



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 179 of the 128th G.A. **Date:** May 14, 2010
Status: As Reported by Senate Highways & **Sponsor:** Sens. Grendell and Schaffer
Transportation

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 also possible that some state agencies receiving ARRA funding would be required to use non-ARRA funds to pay for ARRA project signs in order to meet any federal signage requirements that might apply.

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 also possible that some local governments receiving ARRA funding would be required to use non-ARRA funds to pay for ARRA project signs in order to meet any federal signage requirements that might apply.

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. 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, 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.

Currently, contractors can include the cost of signs identifying ARRA projects in their project bids. 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. For ARRA highway projects, the Ohio Department of Transportation (ODOT) estimated that the cost for materials for the largest sign size is around \$300. Typical labor costs for ODOT personnel to install and remove similar signs are about \$1,000.

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 520 (75.3%) of the 691 highway infrastructure, transit capital, and fixed guideway projects in Ohio put out to bid as of March 31, 2010.