



OHIO DEPARTMENT OF TRANSPORTATION

TED STRICKLAND, OHIO GOVERNOR JOLENE M. MOLITORIS, ODOT DIRECTOR



2010-2011 Business Plan



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TED STRICKLAND, OHIO GOVERNOR JOLENE M. MOLITORIS, ODOT DIRECTOR

December 23, 2009

ODOT: FROM TRANSITION TO TRANSFORMATION

Together, Team ODOT and its public and private partners are building a safer, multi-modal transportation system, contributing to job growth and business opportunity, revitalizing our cities and towns, offering green transportation options for business and citizens, and laying the foundation for a prosperous and competitive Ohio.

The events of the past biennium have posed unprecedented challenges for the Ohio Department of Transportation. Governor Ted Strickland's leadership has empowered this department to address and manage significant fiscal and operational challenges.

A worldwide recession has severely impacted Ohio. Understanding the positive impact of transportation infrastructure investment on the economy, President Obama signed into law the American Recovery and Reinvestment Act (Recovery Act), which so far has brought \$1.1 billion of transportation stimulus funding to Ohio. ODOT now has the opportunity to manage a **construction program 30 percent larger than at any other time in state history.**

These dramatic and historic transportation times – combined with the harsh economic realities confronting Ohio's citizens – demand that ODOT redefine, realign, and recreate the way it does business. The Recovery Act requires unprecedented timetables for delivery, with environmental regulations unchanged. Through local, federal, private sector and inter-agency partnerships, ODOT is achieving turn-around times and project deliveries deemed impossible in the past. **Working faster, more collaboratively, transparently, and multi-modally have become the norm not the exception.**

ODOT pursued and received innovative financing tools from its 2010-2011 biennium budget to help build the transportation system Ohio needs to succeed. In January 2009, Ohio's 21st Century Transportation Priorities Task Force Report presented its recommendations to Governor Strickland asking for smart infrastructure investment that leads to a safer and more competitive transportation system for Ohio businesses and citizens. At the same time, the Transportation Review Advisory Council (TRAC) voted to create new project selection criteria to assure its decision making is responsive and relevant to Ohio's current needs.

ODOT's 2010-2011 Business Plan reflects the transformation of ODOT required by the seismic changes in our transportation world. As we champion the urgent need for expanded federal resources in the forthcoming federal transportation authorization bill, at home we are **delivering on time, on budget, and at the highest level of quality, the largest construction program in Ohio history with personnel levels at a 30 year low.**





Only a committed world-class team could achieve such a feat. We understand that each member of Team ODOT is an essential member of and a contributor to this historic success. With the gravity of the challenges facing our state and its transportation system, only by

working together as a team – focused on our mission and our commitments – can we succeed.

Consequently, we begin this 2010-2011 Business Plan by stating Team ODOT’s pledge to you:

THE OHIO DEPARTMENT OF TRANSPORTATION PLEDGE

As a member of Team ODOT, **SERVICE** is my commitment:

- ☑ **Safety First:** I will focus each day on safety: my own, my teammates, our workplace, our work practices, and our customers – the traveling public – with a “Target: Zero” goal for any and all safety hazards;
- ☑ **Every Partner:** I will remember that partnership is the key to success and help all members of Team ODOT succeed, along with all our public and private partners;
- ☑ **Respect for My Customers:** I will bring a positive attitude to everything I do, remembering Ohioans are my customers and deserve respect, prompt and effective solutions, and the best return on their investment of precious tax dollars in our transportation system;
- ☑ **Value of My Job:** I will commit myself fully every day to be a productive and safety-conscious member of Team ODOT, and in return, be given meaningful, valuable work and treated without discrimination or prejudice;
- ☑ **Integrity:** I will conduct myself with honor, integrity and professionalism by following the highest ethical standards;
- ☑ **Clear Communication:** I will communicate with everyone respectfully, clearly, honestly, effectively, and timely; and
- ☑ **Eye to the Future:** I will always look for and welcome new ways to assure ODOT’s continuous improvement through partnership, innovation, wise investment, technology and environmental stewardship.

Ohio’s citizens and businesses cannot afford a delay in action. Together with our private and public sector partners – and working in sync with our colleagues in organized labor, our contractors and our consultants – Team ODOT has indomitable spirit, vision and commitment to our shared goal of creating the transportation system Ohio needs... so that at the end of the day, when someone asks what we did, we can say – quite simply – “We helped move Ohio into a prosperous new world.”

Jolene M. Molitoris
Director



BUILDING THE FOUNDATION FOR A 21ST CENTURY TRANSPORTATION SYSTEM FOR OHIO

IN THIS SECTION:

- **Creating a Vision: Ohio's 21st Century Transportation Priorities Task Force**
- **Securing Innovation: 2010-2011 State Transportation Budget**
- **Modernizing our Project Selection: Transportation Review Advisory Council**
- **Taking Action: Creating a 21st Century ODOT**
- **Providing a FAST TRAC: Advancing Projects of State and Regional Significance**
- **Finding Multi-Modal Solutions: Go Ohio Transportation Futures Plan**

“The world is changing and Ohio has to change with it. So the time to move forward on these action priorities – with purpose and determination – is now.”

These words epitomize the spirit of the Ohio Department of Transportation (ODOT) under the leadership of Governor Ted Strickland and represent the final charge of Ohio's 21st Century Transportation Priorities Task Force, created by the Governor under ODOT's 2008-2009 Business Plan. Through that plan, ODOT began a **transition** to meet the Governor's call to develop a balanced multi-modal transportation system, advance economic development, and promote partnership.

The 2008-2009 plan identified Ohio's transportation challenges based upon economic conditions and past program decisions. It directed common sense reforms to business practices and project development to restore fiscal responsibility. Most importantly, the plan called for the 21st Century Transportation Priorities Task Force to lead a “new dialogue on Ohio's transportation priorities.”

Guided by the Governor's vision, ODOT presents the 2010-2011 Business Plan and sets a course to **transform** Ohio's transportation system to meet the challenge of the global economy.

ODOT's 5,500 employees in partnership with our stakeholders are leading this transformation. From their hard work every day to safely maintain Ohio's interstates and highways to planning the transportation system for the next generation, our state's transportation employees are the best in America.

The 2010-2011 Business Plan features the many ways ODOT is transforming transportation investment to help make Ohio competitive: the transportation vision of the 21st Century Transportation Priorities Task Force; the new tools contained in ODOT's 2010-2011 State Transportation Budget; new TRAC criteria to select, design and construct the best transportation projects; a FAST TRAC initiative to more quickly advance projects of state and regional economic significance; modernized ODOT operations to align staff and procedures to better serve Ohioans; and multi-modal solutions to meet the transportation needs of the 21st Century.

This 2010-2011 Business Plan will also present the department's key initiatives, an overview of the historic efforts being undertaken by the department, a review of ethics and accountability standards, a financial plan for the biennium, and the department's performance and quality assurance measurements.





CREATING A VISION: OHIO'S 21ST CENTURY TRANSPORTATION PRIORITIES TASK FORCE

From rural to urban regions, younger to older citizens, and by every mode of travel and shipping – transportation today plays a critical role in the daily lives and livelihoods of all Ohioans. Transportation is a critical factor in determining the future prosperity of this state.

Today, Ohio boasts the nation's 4th largest interstate system with nearly 6,700 lane miles... ranks 2nd in bridge inventory with 43,412 bridges, 4th in the nation in total rail miles with 5,307 miles of active track, and 12th in highest transit ridership rate with approximately 500,000 rides each day... and offers 716 miles of navigable waterways and more than 100 federally-designated airports. These assets support the nation's 7th largest state economy and 11.5 million Ohioans.

Ohio's transportation system represents more than just a portfolio of impressive assets. Transportation is a means to an end. Investments in infrastructure lead to job creation, economic growth, and improved quality of life for all Ohioans.

Understanding that a plan for Ohio's future makes the evolution of our transportation system an imperative, Governor Strickland began the "Transportation Conversation" in April 2008 by asking Ohioans to envision the type of transportation system needed by both our citizens and businesses for the 21st Century.

"This (effort) is not an exercise in doing a little more or a little less of what we've always done. It's an opportunity for you to ask what should be done or could be done," charged the Governor.

Ohio's 21st Century Transportation Priorities Task Force brought together 60 volunteer citizen leaders, representing business, industry, labor, shipping, logistics, finance, economic development, urban planning, agriculture, education, health care, aging, the disabilities communities, energy, construction, and state and local government.



OVERVIEW OF THE TASK FORCE'S GAME-CHANGING STRATEGIES AND RECOMMENDATIONS

Strategy #1: Getting there faster, safer, more cost effectively

Create affordable choices for travelers and shippers by investing in fully developed, safe and reliable multi-modal networks that serve as catalysts for economic growth and prosperity.

Strategy #2: Meeting the needs of business and travelers

Make Ohio's transportation system more "business-friendly" and "user-friendly" by streamlining policy making and execution and by demanding collaboration among public agencies and private partners.

Strategy #3: Working smarter and getting better results

Use technology as the differentiating factor in making Ohio a national leader in economic development and transportation, with emphasis on "smart" solutions that improve mobility and spur economic growth in safe, energy-efficient and environmentally sound ways.

Strategy #4: Investing where it counts

Develop sustainable revenue sources for the entire transportation system and balance investments that preserve and maintain existing assets with those that enhance system capacity.



Building the Foundation for a 21st Century Transportation System for Ohio



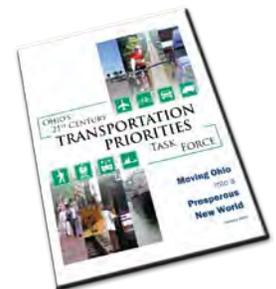
This unique “Transportation Conversation” included thousands of Ohioans – those who attended regional meetings and public subcommittee meetings or joined the conversation online through the interactive website TransportationForTomorrow.ohio.gov – sending email, completing a transportation priorities survey, or watching every meeting via webcast.

The Task Force focused on three key areas: promoting a multi-modal system, generating economic development, and maximizing public investment. The report recognizes that a fully-integrated, well-managed

transportation system will help make Ohio a leader in the national and global economies – driving business growth and prosperity, creating good jobs, making Ohio communities places people are proud to call home, and allowing Ohioans to get where they want to go safely and in an environmentally-sound way.

Ultimately, Task Force members agreed that the 21st Century’s “transportation game” has changed and that Ohio and the Ohio Department of Transportation have to change to stay in the game.

“Ohio has tremendous transportation assets, but they must be fully developed and effectively used. They must be integrated into ‘one system’... the Task Force’s report should be seen as a declaration that Ohio is determined and ready to move into a prosperous new world – and that transportation is one of the key drivers to economic prosperity.” - Ty Marsh, Transportation Priorities Task Force Chair



While not all of the Task Force’s 76 recommended actions were directed at ODOT, the department had fully completed 8 of its action items by the end of September 2009; 44 other action items have either already been launched or are set to be launched/implemented by the end of the biennium (the remaining 24 action items are directed at other entities). Many of the Task Force’s recommendations are reflected in the initiatives set forth by this Business Plan.

SECURING INNOVATION: 2010-2011 STATE TRANSPORTATION BUDGET

Departing from the traditional practice of using a budget bill only to affirm funding levels, the Strickland Administration authored the 2010-2011 State Transportation Budget bill to give ODOT innovative tools to develop a multi-modal transportation system in partnership with the public and private sectors.

With federal stimulus funding and ODOT’s dedicated federal and state gas tax dollars combined, the department is investing a total of \$4 billion into capital and construction projects over the next two state fiscal years. With these investments and existing contracts, ODOT anticipates nearly \$5 billion in active state construction projects through this biennium.

The budget authorized new ways for the department to carry out Governor Strickland’s vision for the state transportation system by making investments to create a truly multi-modal system and allowing new, innovative partnerships.





Among the new authorities granted ODOT in the 2010-2011 State Transportation Budget:

Design Build Contracts: The budget included a provision raising the total dollar value of ODOT’s design-build contracts from \$250 million per biennium to \$1 billion during this biennium. The budget granted the department use of a value-based selection process, combining technical qualifications and competitive bidding elements – including consideration of minority or disadvantaged businesses – when letting projects that contain both design and construction elements into a single contract. One goal of design build projects is the ability to save time and money over traditional methods.

Innovative Enterprises: Unlocking new potential for partnership, the department will be able to enter into innovative collaborations with local governments and the private sector. Under provisions included in the budget, ODOT will launch pilot projects on department real estate to construct electricity-generating equipment (i.e. solar, wind, etc.) and determine the feasibility of these and even broader applications, with the potential to cover operational costs and generate revenue by selling excess power. The department will be able to contract with local authorities and private entities to maintain and operate highway rest areas and other appropriate facilities in exchange for a fee or concession rights.



Passenger Rail: For the first time, the ODOT budget authorized the department and the Ohio Rail Development Commission (ORDC) to apply for federal funds for passenger rail through the Recovery Act. Upon award, Ohio would use these funds to pursue the Governor’s goal of restoring passenger rail service along Ohio’s 3C Corridor (Cleveland-Columbus-Dayton-Cincinnati).

Direct investment in public transit: The department will be able to further its multi-modal and environmental stewardship goals through a provision that appropriates up to \$15 million for grants to local transit authorities to purchase or improve public transit vehicles. These “green grants” are aimed at increasing fuel efficiency, reducing emissions and improving use of alternative fuels.

Tolling Authority: Giving ODOT a financing tool used by many other state DOTs, the budget provided authority to the department to use tolling – similar to the authority granted the Ohio Turnpike Commission – to finance the construction and operation of new transportation projects. These projects would be subject to the TRAC process for major new construction, and would be limited to those projects that add new capacity to the system or add an interchange connecting roadways for economic development purposes. Tolls would not be collected on existing non-toll highways.



MODERNIZING OUR PROJECT SELECTION: TRANSPORTATION REVIEW ADVISORY COUNCIL

Established by Ohio Revised Code in 1997, the nine-member Transportation Review Advisory Council assists in developing a project selection process for ODOT's largest investments. The TRAC, chaired by ODOT's Director, also approves Major New projects for funding.

In December 2008, a "new era of TRAC" began with the adoption of innovative project selection criteria for ODOT's Major New construction program. This action followed a year of work by the TRAC, ODOT, and transportation stakeholders to focus TRAC policies and procedures with an emphasis on multi-modal solutions, economic development, innovative financing and fiscal responsibility.

Now, the TRAC is looking at applications more systemically, as part of a multi-modal transportation system. The new scoring criteria are designed to more readily consider projects of various modes – highways, bridges, passenger rail, transit, and freight projects – to compete for funding.

The TRAC will score applications using a benefit/cost ratio, to measure the full public benefit of a project, not just the number of vehicles moved. A new environmental category gauges air quality impacts, and an enhanced economic development category scores whether projects reclaim brownfields and/or improve access to job centers. The scoring also emphasizes the need for land use planning and "Smart Growth" strategies, and rewards communities who partner on investments.

Another key change was a clear definition as to the timing of project eligibility for Tier I (construction) funding. In addition to ensuring that a project is actually "buildable," a project is eligible for Tier I funding only after a preferred alternative is identified. This change in policy is designed to avoid unplanned

cost increases, which were seen in a number of past projects advanced to Tier I without being fully scoped and developed.



NEW TRAC SCORING CRITERIA FOR MAJOR NEW CONSTRUCTION

Transportation Factors (55%) emphasize multi-modalism:

- Projects will be evaluated in three general categories: Road, Intermodal Freight, and Public Transit and Intercity Passenger Rail
- Benefit/cost ratio will measure public benefit rather than just the transportation problem
- New environmental category scores air quality impacts
- Intermodal connectivity scores whether projects connect modes of transportation

Community Economic Growth and Development Factors (25%) emphasize economic development:

- Local economic distress with both poverty and unemployment rates
- Whether local planning and zoning is conducive to the project
- How project positions land for redevelopment/reclaims brownfields
- How the project improves business development with access to job centers and job ready sites
- How the project improves investment and employment opportunities

Local and Private Investment Factors (20%) emphasize innovative financing:

- Level of local and private sector investment to assure project success
- Permit use of Federal earmarks, but not counted toward local match





**TAKING ACTION:
CREATING A 21ST CENTURY ODOT**

The demands and challenges facing Ohio in the future drive the urgent need for an evolution in our state’s transportation system. Answering the call for immediate action, significant changes have already been made to modernize many of the department’s efforts, making good on our commitment to be multi-modal and innovative.

Among the major departmental changes in 2009, ODOT reinvented the Division of Planning, by creating the Division of Transportation System Development – better reflecting a responsibility for developing a complete multi-modal 21st Century transportation system.

This new Division includes a new Office of Maritime, to act as ODOT’s advocate for Ohio’s 716 miles of navigable waterway along the Ohio River and Lake Erie. Through the work of this office, the department already has a maritime portfolio of \$60 million and is leading both the U.S. Maritime Administration’s Interstate 90/Marine Highway Corridor Program and the Ohio River “Marine One” Corridor.

Also new is the Office of Innovation, Partnership and Energy, charged with exploring and implementing new transportation technologies, policies, and public-private partnerships; the Office of Multi-Modal

Planning, which is leading ODOT’s statewide comprehensive efforts to develop a strategic and holistic transportation futures plan; and the department’s first ever Economic Development Liaison, focused on connecting transportation investment and business development opportunities across the state.

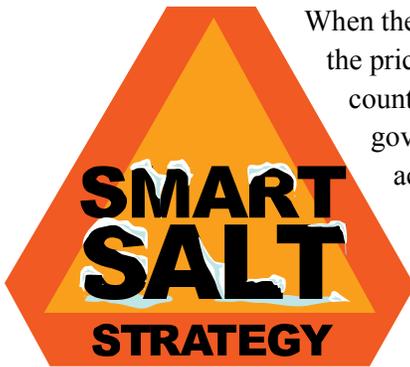
In March, ODOT launched its “Go with Green” initiative, aimed at making the department more environmentally conscious and a green leader in the nation. As part of the effort to put ODOT on a totally green path,



highway maintenance crews reduced the spraying of herbicides to control roadside vegetation by 98 percent. ODOT also earned one of the state’s first “Ohio Green Fleets” certifications by reducing diesel emissions and using more alternative fuels on snow plows. Crews in ODOT Districts 9 and 11 were nationally recognized with a Government Green Fleet Award. ODOT was the only state department of transportation in the top 50 award winners.

On Ohio’s highways, ODOT’s increased safety efforts – combined with reduced traveling by motorists – have resulted in approximately 16 percent fewer fatalities through the end of November 2009.





When the dramatic increase in the price of salt left many county and local governments without access to the ice-fighting materials they needed for the 2008-2009 winter, ODOT shared 100,000 tons of salt from its

stockpiles, allowing for a one-time critical sale of the material to 69 communities which were unable to secure salt contracts.

Through partnership and education, ODOT also doubled the number of local government entities participating with ODOT's salt-purchasing contract, with 460 locals participating in the FY 2010 bidding process.

At the forefront of the department's efforts to promote diversity, ODOT worked with the Ohio General Assembly to create a new Division of Equal Opportunity, bringing together team members from the Offices of Civil Rights, Personnel, and Contracts. The division is responsible for implementing and coordinating ODOT's Title VI program, and investigating discrimination and hostile work environment (Title VII) complaints from ODOT employees. Also under this new Division, ODOT's Disadvantaged Business Enterprises (DBE) program reviews and certifies new DBEs, oversees the DBE supportive services program, mentor-protégé program, and the On-the-Job training program. They also ensure that ODOT and its contractors meet all DBE/EDGE/MBE goals.



**PROVIDING A FAST TRAC:
ADVANCING PROJECTS OF STATE AND
REGIONAL ECONOMIC SIGNIFICANCE**

With our country in deep recession and facing increasing challenges to become more competitive in this global economy, the department must do everything it can to deliver important transportation projects more timely and effectively. After two years of hard work, ODOT is on much better financial footing so that we can look ahead and advance new projects to generate economic growth. Through the hard work of ratcheting down expenditures – combined with lower-than-expected inflation and the additional funding made possible by the Recovery Act – the department's estimated shortfall is now 57 percent less than the \$3.5 billion projected in the previous Business Plan. At the same time, the TRAC has adopted new reforms to assure better project management.

With this new Business Plan, the TRAC will pursue new "FAST TRAC" procedures to advance Major New projects that are economic drivers, have statewide or regional significance, and have committed public and private sector partners.

FAST TRAC will fill an important niche in our investment strategy. First, the TRAC typically considers projects on a four year planning horizon and it needs a pathway to consider important projects on an "as needed" basis. Second, with the TRAC



encouraging applications from all modes of transportation – with an emphasis on job creation and public-private partnerships – the department anticipates applications from new partners and projects in different stages of development. Third, this process will capitalize on lessons learned during our Recovery Act project development process (project identification and delivery schedules, for example) as we partner with local governments on important transportation improvements that promote economic development. Fourth, FAST TRAC will allow a more expeditious process for important transportation projects of state or regional importance for economic development or growth.

Understanding that FAST TRAC projects may require TRAC investment, ODOT will designate \$100 million over the biennium and a total of \$400 million in the financial plan to support FAST TRAC. This will provide an important new funding stream to promote job creation and keep our estimated shortfall at \$1.5 billion – still \$2 billion below the shortfall projected in the previous business plan. The TRAC and the department will develop criteria for the use of the funds to help assure that the TRAC acknowledges the project is one of state or regional economic

significance; the project sponsors will bring public and private funds to leverage TRAC funds; and the project will advance promptly to construction with TRAC funding.

This action also will help address a general concern expressed in national critiques and in our Task Force report and TRAC proceedings: that the procedures of U.S. Department of Transportation, Federal Highway Administration (FHWA) and state transportation

departments (DOTs) across the country are too burdensome, take too long, and cannot respond swiftly to important, timely transportation needs. At times, this criticism is unfair because the procedures followed by FWHA and state DOTs are in place to assure adequate public notice, input and evaluation, and sound engineering and funding. However, some of the criticism is fair. There is the ability for state DOTs to become stronger partners with local government and the private sector to advance important projects in ways that are safe and thorough. Perhaps the best demonstration of this ability has been ODOT’s performance, in partnership with FHWA and local governments, in the administration of the Recovery Act program.

FAST TRAC

UNDER FAST TRAC, THE TRAC WILL HAVE PROCEDURES IN PLACE TO:

- Permit the TRAC to consider projects of statewide or regional economic significance with a need for prompt ODOT action;
- Advance projects that may come to the TRAC in more advanced stages of project development than traditional projects pursuing TRAC support;
- Position projects to secure funding through competitive federal grants;
- Assure the project sponsors have given appropriate attention to project elements in the TRAC project selection criteria;
- Allow an appropriate level of review for projects seeking little or no TRAC funding; and
- Advance projects to construction quickly after TRAC approval.



FINDING MULTI-MODAL SOLUTIONS: GO OHIO TRANSPORTATION FUTURES PLAN

One of the central recommendations of Ohio's 21st Century Transportation Priorities Task Force was to develop a first of its kind statewide transportation futures plan – a strategic yet practical multi-modal transportation guide to the department's future decision making and support to economic business development. The recommendation called for defining and establishing the future direction for Ohio's statewide and regionally significant transportation facilities and service, and using transportation investments to capitalize on and enhance Ohio's key location at the center of the U.S. population.

In 2009, ODOT launched the Go Ohio Statewide Transportation Futures Plan to look at the state's transportation networks to make sure ODOT's investments support economic development and job creation, while providing

more transportation choices, protecting the environment and enhancing the quality of life for all Ohioans. Guided by a team of leaders in transportation, economic development, environment, energy, land use and public policy, Go Ohio will provide a blueprint for stabilizing and maximizing transportation funding to create a fully integrated, multi-modal transportation system for our state.

This Futures Plan will help to ensure that the department's investments and planning efforts focus on job growth and economic opportunity, improved safety, system diversification, logistical connectivity, and livable communities that attract economic prosperity. The Futures Plan will serve as the compass for future transportation decision making. It will outline where investments can be most effective in achieving prosperity in Ohio.

The Futures Plan includes two phases. The first phase looks at policy issues affecting the efficient movement of people and goods, and the way transportation



shapes our communities. This initial policy document will identify the transportation policies that often work against each other and achieve unwanted results. The policy document will also include

recommendations for policy change that can make Ohio's transportation system more efficient and effective.

The second phase will be a needs assessment and redefinition of the system. To "strengthen our strengths" so to speak, the needs assessment will identify the state's critical transportation assets and Ohio's greatest economic development assets that drive the state's economy. We know that transportation affects the performance of economic development centers. The needs assessment will identify critical freight and passenger corridors and where there are deficiencies that lead to congestion and additional transportation costs/lost time for Ohio businesses and traveling public. Once the needs are recognized, priorities can be set on how to focus on the most effective improvements, based on short term, midterm and long term improvement strategies. In short, the Futures Plan will identify how Ohio can get the biggest return on its investment of precious transportation resources.



SETTING THE GOALS FOR 2010-2011

IN THIS SECTION:

- ODOT's Mission: Moving Ohio into a Prosperous New World
- Key Initiatives for the Biennium

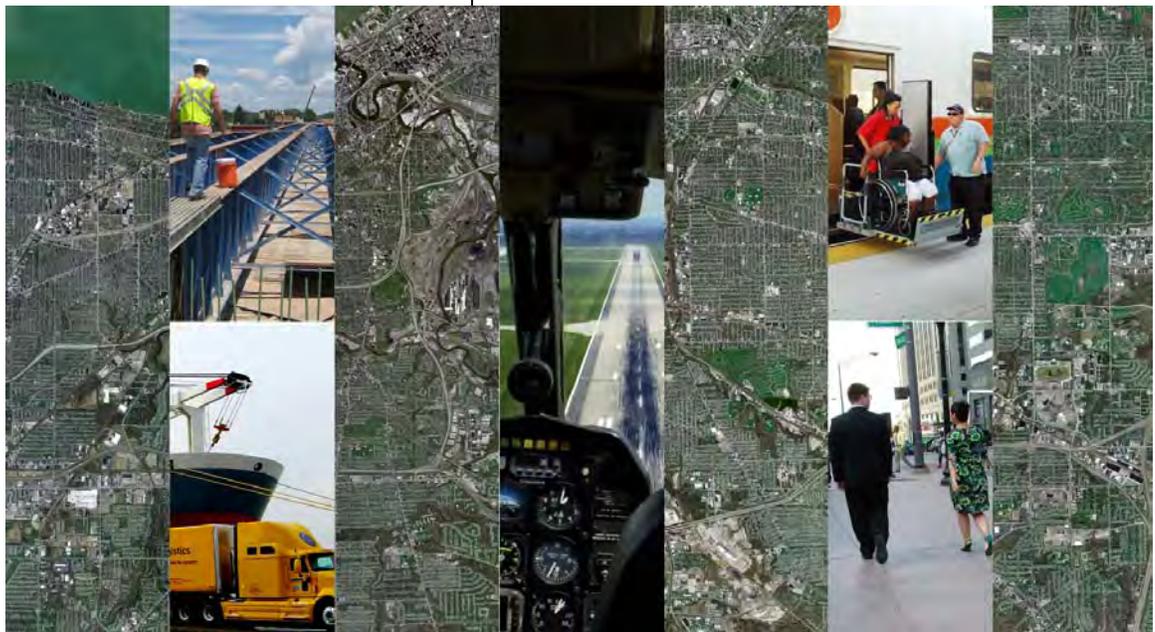
ODOT'S MISSION: MOVING OHIO INTO A PROSPEROUS NEW WORLD

“Moving Ohio into a Prosperous New World” captures in a few words the overall goal and outcome of transportation investment in Ohio. The 21st Century Transportation Priorities Task Force coined the phrase and ODOT has made it their own. This “bumper sticker” statement helps us all tell anyone quickly and accurately the kind of business we are in. Its meaning encompasses the multi modal, safe, efficient and reliable character identified in our last business plan mission statement. At the same time, it incorporates the realization that safety, economic development, green, innovative and accessible characteristics are additional drivers needed to achieve the prosperity that will assure Ohio’s future competitiveness.



ODOT is part of a worldwide financial and transportation revolution that demands a “new” ODOT, equipped to tackle and succeed in this fast paced, competitive new world. The 2010-2011 Business Plan delineates our areas of focus, our goals, objectives, strategies and commitments. Our intent in this document is to be clear, direct and forthright about what we will do and how we will deliver. We hope that the

printed page will be the beginning of a biennium-long partnership with all our stakeholders, in which we converse, brainstorm and create success for Ohio and all its citizens.



ODOT'S KEY INITIATIVES FOR THE NEW BIENNIUM

Initiative 1: "Target: Zero"

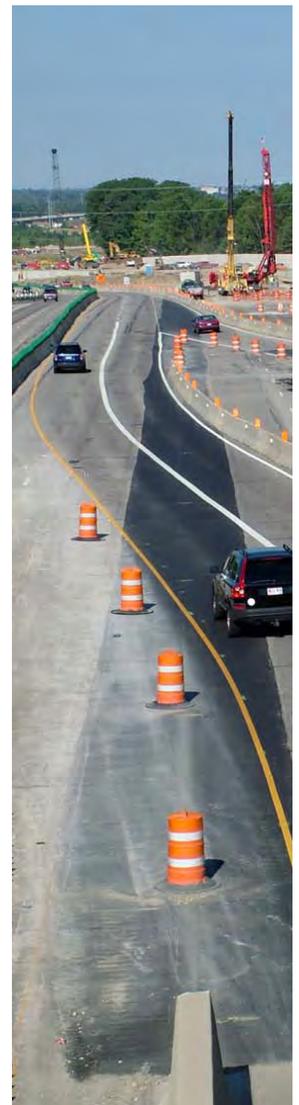
Focus on safety in the workplace, on the construction site, and with the traveling public to assure ZERO tolerance for any safety hazard.

During the Biennium, ODOT will:

- Heighten awareness department-wide of the priority of safety with an annual goal of reducing employee injury and equipment incidents by 20 percent and reducing total crashes on Ohio's roadways by 5 percent.
- Improve and measure the use of new technology and its ability to increase safety for the traveling public, including the piloted use of edge line and centerline rumble stripes that reflect oncoming headlights, new standards to require the use of reflective back plates on traffic signals at selected intersections, and updated median barrier warrants to prevent cross-median crashes.
- Intensify the annual inspection of every state route with a maintenance quality survey (MQS) that identifies and inventories system safety conditions such as drop offs, guardrail, signs, striping, and other roadway and bridge safety aspects.
- Advance additional safe work zone policies and best practices by assuring ODOT's safety team includes all critical partners such as the Ohio Civil Service Employees Association and the building trades, the Ohio Contractors Association, and the Ohio Bureau of Worker's Compensation.



- Broaden the department's level of customer communication and public education to assure that Ohioans are increasing their own safe practices, by expanding safety campaigns that target work zone safety awareness, distracted driving, and "Ice and Snow... Take it Slow."



Longer term, the department will improve safety by reviewing and revising departmental incident/injury investigations, with the consideration of mandatory suspensions for certain incidents and/or unsafe actions; in partnership with the Ohio Department of Public Safety and State Highway Patrol, work to reduce fatalities on Ohio's roads by 2.5 percent each year and to pursue legislation, administrative, and educational action that will help save lives on roadways.

Initiative 2: “Igniting Ohio’s Economic Engine”

Pursue job creation, business development and economic growth as hallmarks of ODOT’s construction and investment policies and programs.

During the Biennium, ODOT will:

-  Advance transportation projects of regional and statewide economic significance through a more expeditious FAST TRAC process; Establish criteria and provide new funding for a FAST TRAC program to advance projects to construction quickly after approval by the Transportation Review Advisory Council (TRAC).
-  Execute Governor Strickland’s “Think Ohio First” procurement practices set forth in Executive Order 2008-12S by utilizing ODOT’s purchasing power to seek out opportunities to procure supplies, services, equipment and renewable energies from Ohio-based companies.
-  Make ODOT more “business friendly” by establishing Transportation Development Roundtables within each of the department’s 12 district offices to assure ongoing conversation and collaboration with local/regional development stakeholders to maximize transportation investment outcomes.
-  Coordinate strategic investment efforts with the Ohio Department of Development (ODOD) to assure that infrastructure improvement is integral in business recruitment and expansion, including strategic state investments in Job Ready Sites, Ohio Hubs of Innovation and Opportunity (OHIO Hubs), brownfield redevelopments, and the 3C Quick Start and Ohio Hub passenger rail plans.

Longer term, the department will continue to research and bring to bear new and targeted analyses that quantify the impact of transportation investments on local, regional and state economies; partner with the private sector, ODOD and the University System of Ohio on a 21st Century National Transportation Research Enterprise (Centers of Excellence) to enhance investments in Ohio’s transportation research centers and construction manufacturing base; and explore how the department can expand its over-dimension hauling permit process to help Ohio become more competitive in international trade and in the global economy.



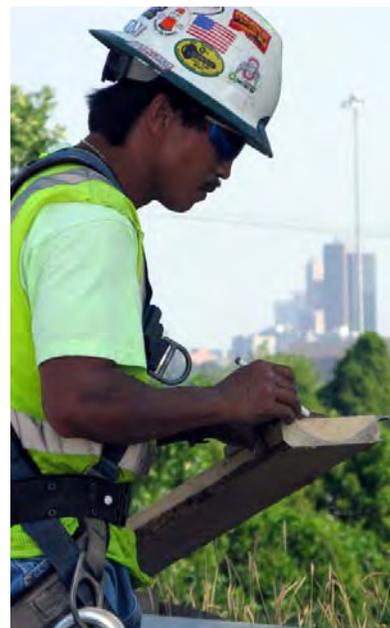
State and local officials, including Lt. Governor Lee Fisher, survey the Ohio River at the Wellsville Intermodal Facility in Eastern Ohio.

Initiative 3: “All Systems Go”

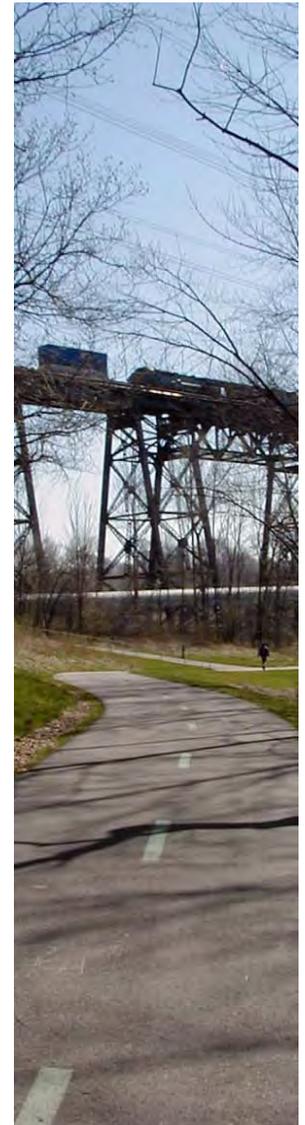
Identify critical freight and passenger transportation corridors by mode and prioritize public investment to facilitate the seamless, safe, efficient movement of people and goods.

During the Biennium, ODOT will:

- Complete the Go Ohio Transportation Futures Plan to create a statewide, multi-modal network to help attract and retain businesses and enhance the quality of life in Ohio by prioritizing necessary improvements.
- Establish measures to understand and evaluate the performance and needs of all modes of Ohio’s transportation system to a level of measurement that ODOT currently performs for roadways and bridges.
- Explore and propose new financing tools to allow private sector and public sector/local investments to leverage ODOT investments in funding locally and regionally important transportation efforts across all modes of travel and shipping.
- Target additional resources to help stabilize and restore transit services across the state, including the investment of \$15 million through the ODOT Green Fleet Transit purchase program and identify sources to support funds for operating expenses.
- Pursue federal funding for passenger rail, including initial service along the 3C “Quick Start” corridor and continued planning and environmental study for the Ohio Hub high-speed regional plan, as well as seek improved and expanded service by Amtrak, which currently offers limited service in Toledo, Cleveland, and Cincinnati.



Longer term, the department will explore the use of incentives to encourage transportation and land use planning (local and regional) to include performance objectives that promote biking, walking and transit; investigate through the Transportation Futures Plan project how the state can better use its transportation network to grow and foster the logistics and shipping industries; pursue each reliable funding source for all modes of transportation to effectively maximize investments in all options of travel and shipping; and champion federal efforts to further the development of high-speed passenger rail corridors connecting into Ohio, including the Cleveland-Pittsburgh and Toledo-Detroit corridors.



Initiative 4: “Work Smarter and Get Better Results”

Improve innovation and project delivery, with a focus on quicker decision making, stronger public and private partnerships, and “Smarter Growth” strategies.

During the Biennium, ODOT will:

-  Carry forward the lessons learned and the best practices established from the rapid and innovative investment of Recovery Act funds as a guideline to streamline ODOT’s project development, environmental and construction processes.
-  Identify and implement quicker decision-making practices at all levels of the department, including ways to break up major projects into smaller projects to perform subtasks, improved scoping of projects to avoid negotiation delays or increased consultant costs, and new goals to shorten the timeframe from consultant selection to contract initiation by adding contract writers and negotiators to the process.
-  Complete a detailed analysis of the Project Development Process to identify bottlenecks in the delivery of transportation projects; identify a way to measure the true cost to complete projects from conception to delivery (including data from Time Management System, Consultant Billings, Awarded Contracts and Change Orders) and set a goal of reducing the total time and total cost.
-  Explore how innovative public-private partnerships (PPPs) can leverage additional state and federal resources; specifically, promote the creation of Port Authorities, Transportation Innovation Authorities (TIAs), or other local/private sector partnerships to develop and operate passenger rail stations along the 3C “Quick



Multi-agency agreement signing for the Eastern Corridor Project in the Cincinnati region.

Start” corridor, and to fund specific freight business cluster (job center) infrastructure needs.

-  Create incentives for local communities who partner with the state to support Ohio’s “Livable Community” program – in conjunction with Governor Strickland’s Office, the Ohio Environmental Protection Agency and the Ohio Department of Development – to improve access to housing opportunities and allow more transportation options while lowering transportation costs to households.
-  Provide priority funding to transit authorities and regions to consolidate public transportation services – with particular attention to coordination of specialty transportation services in the health and human services sectors – including the creation of a comprehensive statewide plan and inventory of service providers, resulting in improved service and a better return on investment of limited resources.

Longer term, the department will examine the use of public-private partnerships (PPPs) in other states and countries, to see how PPPs improve service and generate a private return on investment; work with local and regional partners to develop ways that maximize existing infrastructure use and support core community revitalization; and provide alternative approaches to support economic development and control infrastructure service cost by understanding the true cost of supporting infrastructure needs driven by government land use/development policies.

Initiative 5: “World Class Business Practices”

Adopt world-class business practices that assure ODOT approaches its daily operations in a responsible, prudent, innovative and inclusive manner.

During the Biennium, ODOT will:

- ☐ Maximize ODOT’s vigorous budget management and operation quality controls – by setting Division and District budgets at 95 percent of proposed operations, continuing strict oversight and management of construction change orders and emergency construction orders, maximizing effective use of materials (Smart Salt Strategy), reducing overtime, and limiting travel expenses – with the goal of moving these savings to priority construction programs.
- ☐ Implement innovative policy and financing tools gained in the 2010-2011 State Transportation Budget, by selecting projects to be funded by toll financing, entering into innovative partnerships with public and private sector entities, and advancing a full range of projects through a design-build delivery process. Also exercise the use of new federal financing programs and state financing approaches that will assure Ohio exercises the best financing options to maximize investments.
- ☐ Work with the General Assembly to secure the ability for ODOT’s local transportation partners to form Transportation Innovation Authorities (TIAs) and access a “new generation” of investment to the State Infrastructure Bank to assist local governments in making future multi-modal investments..
- ☐ Assure that ODOT is a place that fosters diversity with its employees, contractors, and consultants, by fully staffing a new Division of Equal Opportunity, setting specific, measurable and attainable hiring and promotional goals to remedy the underutilization of women and minorities in the department’s work force, and attaining a goal of at least 15 percent in minority set-aside for ODOT purchasing contracts and 5 percent EDGE goal for construction contracts.



ODOT and FHWA work together to offer education and support to Disadvantaged Business Enterprises.

Longer term, the department will develop a process to incentivize cost containment and innovation in our design agreements and create stricter performance standards; pursue permanent and reliable funding streams for all modes of travel and shipping; improve the diversity of the transportation industry by working with various organizations and institutions to ensure students are aware of the vast career opportunities that exist in the transportation industry and have access to the educational programs they need to pursue a career in the transportation industry; and develop a more comprehensive approach to DBE goal setting and attainment.

Initiative 6: “Go with Green”

Use the best environmentally-sensitivity practices in our operations and pilot new green initiatives as ODOT leads by example in embracing environmental stewardship and reducing energy consumption.

During the Biennium, ODOT will:

- ❏ Establish and implement the increased use of “green” technology in ODOT’s operations, including the installation of diesel particulate filters on at least 58 of the department’s dump trucks in designated non-attainment areas, green certification by Ohio Green Fleets of all of the department’s snowplows, and expanded use of Global Positioning Systems on the snowplow fleet to include at least two districts (aimed at dramatically reducing ODOT’s fuel usage and dependence on roughly 600,000 tons of salt each winter).
- ❏ Expand the use of Light-Emitting Diode (LED) technology to upgrade at least 25 percent of the department’s traffic control devices (replacing incandescent signal lights) and identify at least one location for a pilot project to upgrade highway lighting to LED lamps.
- ❏ Establish and implement a program that increases ODOT's use of non-construction and construction recycled products by at least 10 percent each year, and a separate program focused on increasing by at least 10 percent each year the use of “green” materials and applications within ODOT's construction program, maintenance, and operations – with specific efforts to find best practices for watershed protection and water quality.
- ❏ Achieve LEEDS certification for at least 50 percent of the department’s newly constructed occupied buildings (garages, offices) within the biennium; Reduce energy usage in the department’s existing buildings by at least 15 percent (electricity, natural gas, water) by the end of the biennium.



ODOT Central Office’s pilot Rain Garden – such innovative and environmentally-friendly landscaping helps remove storm water pollutants.

Longer term, the department will empower ODOT’s “Green Team” to measure how department projects, maintenance and operations impact water and air quality, and to recommend ways to reduce negative impacts; identify a pilot project in at least one high-traffic rest area to install a Truck Electrification System (TES) to reduce the amount of truck idling; and transition ODOT’s motor pool to a “green” fleet, with the intent to purchase at least four all-electric vehicles for the Central Office motor pool, and at least one all-electric delivery truck.

Initiative 7: Legislative Strategy

Pursue a comprehensive Federal and State legislative agenda to support the department's initiatives and goals.

During the Biennium, ODOT will:

- Advocate passage of a multi-year federal transportation authorization bill that provides sufficient funding for ODOT to invest in priority projects and programs that ensure Ohio's transportation system is safe and reliable for the state's businesses and travelling public. This authorization should allow the department flexibility in spending federal funds and provide sufficient funding for a robust multi-modal system. Additionally, we will seek the federal appropriations necessary to fund these transportation priorities.
- Pursue passage of state legislation to establish Transportation Innovation Authorities (TIAs) which would give the state's local transportation partners a tool to capture the value of transportation investments and offer a greater ability to leverage state funding for locally and regionally significant projects.
- Collaborate with ODOT's national and multi-state transportation partners – including the American Association of State Highway and Transportation Officials (AASHTO), American Public Transit Association (APTA), and others – to advance a federal legislative agenda that focuses on reliable funding for all modes of travel and shipping, as well as federal policies affecting project delivery, environmental stewardship, and prohibitions that block innovation.
- Support legislative initiatives that enhance Ohio's economy by improving infrastructure and transportation systems, and creating jobs.

Longer term, the department will champion efforts to improve federal support of Ohio's transit agencies, including an improvement on the state's donor statues (only a 51 percent return) to the Mass Transit Account and new flexibility for using federal dollars for operating support; pursue additional federal funding to advance high speed passenger rail service in Ohio, building on the 3C "Quick Start" service and the development of the Ohio Hub; coordinate with Ohio's Congressional delegation on the passage of the *Jobs for Main Street Act* which provides additional federal stimulus funding for multi-modal transportation investments; open new dialogue with U.S. DOT on modernizing federal regulations – including the Highway Beautification Act – which limit a state's ability to address the needs of local communities and industries; and pursue an expanded use of the design build project delivery, based on the success of pilot project during the current biennium.



SEIZING TRANSPORTATION OPPORTUNITIES TO MAKE OHIO COMPETITIVE IN THE GLOBAL ECONOMY

IN THIS SECTION:

- American Recovery and Reinvestment Act of 2009
- Ohio Logistics and Distribution Stimulus Program
- 3C “Quick Start” Intercity Passenger Rail Plan
- U.S. DOT TIGER Discretionary Grants

Addressing the transportation challenges of the 21st Century demands new and more productive relationships among ODOT, its transportation partners and other stakeholders. It will require collaborations that identify true needs and new opportunities and maximize the effective use of all transportation modes. For Ohio to optimize its transportation investment and ensure that the state is giving its businesses and citizens the safest and most sustainable transportation resources, ODOT is seizing new transportation opportunities necessary to make Ohio competitive in the global economy of the 21st Century.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Funding from the Recovery Act is allowing Ohio to make more than \$1.1 billion in additional investments in our multi-modal transportation



system. Beyond these meaningful investments in our system, the Recovery Act strengthened many of ODOT’s existing partnerships and fostered new relationships, as the department worked closely together with the branches of the U.S. Department of Transportation (Federal Highway Administration, Federal Aviation Administration, Federal Railroad Administration, and U.S. Maritime Administration) and Ohio’s local governments, metropolitan planning organizations, railroad operators and other carriers, water ports, transit authorities, airports, bike and pedestrian advocates, industry and the private sector.

The Process:

Ohio has been nationally acknowledged for the open, transparent, and accountable process used in soliciting and selecting projects for stimulus funding. Through the Recovery Act, the federal government allocated approximately \$935.7 million in transportation infrastructure funding to Ohio through the FHWA.

Of that amount, \$161.5 million was directly sub-allocated, based on federal formula, to Ohio’s major metropolitan planning organizations (Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown). To identify projects to be funded with the remaining \$774.1 million, the state established the www.recovery.ohio.gov website, which allowed Ohio



communities, municipalities, businesses and individual citizens to submit transportation project proposals. More than 4,600 highway, transit, rail, aviation streetscape, bike path, and transportation enhancement project expressions of interest were submitted through the website.

Mirroring a similar team at the U.S. Department of Transportation, ODOT established an Ohio TIGER Team (Transportation Investment Generating Economic Recovery) to gather in-depth information from local communities on potential projects. The ODOT TIGER Team requested additional information from project sponsors on all 4,602 projects. Of that number, 2,222 projects met federal eligibility guidelines.

In addition, priority was given to projects in economically distressed areas (high unemployment/low average income); projects that maximize job creation and economic growth potential; and projects which could be advanced and completed within the Recovery Act's required timeframes.

The Portfolio:

In announcing the first stimulus-funded transportation projects in Ohio, Governor Strickland said, "The Recovery Act resources have put Ohio in a unique position to seize new opportunities and build toward a stronger, more cohesive transportation system in the future." ODOT has been recognized as having the most diverse multi-modal

transportation stimulus portfolio in the nation.

With the funds made available to ODOT through the FHWA, the department selected multi-modal projects at both the state and local levels – aimed at economic development, roadways and bridges, water port expansions, bike and pedestrian enhancements, airport and rail development.

More than 95 percent of Ohio's transportation infrastructure stimulus projects are in economically-distressed counties. With more than \$150 million of stimulus funds to be invested, the U.S. Route 33 Nelsonville Bypass represents ODOT's largest single investment of stimulus funds. This single project will create and retain 305 direct construction jobs and is a prime example of a project that – had it not been for the stimulus – would not have started until at least 2015.

ODOT was also able to addressing the state's most-pressing transportation concern by targeting stimulus funding toward construction of a new five-lane westbound Interstate 90 Innerbelt Bridge – a \$450 million project that will represent the largest single project in the department's history. In Cincinnati, stimulus funds are assisting in development of the downtown Riverfront Banks Project. In Columbus, stimulus funds will be used to improve the roadways and walkways connecting to Nationwide Children's Hospital, one of the country's best pediatric hospitals.





Seizing Transportation Opportunities to Make Ohio Competitive in the Global Economy



Other examples of this flexibility include ODOT's investment of \$34.5 million into five maritime projects, including major enhancements at the Port of Toledo and the City of Lorain's waterfront development along Lake Erie, and along the Ohio River at the South Point Intermodal Facility in Lawrence County, and the Wellsville Intermodal Facility in Columbiana County.

ODOT is also allocating more than \$60 million to 22 separate railroad projects, mostly targeting the state's busy freight rail system and more than \$30 million to support improved intermodal connections, including \$14 million at Franklin County's Rickenbacker Intermodal Terminal and Global Logistics Park, and \$6.5 million at

Toledo's Airline Junction Intermodal Terminal to connect freight shipments by air, rail and truck.

Ohio has also received \$180 million in transit-specific stimulus funds through the Federal Transit Administration that will assist in the purchase of new fuel-efficient buses, facility renovations, bus shelters, communications systems, and safety and security equipment. Some of the dollars will also be used for operating expenses. Of that amount, ODOT is responsible for administering \$29.8 million in stimulus transit funds directed to our state's rural transit agencies. Combining the Recovery Act dollars with Ohio's annual federal transit funding, ODOT was able to fund every rural transit system request for new vehicles. At the same time, the need for additional

operating assistance to all our transit systems remains a severe challenge yet to be fully addressed.

Ohio has received \$29.2 million in competitively-awarded stimulus funds through the Federal Aviation Administration. Five projects at four airports received funding: \$19 million for taxiway and aircraft apron construction at Cleveland Hopkins International; \$1.1 million to upgrade taxiway lighting at Dayton International; \$3.1 million to improve runway safety at the Ohio University Airport; and \$4.9 million for relocation of a taxiway at Findlay Airport.

ODOT's continued focus on multi-modal partnering and funding will ensure that Ohio's transportation system of the future will be more balanced and efficient across all modes and be competitive in a global economy, aligning with the recommendations of the 21st Century Transportation Priorities Task Force.



OHIO LOGISTICS AND DISTRIBUTION STIMULUS PROGRAM

On June 12, 2008 – well before the federal stimulus package – Governor Strickland signed House Bill 554, creating the \$1.57 billion bipartisan economic stimulus package which included \$100 million for logistics and distribution. In coordination with the Ohio Department of Development, the Logistics and Distribution Stimulus Program was established to award \$100 million over a three-year period in the form of loans (\$50 million in FY 2009, \$25 million in FY 2010, \$25 million in FY 2011) to projects that help expand connections to logistics and intermodal centers, improve the flow of freight by reducing chokepoints and freight bottlenecks, and increase access to new markets for Ohio businesses.

Over the past two years, ODOT has established an unprecedented level of communication and coordination with the Ohio Department of Development and the Ohio Rail Development Commission for this program. This inter-departmental effort is helping the state to strategically align development and transportation dollars, to maximize the positive impact they have on Ohio's competitiveness.

The Logistics and Distribution Stimulus Program has been a successful demonstration of this partnership for innovation. As of Fall 2009, this innovative partnership has already funded \$48 million to several logistics and distribution projects that will help improve and expand connections to logistics and intermodal centers, supporting our strategy to strengthen job centers.





3C “QUICK START” INTERCITY PASSENGER RAIL



In partnership with the Ohio Rail Development Commission, ODOT is aggressively pursuing \$564 million in additional stimulus funding

through the Federal Railroad Administration for the 3C “Quick Start” Passenger Rail Plan. Ohio’s stimulus application details the state’s plans for investing, constructing, and operating a passenger rail service corridor connecting Cleveland, Columbus, Dayton, and Cincinnati with 79 mph passenger trains. The 3C Corridor is Ohio’s premier intercity passenger rail corridor – running within 15 miles of 60 percent Ohio’s citizens.

Based on the ridership projections from Amtrak, 478,000 passengers would board the train each year in Ohio if it were running today. Other studies estimate that the ridership rate would jump to nearly 600,000 riders by 2014 using the same schedule and stops. This passenger demand would rank the 3C “Quick Start” service as the nation’s 12th largest generator of passenger rail traffic, comparable to other successful state-supported passenger rail programs in Michigan, Maine, and Illinois.

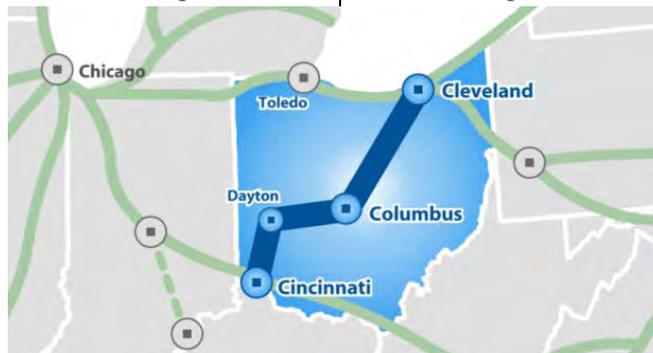
The 3C “Quick Start” Plan identifies a 250-mile “direct route” along the most efficient, cost-effective, and safest direct line of service, with six stops in downtown locations in Cleveland, Columbus, Dayton, and Cincinnati, as well as stops in west Cleveland and northern Hamilton County.

The application requests \$564 million in 100 percent federal stimulus funds, an amount covering needed capital investments in infrastructure, station stops, and equipment (along with construction cost contingencies) to meet high ridership demand, maximize market response, and

minimize initial operating costs. If Ohio receives the stimulus funds, the 3C “Quick Start” Service would offer the most significant and visible change in transportation choice in the Midwest, with service running as early as 2011 or 2012, depending on how quickly the federal government makes its decision.

Ohio’s 3C “Quick Start” will also enhance Ohio’s existing passenger rail service along the Chicago-Toledo-Cleveland-Pittsburgh and Chicago-Cincinnati corridors. In partnership with Pennsylvania, ODOT is supporting efforts to expand existing high-speed designations (Keystone Corridor) to include the Cleveland-Pittsburgh corridor. Ohio also joined the State of Indiana in applying for \$2.8 million in Recovery Act funds to finance planning for advancing the Chicago-Toledo-Cleveland corridor to high speed.

The Transportation Review Advisory Council (TRAC) approved a \$7 million investment by ODOT into the Ohio Hub preliminary environmental impact study, which will serve as a building block in establishing future high speed rail service in Ohio’s core cities and rural communities.



U.S. DOT TIGER DISCRETIONARY GRANTS

Targeting major transportation projects that will have a significant impact throughout the state and Midwest region, ODOT is partnering with local governments, port authorities, and the private sector in seeking more than \$587.9 million in additional stimulus funds through the U.S. DOT's TIGER (Transportation Investments Generating Economic Recovery) Discretionary Grant Program.

The nine projects applied for by ODOT meet the high goals set forth by President Obama in the Recovery Act, and this additional funding, if secured, would make a marked improvement to our transportation system, create jobs, and help promote livable, sustainable communities throughout our state.

The Recovery Act appropriated \$1.5 billion in discretionary grant funds for major capital investments in surface transportation, including highway and



bridge projects, improvements at air or water ports, public transportation, and passenger and freight rail projects. According to guidance from U.S. DOT, awards will be on a competitive basis to “projects that have significant impact on the nation, a metropolitan area, or a region.” Priority is also given to projects that can be completed by February 2012

ODOT's grant applications targeted roadway, bridge, aerospace, freight rail, water port, public transit, and passenger rail manufacturing, making Ohio a recognized leader in multi-modal investment. ODOT selected projects based on their ability to give Ohio's travelers and shippers more opportunities, and further transform Ohio into a premier national and global logistics and transportation location. These investments would also leverage nearly \$1.2 billion in additional state, local and private sector funding.



ODOT'S WAY OF DOING BUSINESS: THE BETTER WAY!

IN THIS SECTION:

- Higher Ethical Standards
- Fiscal Responsibility and Improved Auditing
- Workplace Safety and Professional Training

Across the state, ODOT's employees are stationed and work in all of Ohio's 88 counties. The role each employee has in this organization is unique. No matter the job title or classification, every employee is a member of "Team ODOT" – a safe, ethical, fair, and diverse place to work and do business.

Woody Hayes, the legendary football coach of the Ohio State Buckeyes, is often remembered by his quote: "You win with people!" In addition to improving upon the state's transportation partnerships, we have also improved how ODOT works,

implementing a variety of procedures and operational changes to improve our business practices and, in turn, leverage our ability to make Ohio and its local communities economically competitive in the global economy.

HIGHER ETHICAL STANDARDS



Integrity comes from maintaining the highest ethical standards in our dealings with each other, our business partners, and the public we serve. In his first hour of service, Governor Strickland set the highest ethical standards for this administration with his first Executive Order.

ODOT continues efforts to reinforce Executive Order 2007-01S by requiring all employees to attend Fraud & Ethics training once every two years, incorporating updated information and guidance from the Ethics Commission and the Governor's Office

To make sure taxpayers are getting their money's worth, companies that do business with ODOT are being also held more accountable for the quality and ethics of their work. For example, ODOT's legal staff will recover \$41 million in judgments and settlements related to litigation against contractors who failed their contractual duties. In



the past year, ODOT has sponsored ethics training sessions for vendors who contract with ODOT for goods and services.

As part of the previous transportation budget, ODOT assisted with the establishment of a first-ever office of

the Ohio Inspector General housed exclusively at ODOT. In cooperation with the Inspector General, the Director's Office has assisted with fourteen investigations since the beginning of 2007, protecting taxpayer dollars, improving operations, and taking quick action against employees and businesses that violate the public trust.

FISCAL RESPONSIBILITY AND IMPROVED AUDITING

Having been given the responsibility to manage the largest transportation investment in state history, ODOT employees are under tremendous public scrutiny concerning how the state's precious resources are handled with all due regard, targeting our greatest needs and our greatest opportunities.

In 2009, ODOT established a Purchasing Accountability Implementation Team (Finance, District and Central Office subject matter experts), which put in place widespread changes in protocol to make the department more accountable with its purchasing and accounting processes. More than 1,200 Team ODOT members have been retrained on purchasing and contract administration laws, rules, regulations, policies and procedures and ethics.

The team also created a database that identifies vendors, their affiliates, parent companies and subsidiaries so that related vendors cannot bid against each other for the same contract or provide quotes for



the same services. ODOT ended the practice of receiving verbal quotes from vendors and standardized a "request for quote" form to further ensure the sanctity of the quote process.

Other major changes implemented to

improve the accountability of ODOT's purchasing and accounting process include:

- ☐ **Inventory Spot Checks** – Each of the first three quarters of the fiscal year, the district spot check team will perform unannounced visits on one-third of the locations within the district.
- ☐ **Segregation of Purchasing Duties** – In the truest sense, segregation of duties involves the establishment of a control policy whereby no one person should be responsible for more than one related purchasing function. Some of these new rules require that all payments must have final approval by the District Finance Office; the person responsible for initiating a purchase may not receive the goods or enter the assets into ODOT's inventory system; and immediate family members may not approve, receive or document purchases initiated by or on behalf of each other.
- ☐ **Bid Specifications/Purchasing Quote System** – Sending quotes on the mandatory ODOT Quote Form ensures that all vendors are provided the same items to quote and there is consistency for all vendors. District Fiscal Officers are now required to review and approve all quotes prior to purchase.





Under this Business Plan, the next phase of implementation will bring automation and more definition to these processes. Synchronizing mainframe systems that link inventory and accounting process together will be a focus. Additional policies that relate to purchasing and inventory processes will

be finalized. Continued communication, support and education to the districts and divisions to ensure complete knowledge and accountability have been and will continue to be essential to the success of the entire process.

WORKPLACE SAFETY AND PROFESSIONAL TRAINING

ODOT's employees are the department's most valuable resource. As a team, the department is committed to ensuring these employees return home safely to their families at the end of each work day. Governor Strickland's Administration was recognized for establishing an increased focus on workplace safety, placing it as a departmental value in the 2008-2009 Business Plan. Over the past biennium, ODOT has implemented a new Employee Safety and Health policy, rolled out an Organizational Safety and Health Work Plan for FY 2010-2011, implemented worksite safety audits, and developed new safety training programs (electrical safety, hazardous waste awareness, spill protection, and fall protection) to add to our already extensive curriculum.

The department continues its partnership with OCSEA/ASFCME to seek out opportunities to reduce workplace injuries as well as explore safety improvements in work processes. More can and will be done. ODOT staff is working to implement new procedures to review workplace accidents and target training and work process changes to eliminate future injuries. A new quality assurance review is being developed to ensure compliance with the Employee Health and Safety Policy. Finally, through partnership with OCSEA/AFSCME, the "Target: Zero" safety campaign is being developed to raise safety awareness among ODOT and contracted employees at all worksites.

ODOT's Professional Training program has also been recognized as a leader among state agencies as well as other state departments of transportation. New training academies and curriculum are being created in

response to changing business needs. Two new training academies will be rolled out this year: Highway Management and Project Management.

In today's tight financial times, many public sector organizations are scaling back their training programs. Under this Business Plan, ODOT is committed to employee development: a properly trained workforce is a key to achieving ODOT's mission.



2010-2011: A SOLID FINANCIAL FOUNDATION

IN THIS SECTION:

- Changing Financial Challenges in Transportation
- Overcoming Over-Programming
- Forecasting the Future: Revenue and Expenditure Assumptions
- 2010-2017 Financial Proforma
- “FAST TRAC” for Major New Project Partnerships

In the time since the adoption of the 2008-2009 Business Plan, ODOT’s financial plan has seen dramatic improvement, but the department still faces significant fiscal challenges in the upcoming biennium. To maintain Ohio’s competitive edge, the need for continued and targeted infrastructure investment is increasingly urgent.

This section of the 2010-2011 Business Plan explains some of the changing financial challenges confronting Ohio’s transportation industry, and forecasts the impact these challenges will have on ODOT’s revenue and budget assumptions. Finally, a financial

plan is provided to achieve the mission and goals envisioned by Governor Strickland, including a pioneering effort to advance major new projects that can be economic drivers in areas of the state that need it the most.

CHANGING FINANCIAL CHALLENGES IN TRANSPORTATION

At both the state and federal levels, the gap between transportation needs and available revenues continues to widen. Finding a reliable and sustainable funding stream for every mode of transportation is at the center of this challenge.

Fewer Drivers – Fewer Gas Tax Dollars:

At the national level, Americans drove an estimated 68 billion miles less from January to August 2009 than they did over the same time-frame in 2007. To put it in Ohio terms, Ohio motorists drove about 919 million miles less during that same time.

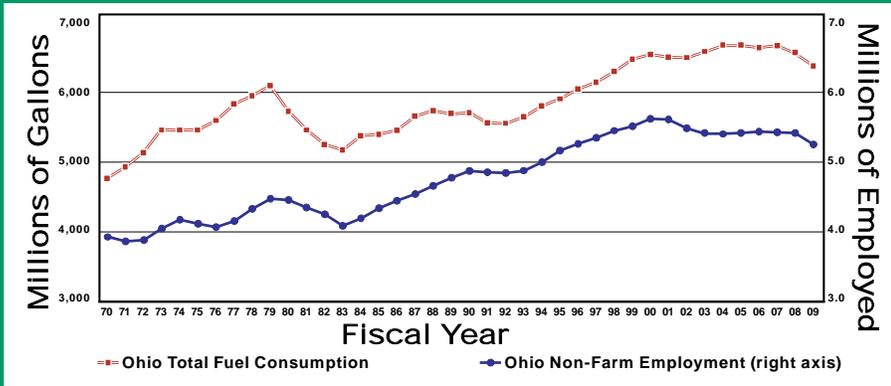
At the federal level, that decrease in travel is the same as more than a week’s worth of fewer days driven. For Ohio, it’s closer to three days fewer. The loss directly translates to a decrease in state and federal motor fuel tax being collected.

As seen in the accompanying chart, the changes in Ohio’s fuel consumption mirror the changes in the state’s level of employment. In 2009, the state’s unemployment rate reached levels above 10 percent, for the first time in more than 15 years. Vehicle fuel economy is also a key factor. Not only have automakers improved the efficiency of new vehicles, the federal government’s Car Allowance Rebate System program helped to replace nearly 700,000 gas guzzlers nationally with more fuel-efficient vehicles.

Combining all of these factors, motor fuel consumption in Ohio was down approximately 3 percent for State Fiscal Year 2009. Reduced



Employment and Fuel Consumption in Ohio 1970 - 2009



states as contained in SAFETEA-LU, the highway and transit authorization bill passed by Congress in 2005.

SAFETEA-LU also contained a provision which required an \$8.7 billion national apportionment rescission by the end of September 2009. Ohio’s share of this rescission was \$307 million in unfunded (not supported by cash) apportionment. Ohio did not lose any cash, but did lose some of its flexibility in using federal transportation funding.

consumption means reduced collections on the state’s motor fuel, as seen in the chart. Based on best projections for the upcoming fiscal years, revenue from the State Motor Fuel Tax is expected to remain flat through this biennium.

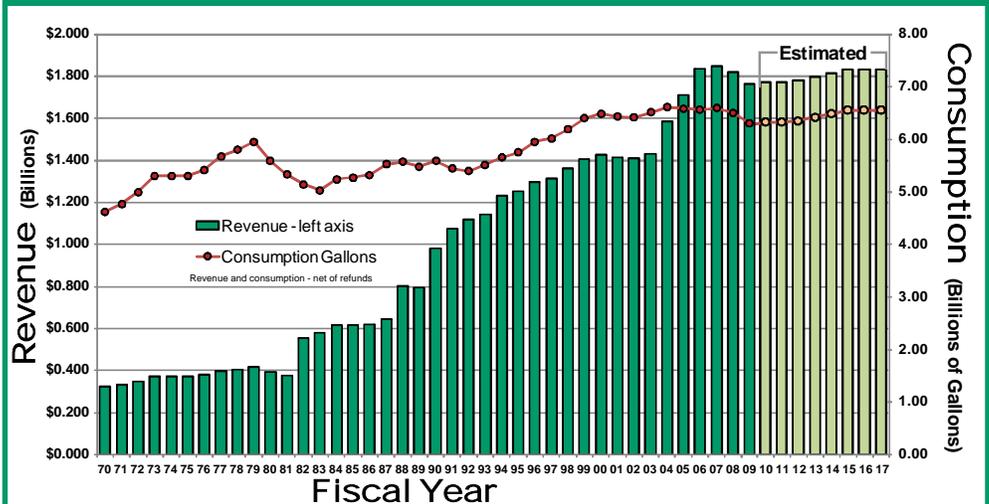
This changing dynamic has two important implications on ODOT’s financial future. First, a lack of state gas tax dollars can impact the ability of the department to leverage federal funds, which often require a match. Second, ODOT is not the only recipient of state gas tax dollars. Counties, townships, local municipalities, and other state agencies share roughly 40 percent of the revenue collected, meaning the decrease impacts local transportation needs as well.

Congress is still far from a vote on a new transportation authorization bill. An early draft of a bill from Congressman James Oberstar – chairman of the Committee on Transportation and Infrastructure – offered some insight on how investments might take shape. His proposal included \$450 billion over six years – the minimum amount needed to stop the decline in our surface transportation system and begin to make improvements. The proposal directed \$337.4 billion for highway construction investment; \$50 billion for rail, and \$99.8 billion for public transportation.

New Federal Authorization:

At the federal level, short-term fiscal resolutions have prevented the Federal Highway Trust Fund from becoming insolvent. In July 2009, the U.S. Department of Transportation predicted the Highway Account of the Trust Fund would fall \$7.5 billion short of what was needed to fund federal commitments to

Ohio Motor Fuel Tax Revenue and Consumption History and Forecast



The Recovery Act also allocated significant resources across the transportation spectrum. Of the \$120 billion for infrastructure, \$27.5 billion was directed for highways, \$8 billion for high speed rail, \$1.3 billion for Amtrak, \$8.4 billion for public transit, and \$1.1 billion for airports.

Clearly, federal leaders recognize the need for systemic transportation investment, with sustained funding for roads and bridges complemented by reliable funding for investments in transit, air, water and rail. As the demand for populous, walkable neighborhoods also matures in Ohio, there will be a growing need to fund “complete streets” – built on the premise that a complete street includes sidewalks, bike lanes (or wide paved shoulders), special bus lanes, comfortable and accessible transit stops, frequent crossing opportunities, median islands, accessible pedestrian signals, curb extensions and more.

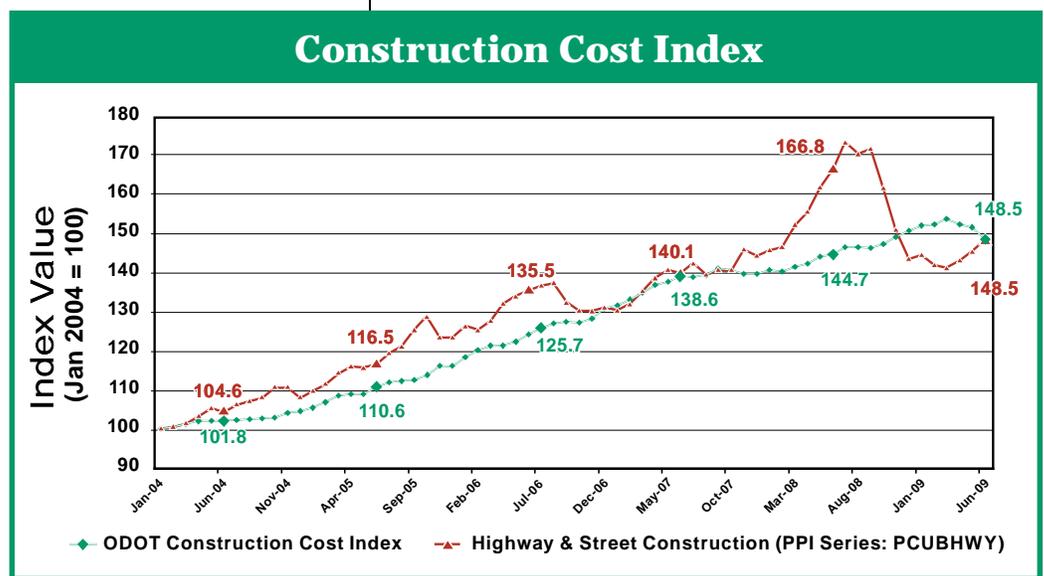
From High Inflation to Deep Recession:

Among the most significant challenges identified in the 2008-2009 Business Plan was the devastating impact of construction inflation on ODOT’s purchasing power. After four years of higher-than-anticipated inflation, ODOT continued to experience unprecedented increases in construction costs through the end of 2008, due to strong worldwide demand for primary construction commodities and historic highs in energy prices.

By January of 2009, however, the worldwide financial collapse –

triggered in part by profiteering and lack of federal regulation on Wall Street – ignited the worst national economic collapse since the Great Depression. The weakened national and global economies could no longer sustain growth and the corresponding high rates of inflation of the previous four years. As the chart below shows, the dramatic 2008 increase in the national producer price index (PPI) for street and highway construction commodities is followed by a dip of the same magnitude in 2009. ODOT’s in-place Construction Cost Index mirrors this trend.

Although the economic recession has negatively impacted federal and state motor fuel tax revenues, the lower than anticipated highway construction cost inflation has had a positive impact on the bottom line of ODOT’s financial estimates. Instead of the anticipated 10 percent inflation rate expected in 2008, ODOT experienced a 4.4 percent inflation rate; instead of 8 percent expected in 2009, the department experienced a 2.6 percent rate. This dramatic difference over the past biennium and the change in projected levels of inflation over the upcoming biennium – combined with the department’s cost-cutting measures and new funding made possible by the Recovery Act – have allowed ODOT to stretch its investments much further than previously forecasted.





OVERCOMING OVER-PROGRAMMING

In the 2008-2009 Business Plan, the cumulative effects of high construction cost inflation, adjustments needed to address maintenance and preservation shortfalls, and past over-programming created a forecasted deficit of \$3.5 billion for the department through the year 2015. During the past two years of the Strickland Administration, ODOT has cut the projected shortfall by \$2 billion through 2017. Several factors have contributed to this improvement, including:

Reduction in Operating Expenses – For the past two years, ODOT operated at 95 percent of anticipated operation costs. Under this Business Plan, the department will continue this practice in the current biennium and forecasts its continuation, with some adjustment for inflation, during the remaining years of the financial plan. From State Fiscal Years 2008-2017, ODOT anticipates this will save the department about \$400 million.

Reforms in Construction Management – In State Fiscal Year 2008 alone, ODOT reduced un-bid emergency contracts, saving \$13 million; reduced costly change orders on major construction projects, saving \$46 million; and restricted equipment purchases, saving \$10.9 million. Continued improvement in construction management reforms is estimated to produce at least \$250 million in savings through 2017.

Collection of Fairer Impact Fees – ODOT is working to identify new ways to capture value for taxpayers, created by the state’s public investments. For example, ODOT requires payment for the administration of the blue Ohio Logos sign program, in order to generate taxpayer returns. Additionally, the department modernized its oversize/overweight hauling fees as part of a broader regulatory reform to improve regulation. From 2008-2017, these two efforts alone will raise over \$200 million.

Recovery Act – Although ODOT selected the most diverse multi-modal project list in the country and partnered with local governments on many of the selections, the department estimates that \$532.8 million of the transportation infrastructure stimulus funds made available to Ohio went toward projects already in the state’s construction pipeline. These funds gave ODOT the dual benefit of advancing the completion of important “ready to go” projects and providing an additional half-billion dollars toward our future financial plan.



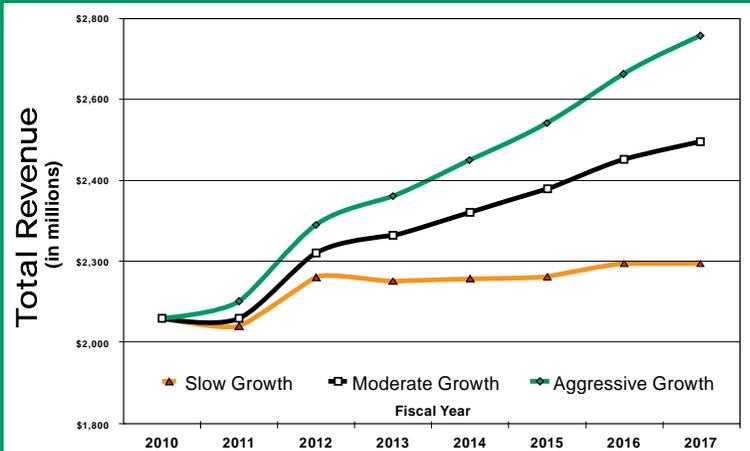
FORECASTING THE FUTURE: REVENUE AND EXPENDITURE ASSUMPTIONS

As the economy continues to change, ODOT must manage its financial resources based on our forecast and fiscal assumptions. Any forecast brings with it uncertainty, but the department must make these educated forecasts for long-term capital planning.

Revenue:

There are three assumptions for revenue growth: slow, moderate and aggressive. The moderate growth assumption reflects current and future expectations; the aggressive follows ODOT's traditional revenue trends (one percent annual increase in state fuel tax revenue, five percent annual increases in federal revenue); and the slow growth reflects an economy that remains stagnant. The three trend lines are compared in the graph to the right.

State and Federal Revenue Assumptions
(Net of Debt Service)

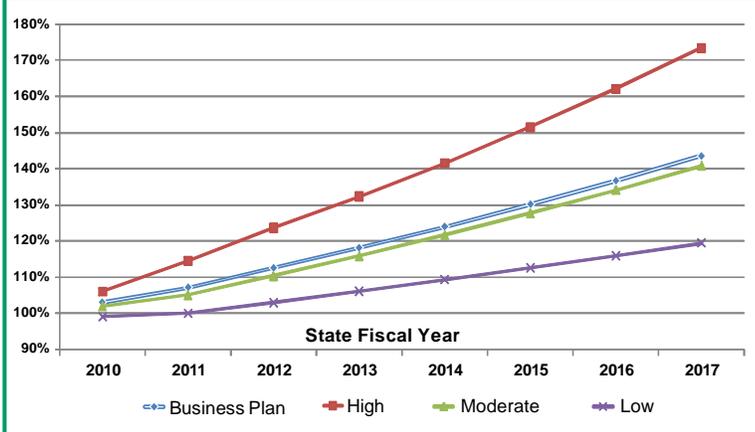


Inflation:

The other major dynamic in this forecasting is inflation. ODOT has adjusted its inflation forecast and applied it to ODOT's core "Fix it First" programs – bridge and pavement preservation – as well as the Major New Construction program. The forecasting of

construction cost inflation is just as challenging as fuel tax revenue forecasting. While no forecast of the future is flawless, ODOT believes that the current forecast is sound, based on reasonable and moderate estimates of revenue and inflation.

July 2009 Compounded
ODOT Construction Cost Inflation Forecast



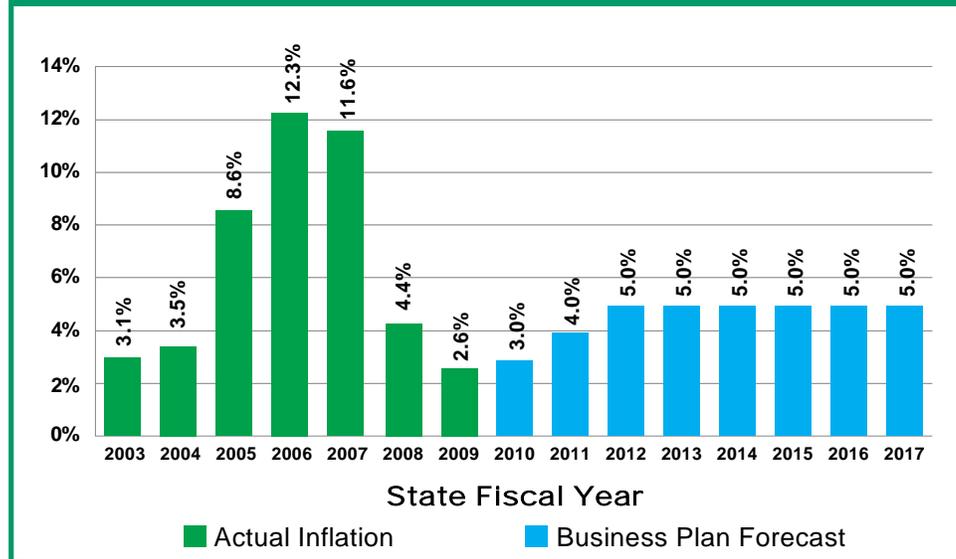
Due to the nature of the assumptions, ODOT has taken an extra step to calculate the sensitivity by combining the revenue and inflation forecasts. The sensitivity analysis is presented in the table below, with inflation forecast in the column and the revenue ranges in the rows. The cells display the cumulative program deficit for ODOT through 2017. ODOT highlights the cell at the moderate growth level, which include the operative assumptions for this 2010-2011 Business Plan, producing a cumulative deficit of \$1.5 billion through 2017.



The other ranges are self-explanatory: low inflation forecasts combined with the aggressive revenue growth produces a “best case” situation that would eliminate ODOT’s deficit with a surplus of \$500 million by 2017 versus a slow growth revenue assumption combined with high inflation produces the “worst case” scenario of a \$3.9 billion cumulative deficit by 2017.

In summary, ODOT has used a revenue growth and inflation forecast that is reasonable based on indicators of future improvements in the economy, the positive impacts from the additional funding received from the Recovery Act, and Congressional efforts to secure a new federal transportation authorization – an acknowledgement of

Construction Cost Inflation Forecast Rates



the important role transportation plays in the economy. ODOT can respond to changes in either forecast, but is basing long term capital planning on the most reasonable estimates available.

Cumulative 2010 -2017 Revenue Growth Scenarios and Inflationary Impacts on Construction Program

(In \$ Billions)

Revenue		Inflation			
		Low	Medium	Business Plan	High
Slow Growth					
State	0% Growth – 2010 to 2017	(\$1.5)	(\$2.5)	(\$2.7)	(\$3.9)
Federal	0% Growth – 2010 to 2017				
Moderate Growth					
State	0% Growth – 2010 and 2011; 0.5% – 2012; 1.0% – 2013 and 2015; 0% – 2016 and 2017	(\$0.5)	(\$1.4)	(\$1.5)	(\$2.8)
Federal	0% Growth – 2010; 1.5% – 2011; 3% – 2012 to 2017				
Aggressive Growth					
State	0% Growth – 2010 and 2011; 0.5% – 2012; 1.0% – 2013 to 2017	\$0.5	(\$0.4)	(\$0.6)	(\$1.9)
Federal	0% Growth – 2010; 5% – 2011 to 2017				

ODOT'S FINANCIAL PROFORMA

The Highway Funding and Program Forecast proforma found in this document presents a simplified version of ODOT's revenues and program spending levels through 2017.

The revenue section of the proforma reflects five main categories of sources. The first being state revenues, of which more than 85 percent of the state revenue is derived from the state motor vehicle fuel tax; the remaining 15 percent consists of other miscellaneous revenue, including truck registration fees. From the miscellaneous revenues, ODOT has identified a portion of revenue categories to be used for multi-modal transportation efforts. Our second source represents our core federal funds, which come from the FHWA's annual Congressional appropriations. The third category depicts Recovery Act funds. The FHWA has oversight and approval for the use of these funds. Our last two line items show state and federal bonds used for ODOT's construction program, and "prior year savings," which is also carried forward for the construction program. The "program uses" section has five major components:

- **"Fix It First"**- The "Fix it First" programs represent ODOT's operating costs, which include payroll, equipment, facility maintenance, and roadway maintenance materials, such as salt used for snow and ice control. The Pavement Preservation programs represent funding for the preservation of ODOT's urban, general (two-lane) and priority (freeway, other multilane) pavements, as well as funding for the complete reconstruction of freeway pavements. The Bridge Preservation program funds rehabilitation and replacement of the 14,162 bridges for which ODOT has maintenance responsibility.
- **Safety, Statewide and Local Programs** – These programs include the ODOT Safety Program and other numerous small ODOT programs, such as rest area construction, railroad crossing improvements, noise walls, landslide slip and slide repair,

Appalachian program funds, and federally earmarked projects, such as the Safe Routes to Schools program. Local System Preservation programs include federal funds passed through to metropolitan planning organizations, county engineers, and other local infrastructure programs.

- **Multi-Modal Capital Program** – Having embarked upon a "new dialogue on Ohio's transportation priorities," ODOT is taking the first step of many to develop a balanced multi-modal transportation investment portfolio. The programs included in this category are direct investments in public transit, rail investment and intermodal/logistic investment.
- **Recovery Act Funds** – These transportation stimulus funds include the approximate \$1.1 billion in funds allocated to Ohio as of the end of calendar year 2009, directed to the state by the FHWA, FTA, and Federal Aviation Administration.
- **Remaining Funds for Major New Construction** – The Major New Construction program funds projects costing more than \$5 million, which align a more balanced and integrated multi-modal





transportation system, embrace environmental stewardship, promote community economic growth and development, and leverage state transportation investment. Major New projects are prioritized by the Transportation Review Advisory Council (TRAC). In this section of the proforma, the summary line shows the annual revenue dedicated to the program. The Major New Program budget is further highlighted at the bottom of the page to show the Major New Budget compared to funding commitments. It is important to include the Major New program commitments within the context of the budget proforma. This section also includes \$50 million per year in FAST TRAC investments

Revenue and Program Assumptions:

There are a number of revenue and program assumptions inherent to the financial plan, which together has a significant impact on financial projections. It should be noted that some of the factors – such as inflation – are dynamic, so changes in factors could swing program projections widely. However, ODOT has chosen to take a financially moderate approach toward revenues and operational cost in developing its financial plan. For the Operating Program, the budget remains at 95 percent of 2008 levels in 2010 and 2011 and will remain at this level with only a 5 percent personnel costs premium and a 2 percent operating costs premium for the following five years (2012-2017). This is a purposeful decision to keep operating levels at 95 percent to encourage conservation and cost cutting at the district and statewide levels.

Pavement and bridge preservation programs are grown at the cost inflation levels identified in this Business Plan. As noted before, inflation prediction is challenging, but made necessary by the extreme impact of construction cost inflation on ODOT’s budget. ODOT analysts use various construction cost indices and futures prices to produce a high-medium-low range construction forecast, and the medium range is used to inflate pavement and

bridge programs. It is important to note that about a third of pavement and bridge spending goes to engineering and right-of-way, so ODOT only inflates the program spending which goes to construction.

The Safety program, ODOT Statewide programs, and Local System Preservation were not adjusted for inflation. ODOT will monitor condition indices and cost information for these programs on a continual basis.

Local System Preservation programs – the pass through of federal funding to local agencies such as MPOs and county engineers – is also unadjusted for inflation. MPOs did experience a large increase in funding with the passage of SAFETEA-LU and most are carrying forward large balances of unspent funds, year to year. Further, local governments have local funding sources and revenue options to fund their programs, so that federal pass through funds rarely, if ever, form the core funding source of local infrastructure.

The multi-modal program is funded by non-state gas tax revenues at \$6 – \$7 million per year through 2017. The investments to be made with these dollars will be in transit, rail and intermodal projects.

Of the Recovery Act funding presented on the pro forma (\$936 million), approximately \$161 million is governed by the state’s eight major Metropolitan Planning Organizations.

Finally, there was no adjustment for inflation for the Major New Construction program, as it represents funding that is “left over” after all Fix it First, Safety, Statewide and Local Programs are funded. The FAST TRAC initiative is funded at \$50 million per year through 2017. In the final table of the proforma, major new projects are readjusted for predicted inflation.

Based upon the department’s various programs, along with inflation and revenue forecasts, the financial plan shows that ODOT will experience a combined \$1.5 billion shortfall by fiscal 2017.



Ohio Department of Transportation Highway Funding and Program Forecast (in Millions)

Updated January 4, 2010

	2008 ¹	2009 ¹	2010	2011	2012	2013	2014	2015	2016	2017
Revenue Sources										
State Revenue Committed to Highway Purposes	\$1,250	\$1,158	\$1,072	\$1,082	\$1,206	\$1,219	\$1,232	\$1,245	\$1,245	\$1,245
State Revenue - Non-Gas Tax Committed to Multi-Modal		\$6.0	\$7.0	\$6.1	\$6.9	\$6.1	\$6.9	\$6.1	\$6.9	\$6.1
State Revenue used to pay debt service	(\$203)	(\$205)	(\$191)	(\$190)	(\$193)	(\$205)	(\$204)	(\$201)	(\$180)	(\$197)
Grand Total State Revenue - Net of Debt Service	\$1,047	\$960	\$888	\$898	\$1,020	\$1,020	\$1,035	\$1,050	\$1,072	\$1,054
Federal Revenue	\$1,378	\$1,350	\$1,329	\$1,349	\$1,389	\$1,431	\$1,473	\$1,517	\$1,562	\$1,609
Federal Revenue used to pay debt service	(\$112)	(\$134)	(\$127)	(\$145)	(\$138)	(\$144)	(\$149)	(\$156)	(\$156)	(\$145)
Total Federal Revenue Available for ODOT Programs	\$1,266	\$1,216	\$1,203	\$1,204	\$1,251	\$1,287	\$1,324	\$1,361	\$1,407	\$1,464
ARRA - FHWA and Forest Highway Stimulus Funding		\$936								
ARRA - FHWA Ferry Boat Discretionary Stimulus Funding			\$0.8							
Total ARRA - FHWA Stimulus Funding		\$936	\$0.8							
State and Federal Bonds	\$547	\$383	\$363	\$228	\$129	\$166	\$193	\$217	\$261	\$291
Prior Year Savings	\$57	\$144	\$126	\$40						
Total Revenue Sources	\$2,917	\$3,637	\$2,581	\$2,370	\$2,439	\$2,512	\$2,592	\$2,667	\$2,780	\$2,848

Program Uses

Operating (After 2011, payroll grown at 5%, non payroll grown at 2%)	\$753	\$720	\$733	\$758	\$836	\$847	\$879	\$913	\$949	\$986
Pavement Preservation Program (updated for 2009 inflation estimates)	\$581	\$578	\$484	\$612	\$676	\$674	\$709	\$742	\$776	\$812
Bridge Preservation Program (updated for 2009 inflation estimates)	\$254	\$262	\$227	\$270	\$277	\$313	\$325	\$341	\$358	\$376
Total Fix it First Programs	\$1,588	\$1,560	\$1,444	\$1,640	\$1,790	\$1,833	\$1,913	\$1,996	\$2,083	\$2,174
Safety Program (not adjusted for inflation)	\$71	\$72	\$63	\$70	\$71	\$73	\$74	\$76	\$77	\$78
Statewide ODOT Program (not adjusted for inflation)	\$194	\$193	\$196	\$179	\$183	\$187	\$191	\$196	\$200	\$205
Local System Preservation Program (not adjusted for inflation)	\$301	\$303	\$268	\$277	\$286	\$294	\$302	\$311	\$319	\$328
Total Safety, Statewide, and Local Preservation Programs	\$566	\$568	\$527	\$526	\$540	\$553	\$567	\$582	\$596	\$612
Total Multi-Modal Capital Program	\$0.0	\$6.0	\$14.5	\$37.0	\$30.3	\$29.5	\$6.9	\$6.1	\$6.9	\$6.1
Total ARRA Program		\$936	\$0.8							
² Resources Remaining for the Major New and FAST TRAC Programs	\$703	\$567	\$594	\$166	\$79	\$96	\$104	\$83	\$93	\$56
Necessary Carryforward to Future Years	\$59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Program Uses	\$2,917	\$3,637	\$2,581	\$2,370	\$2,439	\$2,512	\$2,592	\$2,667	\$2,780	\$2,848

Major New Budget Compared to Commitments

² Resources Remaining for the Major New and FAST TRAC Programs, excluding earmarks (current year budget)	\$594	\$166	\$79	\$96	\$104	\$83	\$93	\$56
³ Major New Carryforward	\$507							
⁴ Most current cost estimates to complete Major New (10/11 Business Plan inflation estimates)	\$817	\$332	\$121	\$573	\$427	\$127	\$121	\$403
FAST TRAC - Future Commitments	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Major New Balance / (Shortfall)	\$235	(\$216)	(\$91)	(\$527)	(\$373)	(\$94)	(\$77)	(\$397)
Cumulative Major New Balance / (Shortfall)	\$235	\$19	(\$72)	(\$599)	(\$972)	(\$1,066)	(\$1,143)	(\$1,540)

¹ Ohio Legislative earmarks in House Bills 67 and 119 in the amounts of \$34 million in 2008 and \$29 million in 2009, reduced revenues and existing ODOT programs.

² Approximately \$10 - \$30 million per year is dedicated to Major New Earmarks.

³ Carryforward appropriation supports FY09 Major New projects to be sold in FY10 and FY 11.

⁴ In the Statewide Program there is \$94 million in federal Appalachia Funds dedicated to the Major New Portsmouth Bypass project.



ORGANIZATIONAL PERFORMANCE INDICES (OPIs) AND QUALITY ASSURANCE REVIEWS (QARs)

IN THIS SECTION:

- Plan Delivery OPI
- Pavement Conditions OPI
- Bridge Conditions OPI
- Quality Assurance Reviews

For many years, ODOT has used the “Organizational Performance Index” (OPI) to measure and manage critical department operations, specifically for measuring district performance on pavement and bridge conditions and plan delivery. During the 2008-2009 biennium, ODOT’s twelve District Deputy Directors – along with Division Deputy Directors in Central Office – performed a thorough review of OPIs to ensure their relevance to the agency. These three OPIs continue to stand out as appropriate measures of district operations and valuable tools in determine proper funding appropriations.

Other performance indices are better tracked and managed through the use of Quality Assurance Reviews (QARs). The QAR process is the department’s mechanism to ensure districts, divisions, and Local Public Agency program participants (LPAs) are complying with standards set forth in state and federal policies, procedures, core business practices,

laws and regulations. To assist the state’s local partners, ODOT’s Local Technical Assistance Program (LTAP) provides training and technical assistance to county, municipal and township agencies that manage and maintain Ohio’s local public roadway networks.

PLAN DELIVERY OPI

Successful and on-time plan delivery requires the coordinated efforts of district and Central Office staff in the areas of production, environmental services, real estate, design, transportation system development and other offices. Plan delivery is also an important component of districts meeting basic pavement, bridge, and safety goals.

The Division of Production Management co-owns plan delivery goals with the District Deputy Directors, through the District Production Administrators. Under this Business Plan, the plan delivery goal for ODOT-managed projects is to file 90 percent of projects by the scheduled lockdown date. For local projects, the plan file goal is 80 percent. While plan delivery for ODOT-let projects met the 90 percent goal in 2009,

plan delivery for local let projects fell just short of the 80 percent goal (79 percent in 2009). This is due in large part to local funding issues. Additional effort will be placed on meeting that goal for this biennium.

Plan Delivery also has a quality component, with an expectation of meeting or exceeding the plan quality composite score of 43. The quality measure relates to

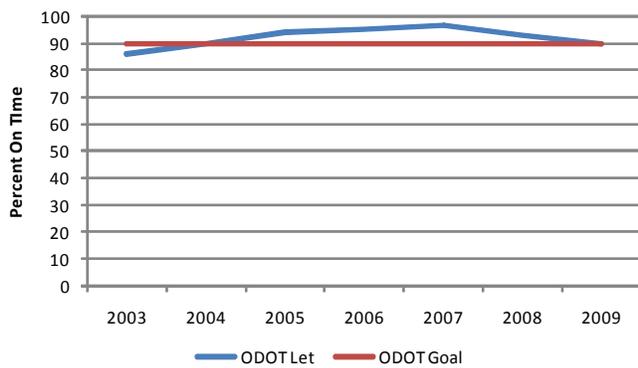
Organizational Performance Indices (OPIs) and Quality Assurance Reviews (QARs)



the quality and completeness of the plan package for bidding. The Office of Estimating evaluates plan packages for factors such as accuracy of item codes,

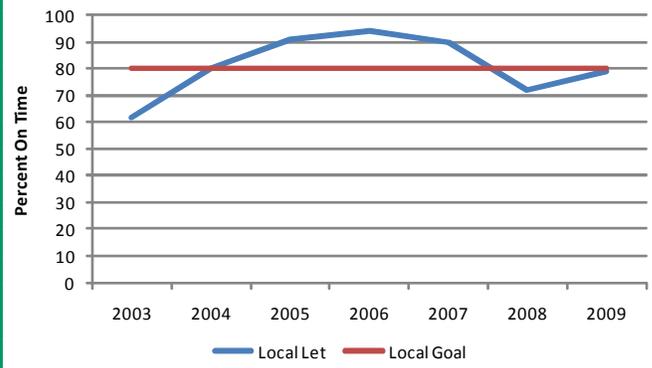
proposal notes, and sufficiency for representing the project to bidders.

ODOT Let Plan File by SFY



	2003	2004	2005	2006	2007	2008	2009
ODOT Let	86	90	94	95	97	93	90
ODOT Goal	90	90	90	90	90	90	90

Local Let Plan File by SFY



	2003	2004	2005	2006	2007	2008	2009
Local Let	62	80	91	94	90	72	79
Local Goal	80	80	80	80	80	80	80

PAVEMENT CONDITION RATINGS OPI

The state's pavement system is a critical component of ODOT's infrastructure and requires consistent treatment to maintain a steady, consistently good state of repair. In keeping with the "Fix it First" philosophy, ODOT manages its pavement system with a sustainable level of investment, managed by district offices through their allocation of district pavement preservation funds.

The Division of Transportation System Development, in concert with district offices, is responsible for meeting pavement goals. The pavement goals have two components: the percent of pavements considered to be in "acceptable" condition, and the definition of "acceptable" condition, as measured by the Pavement Condition Rating (PCR).

As part of its pavement management policy, ODOT divides pavements into three subsystems: the Priority System, which generally consists of Interstate and other multi-lane, divided highways; the General

Pavement Subsystem	Priority	General	Urban
PCR Threshold for Acceptability	65%	60%	55%

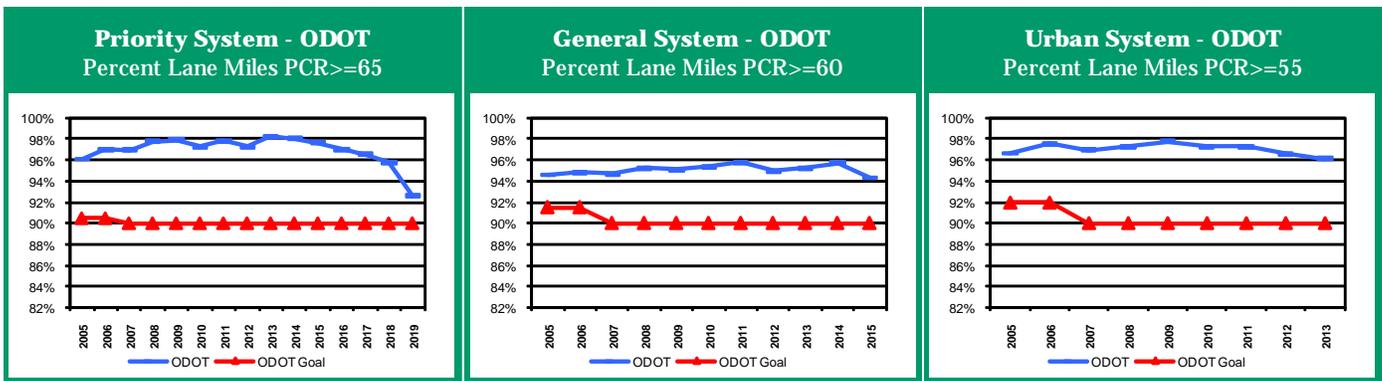
System, which is mostly composed of two lane roads; and the Urban System, which represents U.S. and State Routes within municipalities.

Under this Business Plan, the goal for each of the three subsystems is to achieve 90 percent of the system within a district at the acceptable condition rating. The acceptable PCR threshold is different for the three subsystems: a 65 percent rating for the Priority System, a 60 percent rating for the General system,



and a 55 percent rating for the Urban system – which is mostly maintained by local communities. Currently, 97.9 percent of the Priority System and 95.1 percent of the General System meets or exceeds these PCR thresholds. While the Priority System is generally regarded as being in good condition, it was long acknowledged that the department’s former PCR goal

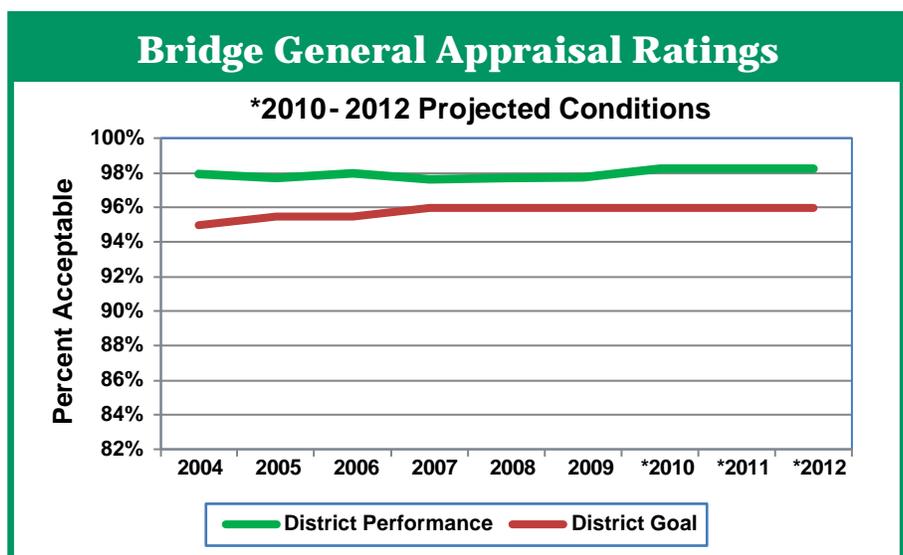
of 55 for the General System was too low. As it was in the 2008-2009 Business Plan, ODOT will continue a goal of 60 under this Business Plan, as districts work with Central Office to improve their pavement management practices on the General System. The Urban System goal will remain at a 55 threshold.



BRIDGE CONDITION OPI

ODOT continues to invest significant state resources to protecting, preserving and modernizing the more than 42,000 bridges in this state. Nationally, Ohio inspects more bridges more often than any other state. Ohio is the only state to require annual bridge inspections – twice as often as federally required. All bridges in Ohio are looked at by inspectors who must go through a mandated ODOT bridge inspection training program.

Currently, 97.6 percent of all state-maintained bridges are in acceptable condition based on ODOT’s for General Appraisal (GA). This GA goal focuses on the structural condition of bridges, and is different from the federal Sufficiency Ratings which include attributes that are non-condition based. ODOT believes that by focusing on structural bridge conditions, funding is targeted at bridges most in need of repair or replacement.



Following the “Fix it First” philosophy, ODOT is funding its bridge programs to sustain its inventory at a GA level where at least 97 percent of its structures (as measured by deck area) are at an acceptable condition. The department also tracks performance in terms of floor condition, wearing surface, and paint

condition, which are the other primary cost drivers of the bridge program. If these four bridge condition goals are met, the overall inventory will adequately serve the public in terms of bridge safety and sufficiency.

QUALITY ASSURANCE REVIEW (QAR)

Beyond the measurements of the OPIs, the department’s Quality Assurance Review (QAR) process ensures that districts, divisions, and local public agencies are complying with department standards. The process also allows holds accountable those responsible for completing functions under the business unit’s subject area, ensuring those people are in compliance with the business unit’s policies, procedures and guidelines.

ODOT conducts approximately 340 QARs each year. QARs cover a wide range of topics such as: inventory, cost accounting, equipment management, bridge inventory, real estate acquisitions, hazardous waste management, aviation, rural transit programs, change orders, training, etc.



needs. Each division Deputy Director is responsible for ensuring QARs are established for their division’s policies, procedures, core business practices, laws and regulations. Each Division/District Deputy Director has the responsibility to ensure noncompliance items are brought into compliance in a timely manner.

Central Office subject matter experts (SMEs) identify noncompliant areas and assist the QAR recipients in creating an action plan to correct deficiencies. The action plan states specific steps to be completed, individuals responsible for completing the steps, and estimated dates of completion to bring the noncompliant areas into compliance. Deputy Directors ensure individuals within their district/division fulfill their responsibility to complete the steps assigned. The SMEs follow-up to verify all steps have been completed and compliance has been reached.

The QAR process also provides a mechanism to identify recommended performance methods (best/shared practices), problem areas and training

In May 2008, ODOT created a Quality Assurance Review Administrator position to oversee the ODOT enterprise-wide QAR Program with a direction towards increased accountability and compliance with policies and procedures. The administrator assists in ensuring the business processes and programs are aligned with the goals and initiatives set forth in this Business Plan. Regular status reports are provided to the Director and Deputy Directors on compliance, noncompliance and program information.

Under this Business Plan, the department will continue the expanded use of QARs to measure and ensure divisions and districts are meeting the goals and expectations set forth by the administration. In

In addition, monthly copies of all QAR reports will continue to be forwarded to the FHWA for review, which uses the QAR reports as a tool to ensure federal funding is being expended as intended. ODOT's QARs combined with FHWA's Quality Improvement Review and Risk Assessment Processes assist FHWA with resource planning, and stewardship/oversight of the Federal-aid program. Finally, QAR reports are currently being reviewed in partnership with the Office of the Ohio Inspector General to offer additional transparency and accountability to the process.

Ohio's Local Public Agencies (LPAs) are also held accountable to the department's QAR process. ODOT's LPA Program is nationally recognized for its success in allowing local agencies the flexibility to manage federally-funded projects. ODOT's Local Technical Assistance Program (LTAP) provides training and technical assistance to county, municipal and township agencies that manage and maintain Ohio's local public roadway networks.

Training opportunities include technical workshops, equipment courses and on-site classes relating to roadway management and maintenance, traffic safety, and employee safety and development. In 2009, ODOT's LTAP conducted more than 140 training sessions throughout the state, with a total attendance of more than 3,000 persons. ODOT's LTAP is now a part of the department's Office of Training, and under this Business Plan will be tasked with providing a wider array of training opportunities to local partners, in order to properly manage federally-funded projects and meet all expectations, as measured by the QAR process.

Each section of this Business Plan forms the basis for setting performance measures for ODOT's career professional classifications. These employees and the entire Team ODOT – along with our federal and local transportation partners – are invaluable to the success of this plan.



ODOT's Local Technical Assistance Program (LTAP) offers many training opportunities to Ohio's local agencies, including Storm Water Management workshops.

CONCLUSION

Proverbs 29:18 tell us that “Where there is no vision, the people perish.” At this time in our nation’s history, Ohio is fortunate to have visionary leaders: Governor Ted Strickland and the members of the Ohio General Assembly working together with President Barack Obama and Ohio’s Congressional delegation.



On a number of occasions, Governor Strickland has recalled the words of philosopher and poet Ralph Waldo Emerson, who gave an interesting talk in the midst of what was called the Panic of 1837. At the time, nearly half of all banks had failed, credit all but vanished, and the American economy had ground to a halt.

But Emerson did not lament the challenges of the day. He embraced them. Emerson said: “If there is any period one would desire to be born in, is it not the age of Revolution; when the old and the new stand side by side and admit of being compared; when the energies of all men are searched by fear and by hope; when the historic glories of the old can be compensated by the rich possibilities of the new era? This time, like all times, is a very good one, if we but know what to do with it.”

Governor Strickland then reflects, “Those words sum up where we are today: this is a very good time if we but know what to do with it. And I believe that we do know. We must forge strong partnerships, put aside our differences and work together in pursuit of a common vision for Ohio’s future, and above all else, tap into Ohio’s great strength as a home of innovation and opportunity.”

The history of our nation, our state and this region was driven by innovation and opportunity in transportation. Without a boat and a vision Christopher Columbus would never have found this New World. Without the canals, without the railroads, without two brothers from Dayton who had a vision of powered flight, Ohio would never have grown to be the transportation heart of the Midwest and a centrifugal force in logistics.

ODOT’s 2010-2011 Business Plan captures that spirit of innovation and opportunity. Team ODOT is committed to looking ahead, not behind, and to knowing that we will not falter because we will get there together. Ohio will be well-positioned, as the recession ends, to not only come back, but to be better and stronger than ever. The final piece of our vision – perhaps the hardest to refine – is attitude.

That is the attitude that forged Ohio’s canals, built the railroads and highway system, and connected Ohio with the rest of the country... and the rest of the world. That is the attitude that allowed the Wright brothers to look to the sky and do more than just dream.



THE OHIO DEPARTMENT OF TRANSPORTATION PLEDGE

As a member of Team ODOT, **SERVICE** is my commitment:

- ☑ **Safety First:** I will focus each day on safety: my own, my teammates, our workplace, our work practices, and our customers – the traveling public – with a “Target: Zero” goal for any and all safety hazards;
- ☑ **Every Partner:** I will remember that partnership is the key to success and help all members of Team ODOT succeed, along with all our public and private partners;
- ☑ **Respect for My Customers:** I will bring a positive attitude to everything I do, remembering Ohioans are my customers and deserve respect, prompt and effective solutions, and the best return on their investment of precious tax dollars in our transportation system;
- ☑ **Value of My Job:** I will commit myself fully every day to be a productive and safety-conscious member of Team ODOT, and in return, be given meaningful, valuable work and treated without discrimination or prejudice;
- ☑ **Integrity:** I will conduct myself with honor, integrity and professionalism by following the highest ethical standards;
- ☑ **Clear Communication:** I will communicate with everyone respectfully, clearly, honestly, effectively, and timely; and
- ☑ **Eye to the Future:** I will always look for and welcome new ways to assure ODOT’s continuous improvement through partnership, innovation, wise investment, technology and environmental stewardship.



OHIO DEPARTMENT OF TRANSPORTATION

MOVING OHIO INTO A PROSPEROUS NEW WORLD

