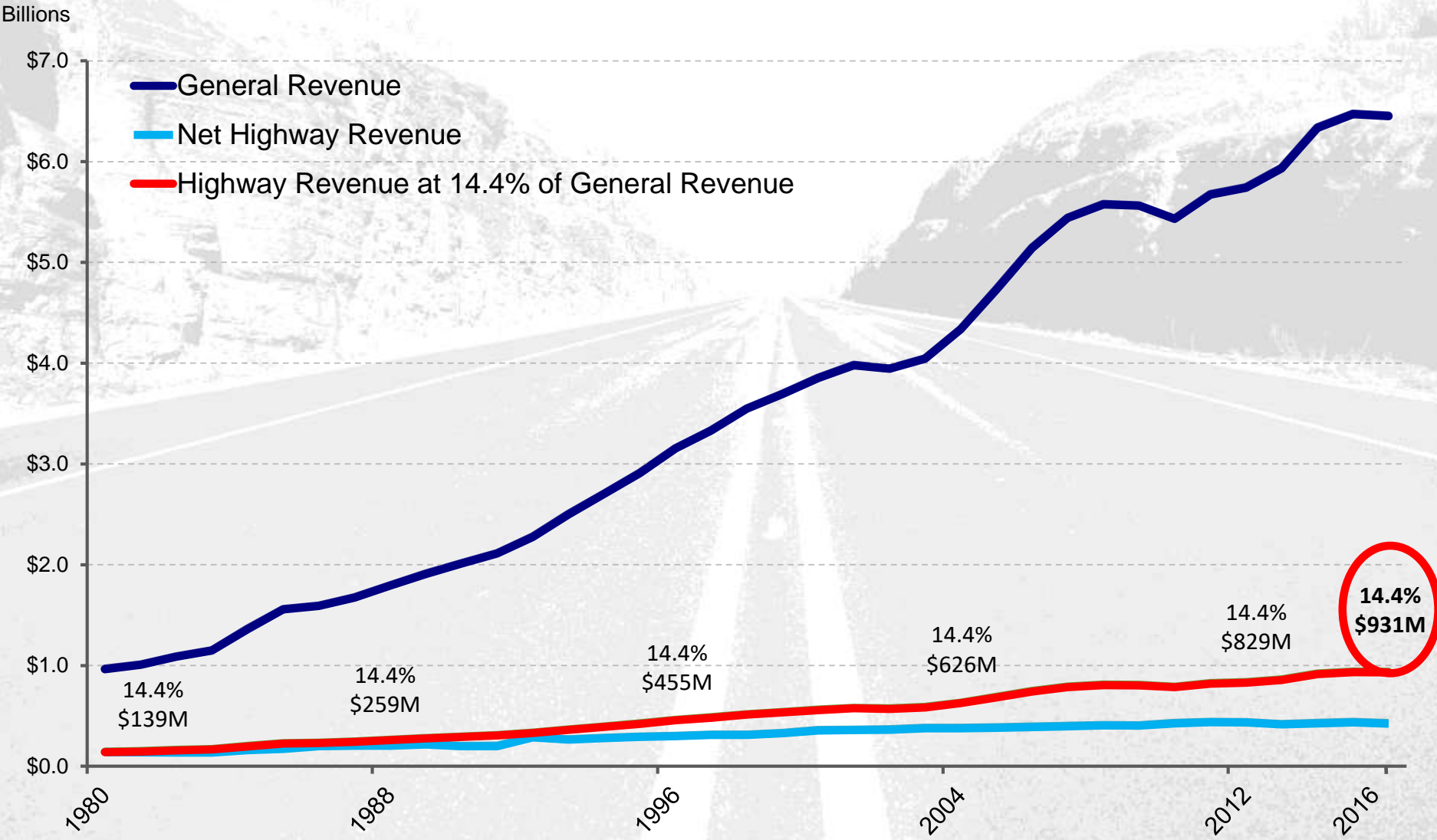


Percent of Highway vs. General Revenue



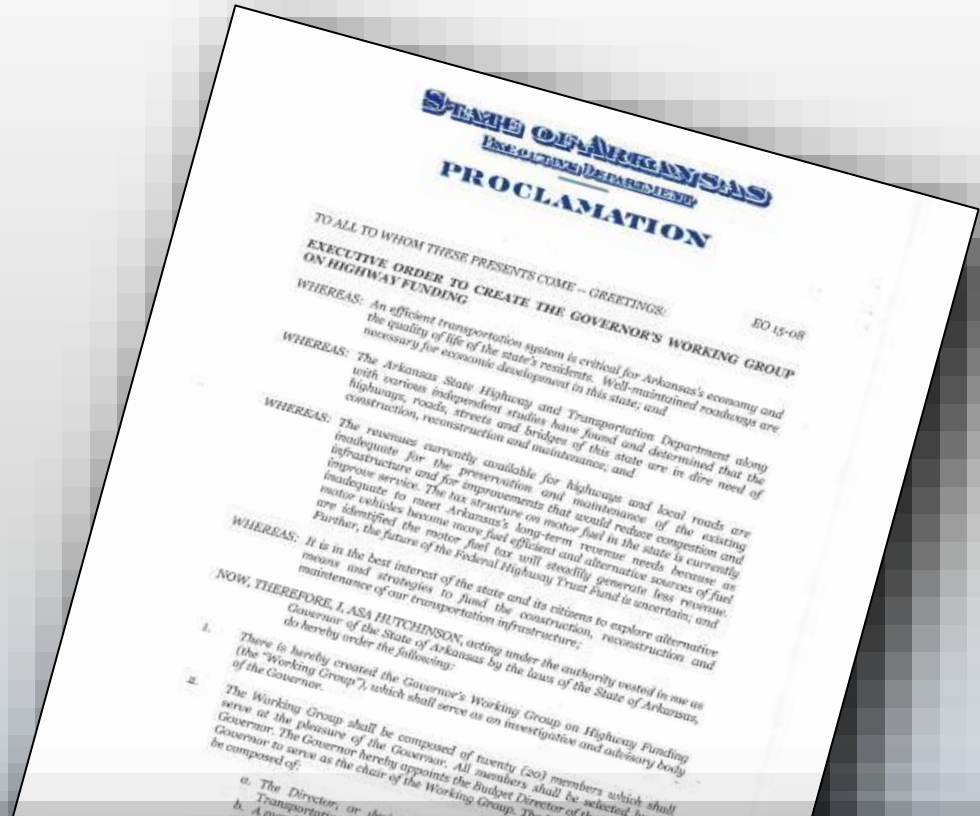
Excludes County & City Aid funds | Excludes CAP funds

Highway Revenue at 14.4% of General Revenue



Excludes County & City Aid funds | Excludes CAP funds

Fiscal Year



“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.

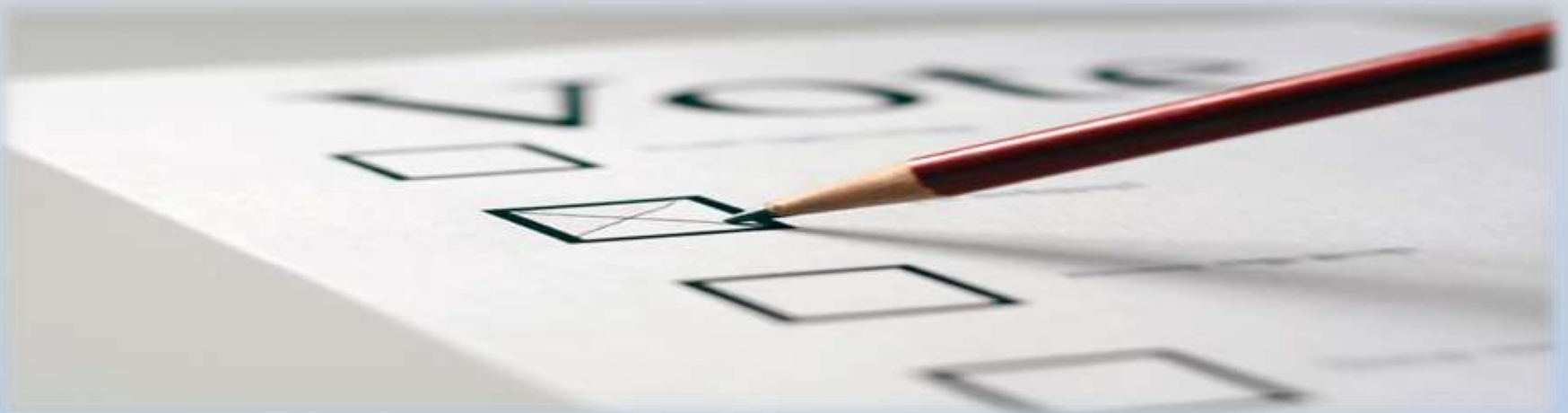
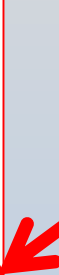


Exhibit III

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>

\$ 478,000,000



Note: Amounts shown are rounded.



Statewide Programs



Interstate Rehabilitation Program

Completed

47 Projects
291 Miles
\$1,027 Million

Under Construction

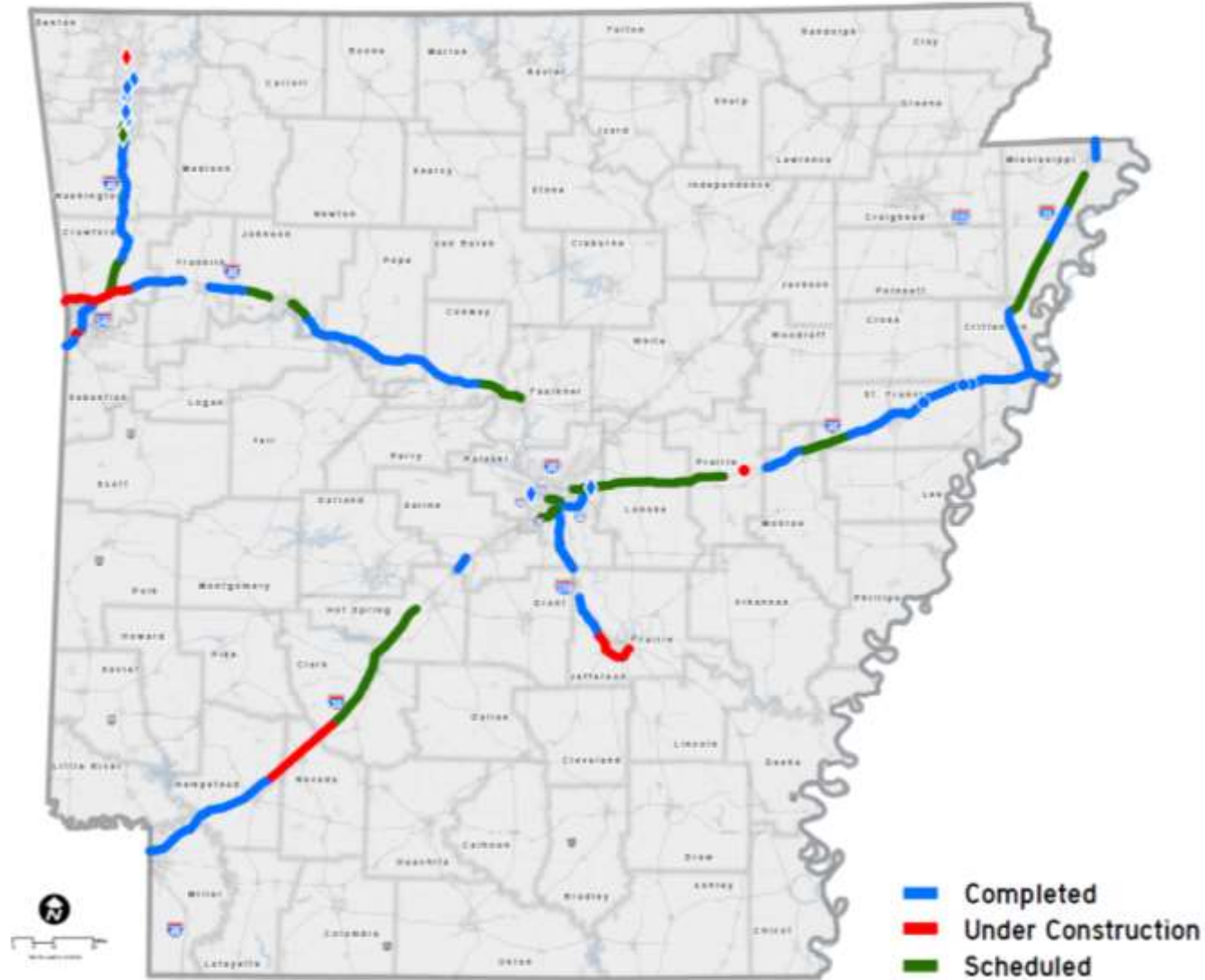
5 Projects
53 Miles
\$287 Million

Let To Contract

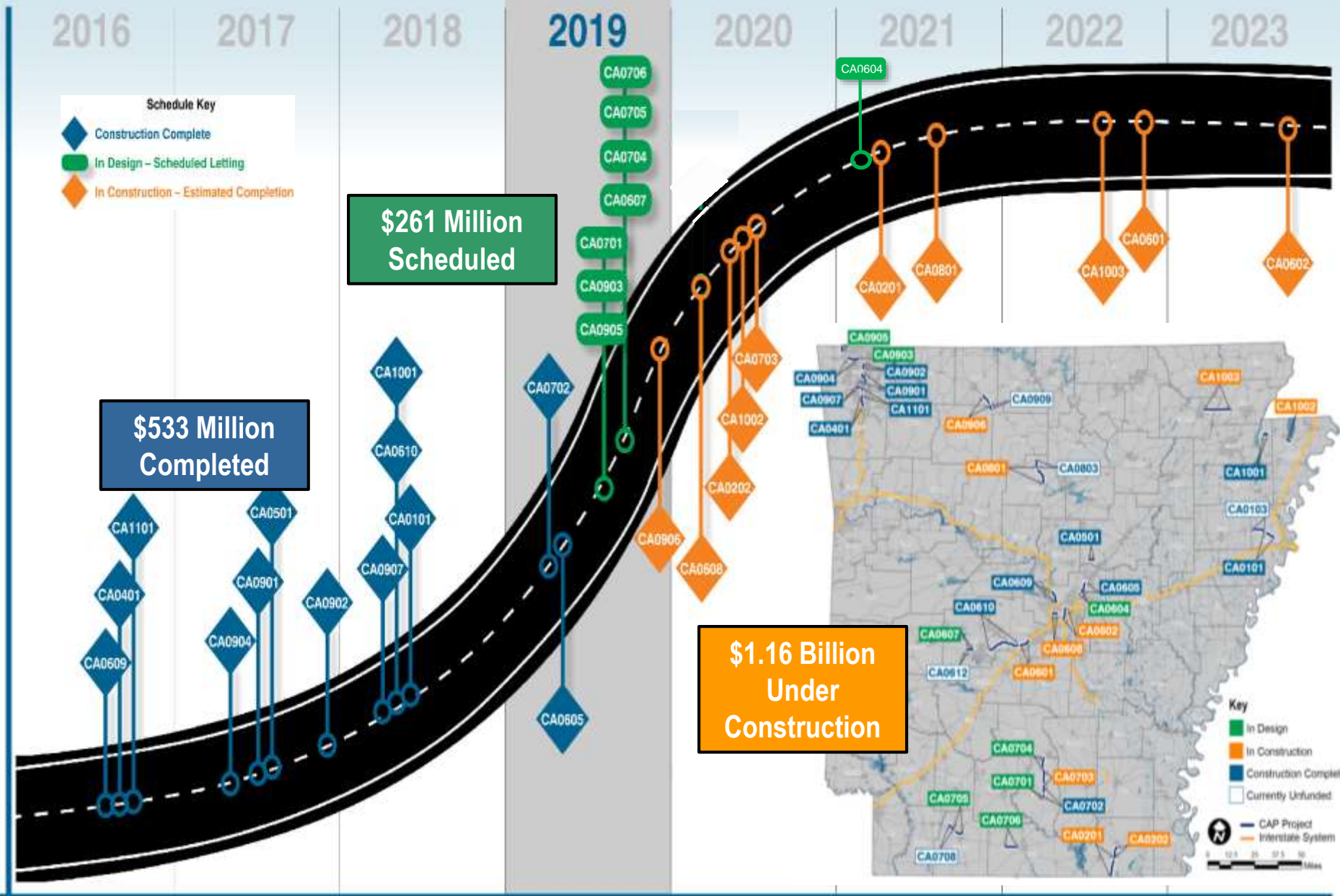
52 Projects
344 Miles
\$1,314 Million

Scheduled

27 Projects
160 Miles
\$219 Million



Connecting Arkansas Program



Jefferson County

Received **\$4.5** Million to date

Projected to Receive **\$3** Million

Total \$7.4 Million (Ending in 2023)



City of Pine Bluff

Received **\$6** Million to date

Projected to Receive **\$4** Million

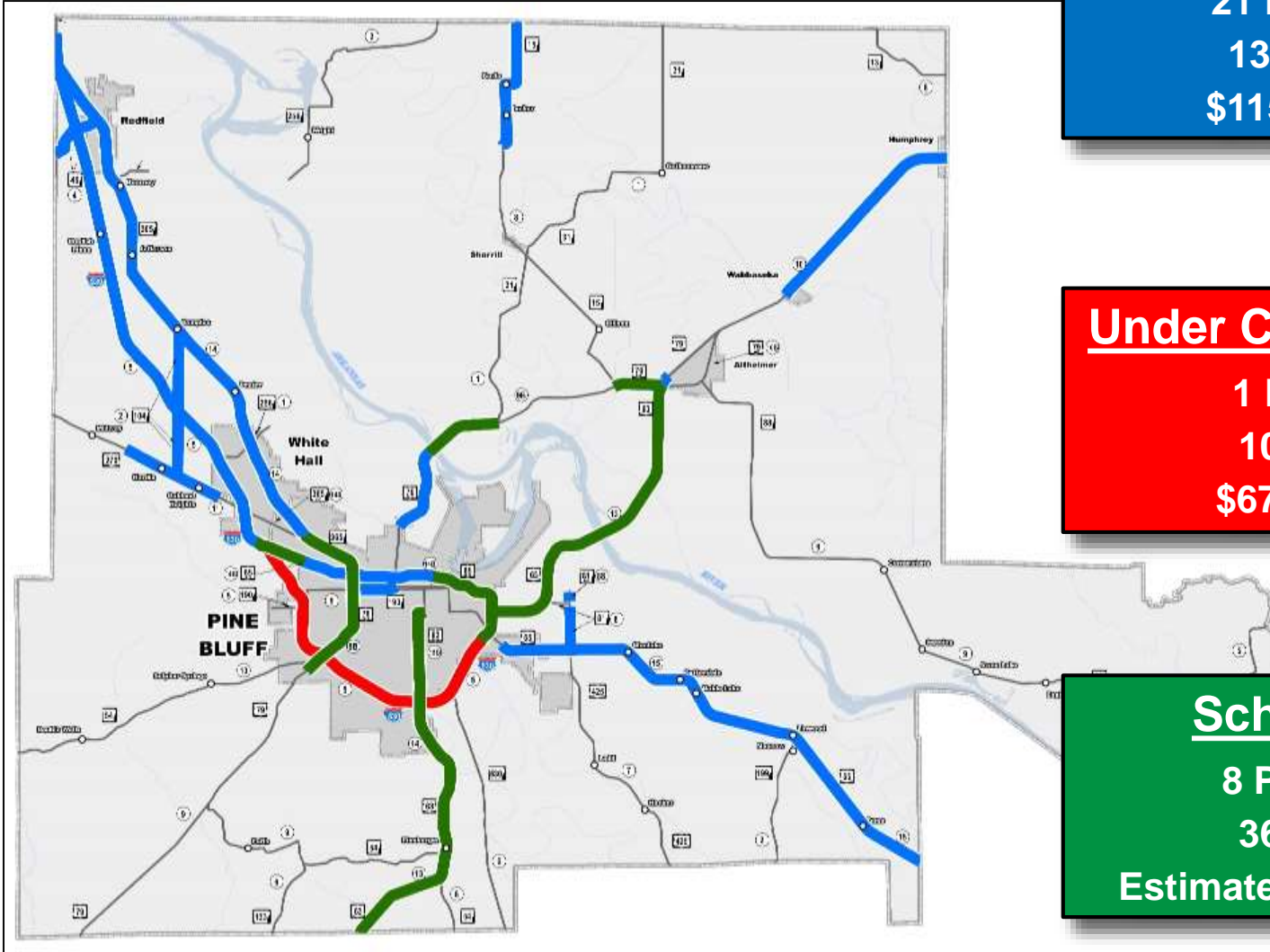
Total \$10 Million (Ending in 2023)



Local Projects



Pavement Preservation

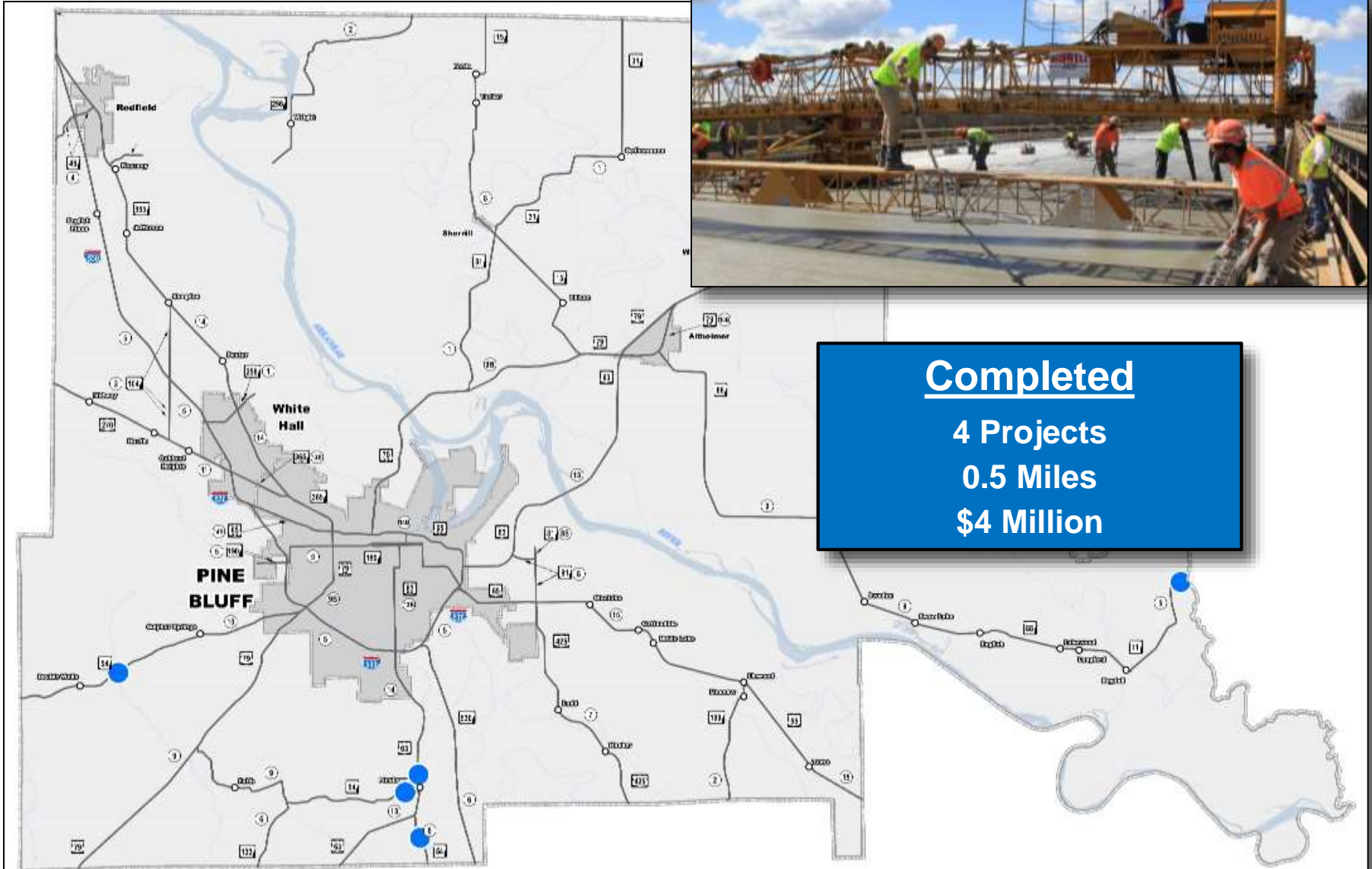


Completed
21 Projects
134 Miles
\$115 Million

Under Construction
1 Project
10 Miles
\$67 Million

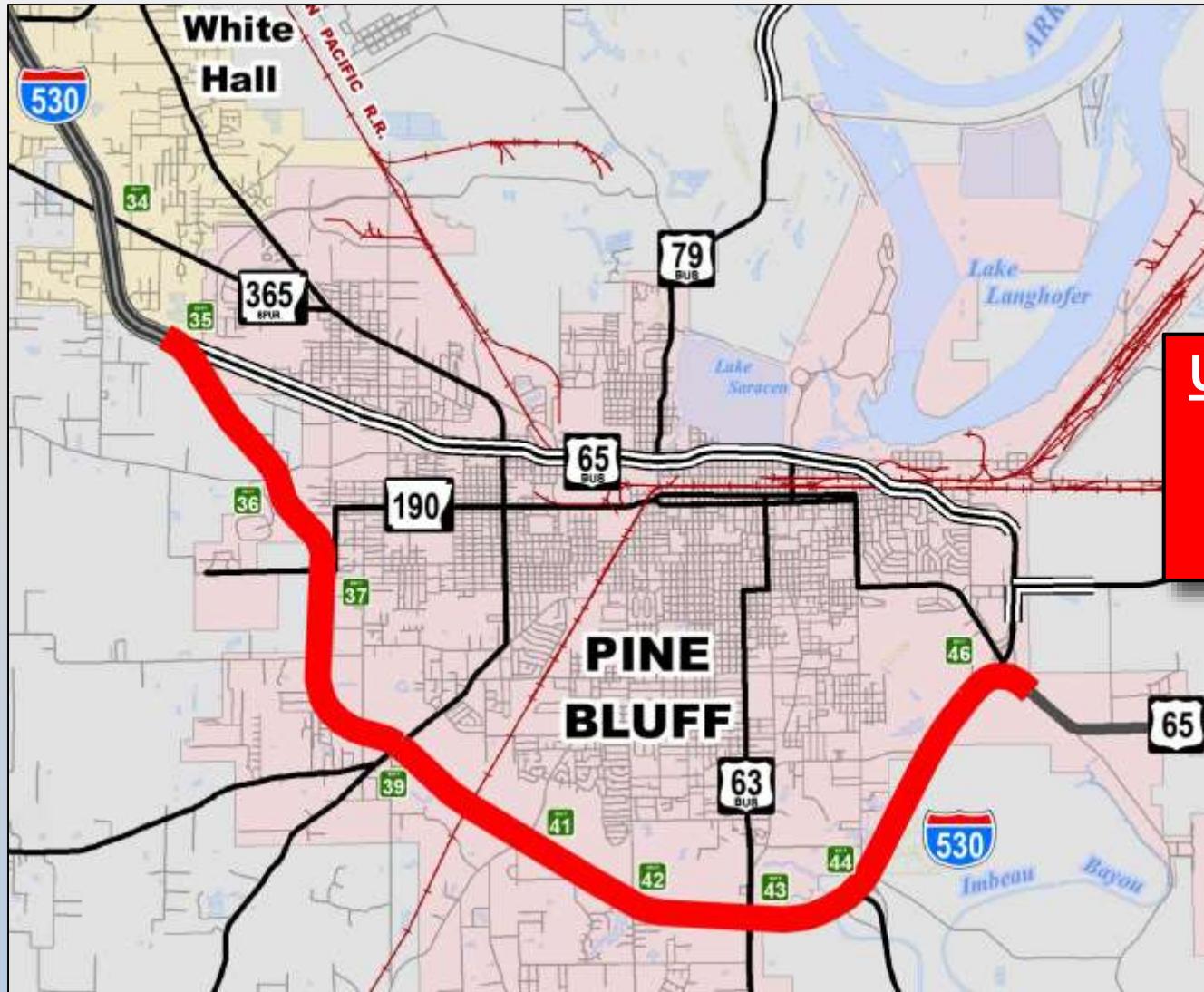
Scheduled
8 Projects
36 Miles
Estimated \$14 Million

Bridge Preservation



Completed
4 Projects
0.5 Miles
\$4 Million

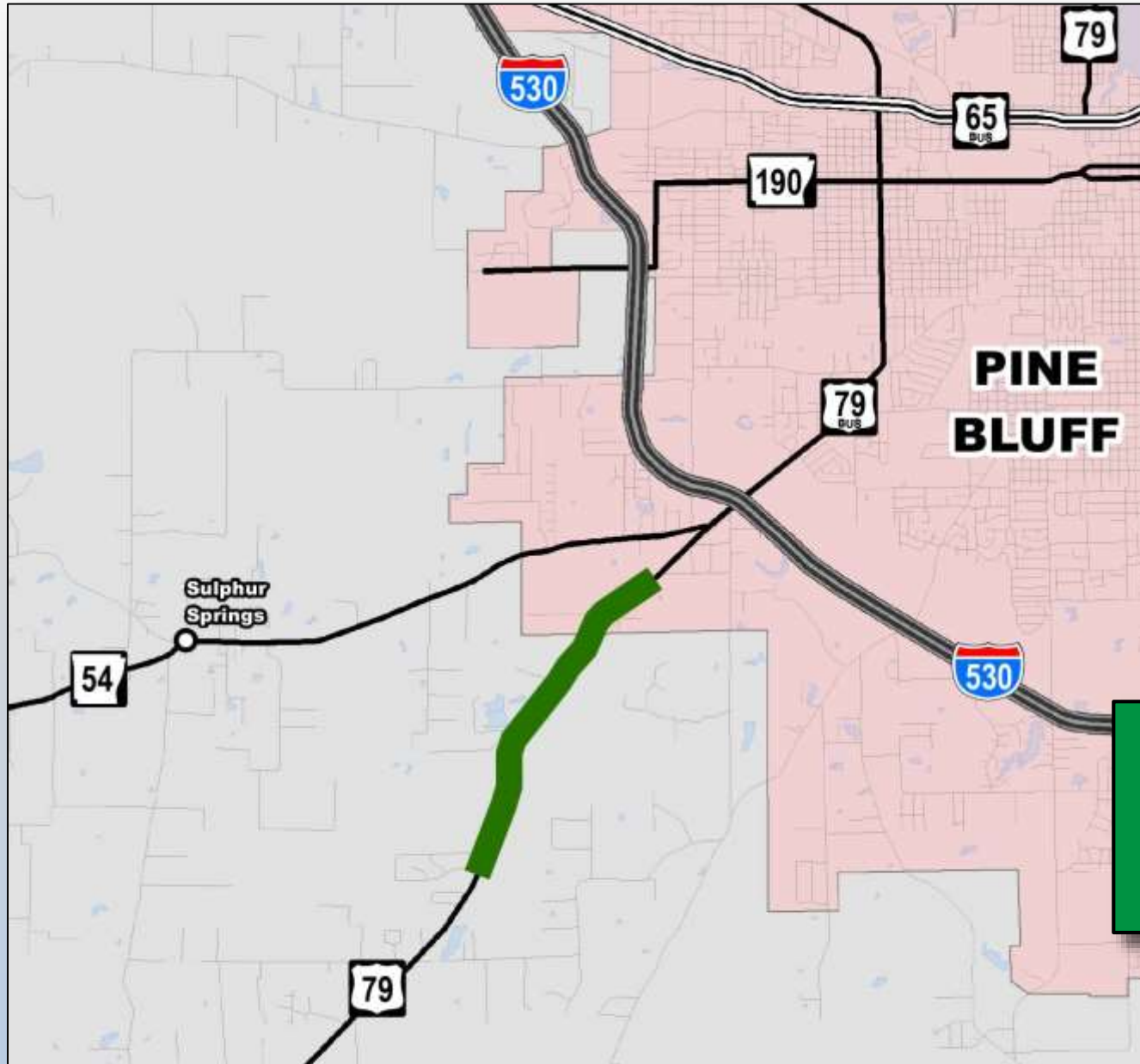
Interstate 530



Under Construction

1 Project
10 Miles
\$67 Million

U.S. Highway 79



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

U.S. Highway 270

Scheduled

1 Project

5 Miles

Estimated \$20-30 Million



U.S. Highway 190

Scheduled

2 Projects

2.4 Miles

Estimated \$10 Million





Looking Forward





ARDOT / Cities / Counties

Educate Public

Stakeholders

Educate Public

Campaign

Arkansans Major Public Asset Transportation Infrastructure

State Highway System	Gross Replacement Value	Average Annual Investment to Maintain State of Good Repair
Roads	\$58.1 Billion	\$387 Million (0.67%)
Bridges	\$11.0 Billion	\$117 Million (1.06%)
Total	\$69.1 Billion	\$504 Million (0.73%)

Based on Arkansas DOT Transportation Asset Management Plan and Legislative Audit Report





**ROAD to a
BETTER FUTURE**

ARDOT / Cities / Counties

Educate Public

Stakeholders

Educate Public
Campaign



Your
TRANSPORTATION SYSTEM



Questions?

