



**Ohio House Finance Committee**  
*Transportation Budget for FY22-23*

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Ohio Department of Transportation

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Chairman Oelslager, Vice Chair Plummer, Ranking Minority Member Crawley, and members of the Ohio House Finance Committee:

I am Dr. Jack Marchbanks, Director of the Ohio Department of Transportation. Thank you for the opportunity to address you today, and to provide you with some information about the State Fiscal Year 2022 – 2023 Transportation Budget.

The top priorities for the DeWine administration and ODOT for the next two years continue to be safety and improving Ohioans quality of life.

The men and women of ODOT understand our vast transportation system impacts the lives of every Ohioan, every day. ODOT’s mission is critical to the safe travel, welfare, and prosperity of our citizens and our cities, counties, villages, and townships. It’s essential that we move people and products quickly, safely, and efficiently, to maintain and expand the state’s economic development opportunities. ODOT directly contributes to the well-being of all Ohioans by maintaining and building a robust transportation system.

As you may know, Ohio’s transportation projects are funded through two primary revenue sources: Federal Highway Funding and the state motor vehicle fuel tax.

Many of you will remember my testimony before this chamber two years ago. I noted that transportation funding in Ohio was standing on the edge of a fiscal cliff. Inflation, flat revenues due to more fuel-efficient vehicles, and recent increases in state borrowing left our system of state and local roadways in jeopardy of falling into a dangerous state of disrepair.

Thanks to the leadership of you and your colleagues, and Governor DeWine, a responsible revenue package was included in the previous transportation budget. As a result, ODOT and our local partners can now invest billions of additional dollars into transportation infrastructure projects over the next few years. These are projects that will improve safety and save lives. These same projects would not have been possible without the additional revenue provided by that budget.

**Pandemic-Induced Revenue Drop**

Of course we did not foresee it at the time, but the wisdom of approving the revenue package in HB62, without question, helped the state avoid an even MORE severe highway funding crisis when we were hit by the economic downturn brought on by the COVID-19 pandemic.

ODOT'ers leaned into their role as essential workers for the state of Ohio. Despite the pandemic, we still kept our roads and bridges in good repair, cleared snow and ice, repaired infrastructure damaged by flooding and windstorms. And on top of all that, the ODOT team delivered a \$1.8 billion construction program that helped keep Ohio's economy running.

That said, the COVID-19 outbreak caused a significant drop in traffic volumes in the state as people stayed home to slow the spread of the virus. At one point in the spring, traffic volume had declined nearly 50 percent compared to 2019. Traffic numbers began inching back up in May with the re-opening of businesses and the re-start of other activities. With a few exceptions, mostly around the holidays, traffic numbers have essentially plateaued since late summer.

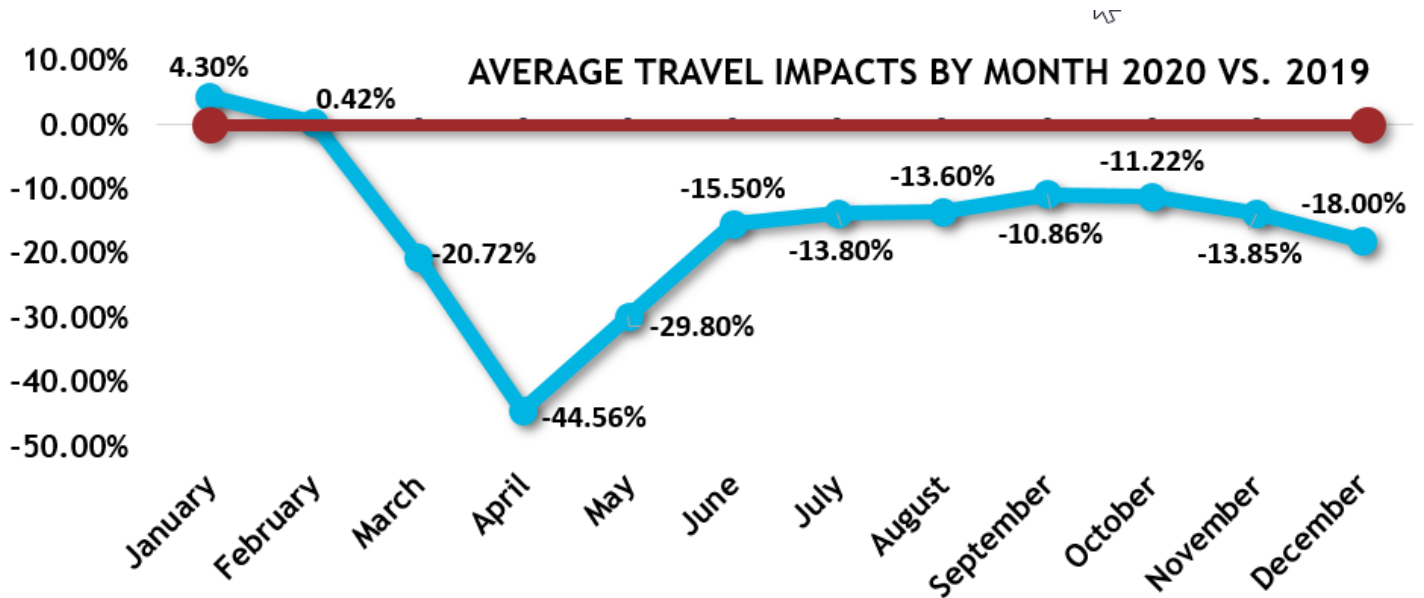


Table 1: Reduction in Statewide Traffic Volumes from 2019 Levels by Month

As a result, motor vehicle fuel consumption in Ohio also dropped significantly, leading to revenue that is lower than initial projections. At their lowest point, in April, receipts were nearly 33 percent below our original projections. The loss of projected funding from March (through November) has been nearly \$200 million.

**REDUCTION IN MOTOR VEHICLE FUEL TAX RECEIPTS FROM ORIGINAL ESTIMATES**

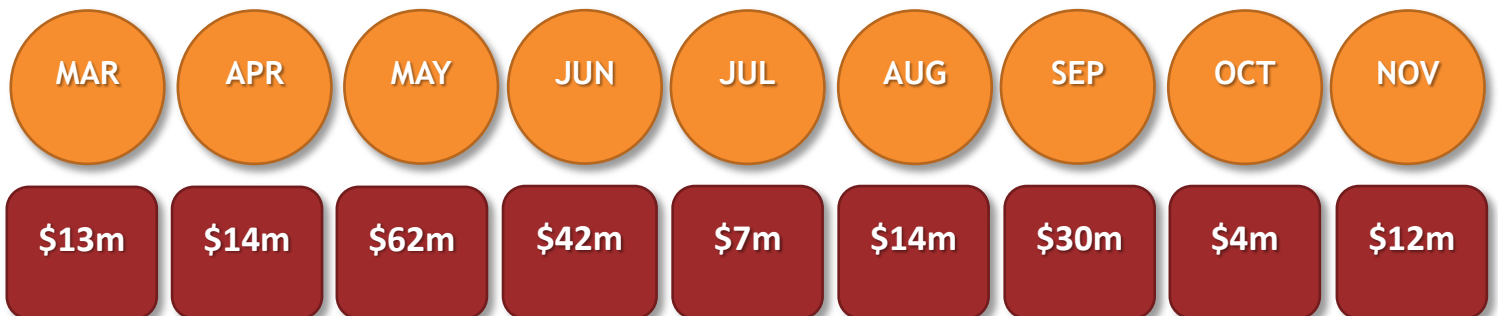


Table 2: Reduction in 2020 Motor Vehicle Fuel Tax Receipts from Original Estimates by Month (dollars in millions)

## FY 2022-2023 Revenue Estimates

For this FY22-23 budget proposal, ODOT is anticipating a revenue reduction of 9 percent (\$174 million) from previous estimates for FY22 and a reduction of 8 percent (\$159 million) for FY23.

	Federal Revenue*	State Revenue*	Bond Revenue	Carry-forward	Debt Service**	TOTAL
FY 2022	\$1.437 billion	\$1.592 billion	\$120 million	\$129 million	\$333 million	\$2.945 billion
FY 2023	\$1.437 billion	\$1.607 billion	\$170 million	\$127 million	\$360 million	\$2.981 billion

**Table 3: FY22-23 Budget At-A-Glance**

\*All numbers are estimates of anticipated revenues

\*\*Includes debt service from Federal GARVEE bonds issued, State Highway Capital Improvement bonds issued, State Capital Facility bonds issued, and Availability Payments on the Public-Private Partnership for Portsmouth

This proposal will allow ODOT to continue to take care of all planned highway maintenance and preservation work. We will also continue to fund our highway safety and local programs at pre-pandemic levels.

PAVEMENT	BRIDGES	SAFETY PROGRAMS	LOCAL PROGRAMS	MAJOR NEW	TRANSIT	OPERATING EXPENSES
FY 22 <b>\$970m</b>	FY 22 <b>\$260m</b>	FY 22 <b>\$159m</b>	FY 22 <b>\$357m</b>	FY 22 <b>\$100m</b>	FY 22 <b>\$49m</b>	FY 22 <b>\$904m</b>
FY 23 <b>\$994m</b>	FY 23 <b>\$260m</b>	FY 23 <b>\$159m</b>	FY 23 <b>\$357m</b>	FY 23 <b>\$100m</b>	FY 23 <b>\$50m</b>	FY 23 <b>\$917m</b>

**Table 4: Anticipated FY 22-23 ODOT budget expenditures**

The additional revenue provided by the last transportation budget allowed Ohio to expand our highway safety program to become the fourth-largest in the country. The additional funding is being used to address problems at 150 problematic intersections throughout the state as well as providing funding to local governments to address pedestrian safety concerns.

We have also worked hard to identify innovative ways to deliver our safety projects, cutting months and years off the time it would typically take to identify a problem area and then design and construct a solution to

address the problem. Better data, electronic resources, and creative thinking are all helping the agency be better able to quickly address safety concerns on our roadways.

Despite the drop in expected revenue, this budget also provides for a modest amount of funding for additional improvements of the existing highway network. This is funding assigned to our Transportation Review Advisory Committee (also known as TRAC). These are large projects that typically reconfigure the existing highway system to meet modern-day engineering standards. They are designed to address congestion and safety issues that are typically caused by population and traffic growth that occurred after the original configuration was built.

This budget provides for about \$100 million each year for TRAC projects. While this is less than original estimates, it will still allow us to move some projects forward over the next two years. Due to the drop in revenue projections, the TRAC decided to pause the consideration of new project applications last summer.

However, we are pleased to share that this budget also includes an allocation of \$333 million dollars that was provided to Ohio by the December federal stimulus bill for roadway construction. \$126 million of this funding will be provided to local governments to help cover the revenue they lost through the pandemic travel restrictions.

The \$206 million that will be allocated to ODOT will allow us to work with the TRAC members to restart the application process for moving some of those much-needed projects forward.

As we take a step back to look at our financial situation at this time, I believe one thing should be immensely clear: it could have been so much worse. The Ohio General Assembly and Governor DeWine should be applauded. Your foresight to modernize Ohio's transportation revenue formulas two years ago will allow us to continue our work to maintain and improve roads and bridges in the state.

In fact, our estimates indicate if that modernization had not taken place, ODOT and local partners would have received roughly \$870 million less in state motor vehicle fuel tax in fiscal year 2020 and through the first quarter of fiscal year 2021.

The infusion of revenue provided by the previous General Assembly proved to be timelier than we could have imagined. As a result, we go into the next biennium confident we will be able to continue our work to improve the safety of Ohio's transportation network despite revenue losses caused by the pandemic.

## **2020 Traffic Safety Trends**

As I mentioned earlier, the top transportation priority for the DeWine administration continues to be safety. I just described how the pandemic had a huge impact on our budget. It has also had a devastating impact on the safety of our roadways.

Overall, travel in Ohio was down about 15 percent last year compared to 2019 volumes. Unfortunately, traffic deaths did not decline with traffic volumes, they actually rose 7 percent. Ohio ended the year with approximately 1,238 traffic deaths - 83 more deaths than the 1,155 reported last year. Traffic deaths in Ohio have risen six of the past seven years despite safer vehicle technology.

However, serious injuries declined for the fourth straight year. There are currently 7,154 reported serious injuries in 2020 compared to 7,487 last year. We will confirm these numbers as crash reports are finalized.

We suspect serious injuries in Ohio have been trending down because more people are driving newer, safer vehicles that reduce the severity of injuries in a crash. We suspect fatalities have gotten worse because these

safety features are less effective when drivers engage in the most dangerous activities such as extreme speeds, not wearing a seat belt, distracted driving or are severely impaired by drugs and alcohol.

These behaviors are likely contributing to some other disturbing trends over the last year. Traffic deaths involving pedestrians were up 29 percent. Fatalities at intersections were up 33 percent. Fatalities involving motorcycles were up 23 percent. However, deaths involving older adults (age 65+) and Commercial Motor Vehicles were down. Interestingly, commercial vehicle deaths were down even as commercial traffic increased substantially over the last year.

So far this year – traffic deaths appear to be up again. These numbers are preliminary, but it appears that in January there were about 28 more deaths than the same time last year. There are many factors that go into a month-to-month spike in fatalities, including weather conditions, but this is certainly a trend we do not want to see continued further into this new year.

Driving at extreme speeds, not wearing a seat belt, using an electronic device while driving or driving while severely impaired by drugs and alcohol are choices drivers make. That means crashes and fatalities caused by these decisions are **absolutely preventable**.

### **Hands-Free Ohio**

I fully support Governor DeWine's proposal to incorporate the last General Assembly's Hands-Free Ohio legislation into this bill. This proposal would change laws in Ohio to make driving while handling any electronic wireless device a primary traffic offense. The bill will also increase fines for drivers who habitually use devices while driving, similar to our treatment for intoxicated drivers.

At ODOT we take distracted driving seriously. More than 50 percent of our workforce perform many of their job duties near live traffic. Drivers who are distracted by a device while driving through one of our work zones pose a real and present danger to the lives of the dedicated men and women who work for our agency. Last year, despite the significant reduction in traffic volumes, we had eleven ODOT workers seriously injured in a work zone. That is almost twice as many as the previous two years COMBINED.

Mobile devices are more dangerous than traditional distractions. They take your eyes off the road and mind off driving for longer periods of time, which slows a driver's reaction to hazards. But the key is the complexity of their use. The more complex the mobile distraction, the slower the reaction time and the longer it takes your brain to refocus on driving.

People continue to use the technology because it's addictive. Technology today is designed to hook and maintain people's attention through push notifications and app design. Notifications, whether it's breaking news, emails, texts or a "like" on Facebook, trigger the release of a brain chemical called dopamine that makes people feel good, so they keep checking their phones.

Drivers keep using their phones while driving because they underestimate the danger. Yet we have more than a decade worth of research that says cell phone use significantly increases your risk of causing a crash.

Among the growing body of evidence is a study by the Virginia Tech Transportation Institute. It found that engaging in visual-manual tasks, such as reaching for a phone, dialing and texting with a hand-held or portable device, **tripled** the risk of a crash.

That's why many states are modernizing their distracted driving laws and adopting hands-free requirements with primary enforcement. According to the National Conference of State Legislatures, Montana is the only state without any law limiting cell phone use while driving.

## DISTRACTED DRIVING & HANDS-FREE LAWS IN US

<p><b>PRIMARY ENFORCEMENT</b></p> <p>ALL HANDHELD DEVICES, ALL DRIVERS</p> <p>AZ, CA, CT, DE, GA, HI, ID, IL, IN, ME, MD, MA, MI, NH, NJ, NY, NV, OR, RI, SD, TN, VT, VA, WA, WV</p> <p>DC, Guam, PR, USVI</p>	<p><b>PRIMARY ENFORCEMENT</b></p> <p>NO TEXTING, ALL DRIVERS</p> <p>AL, AK, AR, CO, FL, IA, KS, KY, LA, MI, MS, NM, NC, ND, OK, PA, SC, TX, UT, WI, WY</p>	<p><b>SECONDARY ENFORCEMENT</b></p> <p>NO TEXTING, ALL DRIVERS</p> <p>NE, OH</p>	<p><b>PRIMARY ENFORCEMENT</b></p> <p>NO TEXTING, YOUNG DRIVERS</p> <p>MO</p>	<p><b>NO LAW LIMITING CELL PHONE USE</b></p> <p>MT</p>
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Table 5: Distracted driving state laws per National Conference of State Legislatures

Most drivers support laws against distracted driving, with almost 76% supporting laws against holding and talking on a cellphone while driving, according to a national survey released in June 2020 by the AAA Foundation for Traffic Safety. People recognize no one should be using a smart phone while operating a vehicle, at highway speeds or on local neighborhood roads where their children play.

Surveys conducted in states like Arizona, Georgia, North Carolina, Michigan and Tennessee have also shown that most citizens support passing hands-free laws to deter distracted driving behavior.

This is a timely piece of legislation because, even with all of the safety enhancements in our vehicles these days, and better engineered and constructed roads – traffic crashes and deaths continue to grow.

As Ohioans emerge from the pandemic and take to the roads again for work and travel, enacting this common-sense restriction on drivers will be an invaluable tool to make sure we never see another year as deadly on our roadways as 2020 was.

### Cost Savings Policy Initiatives

When I stood before this chamber two years ago asking for a funding increase, I made a pledge to all of you that additional revenue would not deter us from our culture of squeezing the most out of every taxpayer dollar. In fact, I told you we would find an additional \$100 million in cost savings and efficiencies over Governor DeWine's first term. That commitment is even more important now, due to the reduction in transportation funding we are facing because of COVID.

We engaged our resourceful workforce to help us identify opportunities to save money. To date, more than 1,300 ideas have been generated totaling nearly \$45 million dollars in savings thus far. This effort isn't just



about cutting costs when budgets are tight. It is also about providing a better service to our constituents while saving taxpayer dollars and reinvesting them back into projects to improve Ohio's transportation network.

The department is also seeking changes to several state regulations that will help us reallocate dollars to be better invested in highway maintenance activities.

### **Bridge Inspections**

Currently, federal bridge inspection standards mandate a 24-month inspection cycle, and most states reflect that federal standard (including Ohio's surrounding neighbors). However, Ohio law mandates a 12-month inspection cycle, even if a bridge is rated as excellent. This treats good bridges and more deficient bridges the same, which is not an efficient way to allocate limited resources. Ohio is also the only state that inspects all bridges on a 12-month cycle. The department is proposing a change that would allow a limited number of our highest-rated bridges, those currently rated seven or above (on a 0-9 scale), to be inspected no later than every 24 months instead of every 12 months. Inspecting our highest-rated bridges every year is not a prudent use of taxpayer resources. This will free up resources to dedicate them toward other assets. This change could save the department roughly \$500,000 a year and would also result in significant savings for county and municipal governments in the state. No one wants safe bridges more than the men and women at ODOT – especially our bridge inspection engineers. This is a responsible cost-savings and government efficiency proposal that would put us in line with our national peers.

### **Permitting Emergency Vehicles**

The federal FAST ACT made a three-axle, 86,000 lb. fire truck legal on all interstates and within one mile of an interstate on or off ramp. This vehicle was not in the metrics used to load rate bridges in Ohio. While we have only identified seven of these vehicles in the state, we have no way of knowing if a fire department were to purchase one in the future. This means that ODOT would have to spend roughly \$5.6 million dollars to re-load rate every bridge on our system to ensure this vehicle can safely cross. So we are asking for permission to require a local fire department to go through a free but mandatory permitting process with ODOT if they are going to use one of these oversize vehicles so we can work with local entities in that area to ensure bridges are safe to cross. This is not meant to be extra red tape, this is a government efficiency proposal.

### **Force Account Limits – LoDril Scope of Work**

The southern and eastern parts of the state, along the Ohio River and Appalachian region are particularly prone to landslides. Over the past several years, due to the number of landslides experienced, ODOT invested in drilling equipment (known as a LoDril) and has trained its workforce to perform drilled shaft retaining wall installation. This investment has allowed ODOT the ability to quickly respond to smaller landslide repairs. Oftentimes, this quick response allows roadways to be reopened quickly and can also save taxpayers millions of dollars by addressing early what could eventually end up as a larger landslide repair.

However, under current constraints, before such work can begin, a significant amount of time is invested on estimating costs for the repair at each of these project locations. You may recall that, in most cases, ODOT is limited to work it can perform on in-house projects to a cost of less than \$63,250 (As of January 2021- this number is indexed for inflation). This proposal would allow our teams to determine if a job can be done in-house based on pre-defined "scope of work" metrics. This revision is similar to the process currently allowed for culvert replacements and bridge deck replacements that also have scope-defined limits. These scope-defined limits for the landslide repairs will allow ODOT to

reduce the amount of time needed to prepare detailed estimates at each repair location. This is a government efficiency proposal.

### **DriveOhio**

Last but certainly not least, this proposal also includes funding for DriveOhio. We are keenly aware there is a paradigm shift underway in the transportation industry. Legacy companies are pivoting to new ways of doing business and startups are entering the market. DriveOhio is their one-stop connection to the various regulatory entities in Ohio and they have several recent announcements under their belt to show for it.

DriveOhio is working to revolutionize how we move people and good in Ohio by utilizing smart mobility technology solutions *on the ground AND in the air*. Working with the federal regulators, universities, the private sector, state partners like InnovateOhio, and local communities-- we are developing technology solutions to solve transportation challenges. Looking to the future, as automated and connected vehicle technology matures for cars, trucks, and aircraft, the ecosystem that DriveOhio has developed in coordination with institutions like the Transportation Research Center, Inc. (TRC) in East Liberty and the Air Force Research Laboratory (AFRL) at Wright Patterson Air Force Base in Dayton will provide Ohioans an advantage as they compete in an ever changing economy. Their work is extremely important. DriveOhio Executive Director Howard Wood will be available to provide testimony before this committee at a later time.

### **Conclusion**

In conclusion, as we weather the COVID-19 pandemic, ODOT is committed to utilizing data, technology, and international best practices to maximize every dollar we receive. This budget proposal includes the funding necessary to address critical maintenance needs on the state highway system and to make needed safety updates. It includes language that, if approved by this legislative body, will allow us to maximize those dollars even further. And it improves some changes to our traffic laws that could greatly reduce the number of Ohioans who lose their lives on our roadways every year.

By doing so, we will emerge from these challenging times ready to advance the invaluable infrastructure upon which our mobility and economy depends. I appreciate the opportunity to testify and respectfully ask for your approval of this legislation.