



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Ohio

ACEC Ohio written testimony on H.B. 62
March 13, 2019

Chairman McColley, Vice Chair Uecker, Ranking Member Antonio and members of the committee, my name is Beth Easterday and I am President of the American Council of Engineering Companies of Ohio. We are proponents of House Bill 62, which contains new revenue to solve the financial crisis of funding Ohio's roads and bridges. ACEC Ohio is a non-profit trade association comprised of more than 130 companies representing over 7500 employees in Ohio. Companies that provide a wide array of engineering and other professional services for all types of construction and environmental improvement projects around the state. In Ohio alone, our industry provides services worth more than \$1 billion annually.

Our primary focus is on delivering results for our clients and improving conditions for transportation users. The most satisfying result of our direct engagement with ODOT, municipalities, counties and others is the partnership established in achieving the vision. Results are what matters.

Our clients have needs, either improving safety, eliminating congestion or improving accessibility, to name a few. They strive to be competitive and improve economic development opportunities in order to survive and be more attractive to the private sector. These challenges and priorities are the same regardless of location. Rural needs are as plentiful as urban needs.

Through direct interaction with our clients, we are continually challenged to identify revenue to meet current local improvement needs, let alone plan for the future. Often, the local resources are not sufficient to cover the expense and local jurisdictions are faced with a "make due" or "do nothing" result, which ends up putting them further behind. Cities and townships can't afford to upgrade road pavement, rebuild older bridges and fix unsafe intersections, for example, when they use up nearly their entire budgets to fill potholes and plow snow. ACEC members work in partnership with Ohio's communities to identify alternative funding, but this often means borrowing against the future or accepting risks to meet critical investment needs. Again, this just puts them further behind and jeopardizes their ability to attract new businesses and jobs.

The efficiency and condition of Ohio's transportation system is critical to the health of the state's economy – and to the economic health of our engineering businesses and employees. Consulting engineers are the first to see the down-turn in work, in fact since January 2015, our industry has reduced transportation related job positions by over 200 with combined annual salaries of \$16 million and overall business revenue impact of \$50 million. The lack of funding for critical infrastructure projects in Ohio has forced many of my members to seek offices in states where



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funding is available including Michigan, Indiana, West Virginia and Pennsylvania. The ability to maintain their talent in Ohio is hampered as work diminishes and staff must move to where the work is. In addition, engineering college graduates in Ohio are seeking employment in other states as companies in Ohio are downsizing.

The Governor created an advisory committee to review transportation infrastructure in Ohio. That committee recommended an increase in the motor fuel user fee as the most efficient way to increase revenue for ODOT and local governments to fund projects. These findings and recommendations are not new. In fact, a joint House and Senate task force released a report in December 2016 that stated: “an unchanged motor fuel tax rate for Ohio and the federal tax rate has bought forward many concerns about infrastructure needs not being met.” The report went on to state that “There has been an increase in the number of roads and bridges that must be maintained, and construction costs have increased, including materials and labor.” With the final recommendation stating “Transportation infrastructure funding improvements are critical to help keep Ohio attractive to current and prospective employers. Therefore, the Task Force recommends that future budget discussions give consideration to ways to generate more revenue and how that will affect Ohio’s standing as a premier location for business investment.”

Those future budget discussions are right now. We are here to tell you that the engineering consulting business wants to stay in Ohio, grow our businesses in Ohio, and hire good talent in Ohio -- but the current funding situation for transportation is not conducive to increased business investment.

The Department of Transportation should be commended for digging deep to find efficiencies and pledging to find \$100 million more, but the reality is that our state’s \$115 billion transportation system—and billions more on our local transportation system has too many failing roads and bridges to take care of without more funding. Our ability to maintain mobility and safety while fostering economic growth has fallen grossly behind.

The motor vehicle user fee is the most immediate and efficient way to raise revenue for Ohio’s roads and bridges. This revenue source is constitutionally protected for use only on roads and bridges. On behalf of the 7500 employees ACEC represents, I urge you to act now and support the administration’s proposed increase of 18 cents in the motor vehicle user fee with indexing the Consumer Price Index annually going forward to maintain purchasing power. This is an immediate influx of revenue to address the current system needs and it’s an investment in Ohio’s transportation future ensuring safe, effective and efficient transportation for all Ohioans.

Thank you for your consideration of our testimony.