**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

$533 Million Completed

$261 Million Scheduled

$1.16 Billion Under Construction
½ Cent Sales Tax Turnback Funds

Faulkner County
Received $4.8 Million to date
Projected to Receive $4.8 Million
Total $9.5 Million (Ending in 2023)

City of Conway
Received $5.9 Million to date
Projected to Receive $5.5 Million
Total $11.4 Million (Ending in 2023)
Local Projects
Pavement Preservation

Completed
19 Projects
88 Miles
$26 Million

Scheduled
6 Projects
39 Miles
Estimated $10 Million
Bridge Preservation

**Completed**
- 2 Projects
- $4 Million

**Under Construction**
- 1 Project
- $0.7 Million

**Scheduled**
- 1 Project
- <$1 Million
U.S. Highway 64

Completed
8 Projects
39 Miles
$88 Million
State Highway 25

Completed
1 Project
2 Miles
$11 Million

CONWAY
Scheduled
1 Project
Estimated $1-5 Million
Highway 65B

Potential Partnering Projects
Highways 60 and 65B Traffic Operations Improvements
Highway 64 / 65 Connector Study
Potential Partnering Projects

Programmed
2 Projects
1 Mile
Estimated $20 Million
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)
Act 416

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

Act 416 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 – 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
Governor’s Highway Funding Package

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

- 12\textsuperscript{th} largest system in the country
- 41\textsuperscript{st} 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

<table>
<thead>
<tr>
<th>Condition</th>
<th>2027 Condition</th>
<th>Current Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>28%</td>
<td>24%</td>
</tr>
<tr>
<td>Fair</td>
<td>46%</td>
<td>58%</td>
</tr>
<tr>
<td>Good</td>
<td>26%</td>
<td>18%</td>
</tr>
</tbody>
</table>
Pay a **Little Now**

- Overlay
  - $100,000 per lane mile

Pay a **Whole Lot Later**

- Reconstruction
  - $1,500,000 per lane mile
$10,000,000 Overlay Program

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

Billions

1985 Fuel Tax Increase
14.4% $139M

1991 Fuel Tax Increase
11.3% $202M

1999 Fuel Tax Increase
9.4% $297M

8.7% $377M

7.6% $434M

6.6% $423M

Fiscal Year


Excludes County & City Aid funds | Excludes CAP funds
Highway Revenue at 14.4% of General Revenue

Excludes County & City Aid funds | Excludes CAP funds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Revenue</th>
<th>Net Highway Revenue</th>
<th>Highway Revenue at 14.4% of General Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>$139M</td>
<td>$139M</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>$259M</td>
<td>$259M</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>$455M</td>
<td>$455M</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$626M</td>
<td>$626M</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$829M</td>
<td>$829M</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$931M</td>
<td>$931M</td>
<td></td>
</tr>
</tbody>
</table>

Billions

14.4% $139M
14.4% $259M
14.4% $455M
14.4% $626M
14.4% $829M
14.4% $931M
“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

<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Funds Needed for Highway Construction Plan</th>
<th>Annual Funds Available for Highway Construction</th>
<th>Additional Annual State Revenues Needed for Highway Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>System Preservation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pavement</td>
<td>$387,000,000</td>
<td>$137,000,000</td>
<td>$250,000,000</td>
</tr>
<tr>
<td>Bridges</td>
<td>117,000,000</td>
<td>90,000,000</td>
<td>27,000,000</td>
</tr>
<tr>
<td>Total System Preservation</td>
<td>504,000,000</td>
<td>227,000,000</td>
<td>277,000,000</td>
</tr>
<tr>
<td>Capacity Relief</td>
<td>305,000,000</td>
<td>157,000,000</td>
<td>148,000,000</td>
</tr>
<tr>
<td>Safety Improvements</td>
<td>86,000,000</td>
<td>44,000,000</td>
<td>42,000,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment upgrades</td>
<td>19,000,000</td>
<td>19,000,000</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Facilities upgrades</td>
<td>8,000,000</td>
<td></td>
<td>8,000,000</td>
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<tr>
<td>Intelligent Transportation System (ITS)</td>
<td>3,000,000</td>
<td>9,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td>30,000,000</td>
<td>19,000,000</td>
<td>11,000,000</td>
</tr>
<tr>
<td>Totals</td>
<td>$925,000,000</td>
<td>$447,000,000</td>
<td>$478,000,000</td>
</tr>
</tbody>
</table>

Note: Amounts shown are rounded.
Looking Forward
What is the road to good roads?

Governor Asa Hutchinson paves the way for a highway plan to be presented to voters in 2020. But the politics ahead could be bumpy.

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public Campaign
<table>
<thead>
<tr>
<th>State Highway System</th>
<th>Gross Replacement Value</th>
<th>Average Annual Investment to Maintain State of Good Repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>$58.1 Billion</td>
<td>$387 Million (0.67%)</td>
</tr>
<tr>
<td>Bridges</td>
<td>$11.0 Billion</td>
<td>$117 Million (1.06%)</td>
</tr>
<tr>
<td>Total</td>
<td>$69.1 Billion</td>
<td>$504 Million (0.73%)</td>
</tr>
</tbody>
</table>

Based on Arkansas DOT Transportation Asset Management Plan and Legislative Audit Report
Economic Impact of Infrastructure Investment

• Increased Property Values
• Attraction to Businesses
  ✓ Higher Wages
  ✓ More Job Opportunities
• Less Expense on Vehicle Wear and Tear = Greater Expendable Income
• Safety Benefits
  ✓ Reduced Fatalities
  ✓ Reduced Property Damage
Quality of Life is Directly Linked to:

- Reliable Access to:
  - Housing
  - Family, Friends, Spirituality
  - Employment
  - School
  - Health Care
  - Recreation/Entertainment
  - Consumer Goods
  - Consumer Services
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
2023 vs. 2024 if HJR1018 Fails

Turnback to Cities
2023 - $156 million
2024 - $113 million

Nearly a 30% Reduction

Turnback to Counties
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2024 - $113 million

Nearly a 30% Reduction
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Next Steps to November 2020 Election

ARDOT / Cities / Counties
Educate Public

Stakeholders
Educate Public
Campaign
Questions?