



Issue 1

Proposed Constitutional Amendment
November 3, 2020 General Election

ATA Business Conference
August 18, 2020



Funding Challenges



Challenges

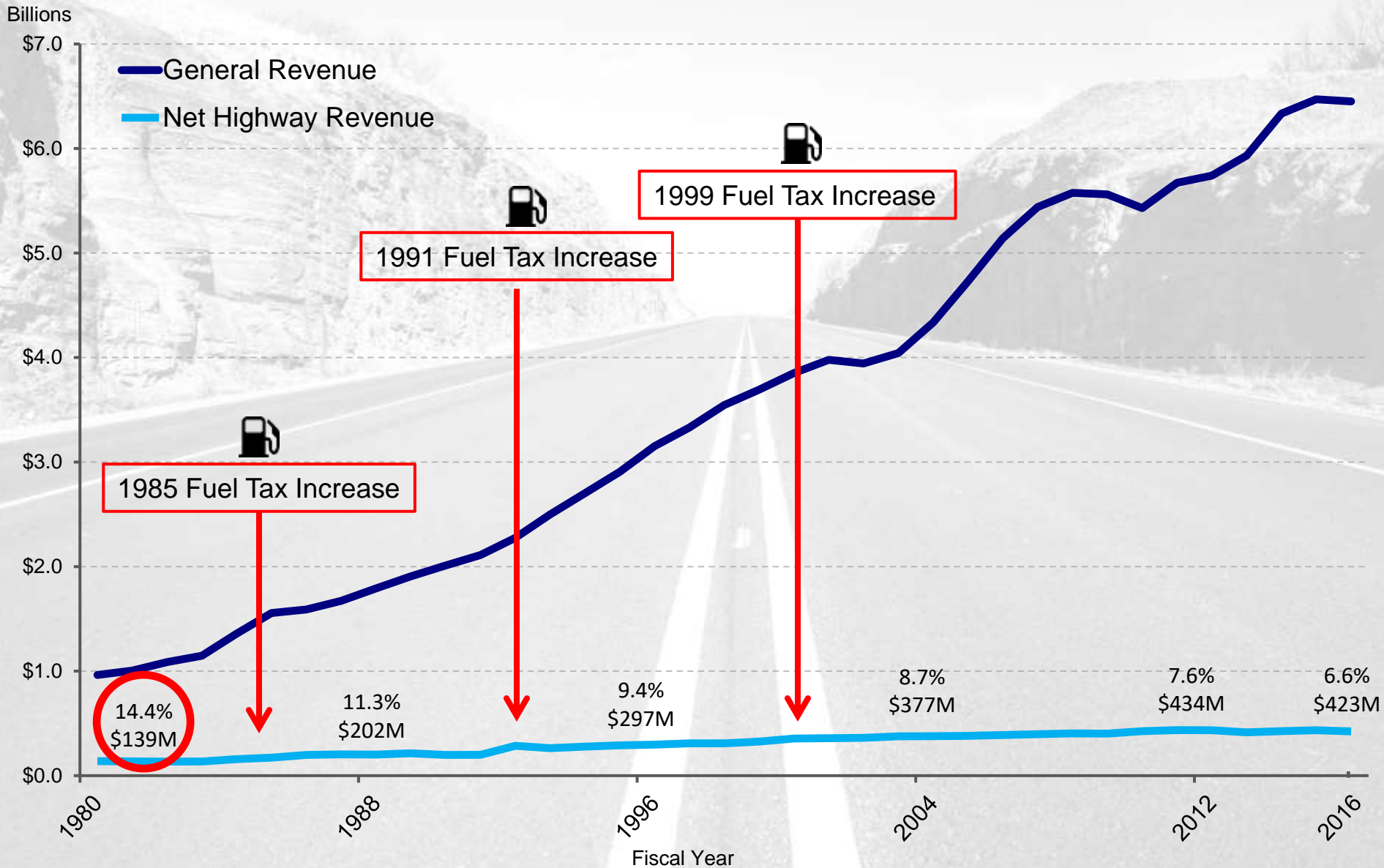
- **12th** largest system in the country
- **41st** in highway revenue per mile

Next 10 Years:

- **\$9.3 billion**
(\$930 million/year)
in Needs
- **\$4.5 billion**
(\$450 million/year)
in Revenue
- **\$4.8 billion**
(\$480 million/year)
Shortfall



Percent of Highway vs. General Revenue



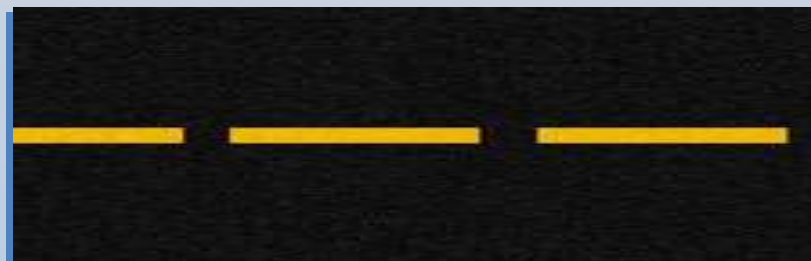
Excludes County & City Aid funds | Excludes CAP funds

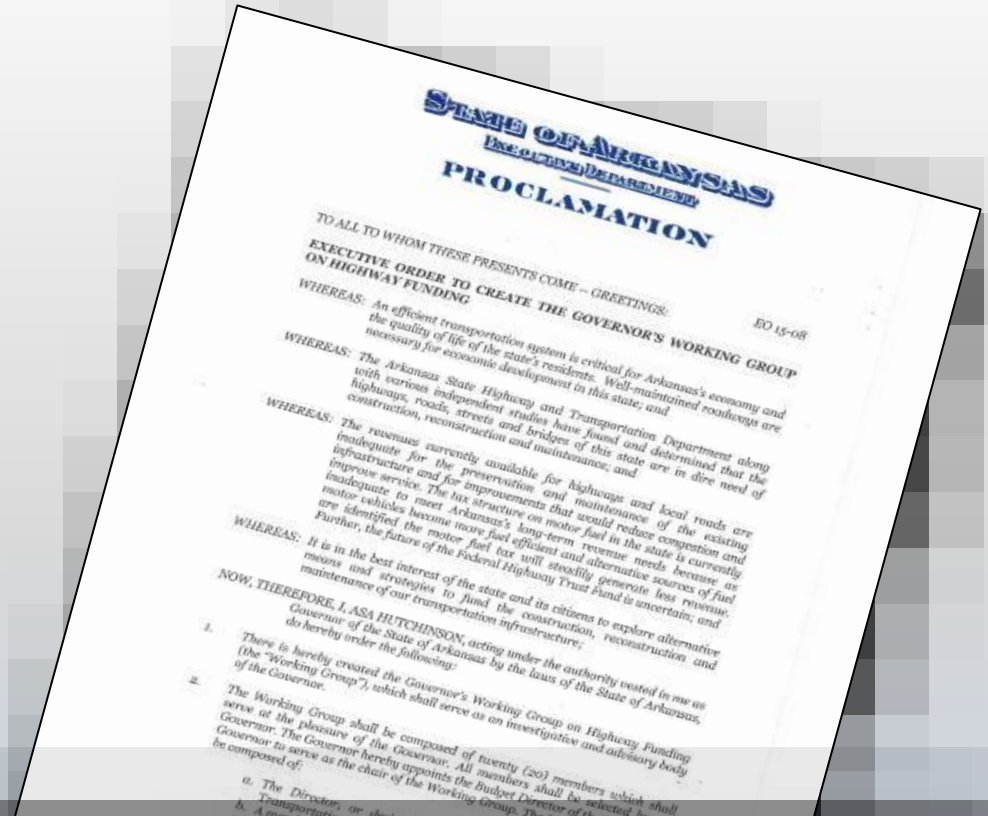
THEN

In 1998, **200 lane miles** of highway could be overlaid with \$10 million.

NOW

In 2018, **90 lane miles** of highway could be overlaid with \$10 million.





“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.

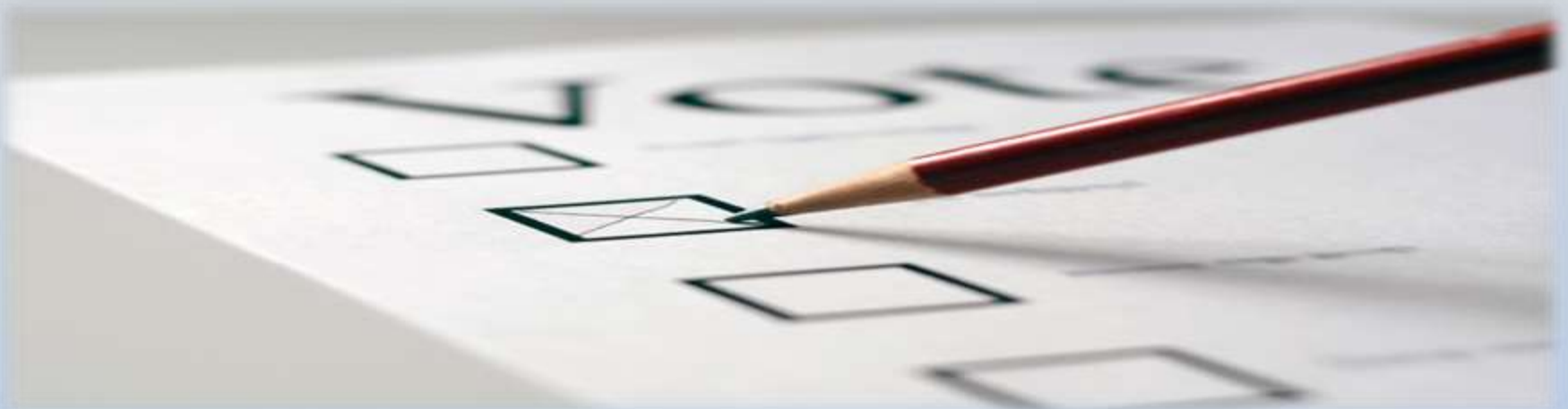
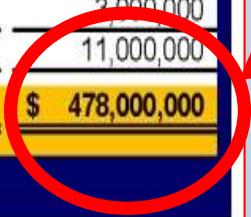


Exhibit III

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	504,000,000	227,000,000	277,000,000
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	30,000,000	19,000,000	11,000,000
Totals	\$ 925,000,000	\$ 447,000,000	\$ 478,000,000

\$ 478,000,000



Note: Amounts shown are rounded.



Recent Legislation

Governor Hutchinson's Highway Plan

Act 416 and Proposed Constitutional Amendment (Issue 1)

Four Revenue Sources

\$300 Million Per Year



State Highways

Act 416

\$ 95 Million

Issue 1

\$205 Million

Total to ARDOT

\$300 Million





Issue 1

Proposed

Constitutional Amendment



Current Connecting Arkansas Program

- Voter Approved in 2012
- Provides Temporary Half-Cent Sales Tax
- ARDOT Revenue Dedicated to CAP Projects
- County and City Revenue for Local Roads
- Expires June 2023



November 3, 2020

The Ballot Question: Issue 1

YES



Funding from current sales tax continues after June 2023

NO



Funding from current sales tax terminates after June 2023

If Issue 1 Passes

Annual Revenue in SFY 2024

Act 416 of 2019	\$ 95 Million
Issue 1	\$ 205 Million
Current Construction Program	\$ 440 Million
Total	\$ 740 Million



If Issue 1 Passes



10-Year *Renew Arkansas Highways* Program

Pavement Preservation	\$3.0 Billion
Bridge Improvements and Preservation	\$1.1 Billion
Interstate Maintenance	\$1.0 Billion
Safety Improvements	\$0.5 Billion
Capital and Congestion Relief (CAP-2)	\$1.8 Billion
Total	\$7.4 Billion



If Issue 1 Fails

10-Year Plan

Pavement Preservation	\$3.0 Billion
Bridge Improvements and Preservation	\$1.1 Billion
Interstate Maintenance	\$1.0 Billion
Safety Improvements	\$0.5 Billion
Capital and Congestion Relief (CAP-2)	\$1.8 Billion

Total **~~\$5.4~~ \$7.4 Billion**

If Issue 1 Fails

Annual Revenue Expected to be
Available in SFY 2024

Act 416 of 2019	\$ 95 Million
Proposed Amendment	\$205 Million
Current Construction Program	\$440 Million
Total Available SFY 2024	\$730 Million

Nearly 30% Less

If Issue 1 Fails

State Highways

2023 - \$740 Million

2024 - \$535 Million

City Streets

2023 - \$150 Million

2024 - \$106 Million



County Roads

2023 - \$150 Million

2024 - \$106 Million

30% Reduction

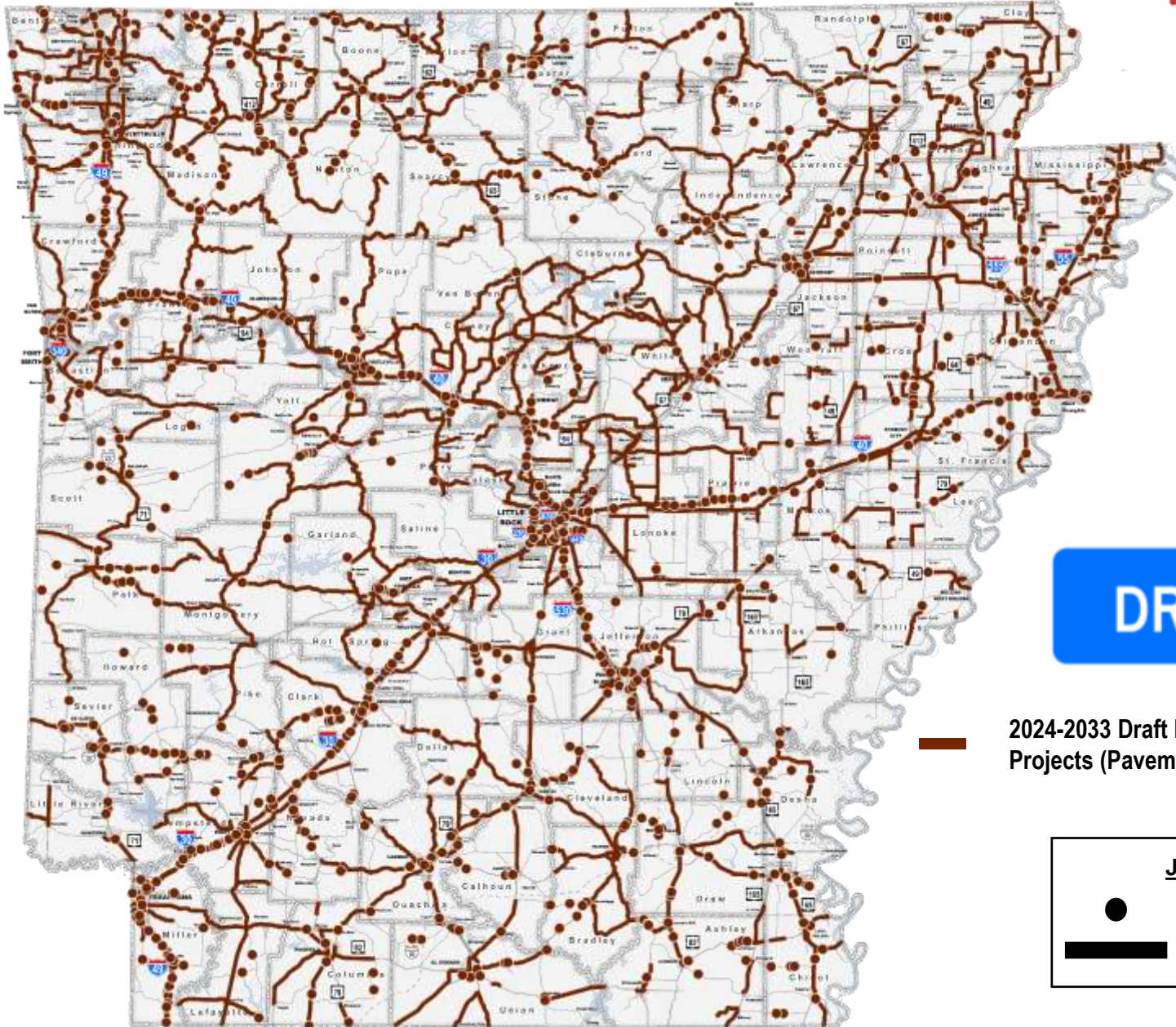
If Issue 1 Passes



10-Year *Renew Arkansas Highways* Program

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DRAFT

— 2024-2033 Draft Program of Preservation Projects (Pavement & Bridges)

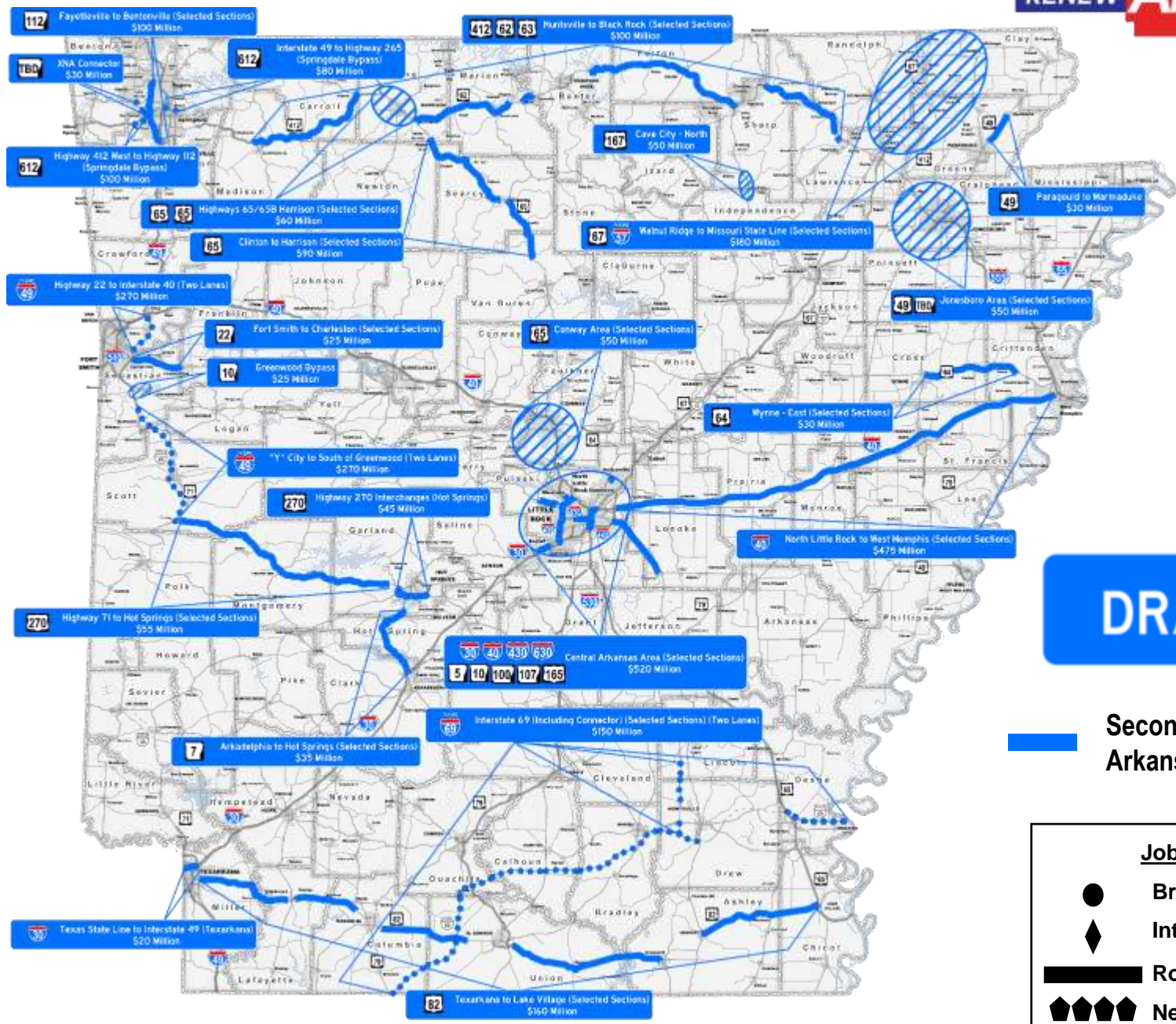
Job Type	
●	Bridge
—	Roadway

Potential Projects

- Second Connecting Arkansas Program \$ 3.0 Billion
 - Economic Development, Partnering & Local Congestion Relief \$ 0.5 Billion
 - ROW Acquisition & Utility Relocation \$ 0.1 Billion
- 20-Year Total** \$ 3.6 Billion



Second Connecting Arkansas Program



DRAFT

Second Connecting Arkansas Program

Job Type

- Bridge
- ◆ Interchange
- ▬ Roadway
- ◆◆◆◆ New Location



ARDOT – Educate Voters
Roads and Bridges Coalition – Campaign

- The cost of the current 1/2 cent sales tax for the average family with a median income is about \$8/month.
- If Issue 1 passes, the cost to the taxpayers will remain the same as it is now.
 - No Increase
 - No Decrease
- This tax does not apply to groceries and it can only be used for road improvements.



Your
TRANSPORTATION SYSTEM