



Ohio Contractors Association

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House Bill 62 – Transportation Budget

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Testimony of Chris Runyan, President

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to testify today as a proponent of House Bill 62.

My name is Chris Runyan and I am the President of the Ohio Contractors Association (OCA). OCA was founded in 1918 and represents 205 heavy/highway contractors and 295 associated firms that supply goods, materials, and other services to contractors. Our membership performs approximately 85% of the competitively bid, capital construction work awarded by the Ohio Department of Transportation (ODOT) and local governments on an annual basis. OCA is a founding member of the Fix Our Roads Ohio coalition.

You have heard an abundance of testimony regarding our highway and bridge system conditions, its needs, and how we are falling short of meeting those needs. One related item that you haven't heard much about is jobs and the potential boost to Ohio's economy resulting from enhanced highway construction funding. The industry tasked to perform much of the work utilizing the funds that are being debated is more than a conglomeration of companies of all sizes and specialties. They are job creators. There are approximately 17,000 jobs in Ohio that are directly related to highway, street and bridge construction. These are individuals that are employed as laborers, equipment operators, carpenters, cement masons, truck drivers, electricians, engineers, and a myriad of other skilled men and women. And the impacts of the wages and benefits these individuals earn in combination with the purchasing of materials such as asphalt, concrete, pipe, equipment, insurance, plus much more, ripples through the entire economy.

Please do not believe for a minute that when ODOT's transportation capital program drops by \$700 million over six years there isn't an impact to Ohio's economy. In a study the Fix Our Roads Ohio coalition commissioned, we asked that very question – "What are the impacts to Ohio's workforce and economy when ODOT's capital construction program is reduced by \$700 million?" That amount was based on ODOT's capital program in 2015 and what was initially anticipated for 2020. The results help us

understand how transportation investment decisions can impact the trajectory of the economy and quality of life in Ohio.

That \$700 million of additional investment, was predicted to sustain an additional \$2.5 billion per year in output, tax revenues, earnings and user benefits, and \$817 million in annual contributions to the Gross State Product. It would support an additional 9,000 jobs with earnings averaging \$430 million per year. The higher level of construction activity and planning & design work, as more highway and bridge projects and repairs are possible, would have an economic ripple effect across other sectors of the economy stimulating an additional \$1.6 billion in annual sales for local businesses. The user benefits for Ohio drivers and businesses are estimated to total \$400 million per year in lower congestion levels, safer roads and improved conditions. As you can see, a drop in ODOT's program impacts more than just highway and bridge conditions. It has economic and quality of life impacts which should not be discounted.

Putting on my Fix Our Roads Ohio hat for a couple of minutes, we appreciate the thoughtful dive this body and the administration has taken into our state's roadway and bridge funding problem. We whole-heartedly endorse the proposal of an 18-cent increase in the motor fuel user fee and having that indexed to the CPI. This is a robust, yet practical increase and we are grateful to Governor DeWine for this bold recommendation. Doing nothing is not a response to this crisis that Ohio can live with.

Though not included in the administration's bill, encourage the creation of an annual fee for alternative fuel vehicles that falls within the range of fees demonstration by 20 other states across the country.

Looking to the future, it is time that Ohio more aggressively engage in the national dialogue regarding the successor to a petroleum-based revenue stream for highway and bridge construction and maintenance. Barring other evolutionary leaps in some as-of-yet unknown technology, the consensus within the transportation community is that successor will be based on vehicles-miles-traveled. Make no mistake, that is not a 3-to-5-year solution but, rather, a 10-to-15-year solution in my opinion. We are heavily invested in autonomous vehicle technology development. We need to have the same level of commitment to vehicle-miles-traveled technology. Without roads to drive them on, autonomous vehicle technology won't get us very far.

We do support identifying a dedicated general revenue fund source for public transit and we are pleased that they are a part of the FOR Ohio coalition. Given the high concentration of metropolitan areas and the great needs for rural mobility among various segments of our population, the state should rightly be a stronger partner in servicing the mobility needs of those who desire to utilize a transit option as well as those who find it to be their only affordable or available form of transportation.

We are now at a critical decision point on how we are going to address the condition of Ohio's highways and bridges into the future. I have been a part of groups talking about this 2 to 3 years ago when then-Representative Cheryl Grossman collected many of the highway and transit interests together for a series of meetings about this very matter. I don't know if there was some report produced that is sitting on a dusty shelf, but it is clear the message didn't want to be heard then and, until this Governor and this Director took office, it didn't want to be shared during the past year. But here we are. There are options that bring in revenue, but none bring in the amounts of money we are talking about, as quickly as we are talking about, from a user source that has been tested since the 1920s, that is constitutionally protected for investments only for highways and bridges, and with as minimal impact as possible to those who provide it. Without the revenue, the wave of projects out in front of us only gets bigger and bigger and that is how system conditions and efficiency break down. It doesn't work like a light switch. It claims a handful of bridges here and cracking in pavement there until we wake up one day and wonder why our accidents rates are going up, or we seem to be stuck in traffic more often, or we're facing another bill because of a pot hole. Each of these are just hidden taxes that are placed upon the citizens of Ohio by inaction. I ask that you vote in favor of House Bill 62 so that the roadway and bridge system in Ohio remains the largest and best maintained asset we have in our arsenal to retain economic vibrancy and improve the quality of life for everyone who calls Ohio home.