

### **The Executive Transportation Bill**

The Executive Transportation Bill is committed to ensuring that Ohio's development of infrastructure keeps pace with the changing needs of the economy even during times of economic tumult, realizing that an investment in Ohio's infrastructure is an investment in Ohio's economic growth. Based on the findings outlined in the 2008-2009 Ohio Department of Transportation Business Plan and the Ohio's 21st Century Transportation Priorities Task Force, it is apparent that Ohio needs a continued investment in transportation infrastructure in order to grow Ohio's economy and create jobs. Investments in transportation infrastructure benefit all Ohioans by offering more efficient and safer transportation choices to motorists, citizens, and businesses for travel, commuting and shipping. By developing new financing tools for state and local governments, including various tolling options, the Executive Budget will develop and construct multiple modes of transportation, manage congestion, extend the life of Ohio's existing infrastructure, expand the investment in the Department of Transportation's State Infrastructure Bank, and increase the ability of the state and local governments to partner with the private sector in new infrastructure development opportunities.

### **New State and Local Transportation Tools**

The Department of Transportation's business plan was focused on addressing the shortfall in projected funding relative to the near- and long-term infrastructure needs of Ohio. One of the objectives of the Executive Budget is to provide new revenue streams as means to support these infrastructure development priorities.

At the local level, the Executive Budget will provide the opportunity for any municipal, county, or township government, county transit system or regional transit authority, metropolitan planning organization, port authority or transportation improvement district, in conjunction with the Ohio Department of Transportation (ODOT), to form a Transportation Innovation Authority (TIA). This will allow the new entity to finance much needed transportation projects that will benefit both single political subdivisions as well as the jurisdictions covered by the Authority. This new opportunity will allow local governments and organizations to leverage their financing authorities jointly for appropriate intermodal, roadway, bridge, public transit and intercity rail projects spanning jurisdictions in order to benefit the region as a whole. The Executive Budget will also give these TIAs the ability to partner with the Department of Transportation to use new financing tools, including tolls, to construct new infrastructure projects or move ahead on an existing ODOT project which might have been delayed due to funding constraints.

At the state level, the Executive Budget will give ODOT the ability to use new tools to finance both highway and non-highway modes of transportation across the state. The New Generation Highway and Multi-Modal State Infrastructure Bank will provide funding to local governments and Transportation Innovation Authorities for highway, transit and rail projects across the state. As part of its innovative financing portfolio, the Executive Budget will provide ODOT with the authority to use tolls on new infrastructure capacity to invest in more transportation projects. This authority would only be available for new capacity, not existing roads, bridges or other infrastructure, and would be used to accelerate the infrastructure investments needed for state growth. Through this opportunity, the Department of Transportation will be able to target priority areas in need of new transportation infrastructure for specific industries and urban redevelopment, as referenced in the Jobs and Economic Development Special Analysis.

### **Public Transit, Freight & Passenger Rail, Aviation, and Maritime**

In order to move Ohio forward in the transport of people and goods, the Executive Budget will invest not only in highway infrastructure but also in other modes of transportation including passenger rail, public transit, aviation and marine transport. The strengthening of Ohio's transportation infrastructure will allow the state to effectively link Ohio citizens and businesses to jobs, resources, markets and communities. It will also bolster existing infrastructure by attracting new industries and opportunities to the state.

Through the use of tolling on new highway and other modal capacity, the Executive Budget will accelerate the development of cleaner, safer, more efficient and more affordable transportation options. This opportunity will endow Ohio with a new stable funding stream for investments in transportation which have long been underfunded.

Though once prominent in this state, passenger rail is an unrealized opportunity for Ohio. The Executive Budget will reinvest in passenger rail in the upcoming biennium by building the first phase of Ohio passenger rail connections. Upon completion, Ohioans will be able to affordably travel from Toledo to Cleveland to Cincinnati, via Columbus and Dayton. This investment is only the beginning step toward offering Ohioans transportation options and preserving our existing infrastructure for years to come. Ultimately, this investment in passenger rail will move Ohio towards the development of a Midwest passenger rail network connecting Ohio with surrounding markets and opportunities.

### **Fix-It-First**

The Executive Budget will fully fund the preservation of Ohio's current roadways and bridges, erasing more than a billion dollars in funding shortfalls. Moving forward, the "fix-it-first" prioritization will continue to ensure the highest degree of safety and longevity to the roads and structures Ohioans depend on daily. This priority will ensure that past investments in transportation infrastructure are cared for and the long-term costs of repair are reduced by slowing the deterioration of existing roads.

Well-maintained roads are essential for safe, efficient transportation, for automobiles, commerce, and public transit. Road deterioration contributes to hazardous driving conditions and extracts a significant financial toll on roadway users. Fix-it-first addresses these needs through focused maintenance strategies.

### **Building Ohio Jobs & the Motor Fuel Evaporation Tax Credit**

In June 2008, Governor Strickland and the General Assembly passed the Building Ohio Job Act to provide a capital and development investment that would strengthen the Ohio economy and create jobs. The Executive Budget will amend House Bill 554 to fund the expanded Local Transportation Infrastructure Program (LTIP) at the Ohio Public Works Commission through the proceeds realized by eliminating the Wholesale and Retail Motor Fuel Evaporation Tax Credits. Improved technology has found ways to prevent errant fuel evaporation, benefiting the industry and making the credit unnecessary. Motor fuel tax proceeds may only be spent on a narrow scope of road-related projects, which includes the LTIP. Using the additional motor fuel tax proceeds from the elimination of the evaporation credit, in lieu of the BSF, will allow the Executive Budget to use the BSF for its intended purpose of stabilizing the budget in times of fiscal stress.

Through this change, Ohio will be able to provide local government the resources needed to update their infrastructure and create new investment opportunities and jobs. The remaining funds will be used to preserve existing infrastructure, advance the investments identified by the Transportation Review Advisory Council, and support other priority investments within the state.

### **Investment in Highway Safety**

In order to enhance public safety and provide increased funding for highway safety, the Executive Budget will increase the penalty for seat belt violations from a secondary offense to a primary offense. Similar actions in other states have shown to increase seat belt use and reduce vehicle-related death and injury. Through this change, Ohio will be eligible to receive \$26.7 million from the National Highway Traffic Safety Administration through the state incentives of the Safe, Accountable, Flexible Transportation Equity Act-Legacy for Users (SAFTEA-LU).

### **Department of Public Safety Funding Changes**

The most challenging Department of Public Safety (DPS) funding concern for the fiscal year 2010-2011 biennium is the cash solvency of the Highway Safety Fund, which is the primary source of financial support for the Highway Patrol's operations. The Ohio State Highway Patrol Funding Task Force, a 19

member public - private panel, met in fiscal year 2008 and made a funding recommendation that provides for a durable funding solution for the projected deficit facing the Highway Safety Fund.

The Executive Budget implements the funding recommendation of the task force, which is comprised of the following fee adjustment recommendations:

**Figure D-17: Proposed Department of Public Safety Fee Adjustments**

<u>Transaction Type</u>	<u>Current Fee</u>	<u>Proposed Fee Increase Amount</u>
Vision Screening	\$1.00	\$1.00
Passenger Vehicle Registration	Varies from \$34.50 to \$1,644.50	\$5.75
Commercial Truck Registration	Varies from \$59.50 to \$1,354.50	\$19.00
Temporary Tags	\$10.50	\$5.00
International Registration Plan for Commercial Vehicles from Other States	Varies from \$45 to \$1,340	2.5%
Late Fine for Vehicle Registration and Driver License Renewal	New Fine	\$10.00

Without fee adjustments, the Highway Safety Fund will become insolvent in fiscal year 2010. The fee adjustments proposed by the Ohio State Highway Patrol Funding Task Force are projected to generate an additional \$106 million annually for the fund. This recommendation is a broad-based approach which allows Ohio's fees to remain comparable with other states while adequately funding the vital services provided by the Ohio State Highway Patrol. The recommendation addresses the critical funding issue while providing a practical and lasting solution that is in the best interest of the state, its citizens, and the Ohio State Highway Patrol.

Realizing the limited resources of the general revenue fund (GRF) in these trying economic times, the Executive Budget also will eliminate DPS's need for GRF funding through a fee increase on abstracts. The current fee is two dollars, well below the national average of eight dollars and thirty-five cents. A six dollar fee increase would provide the necessary revenue to remove the Emergency Management Agency, the Investigative Unit, and the Office of Criminal Justice Services from GRF funding, while still keeping Ohio's fee amount below the national average. The abstract revenue will also be used to supplement the funding for the Divisions of Emergency Medical Services and Homeland Security.