



Ohio House Transportation Committee

Testimony on the status of the Ohio Department of Transportation

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Chairman McClain, Vice Chairman Ferguson, Ranking Member Grim, and members of the Ohio House Transportation Committee:

I am Dr. Jack Marchbanks, Director of the Ohio Department of Transportation. On behalf of Governor Mike DeWine and Lieutenant Governor Jon Husted thank you for the opportunity to speak to you today with an update on the Ohio Department of Transportation.

[SLIDE 2]

The Ohio Department of Transportation's mission is to provide for the safe and easy movement of people and goods from place to place and is critical to the welfare and prosperity of our state and our citizens. Since taking office the top transportation priorities for the DeWine-Husted administration have been safety and improving Ohioans quality of life. We strive daily to reach that goal by taking care of what we have; making our system work better; improving safety; and enhancing capacity.

[SLIDE 3]

The Ohio Department of Transportation (ODOT) maintains the state's most-valuable physical asset – Ohio's network of roads, bridges, and highways. As a \$3 billion per year enterprise, ODOT invests the bulk of its resources in system preservation through maintenance, construction, and snow and ice operations. The department has full-service highway maintenance facilities in every county of the state and nearly 5,000 employees.

ODOT's 12 district offices represent the first contact many Ohio's citizens and businesses have with the department. The department's district team members are responsible for the planning, engineering, construction, and maintenance of the state transportation system in their regions. This includes cooperation and coordination with local communities and transportation partners.

ODOT's Central Office plays a vital role in statewide oversight and guidance of the department's activities. Most highway maintenance work is completed by ODOT employees at the county level. Nearly all

construction work is completed by private contractors with ODOT oversight to ensure the quality of work performed.

[SLIDE 4]

Ohio is 35th in size but currently seventh in population with just under 12 million residents. Ohio's network of roads, bridges, and highways is the state's most valuable physical asset –totaling \$116 billion. Our state has the nation's fifth largest interstate system with more than 8,000 lane miles, enough to travel from Washington, D.C. to Los Angeles, CA about three times. Ohio's bridge inventory of more than 27,000 structures is second only to Texas. We also have the sixth highest number of vehicle miles traveled – more than 103 billion annual VMT.

In 2018, Ohio's freight system transported nearly 1.38 billion tons of goods worth over \$1 trillion. We have the fourth largest amount of active rail line mileage in the country with 5,081 route miles. Because we are essentially the crossroads of America, we are within a day's drive of 60 percent of the U.S. and Canadian population.

Since 2010, Ohio traffic deaths have unfortunately increased 14 percent, however, serious injuries decreased by 29 percent, and total crashes decreased by 18 percent. We are also the top state in the nation with more than 1,500 miles of designated U.S. Bike Routes.

[SLIDE 5]

Our location at the crossroads of America is a major component in the recent private business investment in Ohio.

Continuing the 21st century transportation system evolution necessitates our involvement creating intelligent infrastructure that supports Ohio companies and jobs an ever-changing economy requires. Intel's Licking County \$20 billion investment illustrates this.

Paraphrasing our native son, astronaut Neil Armstrong, Intel's chip and semi-conductor manufacturing plant location decision is "a giant leap forward." This investment will provide central Ohio benefits, but it will also create statewide economic opportunities. The historic high-tech investment will provide future generations well-paying jobs and will raise Ohioans life quality.

The DeWine-Husted Administration is optimizing Ohio's logistics advantage through strategic infrastructure, freight, and port investments. This development is a powerful wellspring which economic opportunities will flow, and our citizens will reap these future benefits. Most importantly the new plant strengthens national security and expands America's crucial technology production here in the Ohio Heartland.

Other significant ventures include Ford's northeast Ohio \$1.5 billion investment to build electric vehicles. Google is investing an additional \$1 billion expanding its New Albany data center. And in late October Honda and LG Energy Solution announced it will devote \$4.4 billion creating a new Fayette County electric battery manufacturing facility. This investment and Honda retooling their Marysville and East Liberty auto assembly plants and Anna engine production plant operations will generate 2,500 new Ohio jobs. And the major investment combating the Appalachian region's chronic slips and slides will present new southeast Ohio possibilities.

[SLIDE 6]

ODOT's two largest revenue sources are the state and federal gas taxes. Ohio's state motor fuel tax is 38.5 cents for each gallon of gasoline and 47 cents for diesel fuel. Federal funding is generated mostly by the federal motor fuel tax that is 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel.

Each state's federal highway revenue is based on distribution formulas prescribed by federal law through transportation funding acts. Our other highway revenue sources include registrations, permits, and title fees.

[SLIDE 7]

That revenue is then apportioned to the states and local governments via a myriad of federal and state rules. When it is all said and done, ODOT receives about \$1.8 billion annually in federal funding and \$1.5 billion annually in state funding.

That money is then broadly put into two categories. Generally, we spend about \$970 million annually on the operations side and \$2.33 billion on the capital side. When I say operations, that includes things like: Payroll, Debt Service, Lands and Buildings, Equipment, Snow and Ice, and Maintenance. When I say capital think of the following: Pavements, Bridges, Safety Program, Local Programs, and Culverts.

These programs are funded over-and-above state and federal minimum funding levels. In general, state highway revenues fund the department's operations. Conversely, federal funds are used building most projects and require state matching funds. This is typically 20 percent of the cost.

[SLIDE 8]

Our transportation system touches the lives of every man, woman, and child in the Buckeye State every day and represents an investment of tens of billions of dollars by taxpayers over many generations.

[SLIDE 9]

The budget forecast will move projects forward and improve Ohio's bridge and road conditions. The Local-Let Process drives funding activity related to local project funding – funding set aside specifically for projects that fall within the jurisdictions of townships, villages, counties, and cities.

Today our 2023 forecast sits at around 670 ODOT Let new projects costing about \$2.2 billion.

We currently have plans to let around 346 Local Let projects totaling an estimated \$569 million for a total count of new projects of approximately 1,011 and a total investment into our infrastructure of \$2.76 billion.

Remember these are new projects so the numbers do not include multi-season carry over projects. The truth is 2023 will be very robust.

[SLIDE 10]

Overall, we are investing:

Just over \$606 million into our bridge and culvert program reconstructing or repairing critical structures vital to our system. Over \$662 million in pavement work. And over \$89 million for what we call our other or miscellaneous category.

This category includes important safety projects such as striping, raised pavement marking replacement, and traffic signal and lighting maintenance projects. More than \$918 million in major projects reducing congestion and improving road safety. Rounding out the program and certainly the top priority is the safety category. We plan to invest over \$487 million in critical safety projects.

Chairman McClain, Vice Chairman Ferguson, and Ranking Member Grim thank you for the opportunity to testify this afternoon and I am happy to answer any questions.