

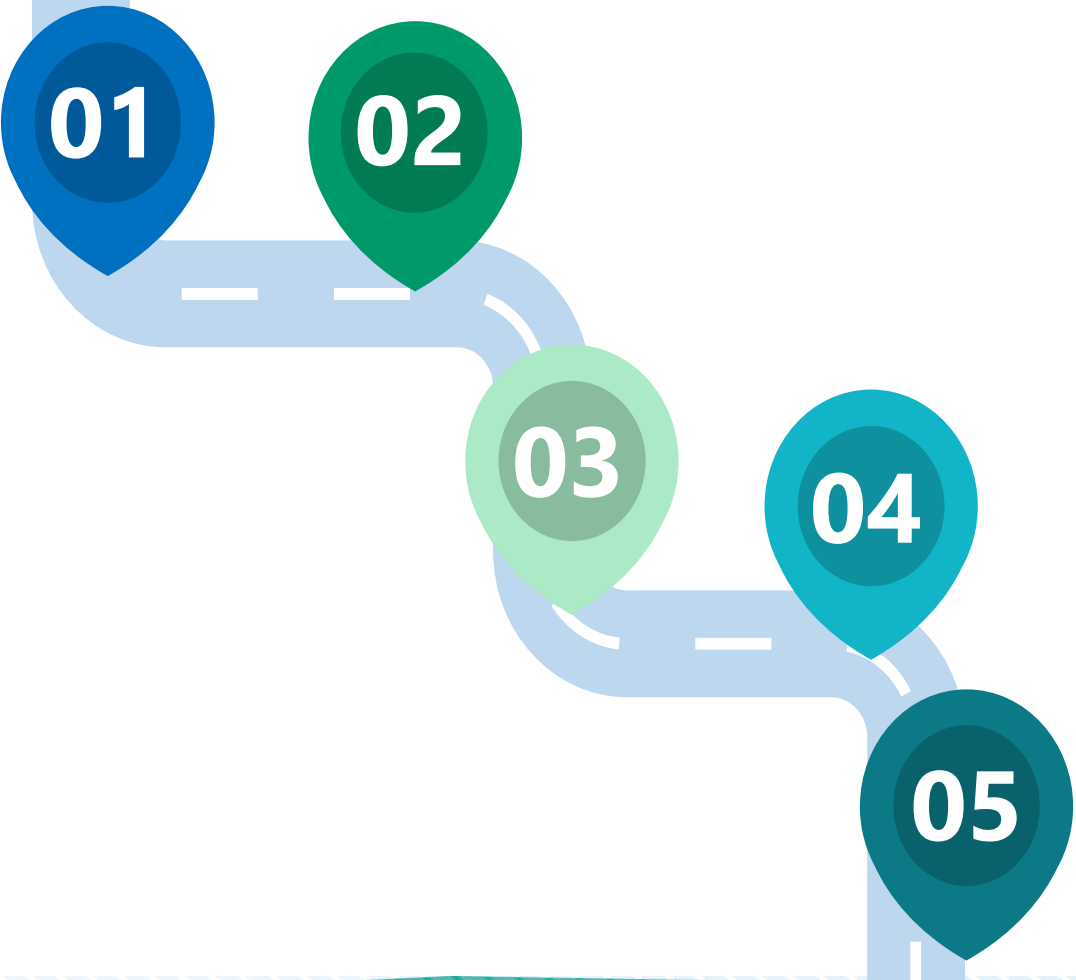


# Ohio DOT Revenue Alternatives Study

June 28, 2022

**CDM  
Smith**

# Agenda



**01** | Project Overview

**02** | External Advisory Committee

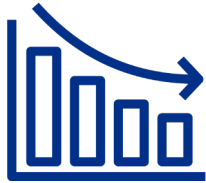
**03** | Public Outreach and Communications

**04** | Alternative Revenue Mechanisms

**05** | Closing



# The Problem: Gas taxes do not appear to be a sustainable transportation revenue source



**Flat/Declining**  
Revenue



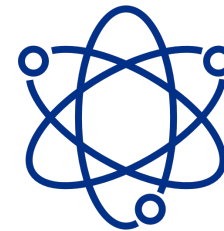
**Greater**  
Fuel-efficient Vehicles



**Alternatively**  
Fueled Vehicles



**Inflation**  
Of Construction Costs

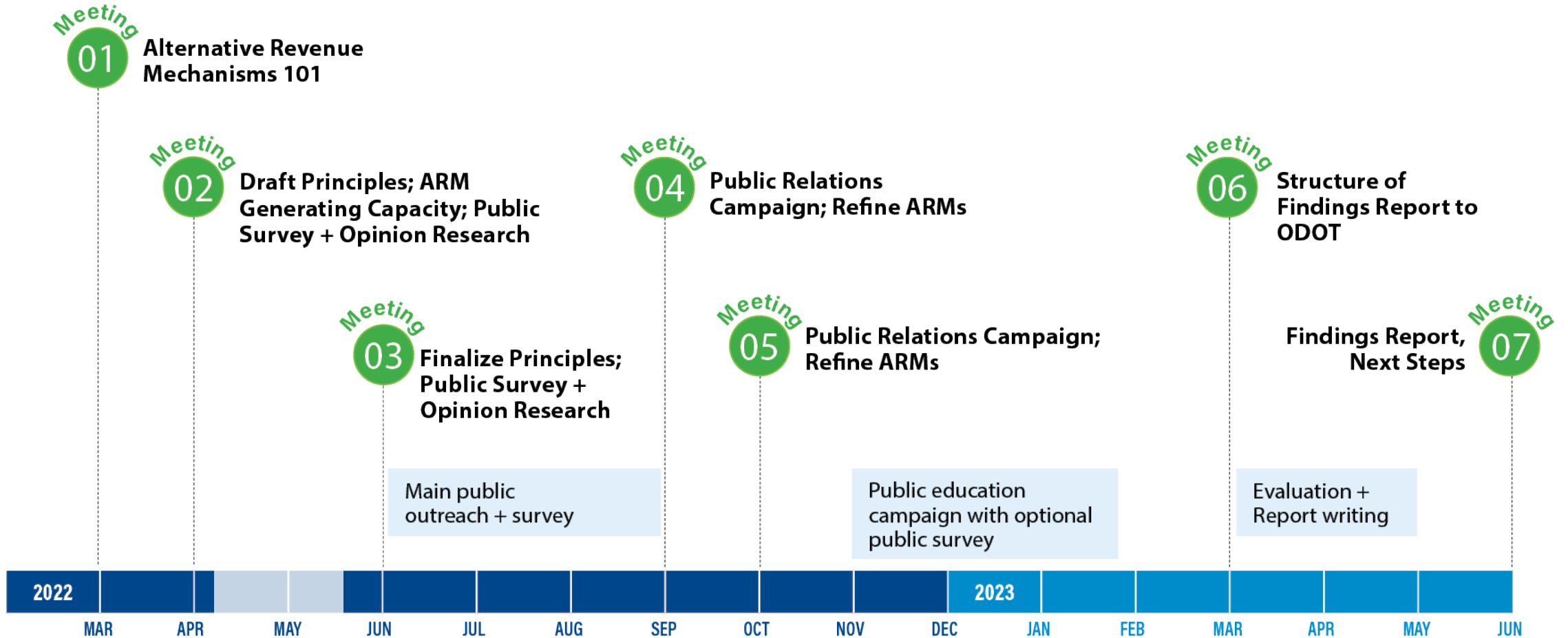


**Commitment to Explore**  
Alternative Revenue Sources By Ohio  
General Assembly

# ODOT applied for and received an STSFA grant

- STSFA grant program started by Congress in 2016 to **fund exploration of sustainable transportation funding mechanisms**
- Ohio's scope is public opinion research/survey and public education
- An **External Advisory Committee provides advice to ODOT** on the conduct of this study
- The project has 3 workstreams :
  - External Advisory Committee
  - Public Outreach and Communications
  - Alternative Revenue Mechanism Analysis

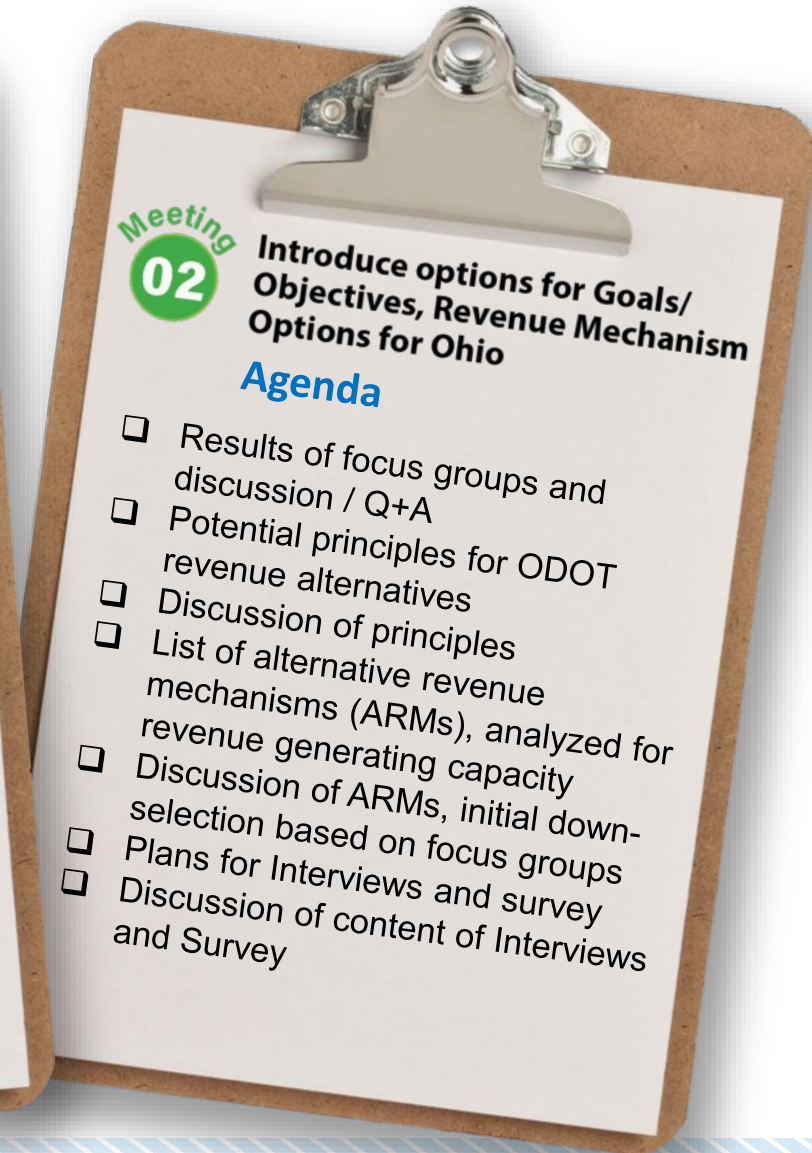
# Project Approach





# Task 1 External Advisory Committee Overview

- Offer input and advice
- Provide relevant perspectives
- Share updates with *your* organization



# Executive Advisory Committee Members

1. AAA Ohio
2. Alliance for Automotive Innovation
3. American Council of Engineering Companies
4. Clean Fuels Ohio
5. County Commissioners Association of Ohio
6. County Engineers Association of Ohio
7. Federal Highway Administration
8. Ohio Association of Regional Councils – MPO rep
9. Ohio Association of Regional Councils – RTPO rep
10. Ohio Chamber of Commerce
11. Ohio Contractors Association
12. Ohio Farm Bureau
13. Ohio Manufacturers Association
14. Ohio Municipal League
15. Ohio Public Transit Association
16. Ohio Township Association
17. Ohio Trucking Association
18. Retail Merchants/Convenience Store Association

# Primary Responsibilities of the External Advisory Committee (EAC)

1

**Attend** EAC meetings and **participate** in a constructive, solution-oriented manner

2

**Provide** relevant information and **perspectives** that represent your organization

3

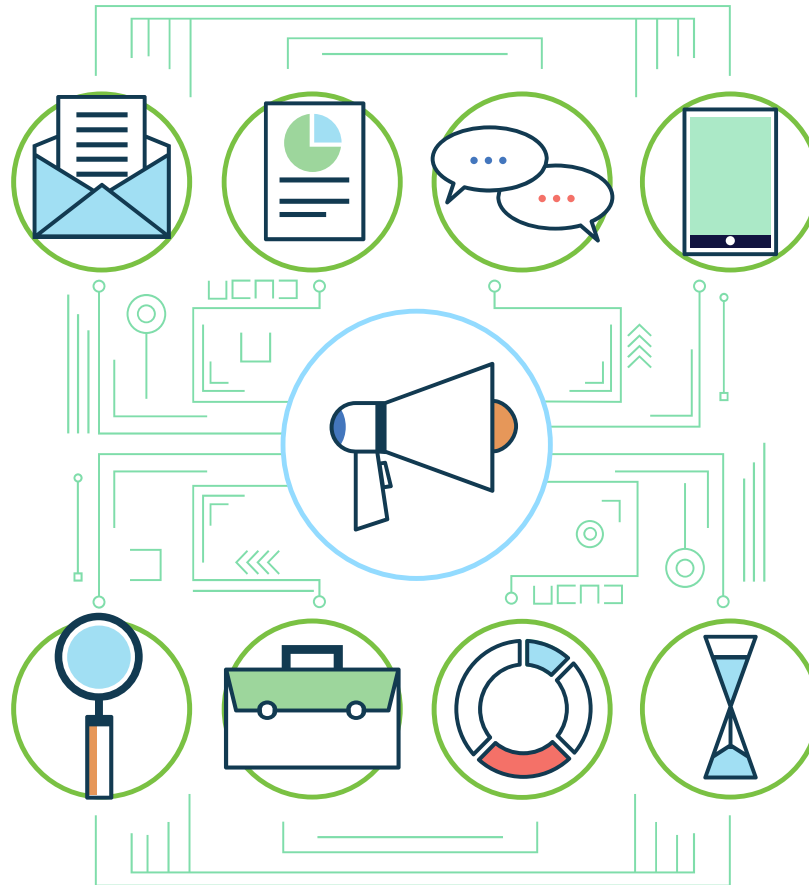
As broadly as possible, actively, and accurately **share information** about the EAC's activities with your organization



# Task 2 Public Outreach and Communications

## Overview

- Research and Collect Feedback
- Educate and Engage
- Outreach
- Plan
- Report



### Public Opinion

**Research:** focus groups, residential and business interviews, surveys

### Strategic Communications and Public Education:

project website, social media, stakeholder outreach, advertising, media coverage

# Public Opinion Research



**Wave 1: Five focus groups with diverse mix of Ohio residents**

*Understand their baseline knowledge about road funding*



**Wave 2: In-depth interviews with 40 Ohio residents & 45 business leaders**







*Thoroughly explore perceived challenges and opportunities regarding potential funding alternatives and message concepts*



**Wave 3: Online representative survey of 1,000 Ohio residents**

*Obtain a reliable, valid assessment of Ohioans' attitudes towards potential funding alternatives and message concepts*

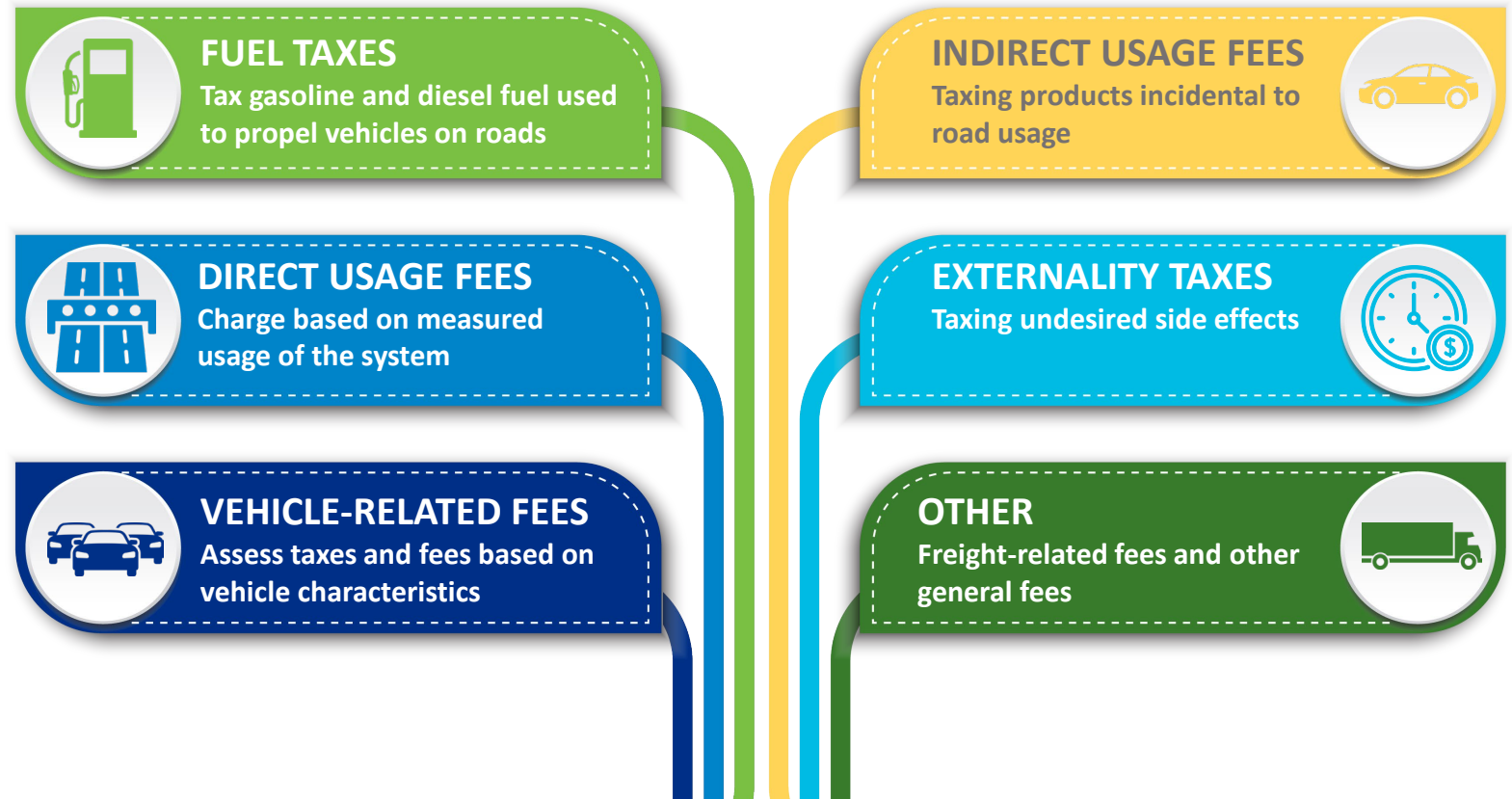
# Guiding Principles: allow decisionmakers to assess a revenue alternative's ability to accomplish critical policy objectives

-  **Stability:** establishing revenues sustainable over the long-term and under different economic conditions
-  **Efficiency:** developing a sustainable collection process to maximize the revenue generated for transportation projects
-  **Simplicity and Ease of Administration:** simple implementation and administration, including enforcement, coordination with other state agencies, and legislative implementation
-  **Transparency:** supporting public awareness and understanding of transportation costs and how and why revenue is collected
-  **User Equity:** recovering a proportionate share of the costs to build and maintain the transportation network from those who use it, recognizing costs can vary based on factors such as vehicle type, trip length, time of day, etc.
-  **Social Equity:** ensuring equitable costs for motorists in Ohio, recognizing social, economic, and geographic characteristics

# Task 3 Alternative Revenue Mechanisms

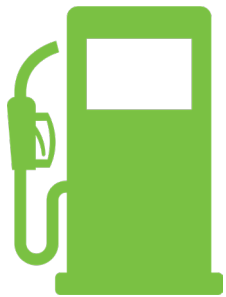
## Overview

- Evaluation of 30 transportation revenue alternatives grouped into 6 categories
- Ohio's solution could include a combination of mechanisms

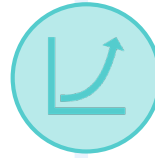




# Fuel Tax Mechanisms (gasoline and diesel)



1-2. Flat per-gallon excise tax



3-4. Excise tax with inflation index



5-6. Excise tax with fuel efficiency index



7-8. Sales tax on fuel



9-10. Variable-rate tax based on the price of fuel

## Light-Duty Vehicle Fees



11. Basic vehicle registration fee



12. Vehicle value tax



13. Weight-based fee



14. Vehicle fuel efficiency fee

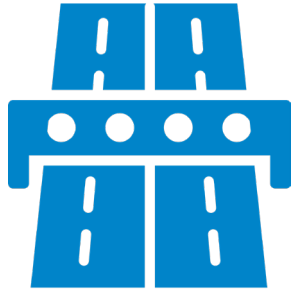


15. EV/Hybrid fee



16. Vehicle age fee

## Direct Usage Fees



17. Mileage-based user fee (light vehicles)

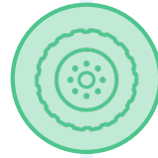


18. Heavy vehicle usage charge

## Indirect Usage Fees



19. Battery Fee

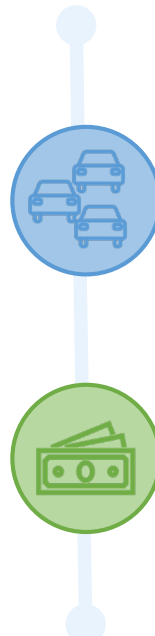


20. Tire Fee



21. Electricity

# Externality Taxes



22. Congestion Charge

23. Carbon Tax



## Other Fees



24. Fee on value of trucking costs



25. Delivery fee on tangible goods



26. For-hire transportation fee



27. Street utility fee



28. Payroll tax



29. Land-use impact fee

# Analyzing Performance of Alternative Revenue Mechanisms

- Completed the following analyses:
  - initial quantitative assessment of the revenue generating capacity of each mechanism
  - initial qualitative assessment of each mechanism against the guiding principles

# Questions

- What principles are important to you in a future funding mechanism?
- Initial reactions to alternative revenue mechanisms?
- Which alternative revenue mechanisms do you think Ohio should study more detail on?



## Next Steps

- Incorporate EAC feedback and input
- Prioritize mechanisms for deeper analysis

