



OHIO DEPARTMENT OF TRANSPORTATION

John R. Kasich, Governor

Jerry Wray, Director

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October 12, 2018

Timothy Keen
Director, Office of Budget and Management
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Director Keen:

I am pleased to present you with the Ohio Department of Transportation's (ODOT's) state fiscal year budget proposal for 2020 – 2021. The total proposal for the biennium is for \$5.88 billion.

Ohio was facing a \$1.6 billion deficit in its highway construction budget when Gov. Kasich took office in 2011. Key projects were being put on a wait-list for as long as 20 years. While inflation and increased fuel efficiency have constrained infrastructure budgets throughout the country, Ohio was aggressive and innovative in its approach to finding much-needed projects.

Over the last eight years, we have invested a record \$16.4 billion – roughly \$2 billion each year – into our transportation system without having to raise the state gas tax one penny. By leveraging the tremendous untapped value of the turnpike and issuing bonds against future turnpike revenues, we were able to put nearly \$1.5 billion investment into its highways and jumpstart key projects 10 to 15 years ahead of their previously projected schedule.

The following budget proposal will include a more modest annual construction program, roughly \$1.7 billion each year, than the state has seen under Governor Kasich's leadership. This proposal will allow ODOT to continue to take excellent care of a highway system that is \$16.4 billion better than it was at the beginning of this administration, however it does not make available funding for any additional expansion of the existing highway system. In past years, this work accounted for less than 10% of ODOT's capital budget.

Given the continued trend towards increased fuel efficiency and vehicle electrification, the next administration will have to continue our work and find innovative ways fund major new transportation construction projects in order to maintain our position as one of the best and most well-kept highways systems in the nation.

Taking Care of What We Have

Approximately 75% of ODOT's staff and 80% of the agency's total budget are dedicated to the maintenance and construction of roads and bridges in Ohio. This budget proposal includes funding needed to perform all the

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necessary routine maintenance (resurfacing, culvert and bridge repair, guard rail repair) needed to keep traffic safely moving in the state.

Each year, more than 90% of ODOT's capital budget goes to road and bridge maintenance, including pavement resurfacing, guardrail repair, signage, lighting, traffic signals and bridge and culvert cleaning. During the SFY 2017-2018 biennium alone ODOT repaired 2,126 bridges and improved 12,835 lane miles of pavement.

ODOT is also responsible for keeping the state-owned highways system free of snow and ice in the winter months. This past winter was one of the busiest ever for ODOT with crews spending more than 1.1 million hours battling snow and ice. Snow plow trucks were driven over 10.5 million miles. ODOT used 954,215 tons of salt and 14.5 million gallons of liquid deicers to treat 43,479 lane miles of roadway. Our goal is to always have primary routes back up to speed within two hours of the end of a storm and we met our goal 97 percent of the time last winter.

This budget provides the necessary funding to continue to provide this high-quality level of service on behalf of the people of Ohio.

Operational Efficiencies

Over the past decade, ODOT has steadily moved toward a more data-focused approach to monitoring, maintaining and improving our transportation system--and especially our greatest assets: Ohio's roads and bridges. Previously, ODOT's preservation strategy took a 'worst first' approach to fixing roads and bridges. Now, while still addressing critical needs, we are also extending the life of our assets on a consistent statewide basis with more cleaning, sweeping, sealing, and micro-surfacing than ever before. It's like changing oil in the car regularly as opposed to waiting until the engine becomes damaged and requires expensive repairs.

It's a smarter use of Ohio's taxpayer dollars--paying smaller amounts on the work we do now so we don't pay a lot more to fix problems later. **ODOT estimates we have saved more than \$400 million** over the last few years by making this data-driven approach to our operations.

Other operating efficiencies have been achieved through reforming our organizational structure, controlling overtime, reforming vehicle parts procurement, automating processes, and utilizing a zero-based budgeting process for our operating budget to ensure we are focusing our resources on the highest priority needs.

DriveOhio

This proposal also includes modest funding for DriveOhio. With autonomous and connected vehicles dominating both the automotive and infrastructure agendas of governments at every level, DriveOhio was created by Governor Kasich as a single point of contact and collaboration for Ohio's government, industry and researchers – everyone involved in the design, development, testing, use and regulation of autonomous and connected technologies.

DriveOhio brings together those responsible for building transportation infrastructure in Ohio with those developing autonomous and connected and unmanned aerial technologies. It's a "one-stop-shop", making connections and providing companies looking to safely develop, test, and deploy these technologies with clear and visible accessibility in the state.

The DriveOhio team understands that to truly maximize Ohio's investments in this area, the state needs the ability to connect local and regional projects under a cohesive statewide framework. DriveOhio has begun work on a Smart Mobility plan to guide the state's future investments in connected and automated vehicle technology. The purpose of the project is to provide equipment and application specifications for smart mobility technologies that could be used by state and local governments. The team is also looking at a master plan for statewide data storage, management and security for connected and autonomous vehicles.

The men and women of the Ohio Department of Transportation understand our highway system impacts the lives of every Ohioan, every day. As the stewards of that system, ODOT's mission is critical to the welfare and prosperity of our state, our cities, counties, villages and townships. This budget proposal includes the funding necessary to continue to give the people and businesses of Ohio access to a modern, robust and well-maintained highway transportation system.

Sincerely,

A handwritten signature in black ink that reads "Jerry Wray" followed by the initials "GRM". The signature is written in a cursive, flowing style.

Jerry Wray, Director
Ohio Department of Transportation