

## OHIO'S JOBS & TRANSPORTATION PLAN



# More Projects - Faster.

**Filling Ohio's \$1.6 Billion Highway Budget Deficit is Essential to Job Creation:** Gasoline taxes pay for Ohio's highways, but an uncertain economy, higher gas prices and more fuel-efficient cars have come together to dampen gasoline sales—and therefore money for Ohio's roads—even as construction costs continue to rise. This has created a \$1.6 billion highway budget deficit in Ohio. A gas tax increase would kill jobs, so other strategies are needed to keep Ohio's highways in good shape—highways that are essential to our manufacturing, agriculture and logistics industries, among others.

The Ohio Department of Transportation cut the highway budget deficit by \$400 million thanks to new savings and operational efficiencies, but more funds and more innovative ideas are needed. That's why ODOT has spent the past year studying the options for better using the revenue generated by the Ohio Turnpike.

**THE OHIO JOBS & TRANSPORTATION PLAN: Up to \$3 billion for Ohio's highways:** With \$1.5 billion from new bonds—issued by the Ohio Turnpike Commission and backed by future Turnpike revenues—an additional \$1.0 to \$1.5 billion can be generated from matching local and federal fund to generate as much as \$3 billion for major Ohio transportation projects. And, it's estimated that for every \$1 billion spent on transportation, there are 30,000 jobs created. The benefits of this approach are many:

- **The Turnpike will not be leased:** Keeping the Turnpike in public hands and under the control of the Ohio Turnpike Commission is important to Ohioans. The state will not pursue leasing the Turnpike to a private entity.
- **The Turnpike and Turnpike Commission remain independent:** Forgoing a lease allows the Ohio Turnpike to remain under the control of the Ohio Turnpike Commission and the Commission to remain independent.
- **The Turnpike gains new funds and a broader role:** A portion of bond proceeds will accelerate a badly-needed reconstruction of the Turnpike's roadbed. Additionally, the Turnpike will now work closely with ODOT on implementing Ohio's highway plan, and be renamed the "Ohio Turnpike *and Infrastructure* Commission" to reflect this new role.
- **Virtually all Turnpike Funds Go to Northern Ohio Highways:** Working with ODOT, the Turnpike will dedicate almost all (more than 90 percent) of the \$1.5 billion in new bond proceeds to Northern Ohio road projects. This frees up ODOT to spend the state's gas tax and federal funds on highways downstate—which allows all projects to move forward faster. Furthermore, it's time for the Turnpike to be a good neighbor to the communities through which it passes and help fund projects of local interest that it previously ignored, such as sound walls and locally-owned bridges that span the Turnpike.
- **Local tolls are frozen for 10 years, hikes on all others capped at inflation:** Tolls for local passenger trips that are paid with E-ZPass will be frozen at current levels for the next 10 years. For all other tolls (longer passenger trips and all truck trips) any increases will be capped at the rate of inflation, or approximately 2.7 percent annually, assuming sustained traffic growth at the historic 1 percent rate. This low, stable rate will be less than half the rate of increase that passenger tolls have seen over the past 20 years and almost a full percentage point less than past increases to truck tolls.
- **No Turnpike employee lay-offs are part of the plan:** Under this plan, no Turnpike employee layoffs are anticipated.

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**BOTTOM LINE:** While leasing the Turnpike may have generated more funds, it brought with it unacceptable ramifications. Bonding against future Turnpike revenue generates new funds to greatly decrease Ohio's highway budget deficit as well as rebuild the entire Turnpike sooner than planned. Maintaining public Turnpike control and an independent Turnpike Commission helps keep tolls low and workers on the job, and better coordination with ODOT keeps virtually all Turnpike revenue in northern Ohio. Most important, \$1.5 billion in new highway funds further strengthens Ohio's jobs-friendly climate and keep our state moving.

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