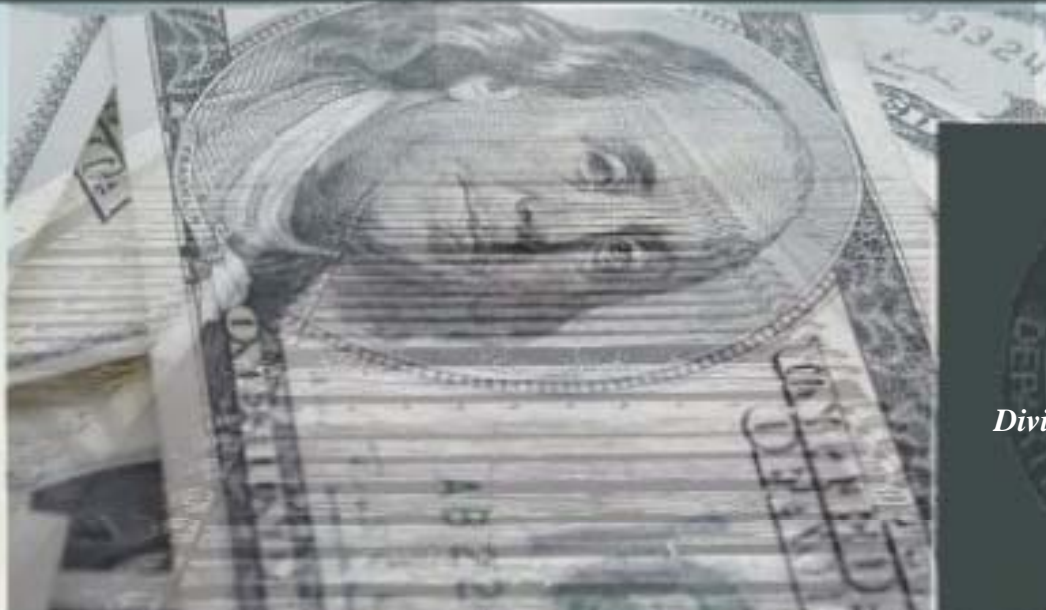


Ohio Contractors Association

Ohio Department of Transportation

Financial Update

December 6, 2004

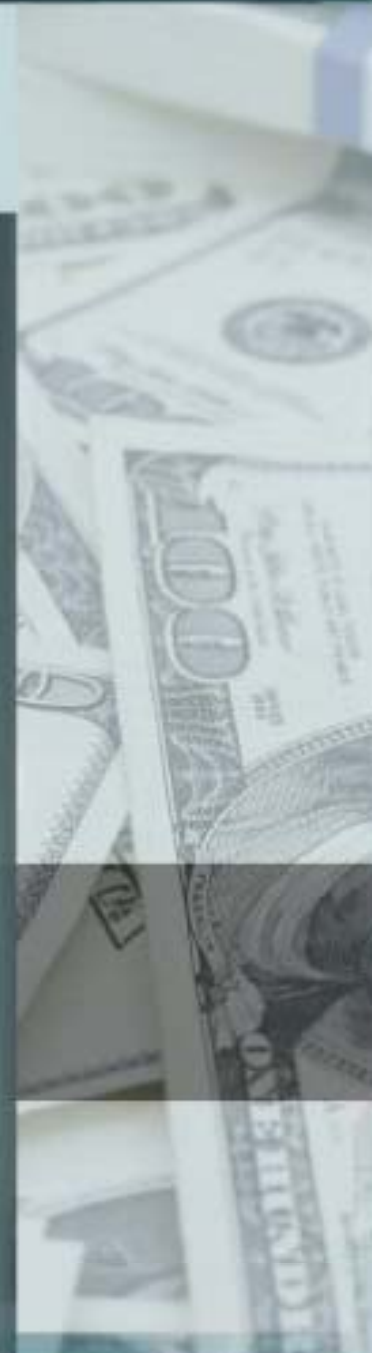


Julie Ray
Deputy Director
Division of Finance & Forecasting



Discussion Topics

- Federal Update
- ODOT's Capital Financial Program:
FY 2005 – 2015
- Capital Financial Program by District:
FY 2005 – 2008

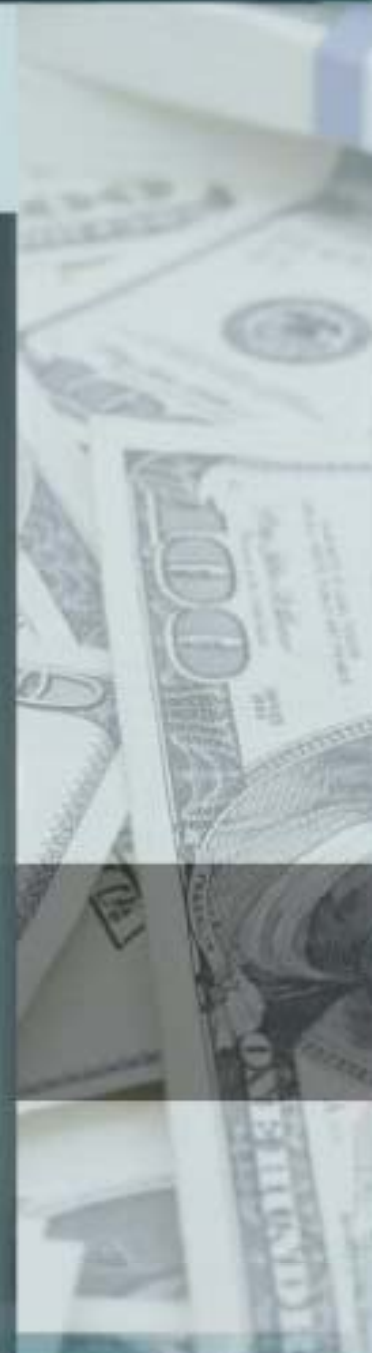


Federal Update



Federal FY 2004 Saga

- TEA-21 expired 9/30/03
- Senate Bill approved 2/12/04
- House Bill approved 3/2/04
- 4 extensions of TEA-21 approved to fund FFY 04



Federal FY 2004 Saga

- FFY 04 Final Numbers as of November:
 - Ohio - \$1,106 B Obligation Limit
 - 30 m – Earmarks & Discretionary
 - \$26 m – Appalachian Development
 - \$1,050 – Core Formula



Federal FY 2005 - Update

- Re-Authorization Bill
 - 8-month extensions approved at beginning of FFY 05
- FFY 05 appropriations bill estimated \$34.6 – (\$2 B is for Earmarks)
 - Ohio Estimated - \$1,050 B formula
 - Ohio Earmark - \$28.6 m (1.4% of the 2 B)
 - 6 year Re-Authorization Bill
 - Not passed - expected in the Spring



Ethanol

- HR 4250 approved 10/11/04
- Both ethanol fixes included
- 2.5-cent fix effective 9/30/04 (FFY 06)
 - \$50 Million for Ohio
- 5.2-cent fix effective 1/1/05 (FFY 07)
 - \$100 Million for Ohio

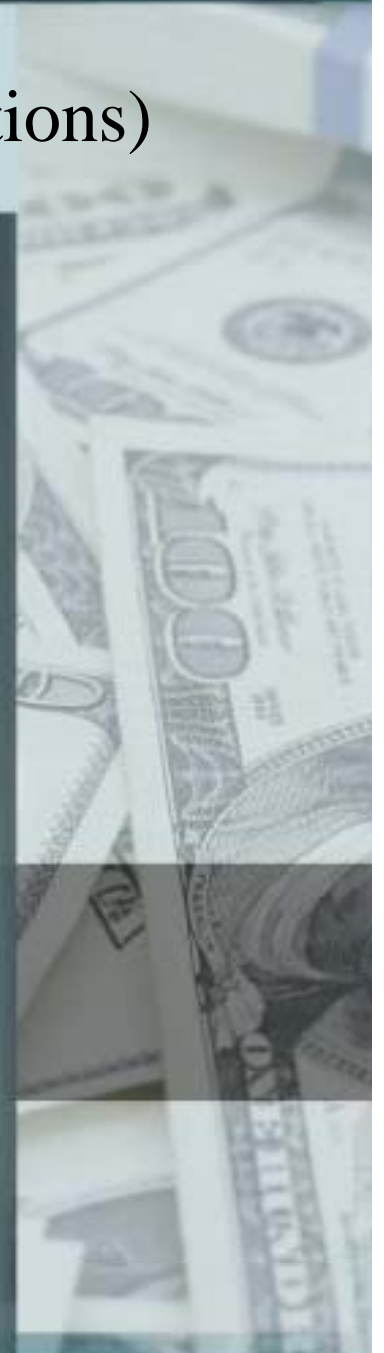


Senate Bill - \$318 B (Apportionment & Allocations)

- \$255 B for Highways (Apportionment & Allocations)
- Both 2.5-cent and 5.2-cent ethanol fixes are made by 2007
- Ohio's rate of return remains at 90.5% until FFY 09 when it increases to 95%
- 91% of the funding directed to the core programs
- Ohio Apportionment Core Formula funding increases by 48%, average increase 38%
- Ohio would realize in apportionment a \$2.8 billion increase over a six-year period

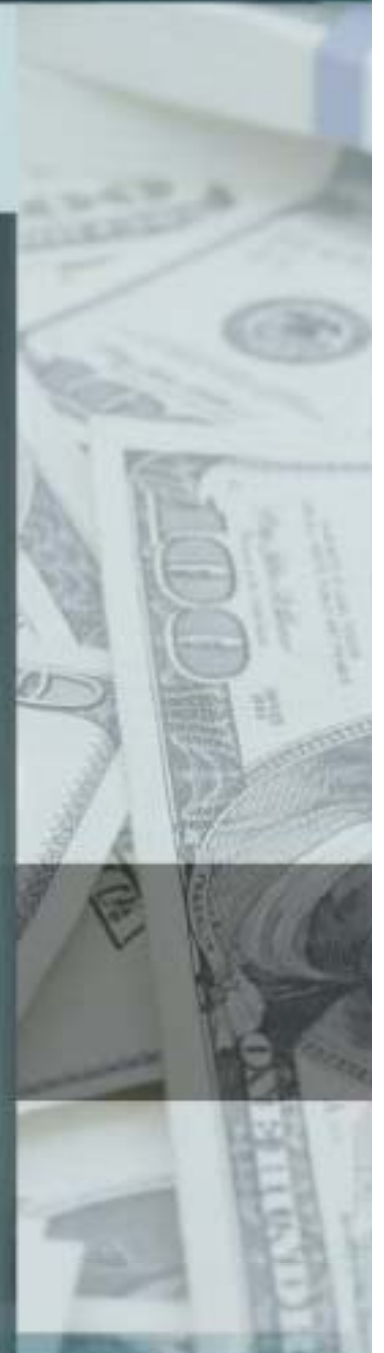
House Bill - \$284 B (Apportionments & Allocations)

- \$226 B for Highways – (Apportionments & Allocations)
- Both 2.5-cent and 5.2-cent ethanol fixes are made by 2007
- Ohio's Rate of Return remains at 90.5%
- 84% of funding directed to core programs, down from 95% in TEA-21
- Ohio's Apportionment Core Formula funding would increase by 21%, average increase is 12%
- Ohio would see an additional Apportionment Core Formula of \$1.2 billion over a six-year period



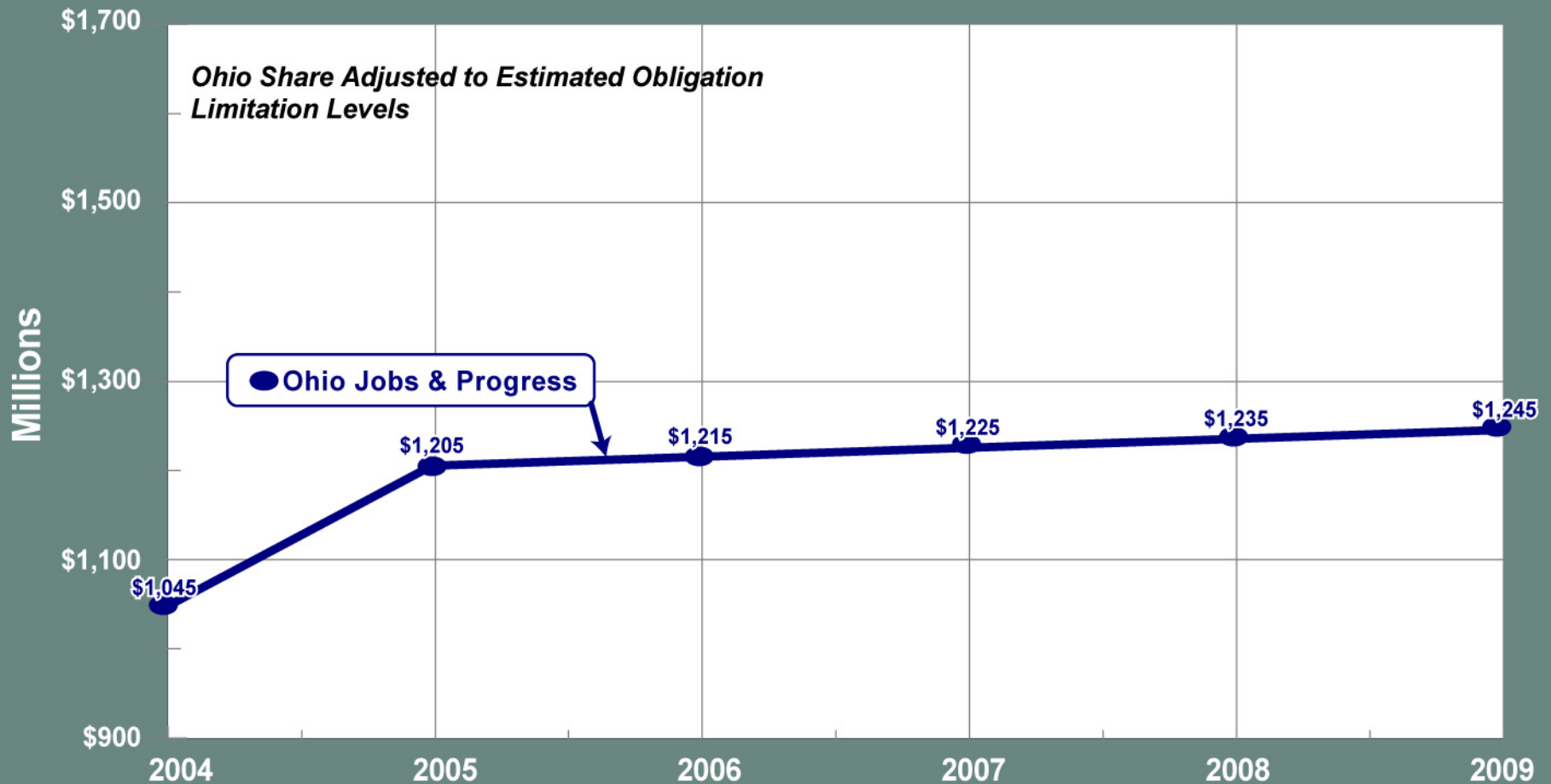
ODOT's Conservative Projection - \$284 B (Apportionment & Allocation)

- \$226 B for Highways (Apportionment & Allocation)
- 92% of funding in the core program, 8% to earmarks
- Rate-of-Return at 91%
- 2.5-cent ethanol fix in 2006
- 5.2-cent ethanol fix in 2007
- Average annual appropriations at \$37 B
- Obligation Ceiling at 96% of obligations
- Ohio would realize in Apportionment Core Formula Funding a 1.9 billion increase over a six year period



Ohio Federal Formula Funding Levels

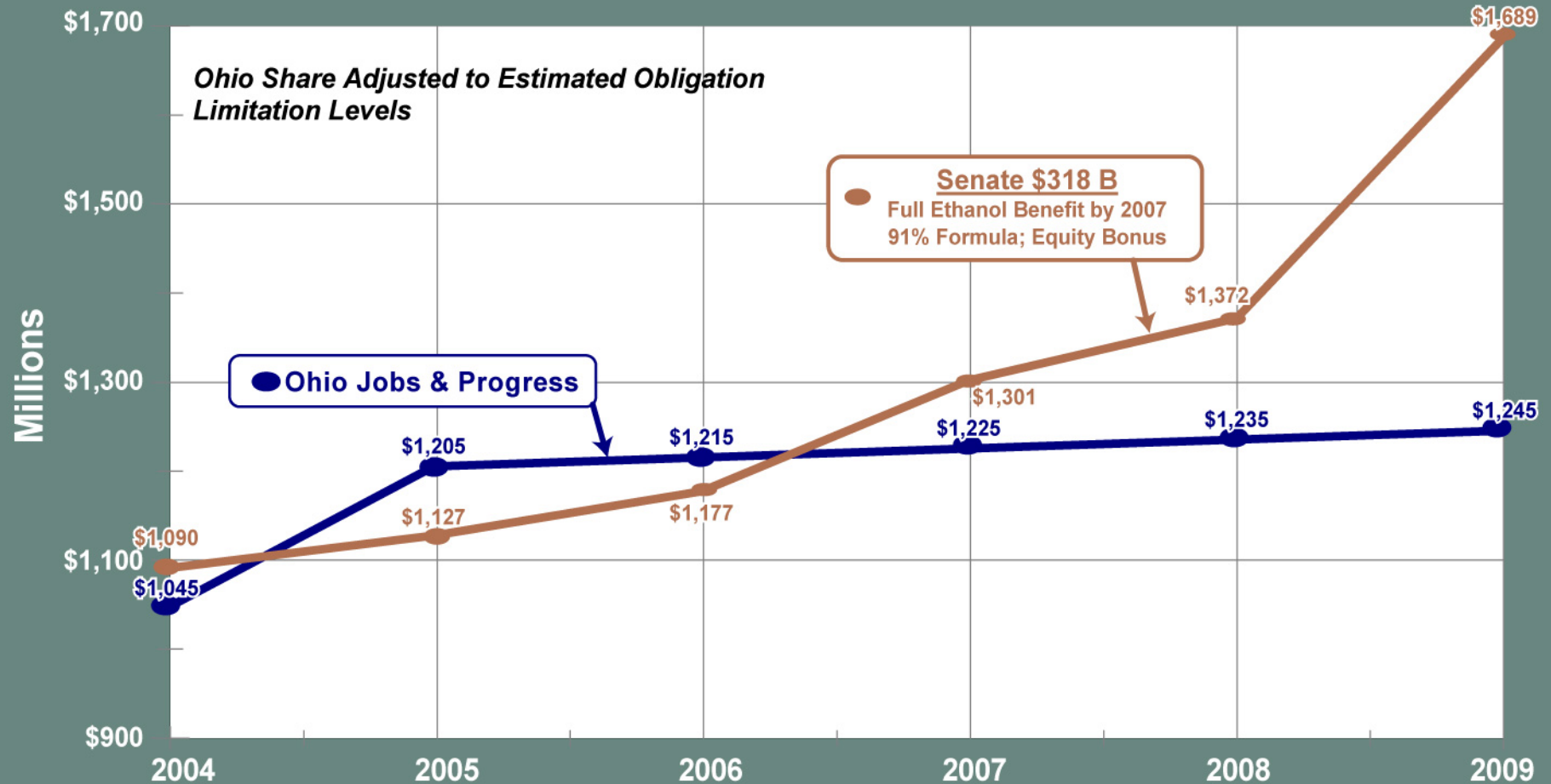
Comparison to Ohio Jobs and Progress



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Total | Delta |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|-------|
| Ohio Jobs and Progress (Aug. 2003) | \$1,045 | \$1,205 | \$1,215 | \$1,225 | \$1,235 | \$1,245 | \$7,170 | \$0 |

Ohio Federal Formula Funding Levels

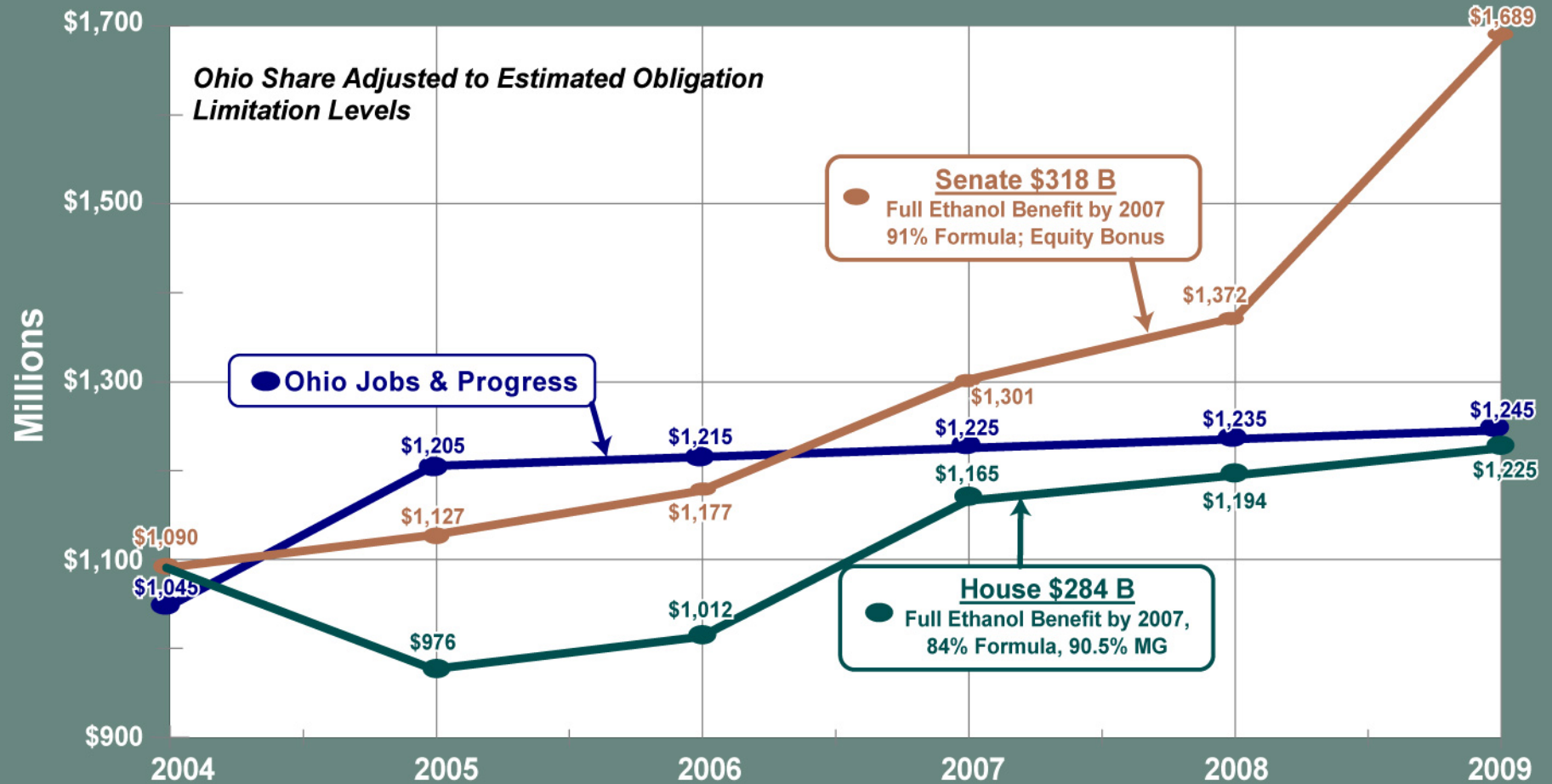
Comparison to Ohio Jobs and Progress



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Total | Delta |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|-------|
| Ohio Jobs and Progress (Aug. 2003) | \$1,045 | \$1,205 | \$1,215 | \$1,225 | \$1,235 | \$1,245 | \$7,170 | \$0 |
| Senate \$318M (Feb 2004) | \$1,090 | \$1,127 | \$1,177 | \$1,301 | \$1,372 | \$1,689 | \$7,756 | \$586 |

Ohio Federal Formula Funding Levels

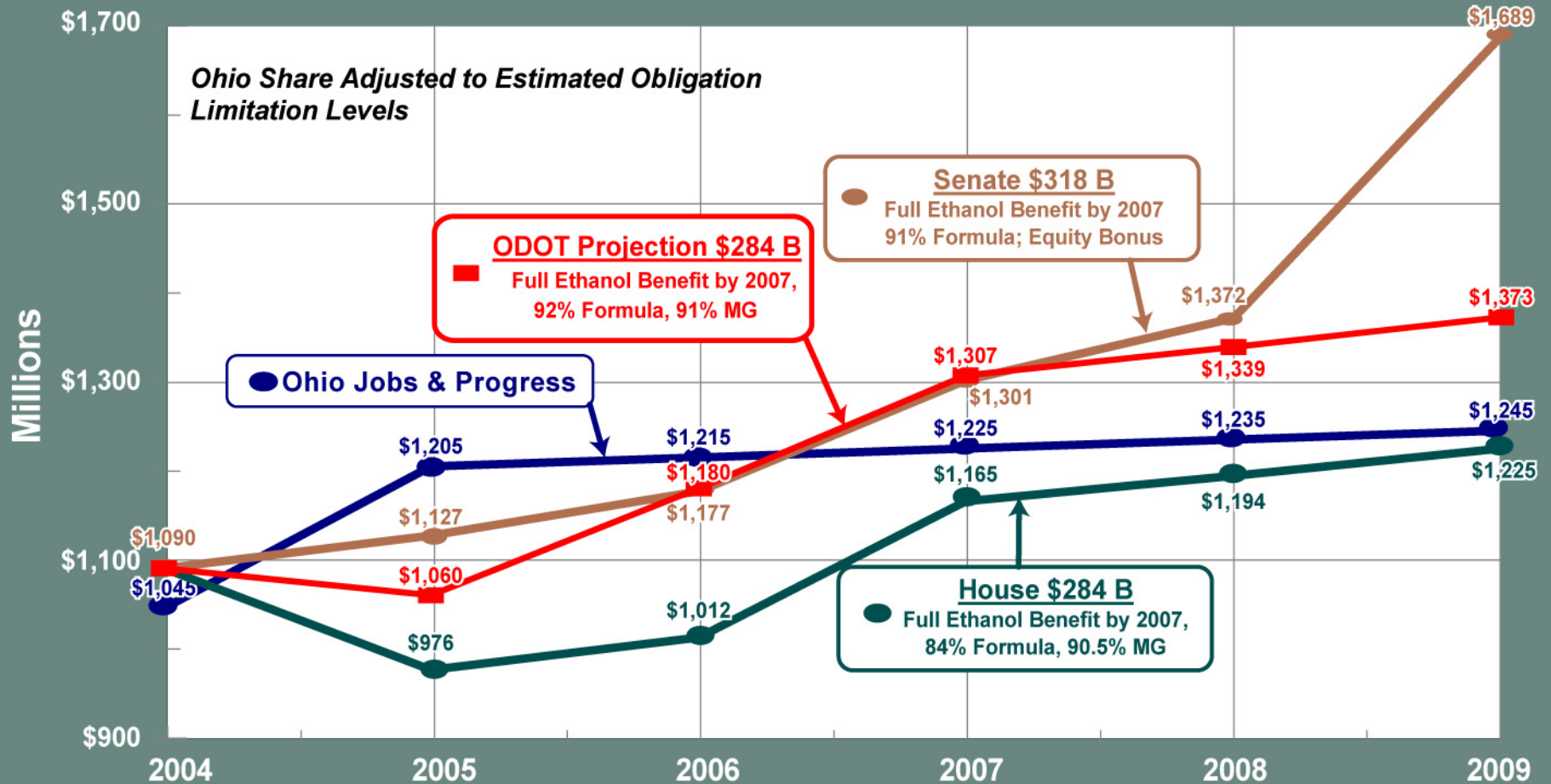
Comparison to Ohio Jobs and Progress



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Total | Delta |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------|
| Ohio Jobs and Progress (Aug. 2003) | \$1,045 | \$1,205 | \$1,215 | \$1,225 | \$1,235 | \$1,245 | \$7,170 | \$0 |
| Senate \$318M (Feb 2004) | \$1,090 | \$1,127 | \$1,177 | \$1,301 | \$1,372 | \$1,689 | \$7,756 | \$586 |
| House \$284M (Mar 2004) | \$1,090 | \$976 | \$1,012 | \$1,165 | \$1,194 | \$1,225 | \$6,663 | -\$507 |

Ohio Federal Formula Funding Levels

Comparison to Ohio Jobs and Progress



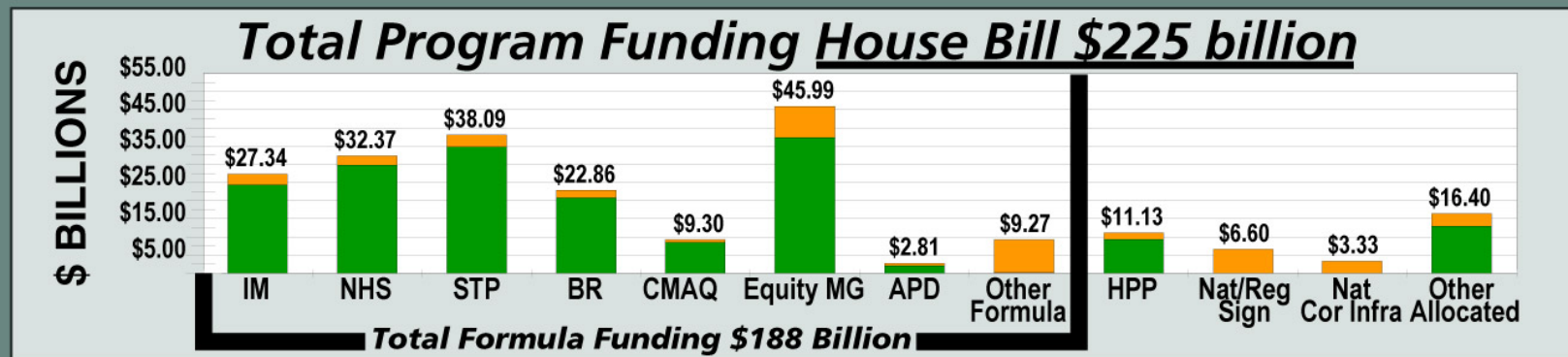
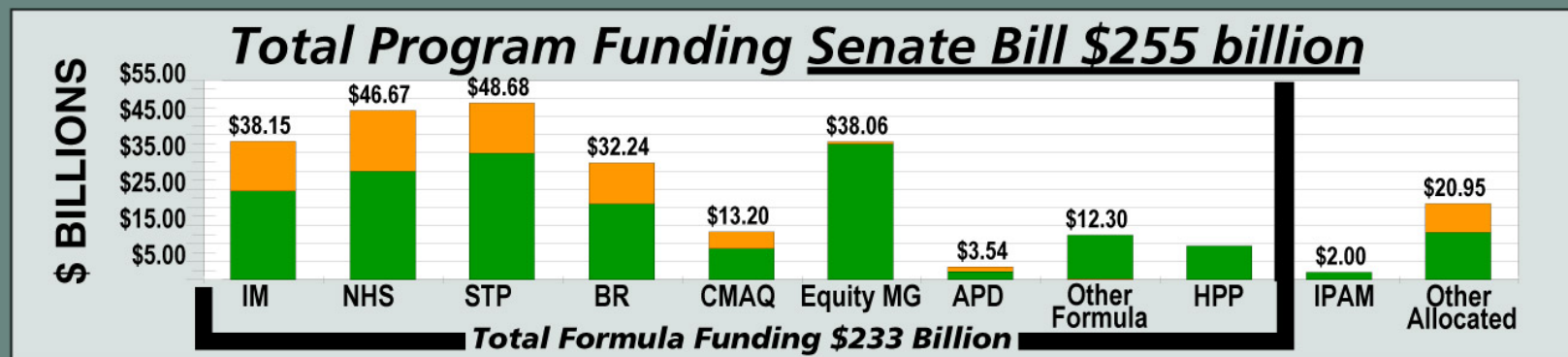
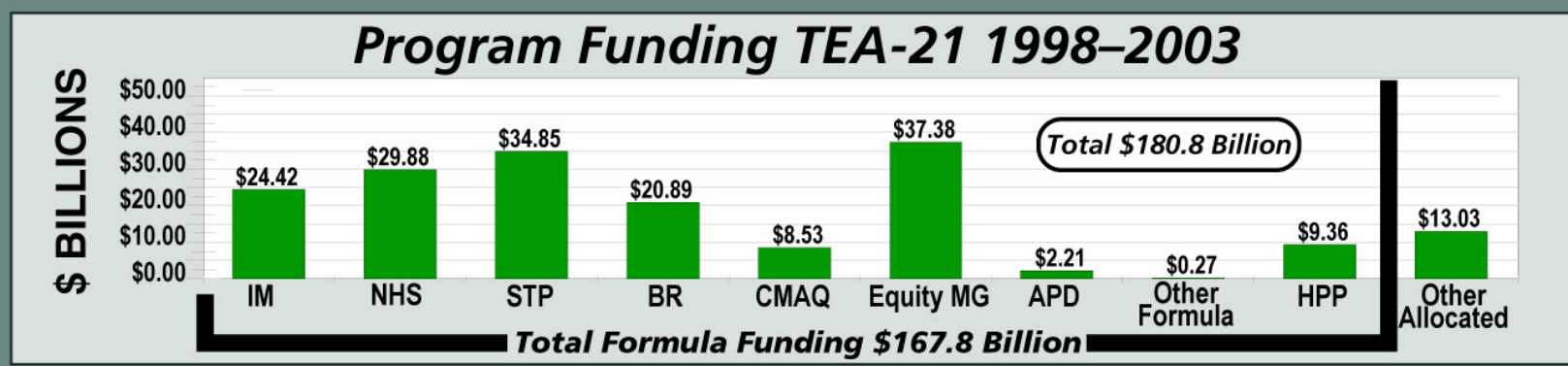
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Total | Delta |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------|
| Ohio Jobs and Progress (Aug. 2003) | \$1,045 | \$1,205 | \$1,215 | \$1,225 | \$1,235 | \$1,245 | \$7,170 | \$0 |
| Senate \$318M (Feb 2004) | \$1,090 | \$1,127 | \$1,177 | \$1,301 | \$1,372 | \$1,689 | \$7,756 | \$586 |
| House \$284M (Mar 2004) | \$1,090 | \$976 | \$1,012 | \$1,165 | \$1,194 | \$1,225 | \$6,663 | -\$507 |
| ODOT Projection (Oct 2004) | \$1,090 | \$1,060 | \$1,180 | \$1,307 | \$1,339 | \$1,373 | \$7,349 | \$179 |

Federal Funding Levels

Assumptions Matrix

| | Total Reauthorization | Highway Funding Level | Ethanol Policy | Formula Share | Earmark Share | Total Guaranteed Funding (Ob Limit) | Rate of Return |
|--|-----------------------|-----------------------|----------------------------|---------------|---------------|-------------------------------------|--------------------------|
| TEA - 21 (1998 - 2003) Includes RABA | \$227 Billion | \$181 Billion | No Benefit | 93% | 7% | 91% | 90.50% |
| Ohio Jobs & Progress (Aug 2003) | \$294 Billion | \$235 Billion | Full Benefit by 2005 | 91% | 9% | 90% | 91% to 95% |
| Senate Reauthorization (Feb 2004) | \$318 Billion | \$255 Billion | Partial 2006; Full by 2007 | 91% | 9% | 90% | Avg 92.2% 95% by 2009 |
| House Reauthorization (Mar 2004) | \$284 Billion | \$226 Billion | Partial 2006; Full by 2007 | 84% | 16% | 96% | 90.50% |
| ODOT Projection (Oct 2004) | \$284 Billion | \$226 Billion | Partial 2006; Full by 2007 | 92% | 8% | 96% | 91% 2006 - 2009 |

Federal Highway Reauthorization



ODOT's Federal Agenda

Part 2

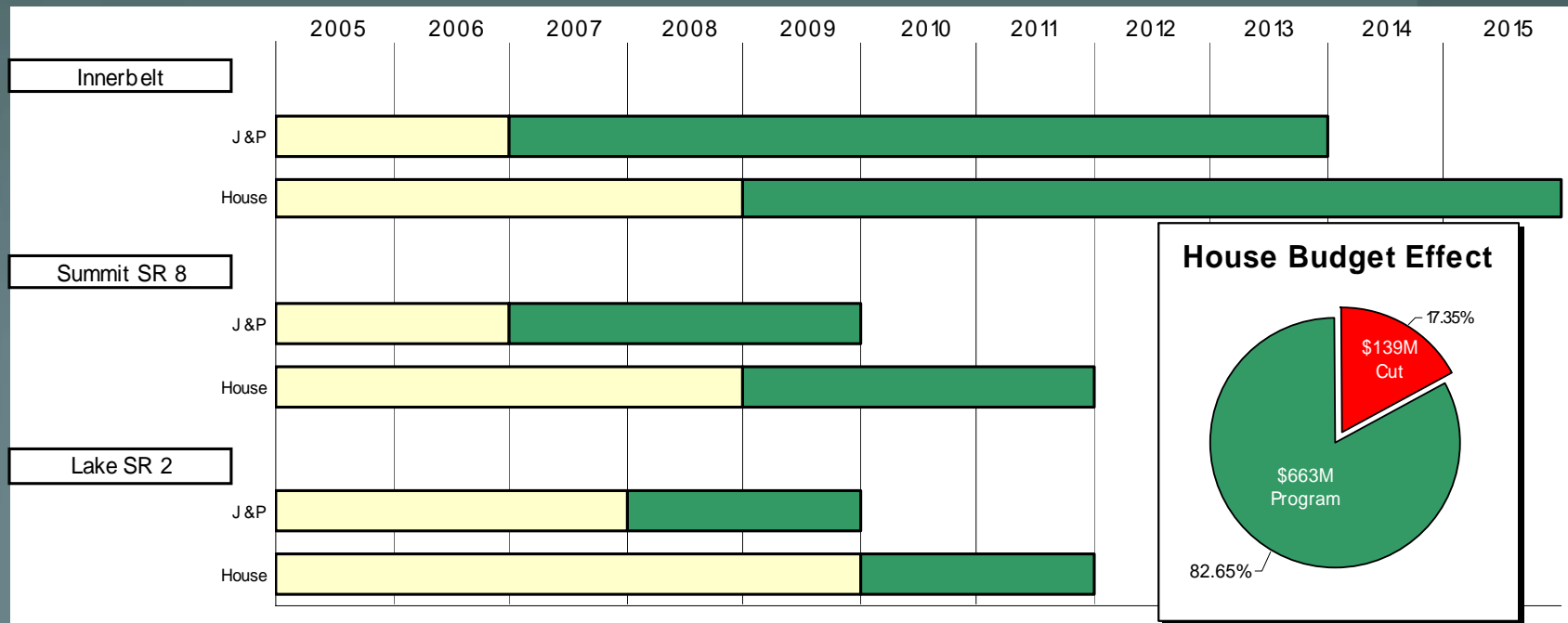
- Get a Bill:
 - \$284 B Re-Authorization Bill
 - \$226 B Transportation Highway Funding Level
- Core funding protected – 92% goal
- Obligation Ceiling – 96% goal
- Rate-of-Return increased
- National Average Annual Appropriations of \$37 Billion



Federal Comparison to Ohio Jobs and Progress: *Northwest Ohio*



Federal Comparison to Ohio Jobs and Progress: *Northeast Ohio*

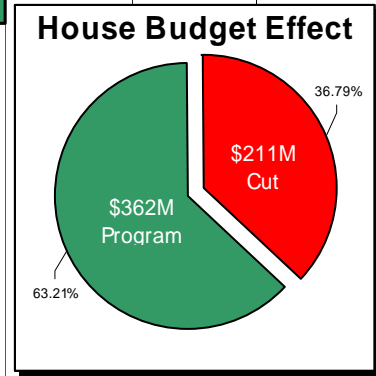
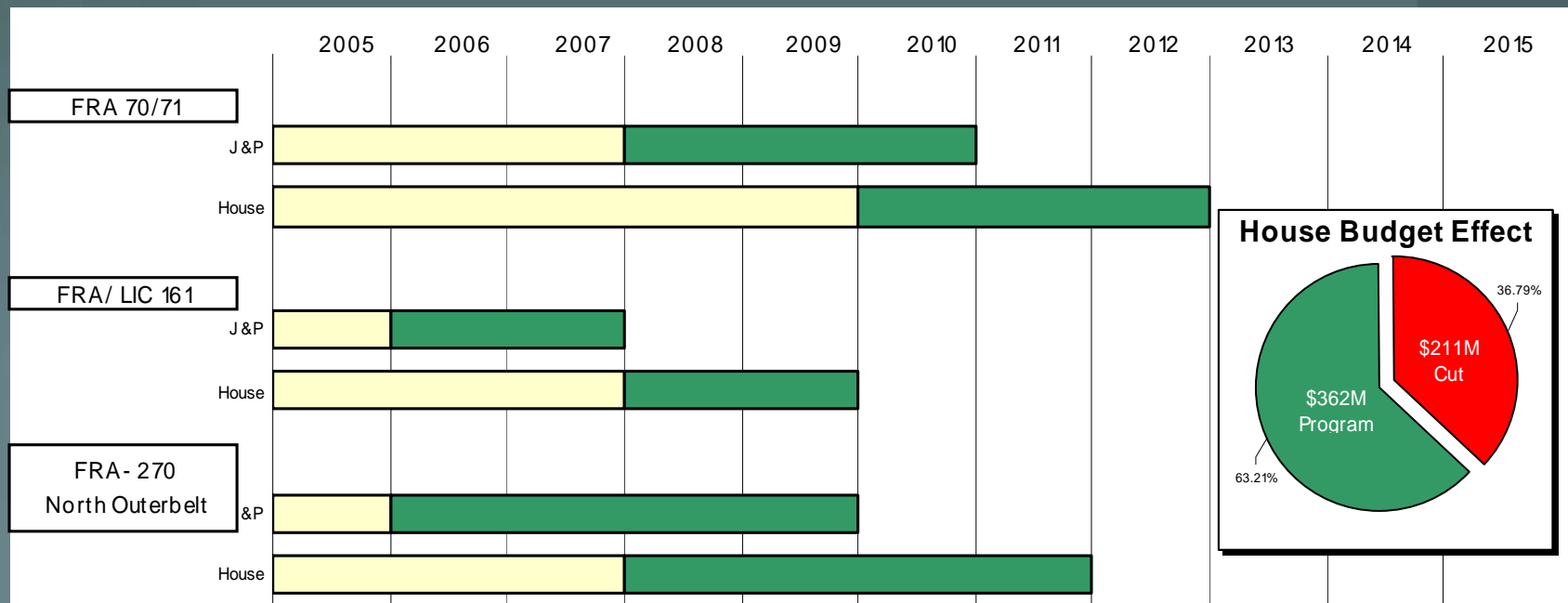


Development
 Construction

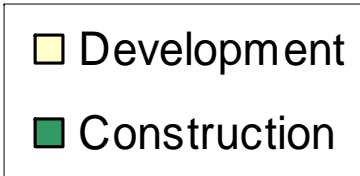
No funding will be available for additional project development or construction for the next two years. Projects affected:

- Mahoning/Trumbull I-80
- Summit I-76/277
- Stark/ Columbiana US 30
- Cuyahoga - University Circle and Intermodal Connector

Federal Comparison to Ohio Jobs and Progress: *Central Ohio*

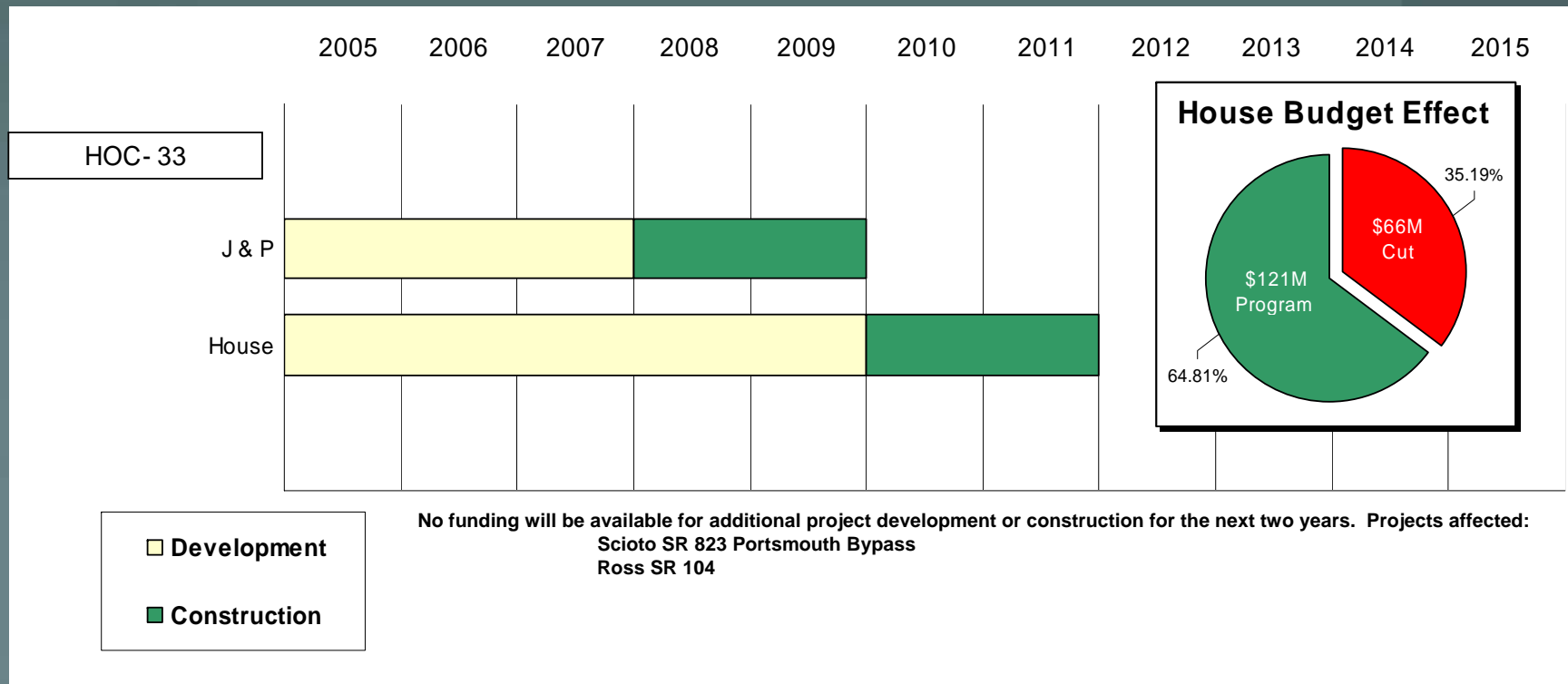


No funding will be available for additional project development or construction for the next two years. Projects affected:

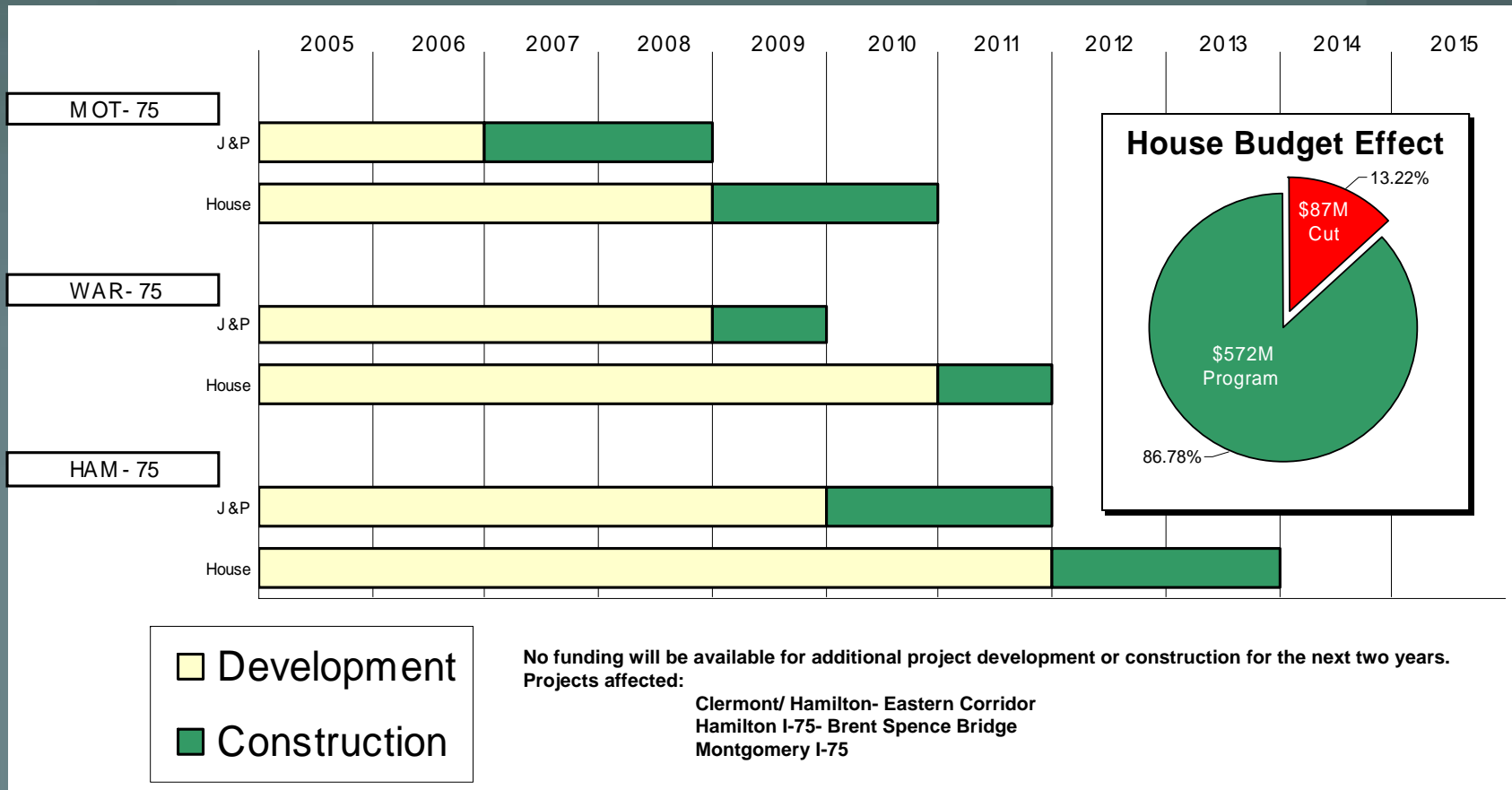


- Franklin/ Fairfield US 33
- Franklin/ Fairfield I-70
- Franklin/ Delaware- Light Rail
- Fairfield/ Licking I-70
- Coshocton/ Muskingum SR 16

Federal Comparison to Ohio Jobs and Progress: *Southeast Ohio*



Federal Comparison to Ohio Jobs and Progress: *Southwest Ohio*



ODOT's Capital
Financial Program
FY 2005 - 2015



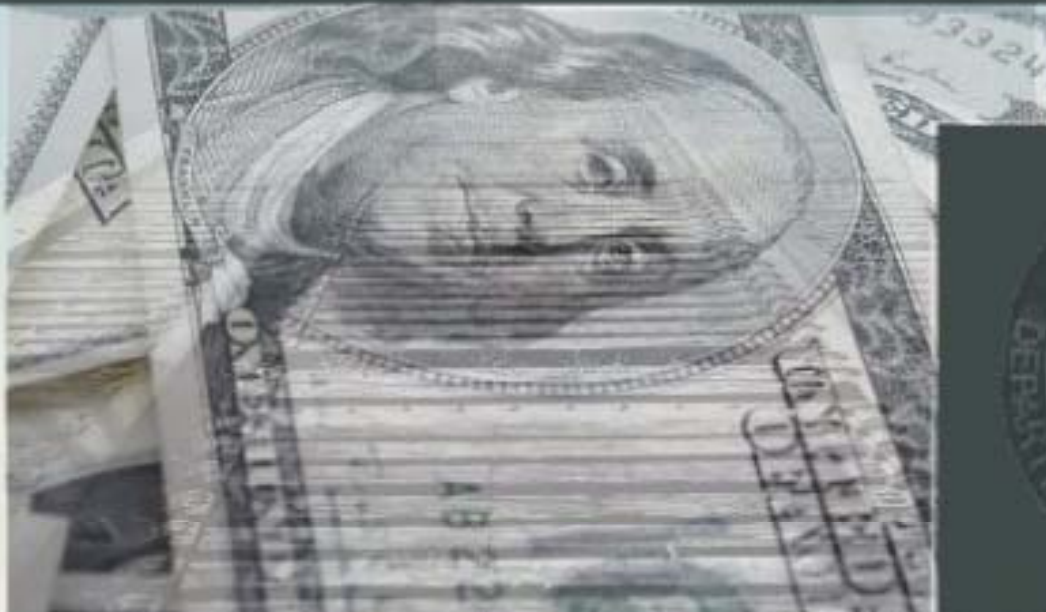
Ohio Department of Transportation

2005 – 2015 Highway Funding & Program Forecast

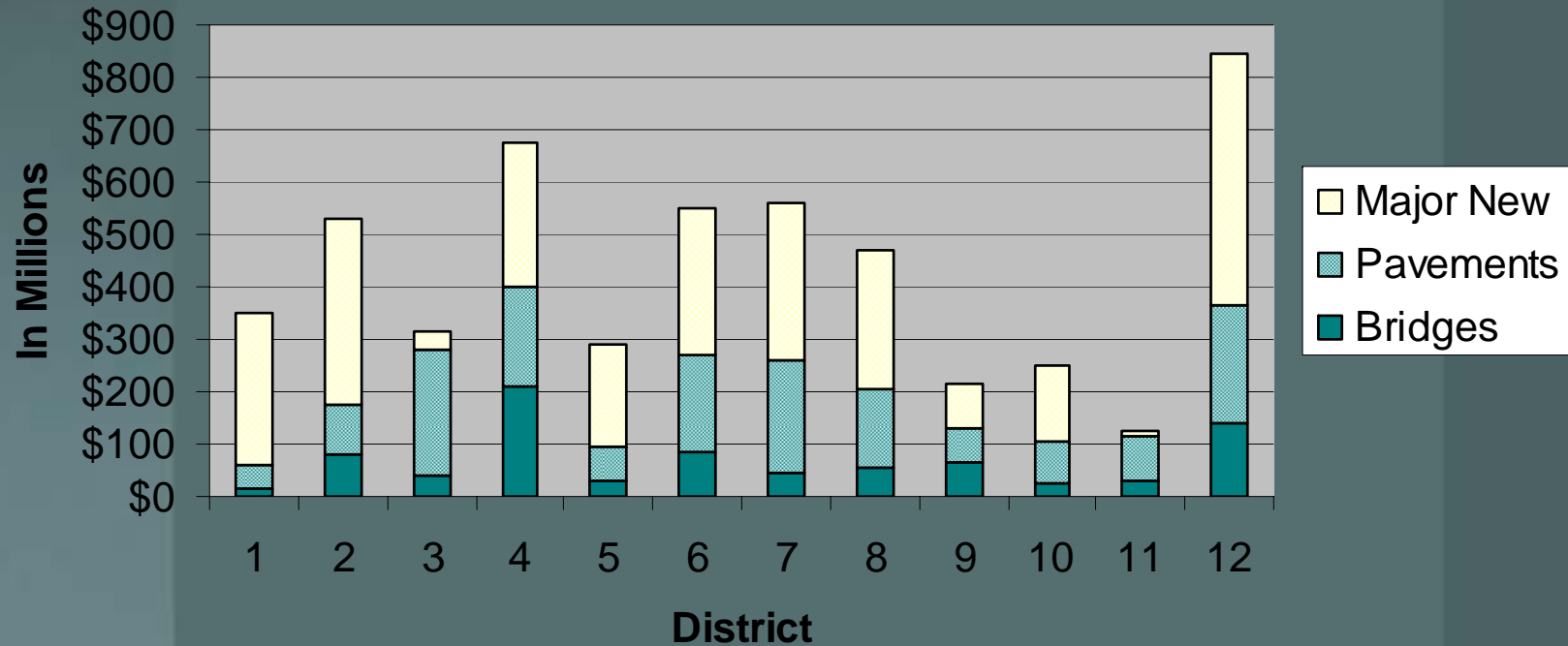
| CURRENT FORECAST SUMMARY Payroll 5% - Operating 2% - Capital Current Levels Federal at \$284 B; Delayed Ethanol Fix | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|---------|---------|---------|---------|---------|---------|
| CAPITAL PROGRAM BUDGET | | | | | | |
| Total Funding Available for the Capital Program | \$1,770 | \$1,751 | \$1,881 | \$1,958 | \$1,672 | \$1,685 |
| Pavements | \$477 | \$477 | \$497 | \$497 | \$501 | \$506 |
| Bridges | \$221 | \$221 | \$201 | \$201 | \$203 | \$205 |
| Statewide Program | \$217 | \$218 | \$221 | \$224 | \$228 | \$231 |
| Local Programs | \$238 | \$238 | \$238 | \$238 | \$241 | \$243 |
| Major New (Jobs & Progress) | \$617 | \$593 | \$724 | \$798 | \$500 | \$500 |
| Total Capital Program | \$1,770 | \$1,747 | \$1,881 | \$1,958 | \$1,673 | \$1,685 |

| CURRENT FORECAST SUMMARY Payroll 5% - Operating 2% - Capital Current Levels Federal at \$284 B; Delayed Ethanol Fix | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|---------|---------|---------|---------|---------|
| CAPITAL PROGRAM BUDGET | | | | | |
| Total Funding Available for the Capital Program | \$1,685 | \$1,698 | \$1,711 | \$1,703 | \$1,717 |
| Pavements | \$511 | \$516 | \$521 | \$506 | \$511 |
| Bridges | \$207 | \$209 | \$211 | \$213 | \$215 |
| Statewide Program | \$222 | \$225 | \$228 | \$232 | \$235 |
| Local Programs | \$245 | \$248 | \$250 | \$253 | \$255 |
| Major New (Jobs & Progress) | \$500 | \$500 | \$500 | \$500 | \$500 |
| Total Capital Program | \$1,685 | \$1,698 | \$1,710 | \$1,704 | \$1,716 |

ODOT's Capital Financial Program
By
District
FY 2005 - 2008



District Total Pavement & Bridge Allocation FY 2005 - 2008



| District | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
|----------|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 | Bridges | \$14 | \$78 | \$41 | \$210 | \$28 | \$87 | \$46 | \$53 | \$65 | \$27 | \$29 | \$140 |
| 2 | Pavements | \$47 | \$95 | \$240 | \$189 | \$67 | \$181 | \$214 | \$154 | \$66 | \$78 | \$86 | \$223 |
| 3 | Major New | \$287 | \$359 | \$36 | \$278 | \$193 | \$281 | \$302 | \$265 | \$83 | \$146 | \$8 | \$484 |
| | Total | \$348 | \$532 | \$317 | \$677 | \$288 | \$549 | \$562 | \$472 | \$214 | \$251 | \$123 | \$847 |

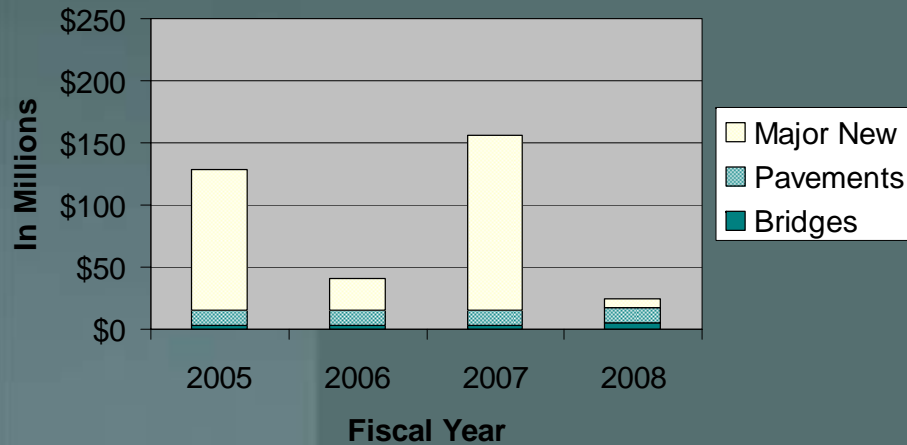
1. Includes Major Bridge Projects

2. Includes Major Rehab Projects

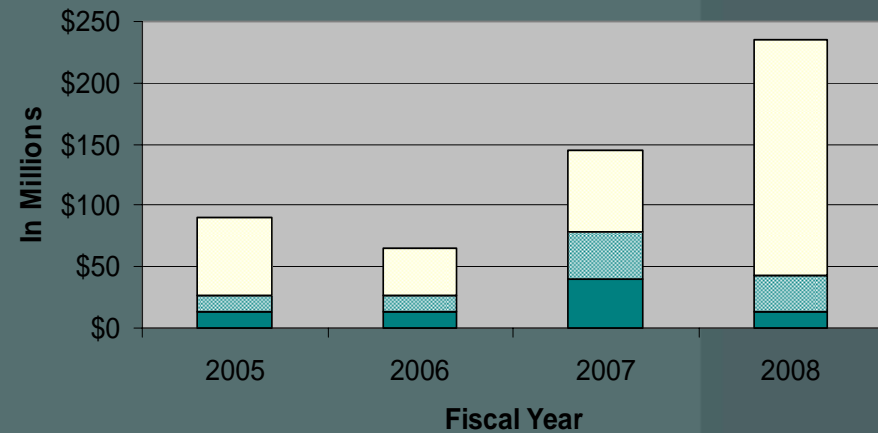
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 1



District 2



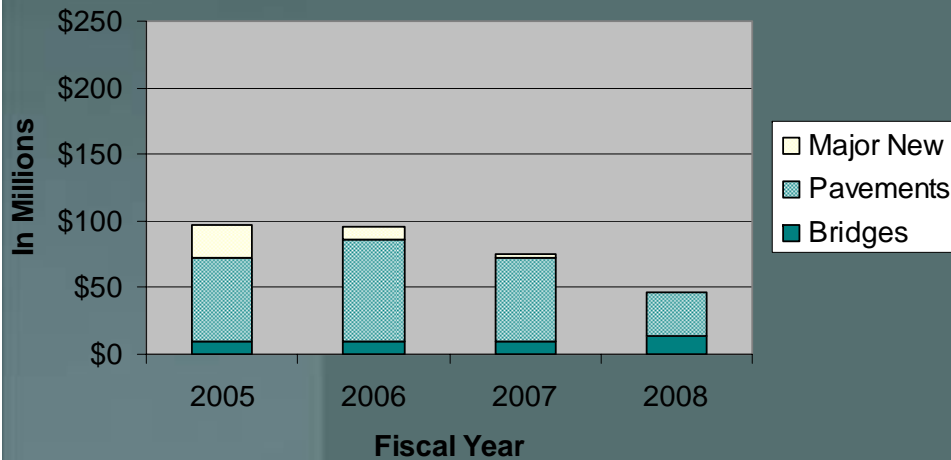
| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|------|-------|------|
| 1 | Bridges | \$3 | \$3 | \$3 | \$5 |
| 2 | Pavements | \$12 | \$12 | \$12 | \$12 |
| 3 | Major New | \$114 | \$26 | \$141 | \$7 |
| Total (In Millions) | | \$129 | \$41 | \$156 | \$24 |

| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|------|------|-------|-------|
| 1 | Bridges | \$13 | \$13 | \$40 | \$13 |
| 2 | Pavements | \$14 | \$14 | \$39 | \$30 |
| 3 | Major New | \$63 | \$38 | \$66 | \$192 |
| Total (In Millions) | | \$90 | \$65 | \$145 | \$235 |

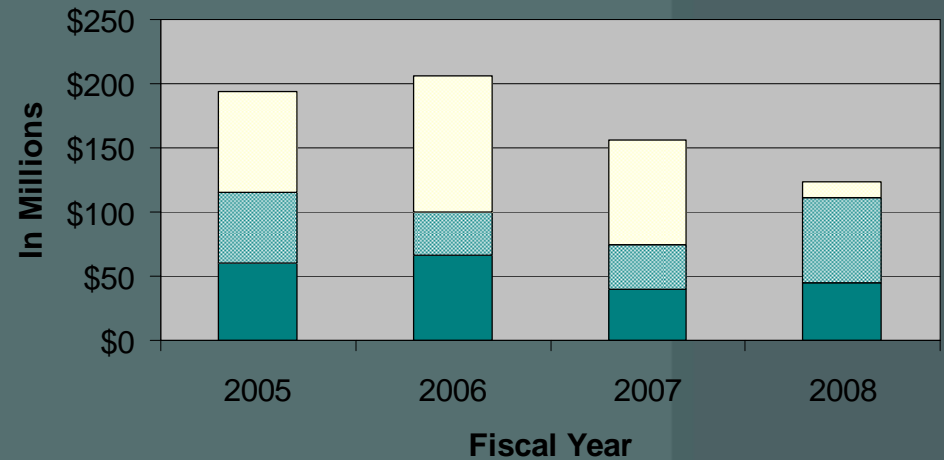
1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 3



District 4



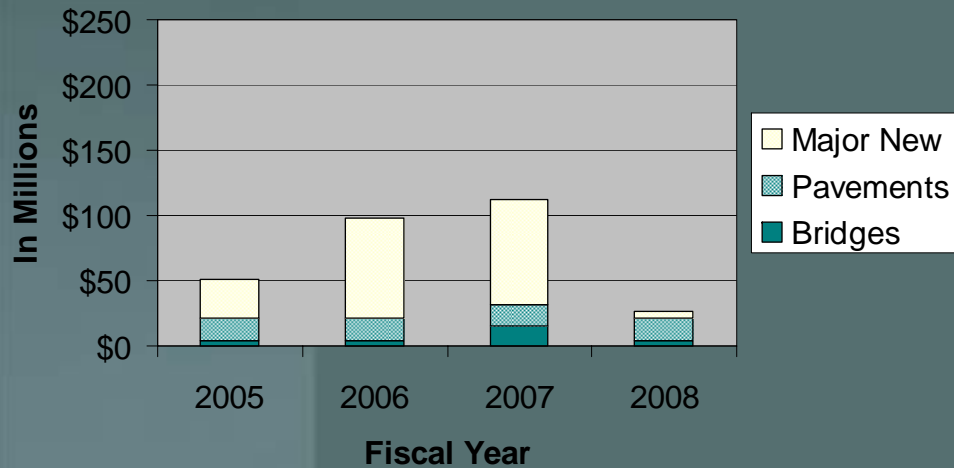
| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|------|------|------|------|
| 1 | Bridges | \$9 | \$9 | \$9 | \$13 |
| 2 | Pavements | \$64 | \$77 | \$64 | \$34 |
| 3 | Major New | \$24 | \$10 | \$2 | \$0 |
| Total (In Millions) | | \$97 | \$96 | \$75 | \$47 |

| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|-------|-------|-------|
| 1 | Bridges | \$60 | \$66 | \$40 | \$45 |
| 2 | Pavements | \$55 | \$34 | \$34 | \$66 |
| 3 | Major New | \$79 | \$106 | \$82 | \$12 |
| Total (In Millions) | | \$194 | \$206 | \$156 | \$123 |

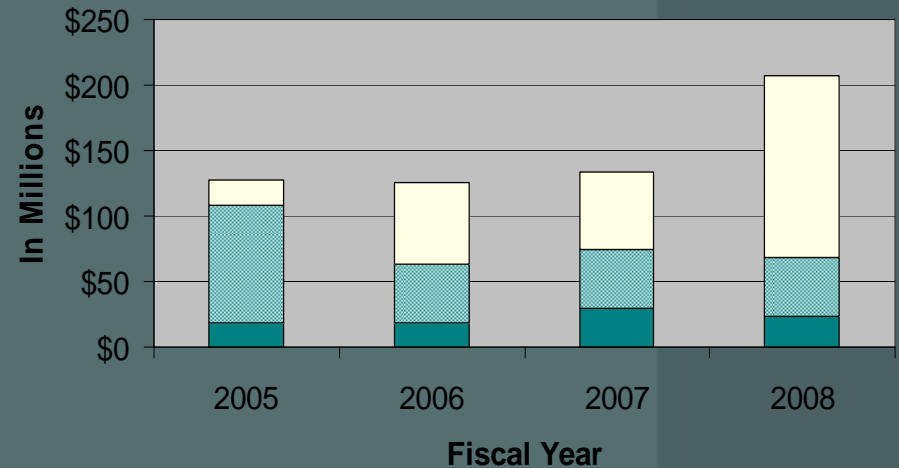
1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 5



District 6



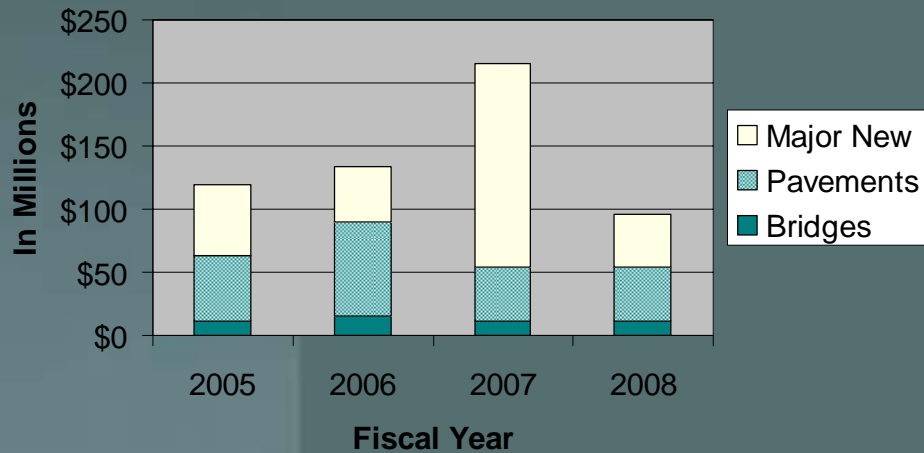
| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|------|------|-------|------|
| 1 | Bridges | \$4 | \$4 | \$15 | \$4 |
| 2 | Pavements | \$17 | \$17 | \$17 | \$17 |
| 3 | Major New | \$30 | \$77 | \$80 | \$6 |
| Total (In Millions) | | \$51 | \$98 | \$112 | \$27 |

| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|-------|-------|-------|
| 1 | Bridges | \$18 | \$18 | \$30 | \$23 |
| 2 | Pavements | \$90 | \$45 | \$45 | \$45 |
| 3 | Major New | \$20 | \$63 | \$59 | \$139 |
| Total (In Millions) | | \$128 | \$126 | \$134 | \$207 |

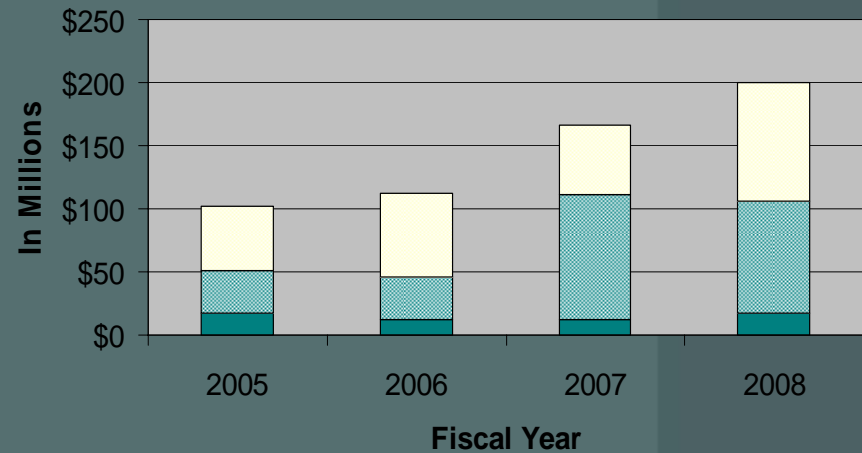
1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 7



District 8



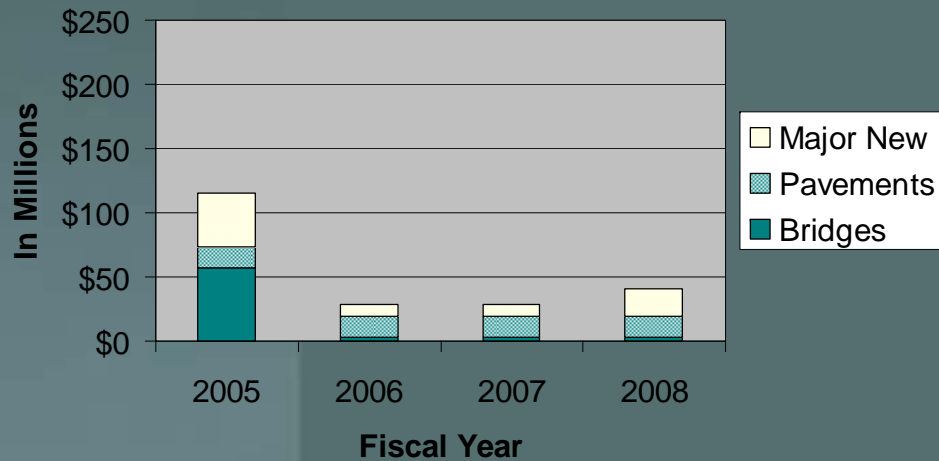
| Fiscal Year | | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|-------|-------|------|
| 1 | Bridges | \$11 | \$15 | \$11 | \$11 |
| 2 | Pavements | \$52 | \$75 | \$43 | \$43 |
| 3 | Major New | \$56 | \$44 | \$161 | \$42 |
| Total (In Millions) | | \$119 | \$134 | \$215 | \$96 |

| Fiscal Year | | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|-------|-------|-------|
| 1 | Bridges | \$17 | \$12 | \$12 | \$17 |
| 2 | Pavements | \$34 | \$34 | \$99 | \$89 |
| 3 | Major New | \$51 | \$66 | \$55 | \$94 |
| Total (In Millions) | | \$102 | \$112 | \$166 | \$200 |

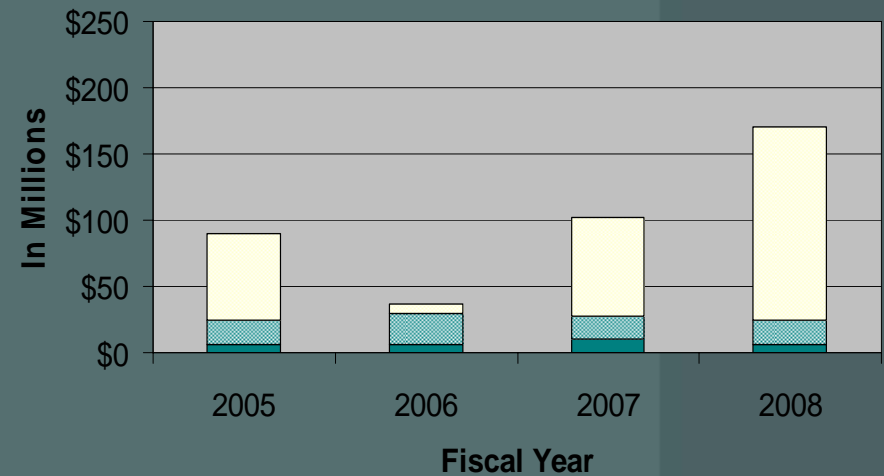
1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 9



District 10



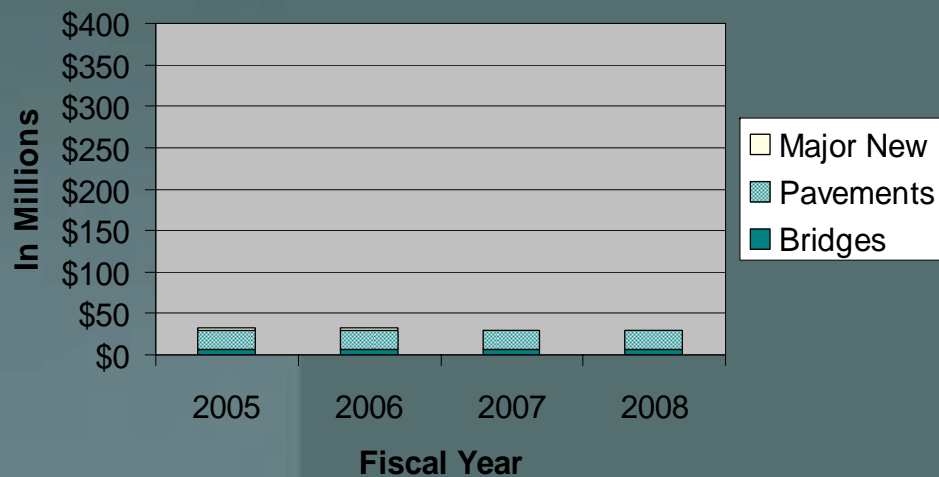
| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|------|------|------|
| 1 | Bridges | \$57 | \$3 | \$3 | \$3 |
| 2 | Pavements | \$16 | \$16 | \$16 | \$16 |
| 3 | Major New | \$42 | \$10 | \$10 | \$22 |
| Total (In Millions) | | \$115 | \$29 | \$29 | \$41 |

| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|------|------|-------|-------|
| 1 | Bridges | \$6 | \$6 | \$10 | \$6 |
| 2 | Pavements | \$18 | \$24 | \$18 | \$18 |
| 3 | Major New | \$66 | \$7 | \$74 | \$146 |
| Total (In Millions) | | \$90 | \$37 | \$102 | \$170 |

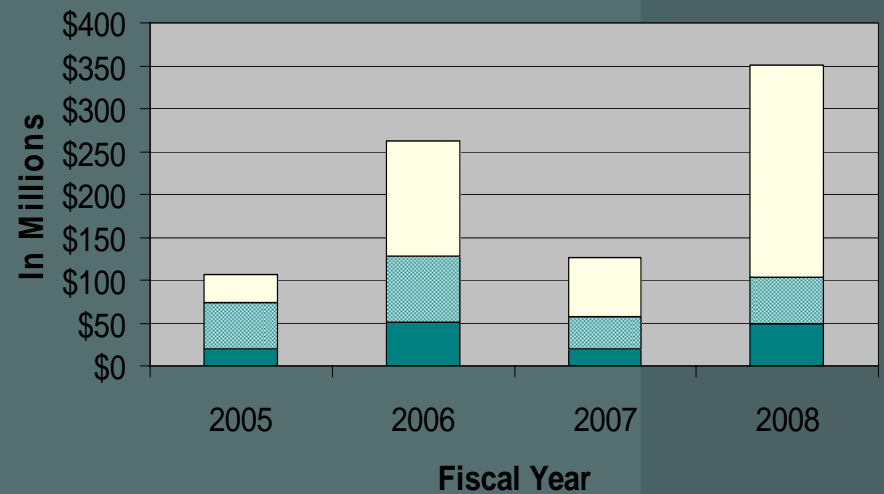
1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications

Total Pavement & Bridge Allocation FY 2005 – 2008

District 11



District 12



| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|------|------|------|------|
| 1 | Bridges | \$7 | \$7 | \$7 | \$7 |
| 2 | Pavements | \$22 | \$22 | \$22 | \$22 |
| 3 | Major New | \$3 | \$4 | \$0 | \$0 |
| Total (In Millions) | | \$32 | \$33 | \$29 | \$29 |

| | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|----------------------------|------------------|-------|-------|-------|-------|
| 1 | Bridges | \$19 | \$51 | \$20 | \$50 |
| 2 | Pavements | \$54 | \$77 | \$38 | \$54 |
| 3 | Major New | \$34 | \$135 | \$68 | \$247 |
| Total (In Millions) | | \$107 | \$263 | \$126 | \$351 |

1. Includes Major Bridge Projects
2. Includes Major Rehab Projects
3. Does not include funding set aside for change orders and agreements modifications