



January 21, 2022

The Honorable Stephen Huffman
Ohio Senate
Ohio Senate Building
Columbus, OH 43215

Dear Senator Huffman:

The Fix Our Roads Ohio (FOR Ohio) is a diverse coalition of Ohioans with a shared interest in the future of our state's transportation system. Formed in 2018, the coalition focuses its efforts on issues that promote investment and improvements to Ohio's roads and bridges, especially those that increase safety.

In line with the mission to keep Ohio roads safe for all, we are writing to offer our serious objection to SB 277, which seeks to suspend the much-needed revenue increase for state and local roads, bridges contained in the biennial transportation budget (HB62) adopted by the House and Senate with bipartisan majorities and signed by Governor DeWine in April 2019.

Without the new revenue provisions of HB62, a large structural deficit in our state transportation budget would have forced cutbacks in state and local road building, replacement, and maintenance work across Ohio.

In 2019, new Governor Mike DeWine and incoming leaders of the General Assembly inherited a budget crisis—a large transportation budget hole caused by rising road construction costs far overtaking the flat rate revenue base that had not been adjusted for 14 years, combined with one-time monies from a refinancing scheme being fully spent and no longer available.

The revenue increase was generated with an increase in user fees for motorists. The flat rate state gasoline tax was increased by 10.5 cents per gallon (from 28 to 38.5 cents per gallon). For the first time, annual fees were assessed to users of electric vehicles (EVs). Previously, drivers of EVs were not paying for upkeep of the state and local roads they were using. Diesel fuel fees were also raised.

Experts projected the new revenue package to produce an added \$840 million per fiscal year statewide, including \$380 million for local government transportation needs—enough to pay for a solid road and bridge construction program at the state level and for the first infusion of new dollars in decades for municipal, county and township roadways.

The unexpected happened when, in early 2020, the pandemic resulted in a major decline in motor fuel user fee revenue (as much as 40%). Without the added revenue package in HB62, the impact on transportation funding would have been devastating.

One stated reason for introducing SB 277 is using anticipated revenue from multiple federal measures including the COVID Relief Act, American Rescue Plan Act, Bipartisan Infrastructure Law to “replace” the HB 62 increase in the motor fuel user fee. Using one-time federal funding infusions for ongoing expenses, however, is a fiscal mistake. Besides the infrastructure bill, none of the federal funding packages provide direct spending for transportation purposes.

And while the infrastructure bill *does* direct money towards traditional highway infrastructure, the amount falls well below the funding provided by HB 62. To be specific, the anticipated annual increase from the federal bill would average \$327 million — well below the amount generated by HB 62 (without COVID impacts), which again, is only enough to maintain “status quo.” If SB 277 passes, Ohio will fall dangerously behind in the maintenance and improvement of Ohio’s highways, roads, and bridges.

In addition, the infrastructure bill provides little to no direct funding to local governments, and funding is restricted to certain eligible projects or is grant funding that doesn’t provide a consistent, reliable revenue stream. These federal dollars will also require state matching funds, which may prove difficult if Ohio’s state-generated transportation revenue is decreased.

Another stated reason for SB277 is that gas prices at the pump have returned to historic highs. Those prices go up with market conditions and are set by petroleum companies. As those prices fluctuate, the state’s flat tax-per-gallon remains the same.

There is no question that highway construction stimulates the economy. By reducing the amount of funding available to this industry, jobs will be lost. According to recent studies, there are nearly 30,000 Ohioans directly employed in the construction and maintenance of Ohio’s vast infrastructure network. Any reduction in funding will threaten these well-paying middle-class jobs resulting in negative consequences for those individuals and Ohio’s overall economy.

On behalf of the organizations listed below, thank you for the opportunity to express opposition to SB 277. Please reach out to us if you have any questions or would like to meet about this important issue.

Respectfully,

Ohio Municipal League
County Commissioners Association of Ohio
County Engineers Association of Ohio
Ohio Township Association
Ohio Rural Development Alliance
Ohio Public Transit Association

Ohio Fire Chiefs' Association
Buckeye State Sheriffs' Association
Columbus Chamber of Commerce
Greater Akron Chamber of Commerce
Toledo Regional Chamber of Commerce
Youngstown/Warren Regional Chamber of Commerce
Dayton Area Chamber of Commerce
Greater Cleveland Partnership
Ohio Hotel and Lodging Association
AAA
Dayton Area Logistics Association
Ohio Restaurant Association
Ohio Coal Association
Ohio Insurance Institute
Lyft
Ohio Farm Bureau Federation
American Council of Engineering Companies of Ohio
Flexible Pavements of Ohio
Ohio Trucking Association
Ohio Aggregates and Industrial Minerals Association
Ohio Contractors Association
Transportation Advocacy Group of Northwest Ohio
Ohio Association of Movers
Ohio Prestressers Association
American Society of Civil Engineers
Ohio Concrete
United Equipment Dealers Association
Ohio Equipment Dealers Association
COTA
Ohio Association of Regional Councils
Akron Metropolitan Area Transportation Study (AMATS)
Belomar Regional Council and Interstate Planning Commissions
Brooke-Hancock Jefferson Metropolitan Planning Commission
Buckeye Hills Regional Council
Clark County-Springfield Transportation Coordinating Committee
Eastgate Regional Council of Governments
Erie County Regional Planning Commissions
KYOVA Interstate Planning Commission
Licking County Planning Commission; Licking Country Area Transportation Study
Lima-Allen County Regional Planning Commissions
Logan-Union Champaign Regional Planning Commissions
Maumee Valley Planning Organization
Miami Valley Regional Planning Commission (MVRPC)
Mid-Ohio Regional Planning Commission (MORPC)

Mid-Ohio Valley Regional Council
Northeast Ohio Areawide Coordinating Agency (NOACA)
Northeast Ohio Four-County Regional Planning & Development Organization
Ohio Mid-Eastern Governments Association
Ohio Valley Regional Development Commission
Richland County Regional Planning Commission
Stark County Regional Planning Commission
Toledo Metropolitan Area Council of Governments (TMACOG)
Wood-Washington-Wirt Interstate Planning Commission
The Fraternal Order of Police, Ohio
Ohio Laborers' District Council
International Union of Operating Engineers Local 18
Indiana-Kentucky-Ohio Regional Council of Carpenters

c: All members of the Ohio General Assembly