

Department of Transportation

**Including the Rail Development Commission
(H.B. 66 Main Operating Budget Funding Component)**

Senate Finance and Financial Institutions Committee

*Jonathan Lee, Budget Analyst
Legislative Service Commission*

April 27, 2005

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LSC Redbook
for the
Department of Transportation
(Including the Rail Development Commission)

Senate Finance and Financial Institutions Committee

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April 27, 2005

Department of Transportation

- Total biennial funding of \$50,993,770
- Potential 31% funding reduction for urban transit systems

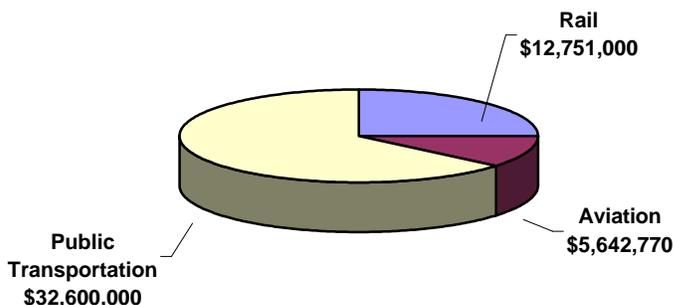
OVERVIEW

The Ohio Department of Transportation (ODOT) is the agency charged with planning, building, and maintaining the state’s transportation system. Most of the agency’s resources are devoted to the state’s system of highways, but it also has responsibilities in the areas of rail, aviation, and public transportation. Less than 2% of the Department’s budget comes from the General Revenue Fund (GRF); the rest of the budget derives from federal sources, bond revenue, and the motor vehicle fuel tax. This redbook provides an analysis of only the GRF portion, certain state special revenues, and federal special revenues of the ODOT budget. The majority of the Department’s budget is contained in Am. Sub. H.B. 68 of the 126th General Assembly, the transportation budget bill. The redbook for Am. Sub. H.B. 68 contains additional details about the Department and its budget.

The executive proposal recommends a budget of \$25,633,985 in fiscal year (FY) 2006, and \$25,359,785 in FY 2007, for a total of \$50,993,770 for the biennium. The FY 2006 figure represents a 7.7% decrease compared with FY 2005 estimates. The FY 2007 figures represent a 1.1% decrease compared with FY 2006 recommendations. From recommended funding levels, nearly 64% of appropriations are for public transportation, 25% for rail transportation, and 11% for aviation.

Total Proposed FYs 2006-2007 Budget by Program Series

FYs 2006-2007 Total Budget by Program Series



FACTS AND FIGURES

Public Transportation

The recommended funding levels will result in a 31% funding reduction in 2006 for urban systems. These funding reductions will likely result in reduced services, increased fares, layoffs and wage freezes. ODOT will continue to fund rural systems at continuation level funding. According to data compiled by the Department, the table below shows how public transit systems will be impacted by the budget cuts.

Transit System	Fare Increase	Service Cuts	Staff Cuts	Deferred Capital Purchases	Freeze Wages
Akron	x	x	x	x	x
Allen County	x	x	x	x	x
Ashland	x	x			
Ashtabula County		x	x		
Athens				x	
Belmont County			x		
Bowling Green		x	x		
Canton			x	x	x
Carroll County	x		x	x	x
Champaign County					x
Chillicothe				x	x
Cincinnati	x		x	x	x
Clermont County		x	x		x
Cleveland	x	x	x	x	x
Columbiana County	x	x	x		x
Columbus	x	x	x	x	x
Crawford County				x	
Dayton		x		x	
Delaware County	x	x	x	x	x
Geauga County		x	x		x
Greene County			x		
Greenville	x		x		
Hancock County		x			x
Harrison County	x		x	x	x
Huron County	x				
Knox County			x		
Lancaster	x				
Licking County	x			x	
Logan County		x			x
Logan, City					
Lorain County			x	x	x
Marion County	x	x			
Medina County		x			
Morgan County				x	

Transit System	Fare Increase	Service Cuts	Staff Cuts	Deferred Capital Purchases	Freeze Wages
Ottawa County		x			
Perry County	x				x
Pickaway County		x		x	x
Pike County	x	x		x	x
Portage County				x	
Richland County		x		x	x
Sandusky County	x				
Sandusky, City	x	x	x		x
Scioto County		x		x	x
Seneca County	x	x	x		
Sidney	x				x
Springfield					
Steubenville			x	x	x
Warren County	x				
Washington County	x			x	
Wilmington	x				
Zanesville				x	

Source: Ohio Department of Transportation

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 4.0

Public Transportation

Purpose: This program series includes seven programs that assist 60 transit systems serving 58 counties. The program series funds both capital and operating costs. ODOT's Office of Transit works to improve ridesharing in rural and urban regions so all Ohioans will have access to transportation regardless of economic status, location, or physical agility. Last year more than 135 million passengers used public transit in Ohio.

The following table shows the line items that are used to fund the Public Transportation program series in the Main Appropriations Bill, as well as the Governor's recommended funding levels. There are several other line items that also fund each program series, however they are provided in the Transportation Budget Bill (Am. Sub. H.B. 68). See the tables in specific programs for total line item detail.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	775-451	Public Transportation-State	\$16,300,000	\$16,300,000
General Revenue Fund Subtotal			\$16,300,000	\$16,300,000
Highway Operating Fund – These appropriations are provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly				
002	775-452	Public Transportation-Federal	\$30,000,000	\$30,365,000
002	775-454	Public Transportation-Other	\$1,500,000	\$1,500,000
002	775-460	Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
002	775-459	Elderly and Disabled Special Equipment	\$4,595,000	\$4,595,000
212	775-408	Transit Infrastructure Bank-Local	\$2,500,000	\$2,500,000
213	775-460	Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
Highway Operating Fund Subtotal			\$40,595,000	\$40,960,000
Total Funding: Public Transportation			\$56,895,000	\$57,260,000

This analysis focuses on the following specific programs within the Public Transportation program series:

- **Program 4.01 – Capital Assistance**
- **Program 4.02 – Operating Assistance**
- **Program 4.03 – Elderly and Disabled Fare Assistance**

Program 4.01 – Capital Assistance

Program Description: The Capital Assistance Program provides funds for capital projects in regional transit authorities, county transit boards, public entities, and private nonprofit corporations. Purchases include public transit vehicles, computers, radios, and other equipment. This program also provides funding for local transfer centers, park and ride lots, garages and other transit facilities.

Funding Source: GRF and funding through a partnership between federal, state, and local participants

Line Items: See table below. Appropriations for line items in Fund 002 and Fund 213 listed below are included in the FY 2006-2007 Transportation Budget Bill, Am. Sub. H.B. 68 of the 126th General Assembly. See that bill for details.

Fund	ALI	Title	FY 2006	FY 2007
GRF	775-451	Public Transportation-State	\$2,115,665	\$1,658,607
002	775-452*	Public Transportation-Federal	\$11,400,000	\$11,608,000
002	775-454*	Public Transportation-Other	\$1,500,000	\$1,500,000
002	775-459*	Elderly and Disabled Special Equipment	\$4,595,000	\$4,595,999
213	775-460*	Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
Capital Assistance Total			\$20,650,665	\$20,361,607

*Appropriations provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly

Implication of Executive Recommendation: The executive recommendations fall short of the Department's request by \$2,094,059 in FY 2006 and by \$2,054,059 in FY 2007. The recommendations will not allow for expansion of current services or a reduction in the number of vehicles beyond their useful life. Several capital projects are expected to be delayed.

Temporary and Permanent Law Provisions: None.

Program 4.02 – Operating Assistance

Program Description: This program provides grants to fund the operating costs of regional transit authorities, county transit boards, public entities, and private nonprofit corporations. Operating assistance includes wages, fuel, insurance, training, and vehicle and facility maintenance. Federal-operating assistance is restricted for use in urbanized areas under 200,000 and nonurbanized areas. Urbanized areas with a population over 200,000 receive capital assistance only.

Funding Source: GRF and funding through a partnership between federal, state, and local participants

Line Items: See table below. Note that, although it is included in the table below to display actual program funding, appropriations for line item 775-452, Public Transportation-Federal is provided in the current Transportation Budget Bill, Am. Sub. H.B. 68 of the 126th General Assembly.

Fund	ALI	Title	FY 2006	FY 2007
GRF	775-451	Public Transportation-State	\$6,170,335	\$5,663,861
002	775-452*	Public Transportation-Federal	\$15,420,000	\$15,382,000
Operating Assistance Total			\$21,590,335	\$21,045,861

*Appropriation provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th G.A.

Implication of Executive Recommendation: The Executive fully funded the Department's request levels; however these levels will not allow for program expansion. These funding levels will be used to prevent any further service cuts or fare increases. The Department will concentrate funding on providing transportation services for the elderly and persons with disabilities.

Temporary and Permanent Law Provisions: None.

Program 4.03 – Elderly and Disabled Fare Assistance

Program Description: This program allows local transit systems to offer reduced fares for elderly and disabled persons. Public transportation systems are compensated for a portion of the fare box revenue lost in reducing their general fares for older adults and people with disabilities. To participate in the program, a transit system's fares for older and disabled persons cannot exceed one-half the fare charged to general public riders.

Funding Source: GRF

Line Items: See table below.

Fund	ALI	Title	FY 2006	FY 2007
GRF	775-451	Public Transportation-State	\$6,081,500	\$7,082,089
Elderly and Disabled Fare Assistance Total			\$6,081,500	\$7,082,089

Implication of Executive Recommendation: The recommended funding levels will allow the Department to continue replacing revenues lost by transit systems offering a reduced fare for elderly and people with disabilities.

Temporary Law:

Elderly and Disabled Fare Assistance (R.C. 212.12) This provision earmarks up to \$6,000,000 in fiscal year 2006 and \$7,000,000 in fiscal year 2007 from appropriation item 775-451, Public Transportation – State to make grants to county transit boards, regional transit authorities, regional transit commissions, counties, municipal corporations, and private nonprofit organizations that operate or will operate public transportation systems, for the purpose of reducing the transit fares of elderly or disabled persons.

Program Series 5.0

Rail Transportation

Purpose: To promote economic development and rail-highway safety.

The Ohio Rail Development Commission:

The Ohio Rail Development Commission (ORDC) is an independent agency within ODOT. ORDC conducts five programs which promote economic development and rail-highway safety. ORDC administers federal and state funding of rail safety projects including the upgrading and removal of hazardous crossings as determined by PUCO. The ORDC receives GRF funding, has an established revolving loan fund, and receives highway safety funds allocated from ODOT for grade crossing improvements. ORDC also applies to ODOT on a project basis for federal planning funds. Ohio ranks fourth nationally with over 5,200 miles of railroad track.

The following table shows the line items that are used to fund the Rail Transportation program series in H.B. 66. Also consult the FYs 2006-2007 Transportation Budget Bill, Am. Sub. H.B. 68, for details about appropriations for line item 776-462, Grade Crossing Federal.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	776-465	Ohio Rail Development Commission	\$2,700,000	\$2,700,000
GRF	776-466	Railroad Crossing/Grade Separation	\$789,600	\$789,600
General Revenue Fund Subtotal			\$3,489,600	\$3,489,600
State Special Revenue Fund				
4N4	776-663	Panhandle Lease Reserve Payments	\$764,400	\$764,400
4N4	776-664	Rail Transportation-Other	\$2,111,500	\$2,111,500
State Special Revenue Fund Subtotal			\$2,875,900	\$2,875,900
Federal Special Revenue Fund				
3B9	776-662	Rail Transportation-Federal	\$10,000	\$10,000
Federal Special Revenue Subtotal			\$10,000	\$10,000
Highway Operating Fund				
002	776-462*	Grade Crossing-Federal	\$15,000,000	\$15,000,000
Federal Special Revenue Subtotal			\$15,000,000	\$15,000,000
Total Funding: Rail Transportation			\$21,375,500	\$21,375,500

*Appropriation provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly

This analysis focuses on the following specific programs within the Rail Transportation program series:

- **Program 5.01 – Rail/Freight Economic Development**
- **Program 5.02 – State Owned Rail Lines**
- **Program 5.03 – Rail-Highway Grade Crossing Safety**
- **Program 5.05 – Railroad Crossing Safety Initiative**

Program 5.01 – Rail/Freight Economic Development

Program Description: This program provides financial assistance in the form of loans and grants to railroads, businesses, and communities for the rehabilitation, acquisition/preservation or construction of rail and rail-related infrastructure.

Funding Source: GRF, federal dollars, and loan fees

Line Items: See table below.

Fund	ALI	Title	FY 2006	FY 2007
GRF	776-465	Ohio Rail Development Commission	\$1,523,045	\$1,523,045
3B9	776-662	Rail Transportation-Federal	\$10,000	\$10,000
4N4	776-664	Rail Transportation-Other	\$2,004,500	\$2,004,500
Rail/Freight Economic Development Total			\$3,537,545	\$3,537,545

Implication of Executive Recommendation: The recommended funding levels will maintain reduced grant levels as a result of previous budget reductions. The amount of loan and grants the Ohio Rail Development Commission will distribute over the biennium will be similar to FY 2005 levels. Over the biennium the Commission is proposing an early retirement incentive (ERI) and plans to use the savings to provide additional grants. The ORDC does not plan to fill the vacated positions from the ERI, resulting in current staff taking on additional duties. The ORDC will continue encouraging companies, communities, and railroads to use low interest loans rather than grants.

Temporary and Permanent Law Provisions: None.

Program 5.02 – State Owned Rail Lines

Program Description: The program oversees the maintenance and administration of the 255 miles of state-owned rail lines. Included is the annual set-aside for the debt retirement of the Panhandle Rail line.

Funding Source: GRF, lease payments, and loan repayments

Line Items: See table below.

Fund	ALI	Title	FY 2006	FY 2007
GRF	776-465	Rail Transportation	\$76,381	\$76,381
4N4	776-663	Panhandle Lease Reserve Payments	\$764,400	\$764,400
4N4	776-664	Rail Transportation-Other	\$107,000	\$107,000
State Owned Rail Lines Total			\$947,781	\$947,781

Implication of Executive Recommendation: The Commission indicates that with these funding levels they will be able to prevent the loss of potentially viable rail property. The Executive slightly reduced GRF appropriations by \$2,884 in FY 2007; however current service and staffing levels will be maintained. The Executive also increased the Panhandle rail line lease payments based on OBM's revised payment schedule.

Temporary and Permanent Law Provisions: None

Program 5.03 – Rail-Highway Grade Crossing Safety

Program Description: This program provides for the elimination of hazards at highway-railroad grade crossings by installing flashing lights and gates, closing and consolidating crossings, constructing grade

separations, and resurfacing grade crossings. Implementing these safety measures helps to eliminate collisions between vehicles and trains. Currently the ORDC is exploring the use of eligible federal funds for payroll rather than GRF. Nine employees administer this program.

Funding Source: Federal rail funds.

Line Items: See table below. Note that appropriations for line item 776-462, Grade Crossing-Federal is provided in the current Transportation Budget Bill, Am. Sub. H.B. 68 of the 126th General Assembly.

Fund	ALI	Title	FY 2006	FY 2007
GRF	776-465	Rail Transportation	\$844,158	\$844,158
002	776-462*	Grade Crossing-Federal	\$13,000,000	\$13,000,000
Rail-Highway Grade Crossing Safety Total			\$13,844,158	\$13,844,158

*Appropriation provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly

Implication of Executive Recommendation: The recommendations will maintain current service and staffing levels. Safety is a top priority for the Department and the recommendations will maintain forecasted level funding for this program over the biennium.

Temporary and Permanent Law Provisions: None

Program 5.05 – Railroad Crossing Safety Initiative

Program Description: This program provides funding to construct railroad grade crossing separations in affected communities due to an increased level of train traffic throughout the state. Most of the increased traffic occurred when CSX and Norfolk Southern acquired Conrail’s rail lines. In order to increase safety at crossings, the separation program was created to provide \$200 million over ten years for construction of overpasses and underpasses so motor vehicles do not have to actually cross railroad tracks. To date five construction projects have been awarded. This program also receives funding in the Highway Construction Series, program 2.09. This program has a staff of 15 employees.

Funding Source: Funding comes from a \$20 million annual contribution divided among ODOT (60%), ORDC (10%), Federal earmarks (10%), railroad companies (10%), local governments (5%), and the GRF (5%). A large portion of the program’s capital funding comes from federal dollars.

Line Items: See table below. Appropriations for line item 776-462, Grade Crossing-Federal is provided in the current Transportation Budget Bill, Am. Sub. H.B. 68 of the 126th General Assembly.

Fund	ALI	Title	FY 2006	FY 2007
GRF	776-466	Railroad Crossing/Grade Separation	\$789,600	\$789,600
002	776-462*	Grade Crossing-Federal	\$2,000,000	\$2,000,000
Railroad Crossing Safety Initiative Total			\$2,789,600	\$2,789,600

*Appropriation provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly

Implication of Executive Recommendation: The recommendations will maintain current service and staffing levels. Safety is a top priority for the Department and the recommendations will maintain forecasted level funding for rail separations over the biennium.

Temporary and Permanent Law Provisions: None

Program Series 6.0

Aviation

Purpose: This program series is responsible for working with airports to meet national safety standards, making infrastructure improvements, coordinating with the Federal Aviation Administration, aircraft registrations, providing air transportation to state officials, and maintaining the state’s aircraft fleet.

The following table shows the line items that are used to fund the Aviation program series in the Main Appropriations Bill, as well as the Governor’s recommended funding levels. There are several other line items that also fund each program series, however they are provided in Am. Sub. H.B. 68, the FYs 2006-2007 Transportation Budget Bill.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	777-471	Airport Improvements-State	\$1,793,985	\$1,793,985
GRF	777-473	Rickenbacker Lease Payments-State	\$594,500	\$320,300
General Revenue Fund Subtotal			\$2,388,485	\$2,114,285
State Special Revenue Fund				
5W9	777-615	County Airport Maintenance	\$570,000	\$570,000
State Special Revenue Fund Subtotal			\$570,000	\$570,000
Highway Operating Fund				
002	777-472*	Airport Improvements-Federal	\$405,000	\$405,000
002	777-475*	Aviation Administration	\$4,007,600	\$4,046,900
213	777-477*	Aviation Infrastructure Bank-State	\$3,000,000	\$3,000,000
213	777-478*	Aviation Infrastructure Bank-Local	\$7,000,000	\$7,000,000
Highway Operating Fund			\$14,412,600	\$14,451,900
Total Funding: Aviation			\$17,371,085	\$17,136,185

*Appropriations provided in the Transportation Bill, Am. Sub. H.B. 68 of the 126th General Assembly

This analysis focuses on the following specific programs within the Aviation program series:

- **Program 6.01 – Aviation Safety Inspection, Enforcement, and Registration**
- **Program 6.02 – Airport Improvement Grants**

Program 6.01 – Aviation Safety Inspection, Enforcement, and Registration

Program Description: The Aviation Safety Program promotes safety through airport inspections, enforcement of aviation laws, aircraft registration, and data gathering. Public use airports must be certified every two years. Data are collected for government and industry aeronautical charts and for flight related publications. The safety program regulates about 10,800 aircraft, 164 public use airports, 9 public use heliports, 440 private airports, 300 private heliports, and 5 seaplane bases.

Funding Source: GRF and aircraft registration fees

Line Items: See table below.

Fund	ALI	Title	FY 2006	FY 2007
GRF	777-471	Airport Improvements-State	\$376,165	\$376,165
Aviation Safety Inspection, Enforcement, and Registration Total			\$376,165	\$376,165

Implication of Executive Recommendation: The recommendations will maintain current service and staffing levels. The Department does not anticipate any program expansion over the biennium.

Permanent Law:

Aircraft license fee (R.C. 4561.17, 4561.18, and 4561.21) Calculates the annual general aircraft license tax at a rate of \$15 per seat, rather than at a flat rate of \$100 per year; assesses gliders and balloons at a flat rate of \$15 per year; allows the license fees to be used for maintenance and capital improvements to publicly owned airports, rather than just maintenance of county-owned airports; and, renames the County Airport Maintenance Assistance Fund the Airport Assistance Fund. The \$100 per year flat rate was changed in Am. Sub. H.B. 95 of the 124th General Assembly. Prior to the change the tax was \$3 per seat. The Department estimates the \$15 per seat tax may generate approximately \$524,000 annually, and may result in a more equitable registration system. The \$15 flat rate for gliders and balloons will likely generate less than \$2,000 annually.

Program 6.02 – Airport Improvement Grants

Program Description: This program provides funds for airport maintenance and capital improvements. Maintenance grants help fund publicly owned airports for runway maintenance (including marking and lighting), navigational aids, and weather reporting equipment. Maintenance grants fund 80% of total project costs. Capital improvement grants provide funds for runway extensions, apron expansions, and navigational aid engineering. Capital grants cover 50% of total project costs. Local contributions account for the remainder of maintenance projects, while federal and local contributions account for the remainder of capital improvements projects.

Funding Source: GRF and aircraft registration fees

Line Items: See table below

Fund	ALI	Title	FY 2006	FY 2007
GRF	777-471	Airport Improvements-State	\$1,377,820	\$1,374,094
GRF	777-473	Rickenbacker Lease Payments-State	\$594,500	\$320,00
59W	777-615	County Airport Assistance	\$570,000	\$570,000
Airport Improvement Grants Total			\$2,542,320	\$2264,394

Implication of Executive Recommendation: Recommended funding levels reduce appropriations in line item 777-473 by \$268,280 over the biennium. These reductions were based on the Office of Budget and Management's revised lease payment schedule. Overall, despite the lease payment reductions, the Department estimates the recommended funding will provide for one less average project per compared to FY 2005. The Department also expects pavement conditions to continue to decline over the biennium. Fewer safety improvements will be made to local airports.

Permanent Law:

Aircraft license fee (R.C. 4561.17, 4561.18, and 4561.21) Calculates the annual general aircraft license tax at a rate of \$15 per seat, rather than at a flat rate of \$100 per year; assesses gliders and balloons at a flat rate of \$15 per year; allows the license fees to be used for maintenance and capital improvements to publicly owned airports, rather than just maintenance of county-owned airports; and, renames the County Airport Maintenance Assistance Fund the Airport Assistance Fund. The \$100 per year flat rate was changed in Am. Sub. H.B. 95 of the 124th General Assembly. Prior to the change the tax was \$3 per seat. The Department estimates the \$15 per seat tax may generate approximately \$524,000 annually, and may result in a more equitable registration system. The \$15 flat rate for gliders and balloons will likely generate less than \$2,000 annually.

Temporary Law:

Lease Payments (R.C. 212.12) Requires the foregoing appropriation item 777-473, Rickenbacker Lease Payments - State, to be used to meet scheduled payments for the Rickenbacker Port Authority. The Director of Transportation shall certify to the Director of Budget and Management any appropriations in appropriation item 777-473, Rickenbacker Lease Payments - State, that are not needed to make lease payments for the Rickenbacker Port Authority. This provision will allow lease payments to be made on time.

REQUESTS NOT FUNDED

This section describes the requests not funded in the executive budget and the effects on the Department of Transportation's spending decisions during the next biennium. Overall, the recommendations for appropriations in the Main Operating budget bill for FYs 2006-2007 differ from the Department's request by \$2,116,552 in FY 2006 and by \$2,390,752 in FY 2007, for a total of \$4,507,304 requests not funded over the biennium. The majority of cuts occurred in the Public Transportation program series.

Public Transportation						
Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
GRF 775-451	\$18,354,059	\$16,300,000	\$2,054,059	\$18,454,059	\$16,300,000	\$2,054,059
TOTALS	\$18,354,059	\$16,300,000	\$2,054,059	\$18,454,059	\$16,300,000	\$2,054,059

The Executive's recommended funding levels fell short of the agency's request by \$4,108,118 over the biennium. These funding levels will mainly affect the Capital Assistance program in the Public Transportation program series. Funding will not allow for expansion of current services or a reduction in the number of vehicles beyond their useful life. Several capital projects would likely be delayed. The Department indicates that the cuts will be taken from the urban systems resulting in a 31% funding reduction in 2006 for urban systems.

Rail Transportation						
Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
GRF 776-465	\$2,759,893	\$2,700,000	\$59,893	\$2,759,893	\$2,700,000	\$59,893
TOTALS	\$2,759,893	\$2,700,000	\$59,893	\$2,759,893	\$2,700,000	\$59,893

The Executive reduced funding levels for rail transportation by \$119,786 over the biennium. Despite the cuts the Department will continue to maintain current service and staffing levels.

Panhandle Lease Payments						
Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
4N4 776-663	\$770,000	\$764,400	\$5,600	\$770,000	\$764,400	\$5,600
TOTALS	\$770,000	\$764,400	\$5,600	\$770,000	\$764,400	\$5,600

The Executive reduced funding levels for the Rail Commission's Panhandle Lease Payments by \$11,200 over the biennium. However, the recommendations are in line with the Office of Budget and Managements lease payment estimates.

General Revenue Fund

GRF 775-451 Public Transportation-State

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$29,887,079	\$18,086,907	\$19,498,468	\$18,354,059	\$16,300,000	\$16,300,000
	-39.5%	7.8%	-5.9%	-11.2%	0.0%

Source: GRF

Legal Basis: ORC 5501.07 (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item provides funding for the Ohio Public Transportation Grant Program, the Ohio Coordination Program, and the Elderly and Disabled Fare Assistance Program. Funding is also used to provide technical assistance to individual transit systems. Am. Sub. H.B. 95 of the 125th G.A. consolidated former line item 775-458, Elderly and Disabled Fare Assistance, into this line item, and earmarked \$4,012,780 in FY 2004 and \$5,015,975 in FY 2005 to continue the program.

GRF 775-453 Waterfront Line Lease Payments-State

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$1,775,513	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 790 of the 120th G.A.)

Purpose: Funds supported the debt service on a \$10 million agreement for the Waterfront light rail extension project in downtown Cleveland and adjacent areas. FY 2002 was the seventh and last year of the commitment.

GRF 775-456 Public Transportation/Discretionary Capital

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$1,514,865	\$1,085,385	\$557,662	\$0	\$0	\$0
	-28.4%	-48.6%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

Purpose: This line item funded the discretionary capital portion of the Ohio Public Transportation Grant Program and subsidized local transit systems.

GRF 775-458 Elderly & Disabled Fare Assistance

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$3,315,504	\$3,435,048	\$505,249	\$0	\$0	\$0
	3.6%	-85.3%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: Moneys in this line item were used to offset farebox losses experienced by transit systems reducing their fares to half fare for elderly and disabled passengers. Am. Sub. H.B. 87 of the 125th General Assembly consolidated this line item into line item 775-451, Public Transportation-State.

GRF 776-465 Ohio Rail Development Commission

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$5,561,743	\$3,883,670	\$2,471,796	\$2,759,893	\$2,700,000	\$2,700,000
	-30.2%	-36.4%	11.7%	-2.2%	0.0%

Source: GRF

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item supports the operating expenses of the Ohio Rail Development Commission (ORDC) and the following programs: Rail Freight/Economic Development Program, Panhandle Rail/State Owned Lines Program, Passenger Rail Program, Rail Crossing Safety Program, and the Rail/Highway Projects Program.

GRF 776-466 Railroad Crossing/Grade Separation

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$326,020	\$2,121,806	\$693,888	\$789,600	\$789,600	\$789,600
	550.8%	-67.3%	13.8%	0.0%	0.0%

Source: GRF

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

Purpose: This line item funds the Rail Crossing Safety Initiative and the Grade Separation Program, which provides funds for rail crossing improvements to communities most affected by rail traffic.

GRF 777-471 Airport Improvements-State

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$2,678,065	\$3,087,125	\$2,890,014	\$1,793,985	\$1,793,985	\$1,793,985
	15.3%	-6.4%	-37.9%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 4561.08, 4561.09 and 5501 (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: Funds are used to support planning, engineering, technical assistance, pavement management, airspace protection, and grant funding to 170 general aviation airports in Ohio.

GRF 777-473 Rickenbacker Lease Payments-State

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$548,131	\$565,224	\$541,401	\$591,500	\$594,500	\$320,300
	3.1%	-4.2%	9.3%	0.5%	-46.1%

Source: GRF

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. S.B. 310 of the 121st G.A.)

Purpose: This line item funds the lease payments for the Rickenbacker Port Authority. The lease payments fund the payment of debt service for bonds issued to make port authority improvements.

General Services Fund Group

5E7 775-657 Transit Capital Funds

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$9,199,953	\$3,025,917	\$749,480	\$0	\$0	\$0
	-67.1%	-75.2%	-100.0%	N/A	N/A

Source: GSF: GRF transfers

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 283 of the 123rd G.A.)

Purpose: Funds were used to supplement the discretionary capital portion of the Ohio Public Transportation Grant Program.

Federal Special Revenue Fund Group

3B9 776-662 Rail Transportation-Federal

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$0	\$0	\$496,056	\$50,000	\$10,000	\$10,000
	N/A	N/A	-89.9%	-80.0%	0.0%

Source: FED: CFDA 20.308, Local Rail Freight Assistance (National Rail Service Continuation Grants)

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: Funds are used to provide grants to assist in acquiring railroad lines, rail property, state rail planning, and rail facility construction.

State Special Revenue Fund Group

4N4 776-663 Panhandle Lease Reserve Payments

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$0	\$0	\$0	\$770,000	\$764,400	\$764,400
	N/A	N/A	N/A	-0.7%	0.0%

Source: SSR: Corporate franchise tax paid by railroads

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. S.B. 351 of the 119th G.A.)

Purpose: Funds are used as a reserve to meet monthly lease payments to Caprail I, Inc. for the lease of the Panhandle rail line in case of default. If an annual minimum of \$706,000 is not maintained, default clauses are activated. The reserve is in the amount of 1 year's bond payments for the certificates of participation that financed the Panhandle purchase. It is only to be used in the event of non-payment by the operating railroad.

4N4 776-664 Rail Transportation-Other

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$341,501	\$613,446	\$2,710,015	\$2,111,500	\$2,111,500	\$2,111,500
	79.6%	341.8%	-22.1%	0.0%	0.0%

Source: SSR: Principal and interest payments on loans, revenues from easements, and other lease payments

Legal Basis: Section 105 of Am. Sub. H.B. 95 of the 125th G.A. (originally established by Am. Sub. H.B. 100 of the 115th G.A.)

Purpose: Funds are used for the rehabilitation of rail lines, the construction of rail interchanges or connections, and maintenance of rail properties purchased by the state.

5W9 777-615 County Airport Maintenance Assistance

2002	2003	2004	2005 Estimate	2006 House Passed	2007 House Passed
\$0	\$0	\$0	\$570,000	\$570,000	\$570,000
	N/A	N/A	N/A	0.0%	0.0%

Source: SSR: \$100 per aircraft general aviation license tax

Legal Basis: ORC 4561.18 and 4561.21 (originally established by Am. Sub. H.B. 95 of the 125th G.A.)

Purpose: This line item supports the County Airport Improvement Program by providing funds to publicly owned airports for maintenance, capital improvements, and runway crack sealing projects.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

<i>Fund ALI ALI Title</i>	<i>Estimated 2005</i>	<i>As Introduced 2006</i>	<i>House Passed 2006</i>	<i>% Change Est. 2005 to House 2006</i>	<i>As Introduced 2007</i>	<i>House Passed 2007</i>	<i>% Change House 2006 to House 2007</i>
DOT Transportation, Department of							
GRF 775-451 Public Transportation-State	\$18,354,059	\$ 16,300,000	\$ 16,300,000	-11.2%	\$ 16,300,000	\$ 16,300,000	0.0%
GRF 775-456 Public Transportation/Discretionary Capital	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF 775-458 Elderly & Disabled Fare Assistance	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF 776-465 Ohio Rail Development Commission	\$2,759,893	\$ 2,700,000	\$ 2,700,000	-2.2%	\$ 2,700,000	\$ 2,700,000	0.0%
GRF 776-466 Railroad Crossing/Grade Separation	\$789,600	\$ 789,600	\$ 789,600	0.0%	\$ 789,600	\$ 789,600	0.0%
GRF 777-471 Airport Improvements-State	\$1,793,985	\$ 1,793,985	\$ 1,793,985	0.0%	\$ 1,793,985	\$ 1,793,985	0.0%
GRF 777-473 Rickenbacker Lease Payments-State	\$591,500	\$ 594,500	\$ 594,500	0.5%	\$ 320,300	\$ 320,300	-46.1%
General Revenue Fund Total	\$ 24,289,037	\$ 22,178,085	\$ 22,178,085	-8.7%	\$ 21,903,885	\$ 21,903,885	-1.2%
5E7 775-657 Transit Capital Funds	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
General Services Fund Group Total	\$ 0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
3B9 776-662 Rail Transportation-Federal	\$50,000	\$ 10,000	\$ 10,000	-80.0%	\$ 10,000	\$ 10,000	0.0%
Federal Special Revenue Fund Group Total	\$ 50,000	\$ 10,000	\$ 10,000	-80.0%	\$ 10,000	\$ 10,000	0.0%
4N4 776-663 Panhandle Lease Reserve Payments	\$770,000	\$ 764,400	\$ 764,400	-0.7%	\$ 764,400	\$ 764,400	0.0%
4N4 776-664 Rail Transportation-Other	\$2,111,500	\$ 2,111,500	\$ 2,111,500	0.0%	\$ 2,111,500	\$ 2,111,500	0.0%
5W9 777-615 County Airport Maintenance Assistance	\$570,000	\$ 570,000	\$ 570,000	0.0%	\$ 570,000	\$ 570,000	0.0%
State Special Revenue Fund Group Total	\$ 3,451,500	\$ 3,445,900	\$ 3,445,900	-0.2%	\$ 3,445,900	\$ 3,445,900	0.0%
Total All Budget Fund Groups	\$ 27,790,537	\$ 25,633,985	\$ 25,633,985	-7.8%	\$ 25,359,785	\$ 25,359,785	-1.1%

As Introduced (Executive)

As Passed by the House

(CD-911-DOT) County, Township, Municipal, and Department of Transportation Force Account Limits

No provision.

R.C. *117.16, 117.162, 723.52, 723.53, 5517.02, 5543.19, 5575.01*

Requires the Auditor of State, by no later than January 31 of each year, to adjust county, township, municipal and Department of Transportation force account limits by the percentage increase of the consumer price index over the twelve month period ended on the last day of December of the immediately preceding year. The Auditor must post these new limits on the worldwide web before January 31 each year. These limits shall be effective for the following twelve month period beginning on the first day of February. (See "County, Township, Municipal and Department of Transportation Force Account Limits" in Local Government and Auditor of State for further descriptions.)

Fiscal effect: Will give the Department more flexibility over time to make cost-effective decisions of whether to use state employees or whether to contract out for certain road and bridge projects.

As Introduced (Executive)

As Passed by the House

(CD-767-DOT) Aircraft License Fee

R.C. 4561.17, 4561.18, 4561.21

Calculates the annual general aircraft license tax at a rate of \$15 per seat, rather than at a flat rate of \$100 per year; assesses gliders and balloons at a flat rate of \$15 per year; allows the license fees to be used for maintenance and capital improvements to publicly owned airports, rather than just maintenance of county-owned airports; and, renames the County Airport Maintenance Assistance Fund (Fund 5W9) in the state special revenue fund group the Airport Assistance Fund (Fund 5AW) in the state special revenue fund group.

Fiscal effect: The Department estimates the \$15 per seat tax may generate approximately \$524,000 annually. The \$15 flat rate for gliders and balloons will likely generate less than \$2,000 annually.

R.C. 4561.17, 4561.18, 4561.21

Same as the Executive.

As Introduced (Executive)**As Passed by the House****(CD-768-DOT) Elderly and Disabled Fare Assistance****Section: 212.12**

Earmarks up to \$6,000,000 in FY 2006 and \$7,000,000 in FY 2007 from GRF appropriation item 775-451, Public Transportation – State to make grants to county transit boards, regional transit authorities, regional transit commissions, counties, municipal corporations, and private nonprofit organizations that operate or will operate public transportation systems, for the purpose of reducing the transit fares of elderly or disabled persons.

Fiscal effect: Offsetting revenues to various entities that operate public transportation systems.

Section: 212.12

Same as the Executive.

(CD-769-DOT) Aviation Lease Payments**Section: 212.12**

Requires GRF appropriation item 777-473, Rickenbacker Lease Payments - State, be used to meet scheduled payments for the Rickenbacker Port Authority. The Director of DOT shall certify to the Director of OBM any appropriations that are not needed to make lease payments for the Rickenbacker Port Authority.

Fiscal effect: Will allow lease payments to be made on time.

Section: 212.12

Same as the Executive.

As Introduced (Executive)

As Passed by the House

(CD-908-DOT) Preventive Maintenance

No provision.

Sections: 401.11, 401.12

Amends Section 203.03.10 of Am. Sub. H.B. 68, the FY 2006-2007 transportation budget act of the 126th General Assembly, to clarify temporary law in that act concerning a study and report to be produced by an independent party on preventive maintenance projects. Removes language requiring the Department to issue a report for fiscal year 2005, but still requires the Department to provide this report on or before December 1 for three consecutive years.

Fiscal effect: The Department may experience increased costs to conduct a study and issue a yearly report for three years on preventive maintenance projects.

As Introduced (Executive)

As Passed by the House

(CD-926-DOT) Maintenance of State Park Roads

No provision.

Sections: 401.13, 401.11, 401.12

Requires the Director of Transportation, after conferring with the Director of Natural Resources, to construct, repair, and maintain all roads and bridges within the state parks during fiscal years 2006 and 2007, but limits the amount that can be expended for the purpose to \$5 million in a fiscal year.

Increases an earmark in Am. Sub. H.B. 68, the FY 2006-2007 transportation budget act of the 126th General Assembly, by requiring the Department of Transportation to use \$5,000,000 in FY 2006 and FY 2007 of appropriation item 772-421, Highway Construction - State, for the construction and maintenance of public access roads to and within state facilities operated by the Department of Natural Resources. The earmark in Am. Sub. H.B. 68 is \$4,517,500 in each fiscal year. (See the item entitled "Maintenance of State Park Roads by the Department of Transportation" in the Department of Natural Resources for the fiscal effect on that agency).

Fiscal effect: Potential increase in the amount of construction and repair projects performed on public access roads in state parks.