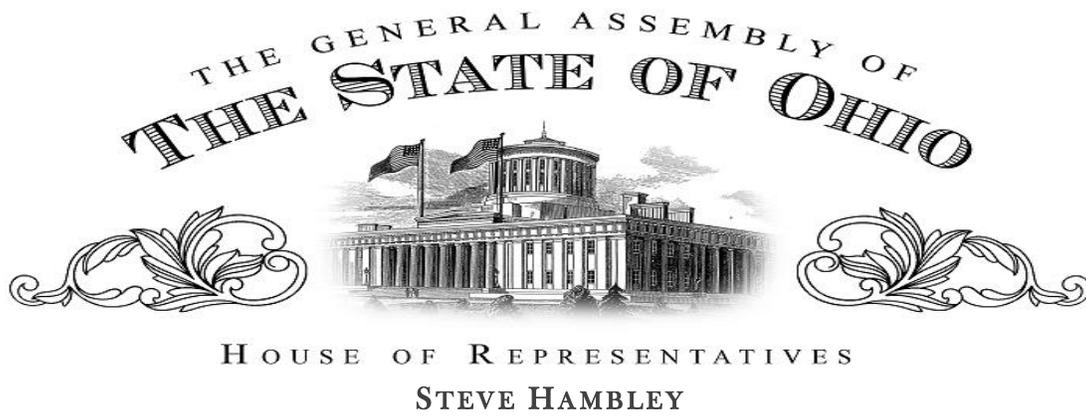


Tuesday, November 17, 2015

Madam Chair Anielski, Vice Chair Ryan, Ranking Member Rogers, and members of the House Local Government Committee. Thank you for allowing me to provide sponsor testimony on House Bill 333 with my joint sponsor, Representative Schaffer. House Bill 333 will increase township force account bidding thresholds. The current thresholds for township force accounts are set at \$45,000 for a road maintenance or repair project, and \$15,000 per mile for construction or reconstruction of a road. House Bill 333 will increase these limits to \$90,000 and \$30,000 respectively.

Force accounts allow townships to perform public works projects while employing their own labor and purchasing materials to complete the job. The limits on force accounts for townships have not been increased since 2003. Raw material prices have greatly increased in this 12 year gap and I believe we must account for the difference. For example, the Ohio Township Association and County Engineers Association of Ohio report that in 2002 it cost \$24,000 to pave one mile of road in Allen County, but by 2013 this cost had risen to \$62,000 per mile. Additionally, Madison Township in Franklin County reported that in 2005 it cost \$30,624 per mile to pave but in 2015 it cost \$70,752 per mile. In a ten year period the cost to pave a road in Madison Township more than doubled, but their force account bidding threshold never changed.

As a Medina County Commissioner for 18 years, I saw firsthand how force account work enables local governments that have the personnel and equipment to run a more efficient operation. Some opponents of increasing the force account limits have argued that this will cause townships to increase the size of their road maintenance crews or encourage them to buy new construction equipment. I mentioned this to some of the township road supervisors in my district and the response was rather unanimous: "With what additional money?" They are not getting any additional revenues from this bill to complete a drainage project, replace culverts, purchase materials, or fix roads. In general, they have seen shrinking tax revenues from the state not more, so I hope you understand their frustration with being asked to do

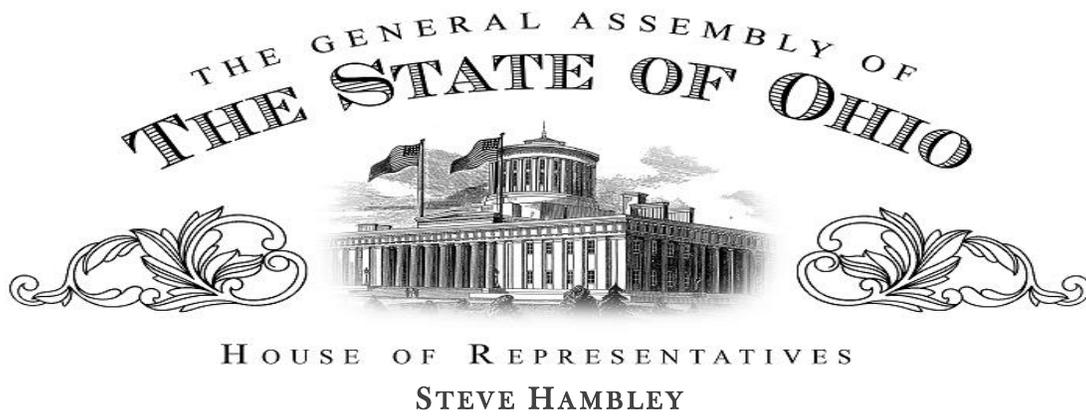


more with less while allowing inflation to increasingly tie their hands in how they manage their own public resources.

In my opinion, readjusting the force account limits for townships to reflect the inflationary costs of construction since 2003 merely helps to restore the decision-making authority of locally elected officials that inflation took away. Many of them have seen reductions in local and state revenues, so any provision that allows them to make the most efficient and effective choices in completing roadway construction or performing public ditch and maintenance projects on township roads should be supported by the state legislature.

By increasing township force account thresholds, we will not be increasing the size of government- the employees are already workers of the township. The townships in my district have reminded me that they have only enough employees for daily routine work required and supplement with part-time and seasonal employees for snow plowing and grass cutting. They won't be taking on large projects, as one road supervisor pointed out to me, "Small jobs don't need competition; they just need to be completed at the least cost and in a timely manner." HB 333 restores for the townships the ability to do that which they lost through inflation since 2003.

Permit me to point out to the committee that there is complete accountability as well as appropriate transparency on these small jobs. Pursuant to current law ORC 117.16, a force account assessment form that is developed by the Auditor of State must be completed before a township can undertake a project. Additionally, the county engineer reviews and signs this form as a qualified expert who understands engineering, roads, and township personnel and materials. The county engineer is required by ORC 5575.01(b) to prepare a detailed estimate for each force account job. The force account projects are then subject to review for compliance with the ORC by the Auditor of State. If a township is found to violate the force account limits there are escalating penalties, ranging from specified reductions in future spending authority to a 20% monetary penalty paid for by withholding of any public funds under the tax commissioner's control that are due or payable to that political subdivision. No doubt, township officials have to take the decision to use force accounts to get these small



projects completed very seriously and with due consideration of the public benefits and needs of the township.

Lastly, I would like to point out that HB 333 will have the additional benefit of encouraging local government collaboration in providing public services efficiently and effectively. In my legislative district, a number of townships have mutual-aid agreements to share equipment and employees. The proposed increased force account limits not only increases their ability to do more projects cheaper in house but also encourages them to continue to share local resources. In my mind, that is exactly what the General Assembly should be encouraging them to do.

Thank you, Madam Chair, for the opportunity to provide sponsor testimony before the Committee. After Representative Schaffer's testimony, we will be happy to answer any questions you or the committee members may have.