



Issue 1

Proposed Constitutional Amendment
November 3, 2020 General Election

Texarkana Wilbur Smith Rotary
August 6, 2020



Funding Challenges



Challenges



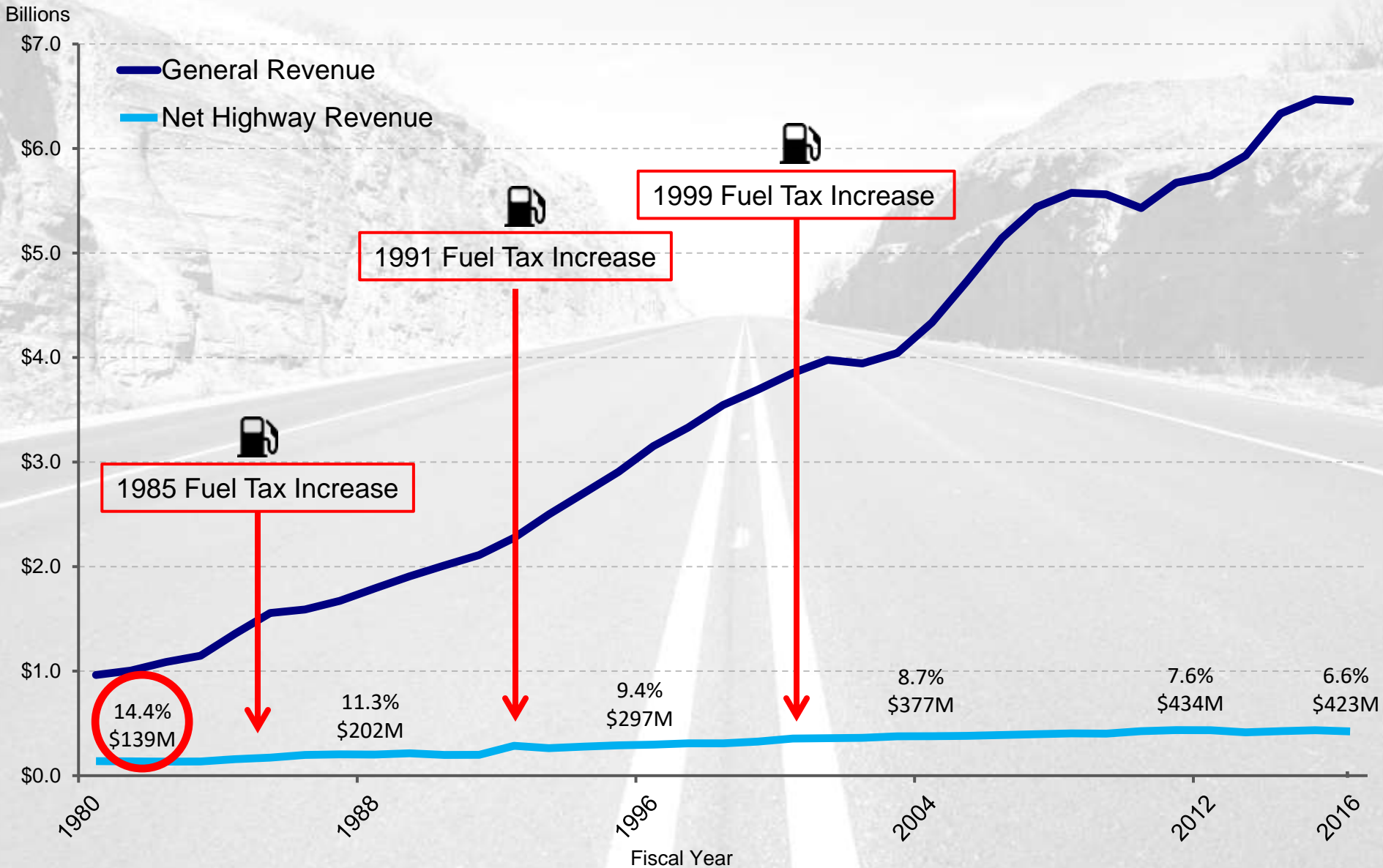
- **12th** largest system in the country
- **41st** in highway revenue per mile

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

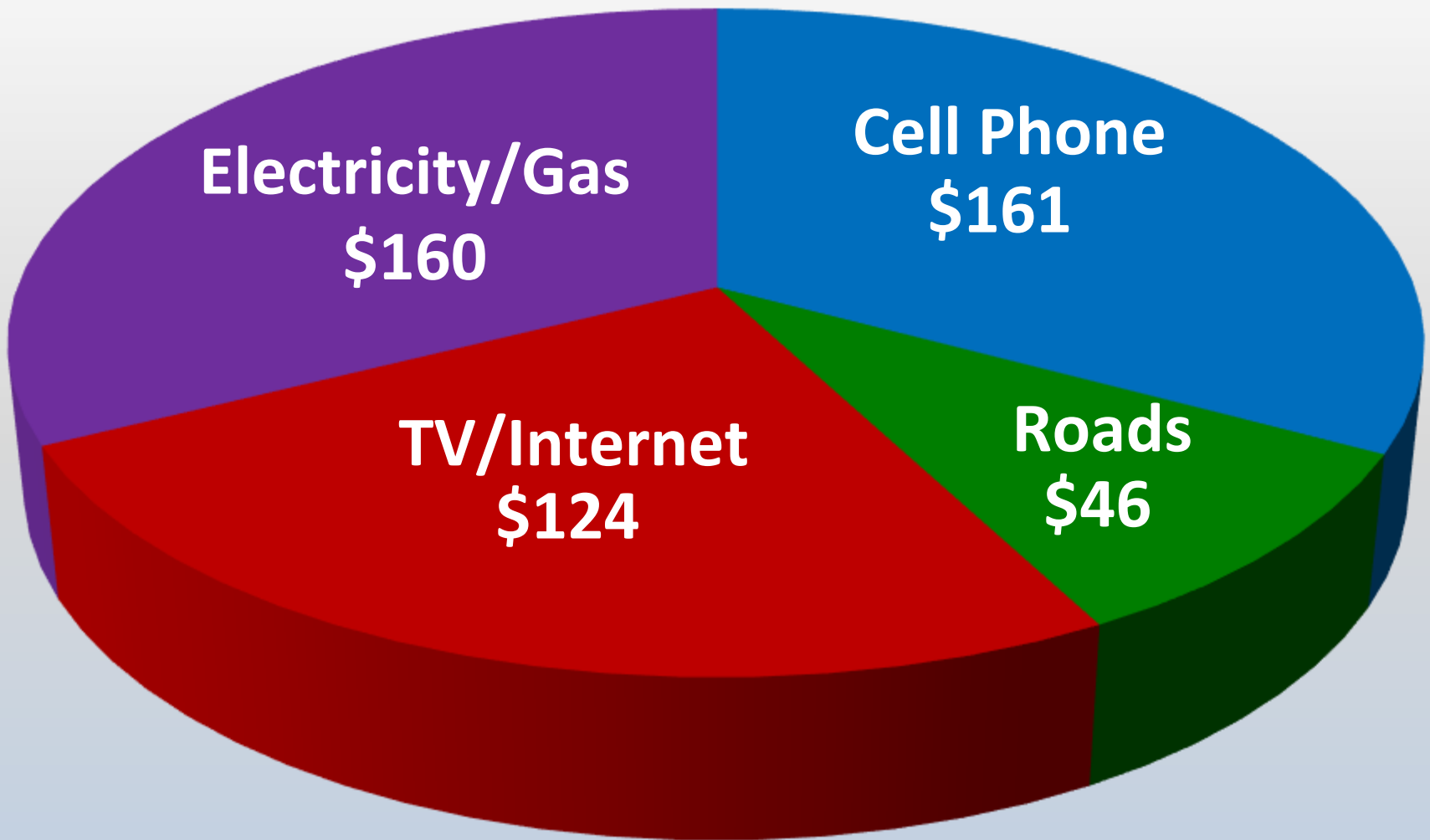
In 2018, **90 lane miles** of highway could be overlaid with \$10 million.

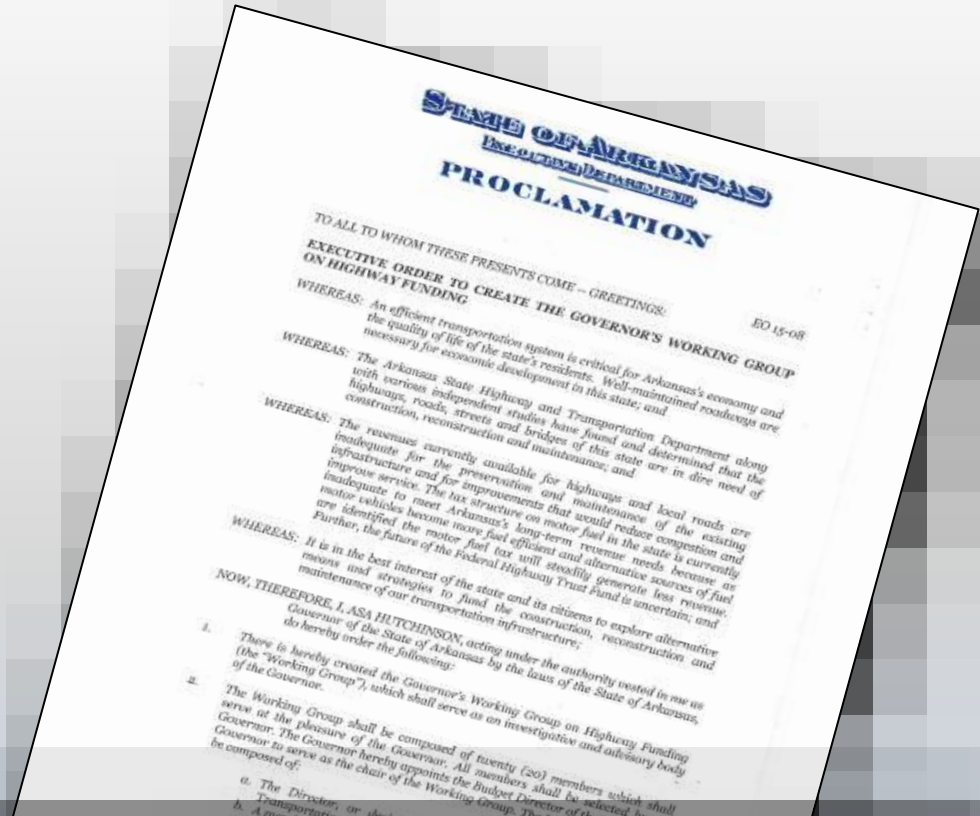


Significant Loss of Purchasing Power

Item	Description	1993	2015	Percent Change
College Tuition	Average Tuition & Fees at Public 4-year Universities	\$1,908	\$9,145	379%
Healthcare	National Expenditure Per Capita	\$3,402	\$9,523	180%
House	Median New Home Price	\$118,000	\$292,000	147%
Gas	Per Gallon	\$1.08	\$2.56	137%
Beef	Per Pound of Ground Beef	\$1.97	\$4.38	122%
Movie Ticket	Average Ticket Price	\$4.14	\$8.43	104%
Bread	Per Pound of White Bread	\$0.75	\$1.48	98%
Income	National Median Household	\$31,241	\$56,516	81%
Stamp	One First-Class Stamp	\$0.29	\$0.49	51%
Car	Average New Car	\$16,871	\$25,487	51%
Federal Gas Tax	Per Gallon	\$0.18	\$0.18	0%

Average Monthly Household Expenditures





“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.

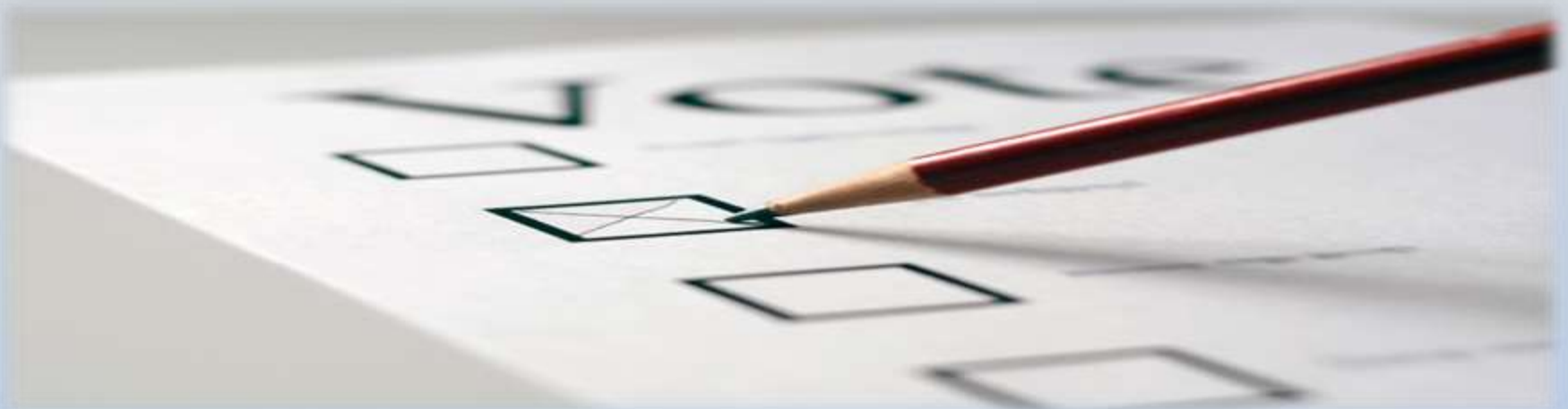


Exhibit III

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.



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



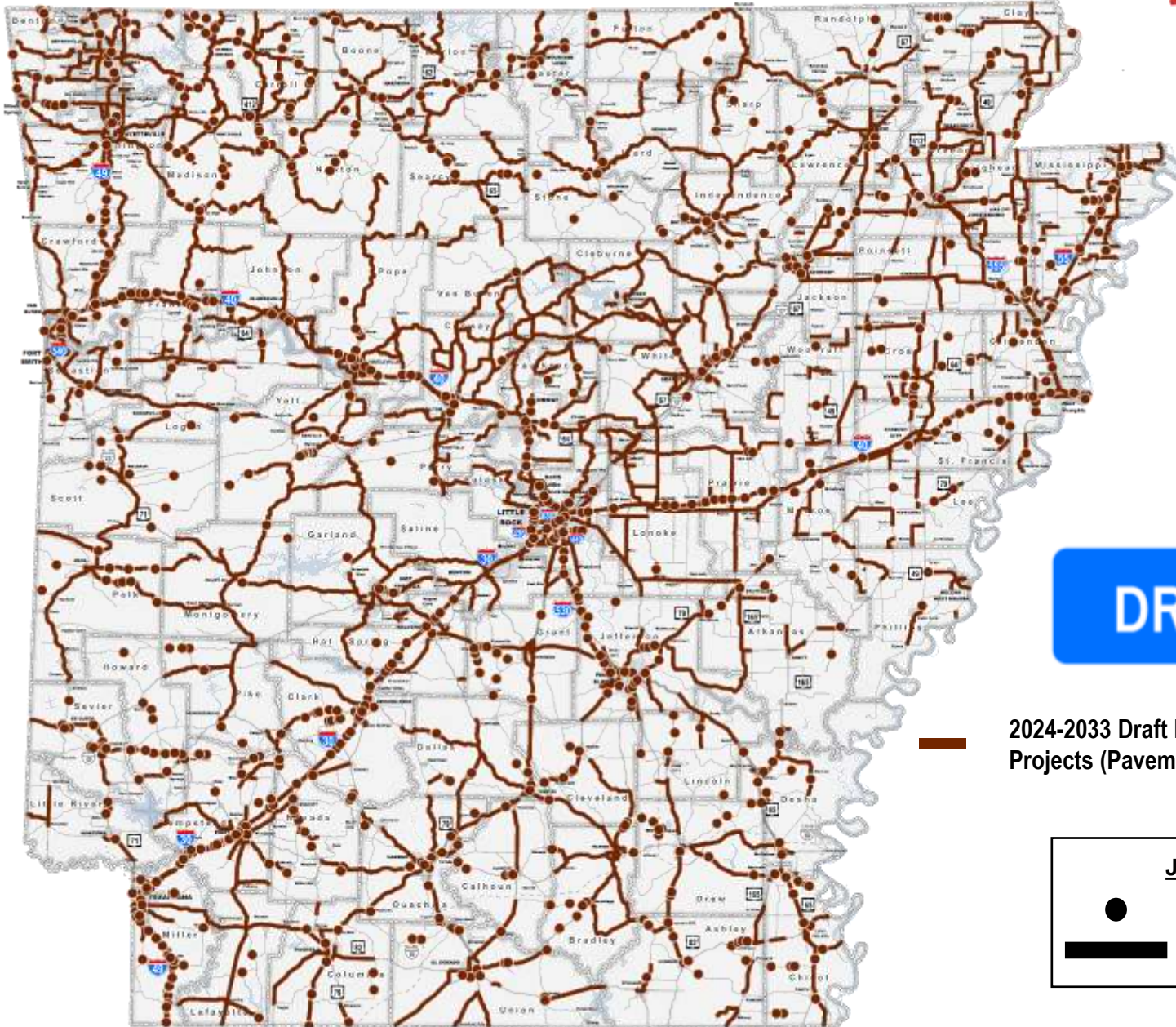
If Issue 1 Passes



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





DRAFT

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

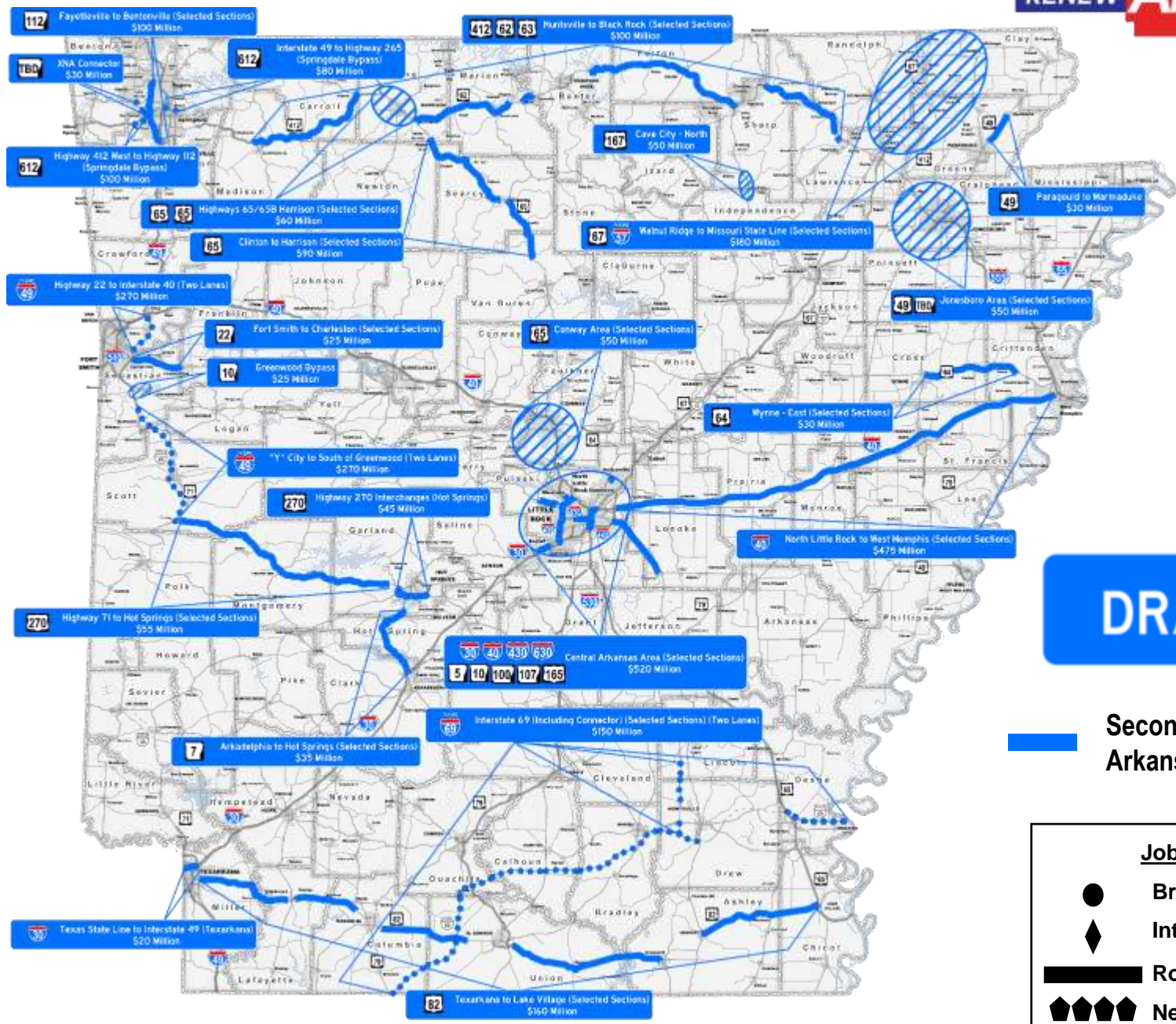
Job Type	
●	Bridge
—	Roadway

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





Second Connecting Arkansas Program

RENEW AR HIGHWAYS

 Texas State Line to Interstate 49 (Texarkana)
\$20 Million

DRAFT

 Second Connecting Arkansas Program

Job Type	
	Bridge
	Interchange
	Roadway
	New Location

 Texarkana to Lake Village (Selected Sections)
\$160 Million



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

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



Turnback to Cities

2023 - \$150 Million

2024 - \$106 Million

Nearly a 30% Reduction

Turnback to Counties

2023 - \$150 Million

2024 - \$106 Million

Nearly a 30% Reduction

If Issue 1 Fails

Miller County

2023 – \$2.0 Million

2024 – \$1.4 Million

Loss of Funding – \$600,000 Per Year

City of Texarkana

2023 – \$2.4 Million

2024 – \$1.7 Million

Loss of Funding – \$700,000 Per Year



Looking Forward





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



Issue 1

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November 3, 2020 General Election

Lorie H Tudor, P.E.
Director