



Scott E. Bennett, P.E.

Director

Arkansas Municipal League Winter Conference



Governor's Long Term Highway Funding Plan

Act 416 of 2019

\$ 95 Million

(Immediate Funding dedicated to System Preservation)

Issue 1

\$205 Million

(Funding for System Preservation plus Capital Projects beginning in SFY 2024)

Total for State Highways

\$300 Million



November 3, 2020

The Ballot Question: Issue 1

YES



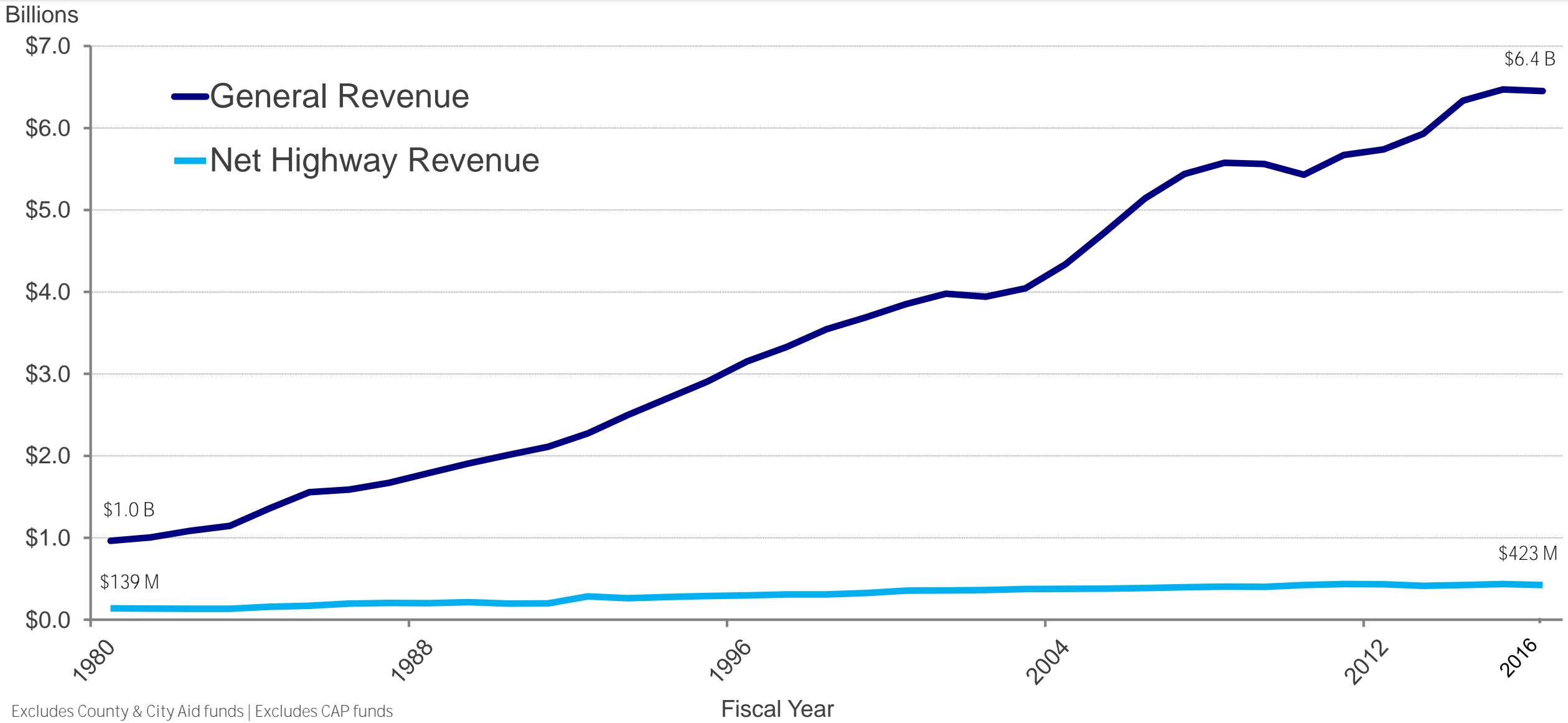
Funding from current sales tax continues after June 2023

NO



Funding from current sales tax terminates after June 2023

Revenue Trends



Excludes County & City Aid funds | Excludes CAP funds

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%

Sources: Bureau of Labor Statistics, Centers for Medicare & Medicaid Services, College Board, Federal Reserve Bank of St. Louis, Oak Ridge National Laboratory, U.S. Census Bureau, U.S. Energy Information Agency, U.S. Postal Service

Construction Costs

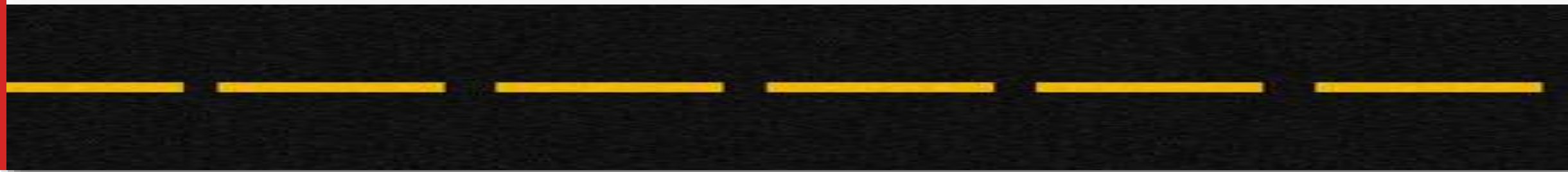
Money Doesn't Go As Far

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.



Construction Costs

Typical Cost Per Mile

4-Lane Interstate	\$ 10.4 Million
5-Lane Roadway	\$ 6.6 Million
2-Lane Roadway	\$ 3.4 Million
Widen from 2- to 5-Lanes	\$ 4.7 Million



The 10-Year Shortfall

- \$9.3 Billion in Needs
 - \$4.5 Billion in Available Revenue
-
- \$4.8 Billion Shortfall



What's the Right Annual Amount?

- Highway Funding Working Group \$400 Million
- Arkansas State Legislative Audit \$478 Million
- ✓ ***Governor's Highway Funding Plan*** \$300 Million



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

– Governor Asa Hutchinson

If Issue 1 Passes

Annual Revenue Expected to be Available 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

Annual Revenue Expected to be Available in SFY 2024

Act 416 of 2019	\$ 95 Million
Proposed Amendment	\$205 Million
Current Construction Program	\$440 Million
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Total	\$740 Million

Nearly 30% Less



Miller County
Highway 134
5 Miles East of Fouke

If Issue 1 Fails

10-Year Plan



Little River County
Highway 32
Between Foreman and Ashdown

• 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



10-Year Total

~~\$7.45 Billion~~
\$5.4 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

It's Your Transportation System...

YOU Get to Decide



November 3, 2020