



Matthew A. Szollosi: Executive Director

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MEMORANDUM

To: Ohio House of Representatives – Finance Committee
From: Matthew A. Szollosi
Date: 2.27.2019

Re: HB 62 – Transportation Budget

Chairman Oelslager / Vice- Chair Scherer / Ranking Member Cera:

Please be advised that ACT Ohio is a 501(c)(5) organization created by the Ohio State Building & Construction Trades Council to encourage economic and industrial development opportunities, and to facilitate utilization of industry-best practices for Ohio’s public and private construction. For the reasons that follow, I offer this written testimony as our organization’s strong statement of support for passage of HB 62.

Our 137 local affiliates, along with our 14 regional councils represent approximately 95,000 skilled construction workers. When coupled with the members of Operating Engineers Local 18 and the Carpenters, the number swells to approximately 120,000 workers.

At more than 80 state-of-the-art training facilities across the state, Building Trades apprentices are acquiring the knowledge and skills necessary to produce high-quality craftsmanship in every area of the construction field.

According to the Ohio Department of Jobs & Family Services (as of 9/12/18):

- Total Ohio Registered Apprentices in Construction: 12,880
- Total Ohio Registered in Building Trades Programs: 10,561 (82% of total)
Total Ohio Minority Apprentices in Construction: 1,904
- Total Ohio Minority Apprentices in Building Trades Apprenticeship Training Programs: 1,639 (86% of total)
Total Ohio Female Apprentices in Construction: 623
- Total Ohio Female Apprentices in Building Trades Apprenticeship Training Programs: 568 (91% of total)



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The Building Trades invest collectively over \$50 million per year on apprenticeship training, helping create the next generation of construction professionals. These state of the art apprenticeship training centers are all 100% privately funded through employer contributions and member deductions. (The total taxpayer investment in Building Trades apprenticeship training programs is \$0). Ohio's Transportation Budget is a critically important piece of the industry, as it funds state and local construction projects which put our members to work each and every day and allow for our workforce development efforts.

In short, HB 62 is a jobs bill. Passage of the bill would lead to approximately \$1.2 billion per year that could be used only for purposes related to the construction, reconstruction, maintenance and repair of public highways and bridges. This level of investment will lead to thousands of direct jobs for blue-collar construction workers making a competitive wage and good benefits for their families on both state (\$750 million p/yr) and local (\$450 million p/yr) projects. It will also help ensure continued economic strength and low unemployment figures for the State of Ohio.

Additionally, having worked closely with JobsOhio for several years with regard to industrial development initiatives, I can assure you that maintaining and improving Ohio's infrastructure is critically important to investors looking at Ohio for projects. Turning down the proposal would send exactly the wrong message to those investors. If left unaddressed, ODOT will have no revenue available for new construction projects beginning in FY 2020. Why would investors choose Ohio if Ohio is unwilling to invest in itself to prevent further infrastructure-related decay?

Ohio is having great success in industrial job creation because it checks all the relevant boxes, including (i) location/proximity to dense population areas; (ii) highly skilled workforce; (iii) access to critical natural resources; (iv) access to power; (v) transportation/ infrastructure network and (vi) reasonably low income tax rates. We need to maintain and build upon our logistical advantages over competing states for this industrial investment, and investment in our state's infrastructure through HB 62 is a critically important way to do so.

It's been 13 years since the gas tax was increased. The time to stop kicking the can down the road is now.

Please be advised that ACT Ohio fully supports the \$.18 increase as proposed (or the equivalent of the \$1.2 billion it will generate) as this will create and sustain thousands of jobs while maintaining and building upon Ohio's infrastructure. Additionally, ACT Ohio fully supports the proposed indexing of Ohio's motor fuel gas tax to keep up with the rate of inflation going forward. It is the economically prudent thing to do.

Thank you for your consideration of this very important proposal. Please let me know if you have any questions or if I can be of any assistance to you.

Sincerely,



Matthew A. Szollosi