



## County Engineers Association of Ohio

Interested Party Statement to the  
Ohio House of Representatives – Finance Committee  
135<sup>th</sup> GA – Transportation Budget Testimony

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Good morning, Chairman Edwards, Vice Chairman LaRe, Ranking Member Sweeney, and members of the Finance Committee. Thank you for the opportunity to share input regarding the 135<sup>th</sup> GA's Transportation Budget. I am Dean Ringle, P.E., P.S., Executive Director of the County Engineers Association of Ohio (CEAO).

Since 1940, CEAO's mission is to work to unify its members in providing the highest quality transportation, drainage, surveying and land record keeping services. From the safe and efficient movement of people, goods and services to continuing land development needs, CEAO strives to construct solutions for many challenges to Ohio's local infrastructure.

Ohio's network of roads, bridges, and highways is the state's most valuable physical asset. Ohio has the nation's 5th largest interstate system, 2nd largest inventory of bridges, and 6th highest traffic volume. Investments in infrastructure contributes to higher productivity and growth, facilitates trade and connectivity, and promotes economic inclusion.

As the state of Ohio works to increase our population to keep up with the demand in workforce; local government needs, and smaller projects cannot be left behind. It is imperative we continue with local high-quality infrastructure that is sustainable, increases business activities, assists with businesses creating new employment in all of Ohio's communities.

Ohio's county engineers utilize a variety of funding sources to construct, maintain and expand the county road and bridge infrastructure under our jurisdiction. Most of our resources are available for very specific purposes, while others may allow full discretion by the county in how they are used. Generally, year-over-year counties budgets do not increase, they stay flat or decrease. The following are the four primary sources:

- **Federal Motor Fuel Excise Tax** – 18.4 cents per gallon (distributed by formula to states)
- **Ohio Motor Fuel Excise Tax** – 38.5 cents per gallon – (approximately \$3.6m per county)
- **Vehicle Registration Fees**
- **Other Federal, State and Local General Revenues**
  - State grants such as Ohio Public Works Commission SCIP and LTIP Funds
  - **Local property taxes** (includes TIF's, special assessments and road levies)
  - **Local permissive sales tax revenues**

### **Force Accounts for Local Governments: R.C. 723.52, 5543.19, and 5575.01**

The term "Force Account" can mean several things, including work done by contractors outside their original bid, however in the current context of the discussion it is the ability of local branches of government to utilize their own personnel to complete various roadway and bridge projects. It has been a long-standing practice to have government forces utilize their own workers to perform smaller size projects, letting the medium size and large projects be tackled by private sector contractors. In 2003,

limits were established on what defined the difference between small and medium size projects. For the next 20 years inflation and cost of living has eroded what can be built with local forces.

Currently, the county force account limits are \$30,000 per mile for road construction and reconstruction, including widening and resurfacing, and \$100,000 for all bridge and culvert force account work. Ohio's County Engineers collectively are requesting an increase to the force account limits to account for construction cost inflation since 2003 (20-year limit). Outdated force account limits coupled with ongoing construction price increases have resulted in unreasonable and unnecessary limits on the amount of work counties can perform with their existing work force utilizing their existing fleet of equipment.

**With budget constraints at all levels of government, it is imperative to get the greatest value for every transportation dollar the Ohio citizens investment.** Material costs in construction have been incrementally increasing year over year. For the most part, rising material costs are out of everyone's control.

**Continuing to suppress force account limits does not create new contracting opportunities for the private sector.** The projects get deferred to a later year or they displace another project that would have been otherwise awarded to a private contractor. Limiting county force account projects does not create a corresponding increase in funds available for private contracts. We are not asking to expand our role, increase our staff or expand our fleet of equipment.

We are simply asking for the latitude to make decisions about the use of these existing resources in a way that maximizes the efficiency of taxpayer dollars. I strongly support increases in the county force account limits that have been eroded by construction cost inflation over the last 20 years.

# IN FAVOR OF RAISING THE LIMITS FORCE ACCOUNT

## VERSUS CONTRACT

ALERT NEW LONDON ROAD PIER REHABILITATION

### MORE COST EFFICIENT



- **Saves money** - no contract administration costs.
- **Work can start faster** than scheduled.
- **Saves time** - no time spent preparing contracts and waiting for bids and contract to be awarded.

Labor + Materials  
+ Equipment

**FA Estimate:  
\$121,007**

### COST INCREASE

96%



Inflation has limited the number of Force Account projects, reducing savings.

The National Highway Construction Cost Index (NHCCI) reports that costs have **nearly doubled** since 2003, the last time Force Account limits were raised.

**Contract Estimate:  
\$232,739**

**COSTING TAXPAYERS \$111,732**

The increase of Force Account limits still allows the contractor to build the intermediate and larger projects while we can focus on smaller maintenance type projects.

Raising Force Account limits will allow us to better serve our citizens in a more efficient and fiscally responsible manner.

