



Ohio Contractors Association

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**HOUSE BILL 62 – Transportation Budget
Testimony of Chris Runyan, President
March 13, 2019**

Chairman McColley, Vice Chair Uecker, Ranking Member Antonio, and members of the Senate Transportation, Commerce & Workforce Finance Committee, thank you for the opportunity to testify today as an interested party of House Bill 62.

My name is Chris Runyan and I am the President of the Ohio Contractors Association (OCA). OCA represents 205 heavy/highway contractors and 295 associated firms that supply goods, materials, and other services to contractors. Contractors are job creators. There are approximately 17,000 jobs in Ohio that are directly related to highway, street and bridge construction. Those jobs, and attracting craftsmen and women in the future, rely on strong transportation funding programs at the state and local levels of government. Public sector work is critical to this industry as 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.

The Fix Our Roads Ohio Coalition first started to meet in late 2017 with a small circle of highway transportation groups such as ourselves. It was recognized that we must begin to educate others about the impending dramatic drop in available highway dollars. The Coalition has grown substantially with a common recognition that something must be done. The initial budget submitted by ODOT to OBM in the waning months of the Kasich administration proved that our fears were playing themselves out for ODOT. At the same time, we recognized that the ODOT shortfall translated into a local government shortfall where system conditions were shown to be in even worse than ODOT's.

The two most prominent factors to overcome in achieving a baseline state are the historic impact due to inflation and the conclusion of the bonding programs. Just to say that's enough, though, does not recognize that Ohio's transportation system must advance into the future. House Bill 62 as passed by the House does not address major projects coming from the TRAC process nor does it sufficiently address needed safety improvements that must be a focus for the well-being of Ohio's motorists. It is a proposal that, as ODOT Director Marchbanks described, barely fulfils the need for maintenance for two years and then once again falls behind.

In this discussion, we must also remember the many and varied transportation needs from local governments around the state. Each local entity is painfully aware of poor pavements and bridges within their jurisdiction.

In better meeting both state and local needs, the Administration proposal remains the correct choice to address Ohio's system condition needs and we urge the Senate to return to the 18-cent per gallon increase.

Indexing is another proposal that was removed from the Administration's proposal. Indexing is not about retaining the "status quo" into the future. Indexing is about fighting off the impacts of inflation which we do not control. Year-after-year the purchasing power of the motor fuel user fee declines. Our neighbors to the north and west have recognized that fact. Ohio should address those inflationary pressures as well by including indexing in this legislation.

I do appreciate that there are concerns about allowing motor fuel user fee increases to occur without action by the legislature and I offer some suggestions for calculating the increase in a manner that could possibly ease those concerns. I would suggest an annual adjustment made on July 1 of each year and the amount be applied to the then-existing motor fuel user fee rate in effect. Instead of adjusting by rounding up to one cent, the adjustment should be in tenths-of-a-cent increments with an annual cap of one-cent. I believe this would moderate the rate of increase and place a cap for years where there is sudden spike. Once the amount of the adjustment is determined, it should be reported to the legislature in a manner of your choosing so that you are informed of the change. In addition, an audit to verify the intended consequence could be performed every four or five years. At any point, the legislature could accept the adjustment as calculated through no action or make desired changes.

Finally, I would like to address the \$100 million in transit funding that was included in the House. The Fix Our Roads Ohio Coalition case statement clearly states and continues to affirm that transit operates for the benefit of many Ohio citizens and it works on behalf of both rural and urban communities. We, also, agree that the state should support funding of transit through a dedicated funding source. We do state, however, that the funding source should continue to be provided through general revenue fund dollars in lieu of federal transportation funds. Regardless of the source, earmarking funds, including federal funds, for purposes other than roadways and bridges, makes the shortfall in funding only greater. We urge the General Assembly to address transit funding in the GRF debate, so the highway needs are better met in the transportation budget.

Thank you, Mr. Chairman, and I would be happy to answer questions.