



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 179 of the 128th G.A.

Date: June 8, 2010

Status: As Passed by the Senate

Sponsor: Sens. Grendell and Schaffer

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Prohibits spending American Recovery and Reinvestment Act of 2009 funds on signs identifying that Act as the source of project funding and declares an emergency

State Fiscal Highlights

- The bill prohibits spending American Recovery and Reinvestment Act of 2009 (ARRA) funds on signs that identify ARRA dollars as the source of project funding. As a result, there may be some small cost savings on ARRA projects where work has not yet begun. Presumably, these savings could be reallocated to other aspects of these projects.
- It is possible that some state agencies which receive ARRA funding would be required to use other funds to meet federal signage requirements that apply to projects funded by ARRA money.

Local Fiscal Highlights

- As a result of the bill, there may be some small cost savings on local government ARRA projects where work has not yet begun. Presumably, these savings could be reallocated to other aspects of these projects.
- It is possible that some local governments which receive ARRA funding would be required to use other funds to meet federal signage requirements that apply to projects supported by ARRA money.

Detailed Fiscal Analysis

The bill prohibits any recipient or distributor of American Recovery and Reinvestment Act of 2009 (ARRA) funding from spending those dollars to purchase or produce signs identifying ARRA dollars as the source of a project's funding. This prohibition would apply to a variety of ARRA-funded programs and would go into effect immediately since the bill declares an emergency. Based on an LSC review of various ARRA program web sites, some federal agencies, such as the U.S. Department of Transportation, have issued guidance strongly encouraging ARRA signs or logos to be placed at the location of these projects. At least one federal agency, the U.S. Environmental Protection Agency (U.S. EPA), requires ARRA grantees or loan recipients to display the ARRA logo on ARRA-funded projects as part of the terms and conditions of its grant agreements.¹

Contractors include the cost of these signs in their project bids and are responsible for sign installation. The cost to produce and install the signs varies greatly depending on sign size, project location, the ability of the contractor to re-use signs from completed projects, the manner in which the signs are installed, and whether the installation of the signs occurs at the same time as other project signs are installed. Based on a review of detailed bid information included in various ARRA highway project contracts, ARRA highway signs generally add \$1,000 to \$6,000 to a project's cost.

The bill could yield some minimal cost savings related to ARRA projects that have yet to reach construction phase. However, these savings could also be reallocated to some other aspect of these projects. In circumstances where a federal agency mandates the use of the signs, however, the bill would require ARRA recipients, which could include local governments, to use non-ARRA funds to meet any federal signage requirements. Overall, any savings are likely to be quite limited since many ARRA infrastructure projects are already underway. According to transparency and accountability reports submitted to the U.S. House Transportation and Infrastructure Committee, for example, work has begun on 578 (82.7%) of the 699 highway infrastructure, transit capital, and fixed guideway projects in Ohio put out to bid as of April 30, 2010.

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¹ Available at: http://www.epa.gov/ogd/tc/40_CFR_Part_31_ARRA_Administrative_Award_Condition.pdf, Item #30.