

# Transportation Infrastructure Funding



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# County Responsibilities



## ∞ County Roads

- General responsibility to construct, reconstruct, improve and maintain public roads designated as county roads
- General responsibility to maintain the road rights of way and to keep them free from obstructions
- Review and approve requests for utility and other installations in the rights of way
- Winter snow and ice control
- Unique relationship with Townships on their roads

# County Responsibilities



## ∞ County Bridges

- Responsible for the construction, improvement, replacement and maintenance of designated county bridges
- Includes bridges on county roads, township roads and some roads inside municipalities
- Bridges by definition are structures with a span of 10 feet or larger
- Ohio Definition vs. Federal Definition
- All bridges inspected annually, by law

# Related Responsibilities



- ✂ Maintain the county tax maps and highway map
  - Includes the review of legal descriptions for all real estate transfers in the county
  - Review and maintenance of Land Surveying records
- ✂ Engineering assistance to townships
  - Roads
  - Culverts

# Road and Bridge Projects



- Force Account
  - Work performed by combination of county labor equipment and materials
  - Statutory Limits based on the estimated cost of the work
  - Limits allow only smaller bridge projects and road maintenance work
- Contract
  - Competitive bidding
  - Prevailing wage contracts

# Shared Services



- ✂ Counties are heavily involved in shared services
  - Varies by county
  - Statutory relationship with townships
  - Shared service agreements with other gov't agencies
    - Snow and Ice control
    - Mowing
    - Equipment sharing
  - Cost sharing on joint projects

# Road and Bridge Conditions



- ✎ Counties responsible for **26,326** bridges statewide – 60% of the bridges in Ohio
  - **5797** of those are classified as Structurally Deficient or Functionally Obsolete
  - **9600** county bridges are over 50 years old
  - **3206** have posted/reduced load limits
  - Statewide, counties are replacing **175** bridges per year
  - On average, **280** bridges need replaced each year to maintain the system – **105** per year shortfall

# County Roads



- ✎ Counties are responsible for **28,971** miles of roadway
  - Life cycle of road resurfacing and or sealing is 7 to 10 years
  - The current average cycle statewide is over **17 years**
  - Some counties are faced with turning hard surfaced roads back to gravel





# Transportation Funding



## ☞ Gas Tax

- State of Ohio Gas Tax is 28 cents per gallon
- Last increase 2002 –6 cents over three years
- 11% of state gas tax allocated to counties
  - 2015 each county received **\$2.3M**
  - Gas tax revenue is down by \$8M over the last eight years
    - Less consumption
    - Higher fuel efficiency
    - Alternative fuel vehicles
  - 1 cent of state gas tax generates **\$52M** per year

## ☞ Federal Gas Tax – 18.4 cents per gallon

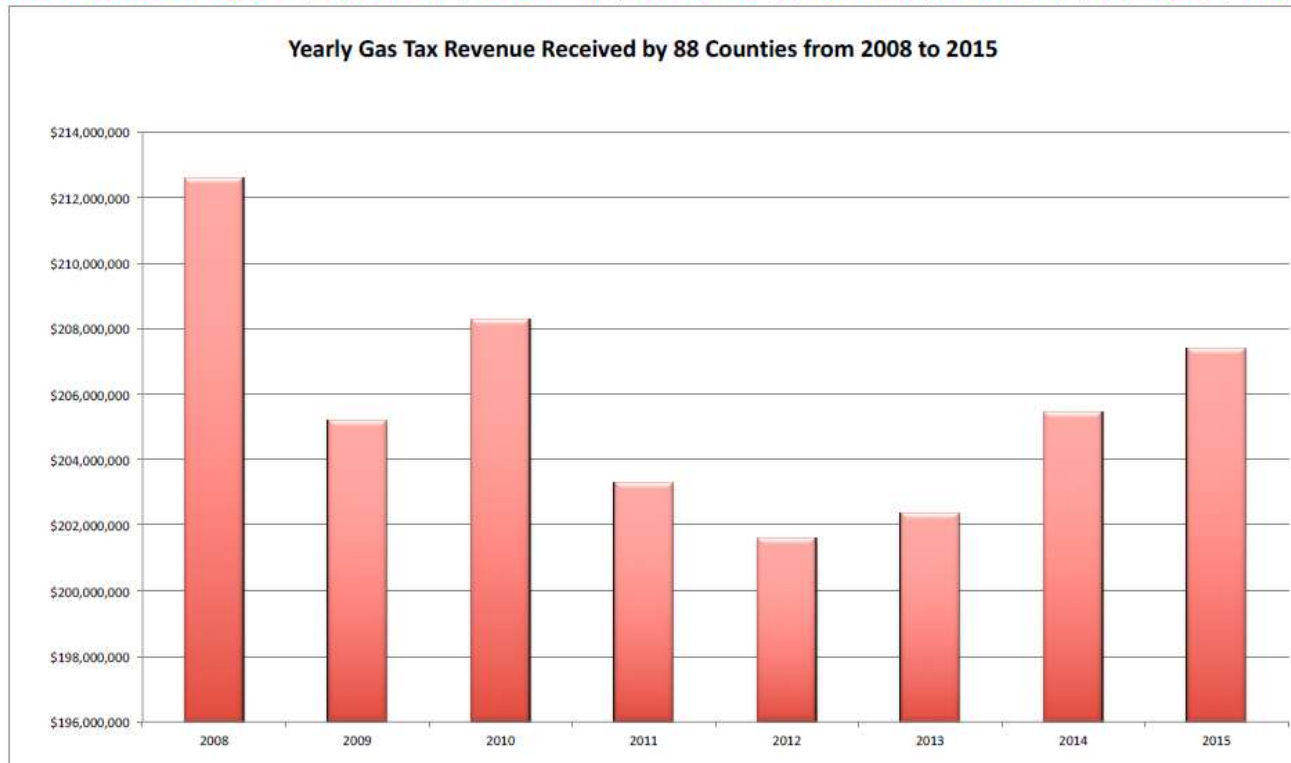
- Last increase 1993
- Funds State and Federal system and some local projects

## ☞ Gas prices are currently at lowest rate in 15 years

# Declining Gas Tax Revenue



	YEARS							
Yearly Gas Tax Revenue-88 Counties=	2008	2009	2010	2011	2012	2013	2014	2015
	\$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 \$7,800,000 less per year than was received in 2008 from gas tax revenue.

# Transportation Revenues



## Motor Vehicle Registration Fees

License Fee	34% Distributed to Municipality	47% Distributed to County	9% Distributed to all counties based on county road mileage	5% Distributed to all townships based on township road mileage	5% Distributed equally to all counties
\$20.00	\$ 6.80	\$ 9.40	\$ 1.80	\$ 1.00	\$ 1.00

- Additional Permissive available in three, \$5 increments
- 29 Counties implemented the full \$15 permissive
- 11 Counties implemented \$10
- 21 Counties implemented \$5

# Other Revenue Sources



## ∞ Federal Aid Programs

- ODOT, CEAO, MPO's

## ∞ Ohio Public Works Commission

- SCIP
- LTIP

## ∞ Local options

- Permissive Registration Fee (\$5 increments)
- Property Tax
- Sales Tax
- General Fund assistance

# Construction Costs



∞ While revenues decline, costs have increased

Material	Cost increase since 2005
Concrete	25%
Asphalt –FOB plant	183%
Asphalt – in place	192%
Aggregates	92%
Re-Steel	85%
Salt	133%

# Gas Tax and Motor Vehicles Registrations



- ∞ The significance of each funding source varies by the size of the county
- ∞ No “one size fits all” solutions

	% total revenue from Gas Tax	% total revenue from MVR
3 Largest Counties	8%	92%
3 Smallest Counties	72%	28%

# History of Ohio Gas Tax

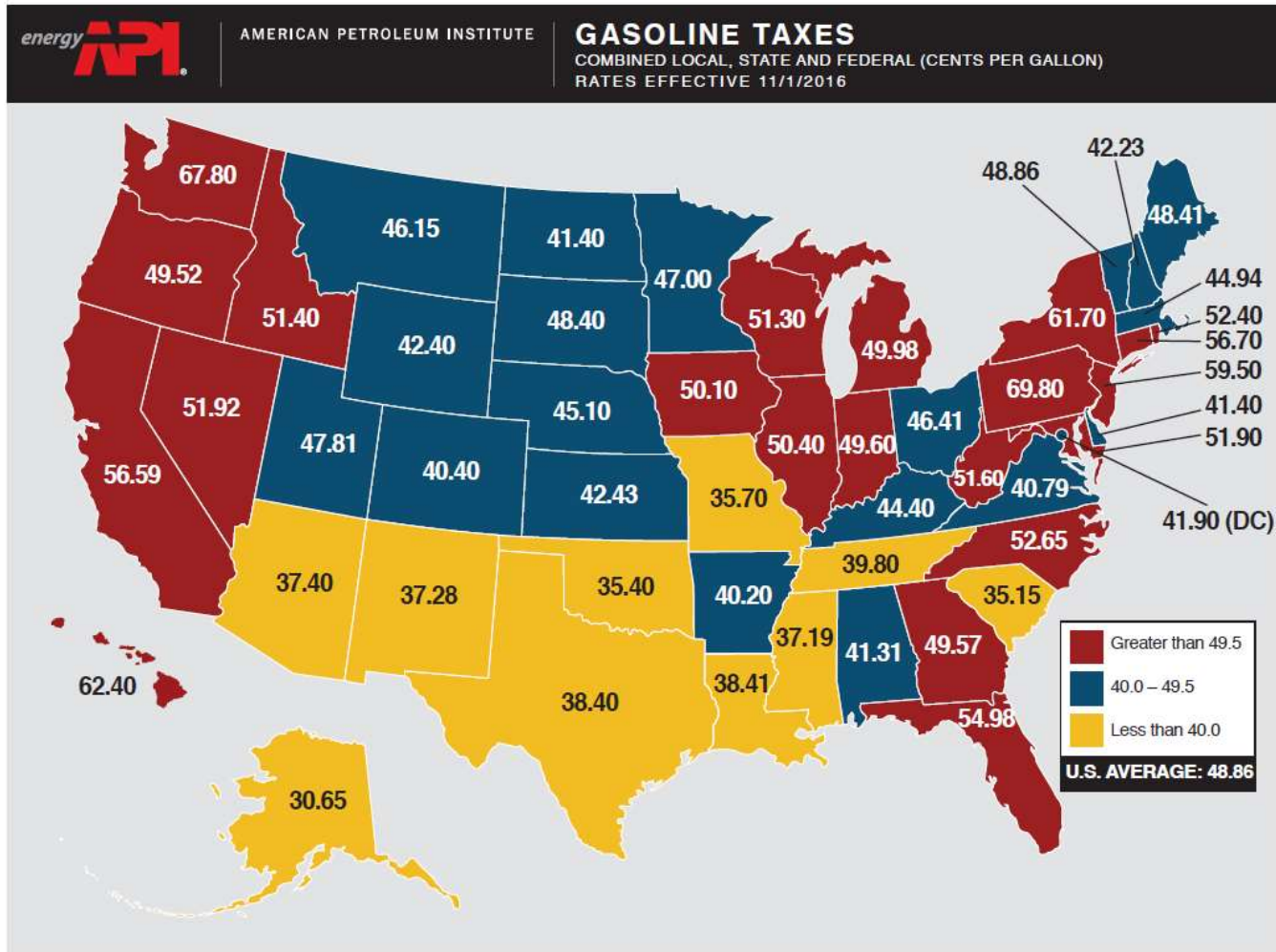


1925	2 cents per gallon tax enacted.	2 cents
1927	1 cent increase	3 cents
1929	1 cent increase	4 cents
1933	1 cent decrease	3 cents
1947	1 cent increase	4 cents
1953	1 cent increase	5 cents
1959	2 cent increase	7 cents
1981	3.3 cent increase, Ohio Motor Vehicle Use Tax becomes effective July 1, 1980.	10.3 cents
1982	1.4 cent increase	11.7 cents
1983	0.3 cent increase	12 cents
1987	2.7 cent increase	14.7 cents
1988	0.1 cent increase	14.8 cents
1989	3.2 cent increase	18 cents
1990	2 cent increase	20 cents
1991	1 cent increase	21 cents
1993	1 cent increase	22 cents
1995	Ohio joins the International Fuel Tax Agreement (IFTA) <sup>1</sup>	
2003	2 cent increase	24 cents
2004	2 cent increase	26 cents
2005	2 cent increase	28 cents

<sup>1</sup> IFTA is a pact between the lower 48 states and Canadian provinces that simplifies the reporting of fuel taxes by carriers operating in more than one of these jurisdictions. IFTA is administered by the International Fuel Tax Association, an Arizona non-profit corporation. IFTA audits are conducted for Ohio by the Ohio Department of Taxation.



# Combined Federal and State Gas Taxes





# Coalition of Local Government and Industry Partners



- ☞ Phil Parker, Pres & Chris Kershner, VP, of Dayton Area Chamber of Commerce (DACC) Express Support for Perm Lic Fee Increase, 12/14
- ☞ Convened meeting at DACC with 10 county engineers, 1/30/15
- ☞ CEAO Ex Dir Fred Pausch & Paul Gruner tape DACC's TV Show at DATV, to be aired for the next month, 3/31/15
- ☞ Phil Parker, Chris Kershner, Comm Dan Foley & Paul Gruner meet with Cox Media Group, 6/2/15
- ☞ Phil Parker meets with MC BCC at work session, 7/28/15
- ☞ Phil Parker, Chris Kershner, Fred Pausch, Michael Evans, & Paul Gruner Meet in Columbus to develop strategy, 1/25/16

# Coalition of Local Government and Industry Partners



- ✎ Added members for further meetings – Ohio Contractors Assn, ACEC Ohio, ASCE, OSPE, Ohio Trucking Assn, Intl Union of Operating Engineers, Am Petroleum Inst, Ohio Chamber of Commerce, Ohio Aggregates (OAIMA), AGC Ohio
- ✎ Met 4/15/16 & 7/11/16

# Legislative Efforts



- ✧ HB 528 VEHICLE LICENSE TAXES Introduced 4/20/16
- ✧ OCA unveils brochure “Ohio Highway Funding – Paying Our Way”, advocating \$0.05 fuel user fee increase for 3 years, totaling \$0.15 increase, 8/16
- ✧ Joint Legislative Task Force on Transportation Issues Meets for just 2<sup>nd</sup> Time, 11/15/16, Fred Pausch testifies along with OCA and numerous others
- ✧ Joint Legislative Task Force on Transportation Issues - Report due 12/15/16

# Other Funding Options



- ✎ Vehicle Miles Traveled Fees
- ✎ Fees on Alternative Fueled Vehicles – Hybrid, Electric, CNG
- ✎ Tolls
- ✎ Additional Sales Taxes on new vehicles
- ✎ Additional Sales Taxes on tires
- ✎ Various methods of bonding (This is financing, not funding)
- ✎ PPP
- ✎ Etc, Etc

# Federal Funding

## The Highway Trust Fund



- ⌘ Congress has been using the General Fund and various gimmicks to prop up the HTF even at current levels. The Federal fuel user fee is a fixed amount, 18.4 cents/gal, not %, and has not been increased since 1993, so a substantial increase is needed just to make up for inflation
- ⌘ Beating our heads against the wall for fuel user fee increase
- ⌘ American Road & Transportation Builders Assn (ARTBA) New Proposal
  - BOLD Act
  - REDUCES gas & diesel user fees by 5 cents/gal
  - ELIMINATES 12% federal excise tax on new trucks, tires, etc
  - Creates 6.25% “Highway Transportation Service Tax” on shipping goods – the same as current 6.25% Air Cargo Tax
  - Creates tax on initial purchase of alternative fueled vehicles - \$870 for all electric, \$440 for hybrid, and \$740 for 85% ethanol vehicles



# Questions