



**Department of
Transportation**
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Ohio Senate Transportation Committee

House Bill 54, Transportation Budget for FY26-27

Pamela Boratyn, Director
Ohio Department of Transportation

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Good morning, Chairman Patton, Vice Chair Schaffer, Ranking Member Antonio, and members of the Senate Transportation Committee. Assistant Director/Chief Engineer Dave Slatzer and I are here as requested to further discuss the Department's budget, as passed out of the Ohio House. I have submitted written testimony as well, covering the Department's position on House amendments to our budget as introduced, amendments ODOT respectfully requests be included as the budget moves through the Ohio Senate, and addressing a couple matters that have arisen since my initial testimony. We appreciate your consideration.

First, I would like to thank the Ohio House of Representatives for their support of the bill which will provide more than \$10 billion in funding for critical transportation projects over the next two years. Regarding House amendments made to ODOT's budget, I offer the following thoughts.

Administrative Line Item

A matter of concern for the department is the reduction of an administrative line item by \$58.3 million over the biennium. These funds pay support functions, including payroll for the divisions of Human Resources, Information Technology, Finance, Communications, Legal, and Legislative Services. These funds support required contracts like the biennial Memorandum of Understanding with the Attorney General's Office and litigation costs, the Statewide Cost Allocation Plan payment to the Department of Administrative Services, and IT support contracts. Impacts to ODOT's IT capabilities, including consultant services who maintain key systems, are of special concern. These services, along with IT staff, support many critical software applications and projects, including our salt ordering system, highway safety data, and OhioBuys online purchasing integrations. These cuts would also affect modernization efforts for traffic management, facility maintenance, and customer service systems; and essential services like internet security, help desk operations, cybersecurity, and phone systems. The department will meet its required contract obligations and legal duties.

However, we respectfully request that these funds be restored and appreciate your consideration.

Utility Delay Costs

ODOT appreciates that the Ohio House recognized our efforts to encourage utilities to join ODOT as partners in construction activities. By collaborating closely, we can ensure projects remain on budget and on schedule, ultimately benefiting the motoring public and taxpayers. The proposed legislative language offers a helpful solution that aligns with ODOT's objectives, equipping us with the necessary tools to effectively manage utility relocations. Historically, ODOT has paid additional costs due to delays in utility relocations. In the past decade, the state has incurred over \$50 million in claims related to such delays. This amendment shifts the financial burden of change orders arising from utility relocation delays away from ODOT and onto the entity responsible for the delay. ODOT greatly values the House's willingness to retain this language and requests that it continue to be included as the bill progresses through the Ohio Senate.

Private Transit Voucher Pilot Program

The House included a pilot program requiring ODOT to distribute private transit vouchers to low-income individuals for ridesharing, taxicabs, or vehicle for hire arrangements to see if there is a cost-effective option for eliminating public transit routes with low ridership. The bill earmarks \$1 million in federal highway funding for implementation. While ODOT appreciates the pilot's objective of evaluating rideshare vouchers as an alternative to low-ridership transit routes, the department does not believe the funding earmarked for this program is eligible for this type of program and recommends that a different fund be used for the pilot program.

Workforce Mobility Partnership Program

ODOT also appreciates the House's support for the Ohio Workforce Mobility Partnership Program, which provides \$15 million annually to Regional Transit Authorities (RTAs) for workforce mobility initiatives. The program supports the employment needs of economically significant employment centers by easily, efficiently, and economically transporting residents to the employment center. Unfortunately, the program's reliance on restrictive Federal Transit Administration Flex Funding has proven problematic. We were able to make all allocations but there were some otherwise worthy projects we were unable to fund because they were not eligible for this federal funding. ODOT continues to recommend Transit look at a funding source which would offer greater flexibility.

Pavement Selection

The House-Passed version included a requirement for ODOT to establish an industry and legislative council to conduct a third-party study on our pavement selection process, with the requirement to adopt the council's recommendations. ODOT welcomes input on material usage to ensure value for the taxpayer and will undertake another study if so desired. However, we note the study's timeline of December 2025 deadline poses a challenge to

conduct a thorough and comprehensive analysis. We recommend extending the deadline to June 30th, 2026, to allow for a more robust evaluation. Furthermore, we recommend the council's membership be industry technical experts and academia for the evaluation process.

Hazardous Materials

Regarding the provision that the ODOT director shall not designate State Route 315 between Worthington and I-70 in Franklin County as a hazardous materials (hazmat) route, I just want to clarify that such decisions fall under the jurisdiction of the Public Utilities Commission of Ohio (PUCO). Additionally, the process for implementing hazmat restrictions is governed by federal law, which would pre-empt this provision.

In addition, since I last testified, the committee heard from the Ohio Public Works Commission. The Commission, through programs like the State Capital Improvement Program and the Local Transportation Improvement Program provides a critical role in strengthening Ohio's infrastructure and enhancing the quality of life for local communities across the state, providing funding for local road, bridge, utility and water projects that keep Ohio moving forward. We appreciate the opportunity to work alongside OPWC in building a more connected and resilient Ohio. Their commitment to funding critical infrastructure projects directly supports ODOT's mission to provide a safe and efficient transportation system for all Ohioans, and we urge continued support for their mission, especially in the State Capital Improvement Program.

Next, ODOT is seeking two additional amendments to House Bil 54 and respectfully requests your consideration of these items. Both are attached to this testimony.

Railroad Indemnification

The Department is seeking an amendment to modify indemnification requirements for contractors with projects that impact a railroad. The amendment arises from conversations regarding the Brent Spence Bridge Corridor project, and the insurance industry. ODOT projects require contractors to carry surety bonds that cover the total cost of a construction project, to mitigate risk and guarantee that contractors will fulfill their obligations and ensure projects are completed according to specifications and on time. The amendment slightly modifies ORC 5525.16 which requires a bond, "in case of a grade separation [to]... indemnify any railroad company involved against any damage that may result by reason of the negligence of the contractor in making the improvement." ODOT's proposed amendment would remove this language.

The current language presents unlimited liability for insurance companies that that is hard to capture in a bond especially with the potential total cost of the corridor project. This could increase the performance/payment bond costs which are passed on to the state. The railroad affected (CSX) has agreed to the language change noting in a letter of support that it possesses a number of other reasonable protection, and the current language is

unnecessarily and adds considerable cost for major projects without benefit to the railroad, contractors, and ODOT. We appreciate the support of CSX, the Ohio Contractors Association, and the Ohio Insurance Agents Institute to our amendment, and respectfully request its consideration and inclusion in the bill.

Indefinite Delivery Indefinite Quantity Contracts

For the past decade, Transportation budget bills have included temporary and limited authority to utilize Indefinite Delivery Indefinite Quantity (IDIQ) contracts. ODOT respectfully requests support of a proposed amendment to ORC 5517.012, which will codify and expand the use of IDIQ contracts to all twelve ODOT districts. The proposed amendment has been modified from the original executive proposal to narrow the use of the IDIQ contracts statewide, keeping in place the current dollar limit and number of permitted contracts per district that has been included in temporary law over the years. The Ohio Contractor's Association is supportive of this change.

IDIQ contracts streamline highway maintenance by allowing contractors to submit unit price bids for itemized tasks, regardless of specific project locations. The contract is awarded to the lowest bidder by calculating total cost based on estimated quantities. This method provides flexibility, allowing the Department to adjust the amount of work performed without change orders, while maintaining control over the contract's duration and overall budget. For example, a guardrail maintenance contract today includes specific quantities. If we have guessed too low and there is more damaged guardrail to replace, a contract change order is required to complete the repairs needed. That can result in delays completing the job. If quantities assumed are too high, then there will be unneeded funding tied to the project. An IDIQ contract is more efficient for both ODOT and its contractors. Approving this change allows all twelve districts to utilize this quicker, more adaptable contract for maintenance operations, ultimately saving taxpayer dollars and improving the overall condition of our state's infrastructure.

Turning now to additional information on matters raised during or after my initial testimony. This budget includes \$150 million to construct truck parking lots on state-owned land throughout Ohio. As requested, ODOT provided follow-up information about the needs for truck parking and the safety benefits of truck parking. In response to testimony by the Ohio Trucking Association last week, I would like to also provide information on how ODOT determined the construction estimates for the truck parking initiative.

To determine the estimated cost per parking space, ODOT reviewed past parking lot projects, including the conversion of weigh stations and the reconstruction of rest area parking lots. ODOT engineers routinely design and construct pavements, ramps, driveways, lighting, and drainage systems, and estimate costs by analyzing historical data from similar projects, adjusted for current market prices and labor. They also analyze project-specific needs, including environmental impacts, to ensure realistic cost projections.

Over the last five years, ODOT converted seven former Ohio State Highway Patrol weigh stations into truck parking lots and rebuilt twelve rest area parking lots. Using historical data, combined with construction estimates, ODOT arrived at a range of \$100,000 to \$175,000 per parking stall. This includes pavement, drainage structures, and lighting costs, and estimated costs for access ramps/driveways that align with standard pavement design, using the same methodology as traditional roadway projects. The Ohio Turnpike is preparing to bid a truck parking expansion at one of their service plazas and their estimate is similarly in line with this range estimating \$120,000 per parking stall and is looking at another potential site with very preliminary estimates of \$76,000 per parking stall. The variation within the range reflects factors such as pre-existing site conditions, drainage needs, and pavement type.

ODOT initially identified over 80 potential excess land parcels for truck parking and narrowed that list to 23 sites for further engineering consultant review, including preliminary cost estimates and layouts. Subsequently, ODOT will evaluate these sites and cost estimates to determine which projects will proceed to full construction, maximizing the \$150 million budget allocated for this initiative. The four contracts for engineering design for this work are currently pending before the Controlling Board.

RESPONSES TO SENATE HEARING QUESTIONS

Following my last appearance before the committee and the subsequent question and answer session, we provided several written responses to specific requests from the committee members. The information requested was provided to the Committee through the Chair. I have attached a summary of these for ease of review, along with my current testimony. If the Department can provide additional information, we will be happy to do so. These matters include:

1. Asphalt and concrete utilization in Ohio.
2. Wayne County route 30 project maintenance costs years 2016-2024.
3. Material cost change orders.
4. Details on freight projections and truck parking.
5. Commercial truck crash data.
6. Not just a roadside worker media campaign.
7. Distracted driving crash data.
8. Turnpike salt.
9. Utility project impacts – other states.

In addition to these matters, in meetings with members of the Committee, the Department provided information regarding ODOT's role in slip repairs, and the Connect4Ohio projects. Both are summarized below.

ODOT plays a crucial role during road slips through its Geologic Site Management Program. This program provides construction funding to proactively repair unstable soils caused by landslides, rock falls, underground mine voids, erosion, and sinkhole locations on the state highway system, including Interstate Routes, US Routes, and State Routes under ODOT's jurisdiction. Unstable soil conditions from these occurrences tend to become more severe and costly to repair over time, so early identification and management can be accomplished at a fraction of the cost to repair a failure. The Program is allocated \$32 million annually from State and Federal motor fuel funds. The funding is capped at \$2.5 million annually for each project. Each District has an inventory of concerns, and each site on the inventory is evaluated for a viable project. Projects are reviewed and recommended by a committee of ODOT district geotechnical engineers and staff from the Office of Geotechnical Engineering and the Office of Transportation and Economic Development. Approximately 15-20 projects are selected for repair as funding allows.

The Ohio Legislature established the C4O Program as part of H.B. 3 to provide \$500 million to fund projects listed on the Final FY23-FY26 Major New Construction Program list as of March 29, 2023. The program focuses on improving infrastructure in rural areas, facilitating better access to employment opportunities for residents. The following projects have been funded and are under construction:

- Clermont SR 32 (Eastern Corridor) PID 103957
- Warren SR 63 Widening PID 112121
- Hancock I-75 @ CR 99 Interchange PID 102375
- Lawrence SR 7 (Chesapeake Bypass) Phase 2 PID 75923 (Construction starting March 2025)

Two projects recently sold and will be awarded soon:

- Ross SR 159 (Bridge Street) PID 113013
- Meigs US 33 13.98 PID 119143

Six more projects are scheduled to be sold before July 1:

- Henry US 24 @ CR 17D Interchange PID 117712
- Meigs US 33 19.21 PID 119144
- Athens US 33 18.78 PID 119141
- Belmont I-70 @ SR 149 Interchange PID 120547
- Delaware I-71 @ Sunbury Parkway (Phase A) PID 106959
- Athens/Meigs US 33 23.23/0.00 PID 119142

To briefly conclude, ODOT greatly appreciates the support of the Ohio General Assembly over the past years to ensure that the Department and our local partners successfully maintain a network of roads, bridges, and highways valued at more than \$134 billion. Ohio has the 5th largest interstate system (at over 8,000 miles), 3rd highest number of bridges (over 14,000), more than 44,000 lane miles of the state's roadway system and ranks 6th in the nation for

volume of freight (over 1 billion tons) shipped by all modes. Ohio is within one day's drive for 60% of the US and Canadian populations.

As I testified before, the past 6 years have seen over \$16 billion invested on more than 6,500 projects to improve the safety, accessibility, and resiliency of the transportation network. ODOT invested \$500 million in general fund dollars for major projects in rural areas through the Connect4Ohio program. In FYs 24/25 alone, ODOT invested \$6 billion on ~1,900 construction projects, including over \$2.5 billion on pavement, \$1 billion on bridges, and more than \$1 billion in local projects. The department advanced nearly \$550 million in important safety projects such as pavement striping, raised pavement marking replacement, traffic signal and lighting maintenance, improving high crash locations within Ohio's local communities, including roundabouts and turn lanes at rural and urban intersections, and high visibility crosswalks and sidewalks, and \$50 million in programs to prevent deadly roadway departures and pedestrian related crashes. These investments are working as traffic deaths and serious injuries across Ohio have declined for a third year in a row.

As you know, more than 90% of ODOT's budget is spent on maintenance, preservation, and improvements to existing roads, bridges, culverts, signals, signs, lights, and all the other critical components of our roadway system. Our maintenance crews inspect or repair more than 400 culverts and sweep and clean over 4,000 bridges annually. More \$1 billion each year is spent on pavement projects and \$375 million each year for bridge projects. Around 10% of the budget is set aside to aid local governments with their road and bridge projects. For example, ODOT will spend over \$900 million over the next two fiscal years funding regional partner, township, village, county and city transportation projects to keep roads and bridges safe for travel.

Another \$1 billion per year funds operations, including employees, and the maintenance of facilities and equipment like plow trucks and cars. It includes materials for the work of maintenance teams to clear vegetation, pick up litter, patch potholes, fix signs and guardrail. It includes programs to fund noise walls, ODNR paving, economic development assistance, emergencies, and Drive Ohio operations. It funds and the purchase of salt and brine and snow and ice operations with 1,700 plows, 3,000 (500 seasonal) drivers, 600 thousand tons of salt -- at an average annual cost for labor, materials and equipment of \$50 million.

ODOT invests around \$200 million annually in projects that expand the capacity of the state highway system, like new interchanges and widened roads. And we pay debt, approximately \$250 million per year on conservative financing that leverages ODOT's capital construction program.

To conclude, Governor DeWine and ODOT are proposing a sound biennial budget that funds operations and preservation, safety projects, advancement of major projects, and provides funding for our local and our multi-model partners. ODOT will plow snow in the winter, patch

the potholes in the summer, make intersections safer, make roadways less congested, and keep bridges safe for passing. We will continue to seek operational savings and efficiencies and reinvest those dollars. We will work with the heavy highway industry and our local partners to keep projects on schedule, phase projects to minimize risks and escalation, and modify programs and appropriate use of bonds to account for the loss of buying power due to construction inflation. ODOT will stretch every dollar to fund work.

We appreciate the opportunity to provide feedback on the changes made to the Administration's highway budget and respectfully request consideration of our comments and amendments offered today. Thank you.