State Chamber of Commerce Leadership Class
Friday, February 26, 2021
3rd Largest State Agency
(approx. 3,700 Employees)

Maintains
16,418 miles of Highway
7,335 Bridges

Central Offices in Little Rock

10 Districts Statewide
“We are always yapping about the ‘Good Old Days’ and how we look away back and enjoy it, but I tell you there is a lot of hooey to it.”

– Will Rogers
The Teens

- First Commission Created
  - No Hwy. Department
  - No Hwy. System
- 3,600 Vehicles - $72,000 Total Budget
- 36,000 Miles of Public Roads
The Twenties

- Highway System Created
- Highway Department Created
- First Gas Tax – 1 cent per gallon
- 200,000 Vehicles/8,800 highway miles (1,400 Paved)
- Highway Commission Structure Changed Twice

Broadway Bridge dedication, 1922. View is looking towards North Little Rock.

Repair Shop of State Highway Department, Little Rock, early 1930s.
The Thirties

• Gas Tax Raised to 6.5 cents per Gallon

✓ 1960’s Before Next Increase

• 255,000 Vehicles; 9,300 Highway miles (3,000 Paved)

• Commission Structure Changed Two More Times
The Forties

Dillard’s Ferry, a hand-cranked operation, crossed the Buffalo River at Highway 14 from 1929-1958.

Operation of the Henderson Ferry at Norfork Lake cost $117,981 for 1947-48. During this period 189,856 vehicles were ferried over at an average cost of 62¢ per vehicle.

- **World War II – Major Influence**

- **455,000 Vehicles; 9,700 Highway Miles (4,900 Paved)**

- **Commission Structure Changed Two More Times**

- **Too much Political Influence on Highways – Growing Discontent**
The Fifties

- 1951 - Highway Audit Commission Report
  ✓ “the advice, counsel and expert know-how which is available from the Department’s own technical and administrative staffs bear scant weight indeed when they are in conflict with the political pressures and political promises of the moment.”

- 9 Legislative Acts Restructured Commission since 1913
- 1952 – Mack Blackwell Amendment

Widening Hwy 67 near Malvern, 1956
The Sixties

- No changes to Commission Structure
- Arkansas - National Forefront in Interstate Construction/Completion
- Legislature transferred 3,400 miles of County Roads to Highway System
- 1.1 million Vehicles; 14,500 Highway Miles (13,000 Paved)
The Seventies

- Department became Debt Free
- Legislature transferred nearly 1,000 more miles of County Roads to Highway System
- Department adds “Transportation” to its name – Authority Expanded
- 1.7 million Vehicles; 16,000 Highway Miles (15,000 Paved)
The Eighties

- 1985 - Rural Road Program – out of the mud
- Early Retirements – huge workforce turnover
- 2.0 million Vehicles; 16,200 Highway Miles
The Nineties

- 1991 Highway Improvement Program planned to improve or replace approximately 560 bridges.
- Section of Hwy 7 named first Scenic Byway of Arkansas.
- Dedication of I-540 and Bobby Hopper Tunnel, 1999
- 1993 – Last Federal Gas Tax Increase
- 1999 – Last State Gas Tax Increase
- 1999 – Interstate Rehabilitation Program – First highway bond issue in 50 years
- I-540 (now I-49) and I-530 completed
- 2.1 million Vehicles; 16,400 Highway Miles
The New Millennium

Winter Weather in Dec 2000 and Jan 2001 cost almost $40 M.

- Governor’s Working Group on Highway Funding
- New White River Bridge on Hwy 64 at Augusta opened in 2001.
- 2011 – 2nd Interstate Rehabilitation Program
- 2012 – Connecting Arkansas Program
- 3.0 million Vehicles; 16,400 miles State Highways
Funding
Challenges

➢ 12th largest system in the country

➢ 41st in highway revenue per mile
The Journey So Far

The Problem

• Flat Revenues

• Inflation

Temporary Solutions

• 2010 Blue Ribbon Committee Report

• 2017 Governor’s Working Group

Permanent Solution

• 2019 Governor’s Long Term Funding Plan
Funding Troubles, Soon to Improve

Excludes County & City Aid funds | Excludes CAP funds
In 1998, **200 lane miles** of highway could be overlaid with $10 million.

In 2018, **90 lane miles** of highway could be overlaid with $10 million.
The Journey So Far

The Problem

• Flat Revenues
• Inflation

Temporary Solutions

• 2010 Blue Ribbon Committee Report
• 2017 Governor’s Working Group

Permanent Solution

• 2019 Governor’s Long Term Funding Plan
Voter Approved in 2012
Provides Temporary Half-Cent Sales Tax
Expires June 2023

ARDOT’s Revenue Dedicated to the Connecting Arkansas Program
Current Connecting Arkansas Program

**Completed**
- Number of Projects: 17
- Miles: 89
- Amount (Millions): $699

**Under Construction**
- Number of Projects: 12
- Miles: 72
- Amount (Millions): $1,839

**Scheduled**
- Number of Projects: 2
- Miles: 7
- Amount (Millions): $170

**Total Program**
- Number of Projects: 31
- Miles: 168
- Amount (Millions): $2,009
Current Connecting Arkansas Program
Highway 70 Widening
Garland and Saline Counties
Current Connecting Arkansas Program
Future US Hwy 412 - Springdale Bypass
Benton County
The Journey So Far

The Problem

• Flat Revenues
• Inflation

Temporary Solutions

• 2010 Blue Ribbon Committee Report
• 2017 Governor’s Working Group

Permanent Solution

• 2019 Governor’s Long Term Funding Plan
November 3, 2020

The Ballot Question: Issue 1

FOR  
Funding from current sales tax continues after June 2023

AGAINST  
Funding from current sales tax ends in June 2023
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<th>2012</th>
<th>2020</th>
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<tr>
<td><strong>For</strong></td>
<td>58.2%</td>
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<tr>
<td></td>
<td>597,215</td>
<td>659,325</td>
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<td><strong>Against</strong></td>
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<td>428,745</td>
<td>532,576</td>
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<td><strong>Total Votes</strong></td>
<td>1,025,960</td>
<td>1,191,901</td>
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<td><strong>Failed</strong> – Less than 50%</td>
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<tr>
<td><strong>Passed</strong> – Greater than 50%</td>
<td>68</td>
<td>72</td>
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<tr>
<td><strong>Passed</strong> – 50% – 60%</td>
<td>41</td>
<td>53</td>
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<tr>
<td><strong>Passed</strong> – 60% or More</td>
<td>27</td>
<td>19</td>
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What Will Issue 1 Do?

• 0.5% Sales Tax Permanent

• Highways, Roads and Bridges

• Not on Food, Motor Fuels, Prescription Meds

• 70% ($206 Million) State Highways

• 15% ($44 Million) County Transportation

• 15% ($44 Million) City Transportation

Every Arkansan Will Benefit!
National Highway Performance & Cost Effectiveness Ranking

2016: 32nd

2018: 9th
### Reason Foundation’s 24th and 25th Annual Highway Report Rankings

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<tr>
<th>Categories</th>
<th>2016-2017</th>
<th>2018-2019</th>
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<td>Urban Interstate Pavement Condition</td>
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### National Highway Performance & Cost Effectiveness Ranking

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<td>Urbanized Area Congestion</td>
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<td>Structurally Deficient Bridges</td>
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<tr>
<td>Overall Fatality Rate</td>
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<td>Urban Fatality Rate</td>
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<tr>
<td>Overall Highway Performance</td>
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Discussion Time