



County Engineers Association of Ohio

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County Engineers Association of Ohio Testimony before the Joint Legislative Task Force on Department of Transportation Issues

Co-Chairs Representative Cheryl L. Grossman and Senator Frank LaRose

DATE: Tuesday, November 15, 2016

Co-Chairs and members of the committee:

Thank you for allowing me to testify before you today. My name is Fredrick Pausch and I'm the Executive Director of the County Engineers Association of Ohio (CEAO).

County engineers rely on the state gasoline tax and license plate fees to fund our transportation infrastructure needs. I am speaking today from a County Engineer perspective here in the state of Ohio. Not ODOT and not from the municipalities or townships prospective. County Engineers are responsible for 26,326 bridges and 28,971 miles of urban and rural roadways that are vital to the combined growth and prosperity of the state of Ohio.

Meeting those needs is increasingly difficult as vehicles have become more fuel efficient and inflation in the construction industry erodes the purchasing power of gas tax revenues. In fact, over the last 8 years County Engineers have received an average of \$8 million dollars less in Ohio Gas Tax revenue than we did in 2008 \$212 million dollars to \$207 million dollars in 2015. Split evenly per County \$2.3 million dollars.

Over the last 4 years there have been many national studies and media reports that reflect our crumbling infrastructure. Just recently, 60 minutes did an expose that America's Infrastructure is in dire straits and upwards of \$200 billion a year is needed to fix our transportation system. I encourage every one of the committee members to go and watch the segment.

The number one job of a County Engineer is to make sure county road and bridges are safe for the travelling public. Bottom line if they are unsafe they are closed. The Federal Highway Administration has established a rating scale for the National Bridge Inventory. This includes bridges that are rated

Structurally Deficient (SD) and Functionally Obsolete (FO) status. SD bridges include deck, superstructure, substructure or culverts that are in poor conditions or are load rated to not be able to withstand a full load of 80,000 pounds. FO are bridges that are outdated with narrow shoulders or less clearance for the Federal Definitions. Only problem is where to find the money needed to replace these bridges. Bridge replacement needs at the local level far exceed that of the state level.

Just talking Ohio County Bridge inventory out of 26,326 county bridges:

- 2,357 are SD and 3,440 are FO for a total of 5,797.
- County Bridges that are over 50 years old total over 9,600 bridges.
 - Usually most bridges are built to at least last 50 years, the general life expectancy of a bridge. These bridges are not getting any younger and will only exacerbate the crisis we are already in Ohio.
- Over 4,600 of our county bridges are one lane in width.
- 3,206 bridges to replace now (posted, closed and SD)
- County Engineers currently replace an average of 175 bridges per year
- 280 bridges recommended replacement level per year
- Equal 105 bridges per year that shortfall in replacements.
- Ohio Counties have replaced 5700 bridges since 2000
 - Back in the early 2000's Counties were replacing many more bridges because costs were lower. Now it costs 2-3 times more to replace so we are replacing much fewer bridges.

Shortfalls considering all available revenue:

Ohio Gas Tax, License Plate Fees, Ohio Public Works, LBR Federal Programs, Other local options (sales tax)

County roadways 28,971 miles

County Engineers are way behind schedule for resurfacing county roadways. The resurfacing schedule for county highways is now averaging 17 years statewide. The average goal of most engineers is to repave roads on a 7-10-year cycle. Cost of asphalt replacement is \$75,000 per land mile and chip n seal

is \$13,000 per lane mile. County Engineers have turned county roads back to gravel. Gallia County now has 112 miles of gravel roads.

Alternative methods for funding the construction and maintenance of Ohio's roadways and infrastructure.

1. Extend the Ohio Bridge Partnership Program that has become a model bridge building program in the nation tackling the most urgent needed county bridges.
2. Change the Ohio gas tax distribution formula. Currently Ohio Counties get 11% of the gas tax
 - a. ODOT is responsible for only 16% of public roads in the state, which leaves local governments responsible for the majority of the public roads at 84%. Local governments include counties, townships and municipalities.
3. Capture electric cars/CNG vehicles in a paying system.
4. Explore VMT tax (vehicle mile travel) We can't afford to wait on Washington DC anymore.
 - a. Oregon is the first state to pilot this project.
5. Look at different options for tolling.
 - a. Illinois, Florida, and West Virginia are prime examples.
6. Public-Private partnerships.
 - a. Canada, U.K. and Australia have strongly implemented these policies and have companies share the cost of local infrastructure. Already authorized in 32 states including Ohio.
7. Allow more local options for taxation HB 528 (Ruhl) increase local permissive license plate fees.
8. Allow individual counties and cities to implement their own gas tax. Local option Fuel Taxes 29 states already do this.
 - a. City of Portland is one of the latest ones to take advantage for their infrastructure needs.
9. Ohio should evaluate our current gas tax collections whereas gas prices are the lowest we've had in 12 years and far below many surrounding Mid-West states.

Why is Ohio falling behind other states in evaluating new efforts on transportation funding?

- New Jersey just passed 23 cents increase in their state gas tax.
- Iowa increased their state gas tax 10 cents a gallon.
- Alabama just authorized tolling authority in some of their counties.
- Missouri is talking about raising the state sales tax by a penny to generate \$8 billion dollars over the next 10 years.
- Oregon has already perfected a Vehicle Miles Traveled fee (VMT) to deal with hybrids and electric cars and other alternative fuels of the future.
- Virginia is talking about scrapping their state gas tax and replacing it with an increase in the state sales tax.
- Maryland is talking about raising their gas tax by 15 cents and phasing it in over a number of years. They expect to raise \$800 million over the next 20 years.
- Even our neighbor to the north, Michigan, just passed a \$1.2 billion roads and bridge package increasing state gas tax by 7 cents and diesel tax to the same point as the gas tax. With 60% of that money solely designated for local and county roads. And, also increase license registration fees \$20 per vehicle.
- Finally, Texas has just introduced two bills to dedicate to TxDOT the 6.25% sales tax levied on new and used vehicle purchases. This proposal would raise \$3 billion per year to build roads, bridges and other infrastructure needs.

One final point:

CEAO wants Ohio to be open for business, to be the leader in the nation for commerce and services but to do that we need a strong infrastructure. The need for adequate, consistent and reliable funding for Ohio's local infrastructure is now more critical than ever, and CEOA wants to be partner in this transformation.

Thank you and I'll be happy to answer any questions that you might have today.

Five attachments:

- Ohio Bridge Partnership Program
- County Engineers Ohio Gas Tax Revenue
- Taxpayer Political Cartoon
- State Gasoline Taxes
- Map of Current state of county bridges

OHIO BRIDGE PARTNERSHIP PROGRAM

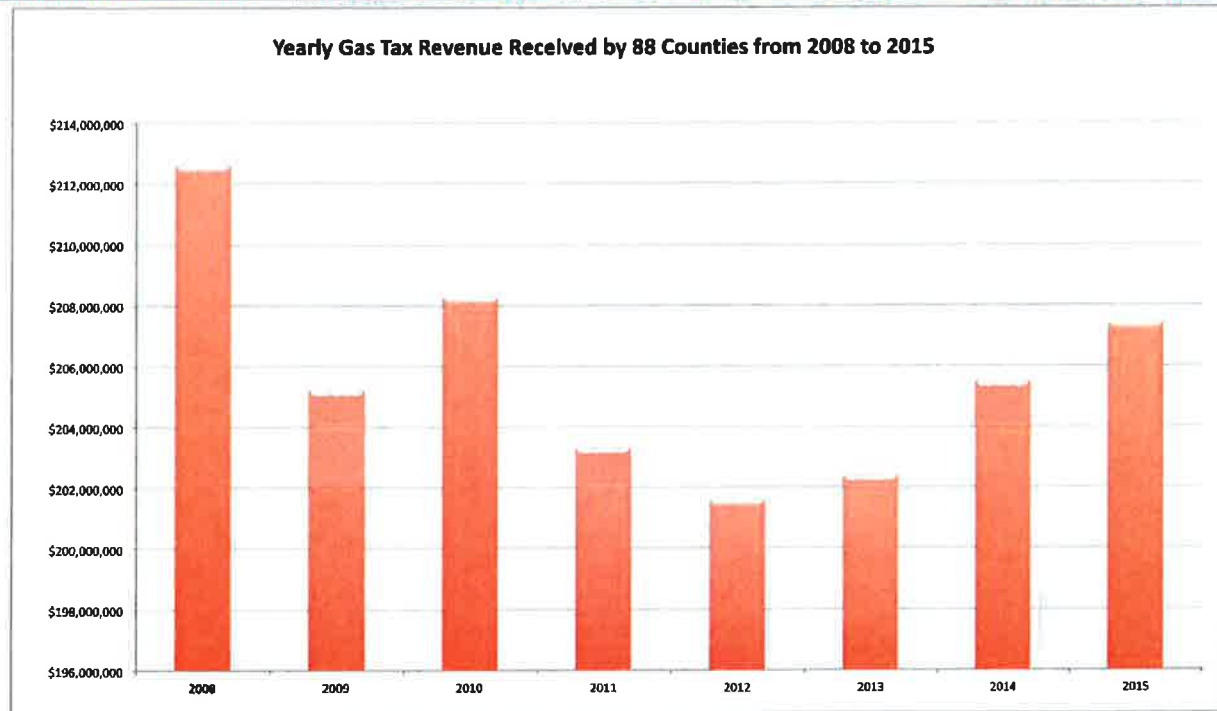
SUMMARY

- **Governor Kasich announced in October 2013 that Ohio would invest \$120 million to repair or replace more than 225 county and city-owned bridges between SFYs 14-17.**
 - Ohio #2 in nation with number of bridges
 - Ohio's bridges are better than national average, but many are waiting for much needed repair
 - Objective was to address immediate needs
 - Identify quick and effective solutions
- **Partnered with Ohio CEAO, Ohio General Assembly, OCA, ACEC and MPOs**
- **Commitment to build 226 bridges**
 - Design-build and sold in packages
 - Coordinated with locals and MPOs
- **Initial program all phases funded 100%**
 - \$120 million for construction; 80/20 split Garvee Bonds and Toll Revenue Credit
 - \$10 million for consultant support with NEPA, ROW and Design Scope processes
- **Bridge Selection Criteria**
 - Structurally Deficient
 - Meets Federal Definition (greater than 20 ft.)
 - Carries Vehicular Traffic and Open
 - Local Maintenance Responsibility
 - Not funded by other programs
 - No historic bridges
- **Program Provisions**
 - Bridges remain under local ownership upon completion
 - Some local preferences accommodated, if warranted
 - Keys to successfully bundling include a consistent approach and meeting timeframe expectations
- **Beyond the original commitment**
 - Phase 2 SFY 16/17 – ODOT funded \$10M, 10 county-owned bridges
 - Phase 3 SFY 18/19 – ODOT will fund \$10M, 10 county-owned bridges



OHIO'S 88 COUNTY ENGINEER'S GAS TAX REVENUE HAS DECLINED

	YEARS							
Yearly Gas Tax	2008	2009	2010	2011	2012	2013	2014	2015
Revenue-88 Counties=	\$212,592,072	\$205,189,776	\$208,273,472	\$203,298,128	\$201,579,928	\$202,389,968	\$205,470,672	\$207,390,736
CHANGE FROM 2008 REVENUE=		(\$7,402,296)	(\$4,318,600)	(\$9,293,944)	(\$11,012,144)	(\$10,202,104)	(\$7,121,400)	(\$5,201,336)



In the last seven years, Ohio's 88 counties collectively have received an average of \$7,600,000 less per year than was received in 2008 from gas tax revenue.

Source of data: Ohio Department of Taxation

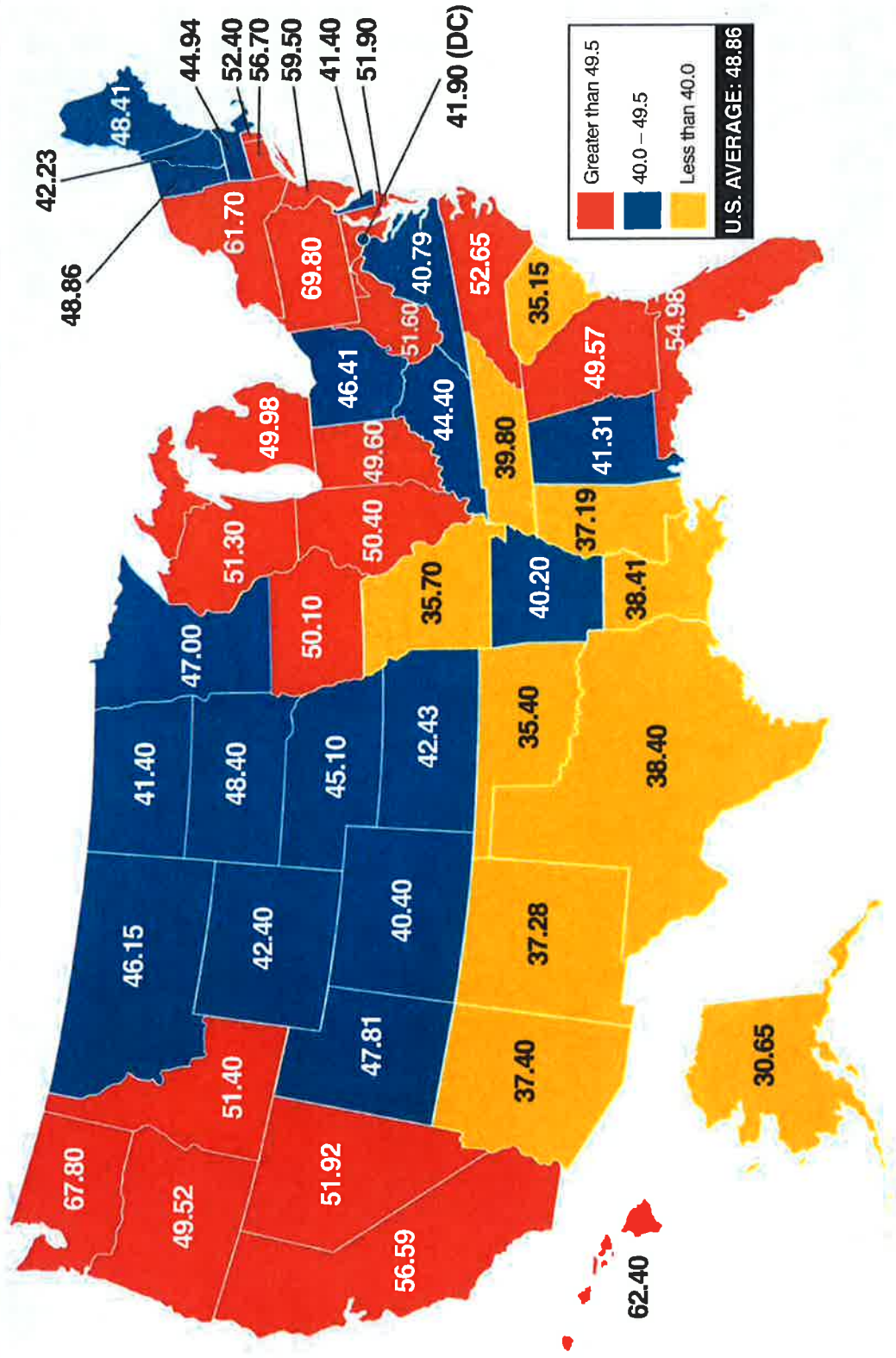




AMERICAN PETROLEUM INSTITUTE

GASOLINE TAXES

COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)
RATES EFFECTIVE 11/1/2016



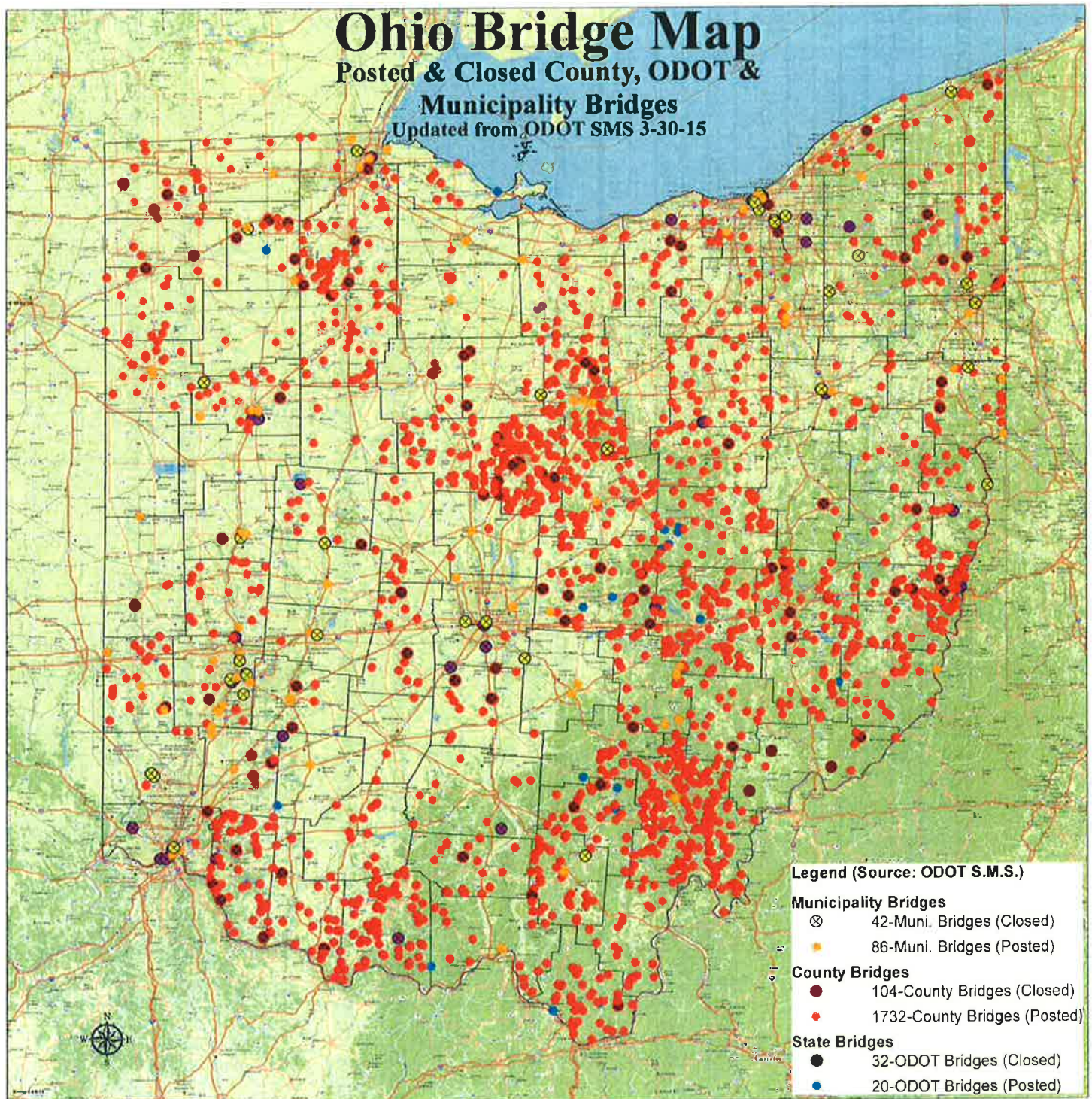
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Ohio Bridge Map

Posted & Closed County, ODOT &

Municipality Bridges

Updated from ODOT SMS 3-30-15



Wayne County Engineer's Office

Major Expenses and Receipts

Percent Increase since 2003

(* <http://data.bls.gov/BUSDPDQ/outside.jsp?survey=pc>)

(** www.wayne-county-engineer.com)

