

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

## **Department of Transportation**

**(Including the Ohio Rail Development Commission)**

### **Main Operating Budget Funding**

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## READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the GRF – funding component of the Department of Transportation (DOT), which includes the following four sections.

1. *Overview*: Provides a brief description of the Department.
2. *Analysis of Executive Proposal*: Provides a detailed analysis of the executive budget recommendations for DOT, including funding for each GRF appropriation line item. Also included is a discussion of how a portion of the federal economic stimulus dollars will be used. The line items for DOT are organized into three categories.
3. *Requests Not Funded*: Compares DOT's budget request with the executive budget recommendations.
4. *Attachments*: Includes the catalog of budget line items (COBLI) for DOT, which briefly describes each line item that fund DOT programs in the main operating budget, and the corresponding LSC budget spreadsheet.

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# Department of Transportation

- Total biennial funding of \$39.2 million
- GRF budget bolstered by federal stimulus funds

## OVERVIEW

### Agency Overview

The Ohio Department of Transportation (DOT) 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 1% of the Department's budget comes from the General Revenue Fund (GRF); the rest of the budget is derived from federal sources, the state motor fuel tax, and bond revenue. The following provides an analysis of only the GRF portion of the DOT budget, which includes the state's aviation, rail and public transportation programs. The majority of the Department's biennial funding is contained in H.B. 2, the transportation budget bill for FY 2010-FY 2011.

### Appropriation Overview

The executive proposal recommends a GRF budget of \$19.6 million in each fiscal year, representing virtually no change from FY 2009 adjusted appropriations, due in part to the provision of approximately \$2.2 million in federal stimulus funds. Table 1 below summarizes these amounts.

Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$19,582,167	\$19,581,656	(<0.1%)	\$19,581,656	0.0%

\*Adjusted appropriations.

### Funding Distribution

#### By Program Series

Of the total proposed funding, 76.5% of appropriations are for public transportation, 16.8% are for rail transportation and 6.6% are for aviation. Table 2 below provides a summary of recommended appropriations for these programs by fiscal year as well as the share each makes up of that year's total GRF allocation.

**Table 2: FY 2010-FY 2011 GRF Budget by Line Item Category (in millions)**

Line Item Category	FY 2010	% of Total Budget	FY 2011	% Total of Budget
Public Transportation	\$15.0	76.5%	\$15.0	76.5%
Rail Transportation	\$3.3	16.8%	\$3.3	16.8%
Aviation	\$1.3	6.6%	\$1.3	6.6%
<b>Total</b>	<b>\$19.6</b>	<b>100%</b>	<b>\$19.6</b>	<b>100%</b>

Totals may not add to 100% due to rounding

### By Category of Expense

Most of DOT's GRF expenditures over the biennium will be for subsidies funding public transit, rail, and aviation grants. The executive budget recommended all that the Department requested for personal services, purchased services, maintenance, and equipment spending for FY 2010 to FY 2011. Table 3 below shows the budget by category of expense.

**Table 3: FY 2010-FY 2011 GRF Budget by Category of Expense (in millions)**

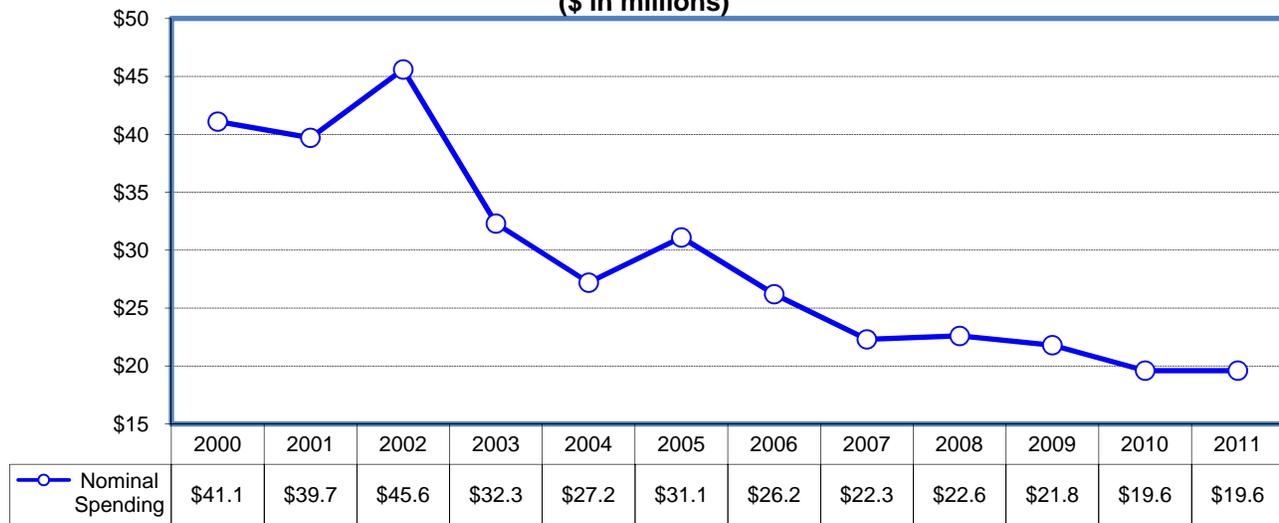
Category of Expense	FY 2010	% of Budget	FY 2011	% of Budget
Personal Services	\$2.0	10.2%	\$2.1	10.7%
Purchased Services	\$0.1	1.0%	\$0.1	1.0%
Maintenance	\$0.2	1.0%	\$0.2	1.0%
Subsidy	\$17.2	87.8%	\$17.1	87.2%
<b>Total</b>	<b>\$19.6</b>	<b>100%</b>	<b>\$19.6</b>	<b>100%</b>

Totals may not add to 100% due to rounding

### GRF Funding History

To put the executive recommendations in historical perspective, the \$19.6 million recommended each fiscal year is the lowest amount of GRF allocated to the Department's public transit, rail, and aviation grant programs in recent memory. Chart 1 below shows DOT's historical GRF spending from FY 2000 to FY 2008, the FY 2009 base appropriation amount (as of January 1, 2009), and FY 2010-FY 2011 recommendations. FY 2010 and FY 2011 GRF recommendations are 57% lower in nominal terms than peak GRF spending of \$45.6 million in FY 2002. The effects of inflation have also reduced the spending power of the Department.

**Chart 1: Historical GRF Spending vs. FY 2010-FY 2011 Recommendations (\$ in millions)**



Though GRF support for nonhighway modes has dwindled in the last ten years or so, the introduced version of the transportation budget bill for the FY 2010-FY 2011, H.B. 2, includes several provisions relating to nonhighway modes of transportation, such as (1) requiring DOT use at least \$38.7 million over the biennium to support nonhighway modes of transportation (offset by a portion of the proceeds generated from eliminating the motor fuel evaporation discount), (2) earmarking \$20 million over the biennium in federal funds for "green" public transit buses, (3) expanding the State Infrastructure Bank, (4) allowing tolls on new capacity projects involving intermodal facilities, airports, canals, ports, rail lines, and so forth, (5) authorizing the creation of new entities called transportation innovation authorities that are designed to leverage investment from public and private sources across multiple political subdivisions, and (6) setting the stage for the return of passenger rail service along the Cleveland – Columbus – Dayton – Cincinnati corridor.

**Executive Budget GRF Line Item Changes**

GRF Support for nonhighway modes would be even lower than indicated in Chart 1 if federal stimulus funds were not available. To that end, on February 25, 2009, the Office of Budget Management (OBM) released a document summarizing the changes to the executive proposal resulting from modifications to the federal American Recovery and Reinvestment Act of 2009 that occurred after the executive proposal was initially released. Though this document summarized the changes in GRF recommended appropriations due to the federal stimulus bill, the adjustments to GRF appropriations were inadvertently left out of Sub. H.B. 1, the main operating appropriations bill. While there are variances in individual line items, the total amount of GRF funding as well as the total amounts allocated to public transit, rail, and aviation

will not change from the allocations originally proposed in the Blue Book. The table below summarizes the changes as they are presented in the OBM special analysis.

<b>Table 4: Federal Stimulus and GRF ALI Reallocations</b>						
<b>ALI</b>	<b>FY 2010 Executive Budget</b>	<b>FY 2010 Revised</b>	<b>Change</b>	<b>FY 2011 Executive Budget</b>	<b>FY 2011 Revised</b>	<b>Change</b>
Transportation Operating – Federal Stimulus (776668)	\$2,181,295	\$1,352,403	(\$828,892)	\$2,181,295	\$1,243,338	(\$937,957)
Public Transportation – State (775451)	\$13,330,697	\$13,965,606	\$634,909	\$13,330,697	\$14,049,147	\$718,450
Ohio Rail Development Commission (776465)	\$2,932,000	\$3,071,771	\$139,771	\$2,932,000	\$3,090,162	\$158,162
Airport Improvements – State (777471)	\$1,137,664	\$1,191,876	\$54,212	\$1,137,664	\$1,199,009	\$61,345
<b>Total</b>	<b>\$19,581,656</b>	<b>\$19,581,656</b>	<b>\$0</b>	<b>\$19,581,656</b>	<b>\$19,581,656</b>	<b>\$0</b>

### **Summary of DOT in the Transportation Bill**

In addition to all of the provisions mentioned above, the Governor's recommendations in the transportation budget bill, H.B. 2 of the 128th General Assembly, fund DOT at approximately \$6.0 billion over the biennium. The majority of the Department's appropriations are funded from the Highway Operating Fund (Fund 7002), whose main source of funding is state and federal motor fuel taxes. The Department is also funded through the issuance of bonds and other highway related revenues. Roughly \$5.3 billion (88.3%) of the \$6.0 billion total will go toward the Department's highway construction and maintenance programs.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Public Transportation

This category of appropriations provides capital, operating, technical, and planning assistance to 59 transit systems. Of the 59 transit systems, 24 systems are in urban areas and 35 are in rural areas. The majority of assistance funds is from federal dollars and is used for grants to transit systems – both for operating assistance and capital purchases. Funding is also provided from the GRF. All GRF dollars are appropriated in the main operating bill and are used to support operating expenses of the Office of Transit. Like the federal dollars, GRF funds also provide operating and capital grants to public transit systems. The capital assistance grants allow transit systems to purchase transit vehicles, computer equipment, and build transit facilities.

The following table shows the recommended funding of the GRF appropriation items that fund a portion of the Public Transportation category. Please note that the table below also includes the funding in appropriation item 776668, Transportation Operating – Federal Stimulus, allocated to public transportation in the executive recommendation. This line item also funds programs in the rail and aviation categories.

Governor's Recommended Amounts for Public Transportation				
Fund	ALI and Name		FY 2010	FY 2011
<b>General Revenue Fund</b>				
GRF	775451	Public Transportation – State	\$13,330,697	\$13,330,697
GRF	776668	Transportation Operating – Federal Stimulus	\$1,666,337	\$1,666,337
<b>Total Funding: Public Transportation</b>			<b>\$14,997,034</b>	<b>\$14,997,034</b>

This category of appropriations includes several other transit line items funded in the transportation budget bill, H.B. 2 of the 128th General Assembly. The recommended appropriations total \$145.7 million in FY 2010, reflecting the proposed New Generation State Infrastructure Bank appropriations, and \$35.7 million in FY 2011.

#### Public Transportation – State (775451)

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. Overall, H.B. 1 provides \$13.3 million in each fiscal year for this line item. These amounts are 9.2% lower than FY 2009 base appropriations (as of January 1, 2009) of \$14.8 million. The table below summarizes the programs funded by this line item followed by a brief description of the programs.

<b>GRF 775451, Public Transportation – State, Program Funding Summary</b>		
<b>Program</b>	<b>FY 2010</b>	<b>FY 2011</b>
Elderly and Disabled Assistance	\$7.8	\$7.8
Public Transit Assistance	\$4.8	\$4.8
Public Transit Operating	\$0.7	\$0.7
<b>Total</b>	<b>\$13.3</b>	<b>\$13.3</b>

### **Elderly and Disabled Assistance**

This program offers affordable transportation for the elderly and people with disabilities through reduced fare assistance. The program is funded entirely with state GRF dollars. Federal dollars allocated under the Specialized Transportation Program (STP), with recommended appropriations in H.B. 2 of about \$4.7 million per year, are used for the purchase of vehicles and equipment. The STP is funded from federal (80%) and local matching funds (20%).

The allocations of funds to individual transit systems under the program are based on the actual ridership of the elderly and people with disabilities and the actual loss of farebox revenue from the reduced fares offered. Currently, 54 systems offer half fares. The other systems have chosen not to offer reduced fares for financial reasons. Under current funding levels of about \$7 million per year, the program replaced about two-thirds of the revenues lost by Ohio's transit systems offering reduced fares. According to DOT, approximately 45% of the rural transit trips provided in 2007 were for the elderly and people with disabilities.

The executive recommendation increases the allocation to this program to over \$7.8 million per year in the FY 2010-FY 2011 biennium, allowing for additional foregone revenue to be replaced.

### **Public Transit Assistance**

This program provides partial funding for operating assistance and capital projects to the urban and rural transit systems operating throughout the state through the Ohio Public Transportation Grant Program and the Ohio Coordination Program.

**Public Transportation Grant Program.** The Ohio Public Transportation Grant Program provides grants to transit systems, both urban and rural, for operating assistance to cover wages, fuel, insurance, training and vehicle and facility maintenance, as well as for planning assistance and capital purchases. Funds are allocated to transit systems based on the number of passengers transported, miles traveled, costs per mile, and the amount of federal and local funds contributed. Capital items that are covered under the grant program include purchasing transit vehicles, computer equipment, and the construction of transit buildings. FY 2009 allocations for urban and rural transit systems total \$8.3 million.

*Ohio Coordination Program.* The Ohio Coordination Program provides funding to public entities to assist in the coordination of transportation services among local human services agencies. All projects must demonstrate some level of interagency coordination in their local area to be eligible for funding. Funds are allocated to counties that do not have a public transportation system. Funds are used for operating expenses only and are typically allocated to county offices of aging, jobs and family services, MRDD facilities, county commissioners, senior citizen councils, and transit boards. This program is typically funded between \$800,000 and \$1,000,000 per year. However, beginning this fiscal year, the program has been funded using applicable federal funds provided by the Federal Transit Administration. State funds that had been used for the Ohio Coordination Program have been directed toward the Ohio Public Transportation Grant Program.

The executive recommendation provides \$4.8 million each fiscal year from this line item for public transit assistance. Including the federal stimulus moneys, a total of \$6.5 million each fiscal year in GRF funding has been recommended. Please note that the program is also augmented with federal dollars that would contribute an additional \$25.6 million per year. However, the recommended GRF amounts appear to result in a reduction in state support to urban and local public transit systems. The Public Transit Assistance program will end up absorbing the brunt of the funding reductions in light of the increased funding allocated to elderly and disabled assistance and limited room to reduce funding in program operating costs. As a result, transit systems may weigh cutting service, raising fares, and other methods to reduce expenditures and raise revenues.

Please note that the introduced version of the transportation budget bill, H.B. 2, recommends allocating \$10 million per year of federal funds for capital grants for transit authorities to use in purchasing or upgrading transit buses so that they are more environmentally friendly and requires DOT to use at least \$38.7 million over the FY 2010-FY 2011 biennium to support nonhighway modes of transportation.

### **Public Transit Operating**

This program covers the operating costs, such as payroll, supplies and equipment, for DOT's Office of Transit, which has been funded at nine FTEs for FY 2010-FY 2011. The Office's administration and oversight duties include program development, application review and project selection, contract preparation, invoice payment, quality assurance, site visits, data collection reviews, drug and alcohol audits, financial audits, training, and technical assistance. To reduce expenses, the Office of Transit has left vacant positions unfilled, reduced travel, moved eligible salaries to federal reimbursement, and cut its supplies budget by over 50%. The executive budget fully funds DOT's budget request for this program at \$724,758 in FY 2010 and \$737,505 in FY 2011.

**Transportation Operating – Federal Stimulus (776668)**

This line item is funded using resources from the federal stimulus bill's Fiscal Stabilization Fund. As noted above, a portion of this line item will be used by the Office of Transit to augment the Ohio Public Transportation Grant Program. The executive budget originally proposed allocating about \$1.7 million each year (76.4%) of the \$2.2 million recommended for this line item annually. Under the revised plan, if program allocations are made in the same proportions, about \$1.0 million per year would supplement the Ohio Public Transportation Grant Program.

## Rail Transportation

This category of appropriations is administered by the Ohio Rail Development Commission (ORDO). The Commission provides programs that promote economic development and rail-highway safety. ORDC administers federal and state funding of rail safety projects.

The following table shows the recommended funding of the GRF appropriation items that fund a portion of the Rail Transportation category. Please note that the table below also includes the funding in appropriation item 776668, Transportation Operating – Federal Stimulus, allocated to rail transportation in the executive recommendation. This line item also funds programs in the public transit and aviation categories.

Governor's Recommended Amounts for Rail Transportation				
Fund	ALI and Name		FY 2010	FY 2011
<b>General Revenue Fund</b>				
GRF	776465	Ohio Rail Development Commission	\$2,932,000	\$2,932,000
GRF	776668	Transportation Operating – Federal Stimulus	\$336,500	\$336,500
<b>Total Funding: Rail Transportation</b>			<b>\$3,268,500</b>	<b>\$3,268,500</b>

### Ohio Rail Development Commission (776465)

This line item supports the operating expenses of the Ohio Rail Development Commission and its Rail Development Grant and Loan program. Overall, H.B. 1 includes \$2.9 million in each fiscal year for this line item. These amounts are 16.0% lower than FY 2009 base appropriations (as of January 1, 2009) of \$3.5 million. The table below summarizes the programs funded by this line item followed by a brief description of the programs.

GRF 776465, Ohio Rail Development Commission		
Program	FY 2010	FY 2011
Rail Development Grant and Loan	\$1.9	\$1.9
Rail Operating	\$1.0	\$1.0
<b>Total</b>	<b>\$2.9</b>	<b>\$2.9</b>

### Rail Development Grant and Loan

This program provides financial assistance in the form of grants and loans to railroads, businesses, and communities for the rehabilitation, acquisition/preservation, or construction of rail and rail-related infrastructure. The loans and grants are distributed through the following programs:

***Rail Line Rehabilitation Program.*** This program keeps select rail lines in good and safe operating condition in order to provide rail transportation services to Ohio businesses. These lines are typically those divested by large Class I railroads (Norfolk Southern and CSX Transportation) that were in need of maintenance at the time of divestiture. In determining loan and grant awards, ORDC evaluates a project's contribution toward job creation, effectiveness of rail service, economic development potential, preventing derailments, and keeping up train speeds.

***Economic Development Program.*** This program helps provide rail spurs and other rail infrastructure as an incentive for companies to locate or expand in Ohio. Funds are recouped if requisite jobs or carloads are not created within three years of project completion.

***Acquisition Program.*** This program consists of loans and grants for shortline railroads or communities wishing to preserve specific rail lines that are abandoned by Class I railroads. Acquisition of such lines is often costly, resulting in limited activity for this program.

***State-Owned Rail Lines.*** This program strives to prevent the loss of potentially viable rail property in the state. Under this program, ORDC acquires rail properties that may be at risk of loss through property abandonment or alternative land use. Currently, ORDC is managing 240 miles of state-owned rail lines. Much of the cost for this program involves the administration of these acquired properties, such as maintaining licenses, easements, and rented properties associated with the land.

Overall, combined with the \$2.1 million per year recommended through appropriation item 776664, Rail Transportation – Other, in the transportation budget bill for FY 2010-FY 2011, and federal stimulus funding, the GRF funding in this bill will allow ORDC to award approximately 15 grants averaging \$150,800 and four to five loans of between \$350,000 and \$500,000 each fiscal year.

### **Rail Operating**

This program funds the operating costs of the Ohio Rail Development Commission. The Commission currently has 8.5 FTEs. Funding covers payroll, personal service contracts, and all administrative expenses, including equipment, travel, and rent. The executive recommendation provides a little over \$1.0 million per year for these costs, levels that fully fund DOT's request for this program and are consistent with the current biennium. In the current biennium, the Commission has reduced subscription, travel, personal service, and support service expenditures in order to lower costs, methods that will continue into the upcoming biennium.

### **Transportation Operating – Federal Stimulus (776668)**

This line item is funded using resources from the federal stimulus bill's Fiscal Stabilization Fund. As noted above, a portion of this line item will be used by the Ohio

Rail Development Commission to augment its grant program. The executive budget originally proposed allocating about \$336,500 each year (15.4%) of the \$2.2 million recommended for this line item annually. Under the revised plan, if program allocations are made in the same proportions, about \$200,000 per year would supplement rail grants.

## Aviation

This category of appropriations provides funding that enables the Office of Aviation to work with airports to meet national safety standards, make infrastructure improvements, coordinate with the Federal Aviation Administration, register aircraft, provide air transportation to state officials, and maintain the state's aircraft fleet.

The following table shows the recommended funding of the GRF appropriation items that fund a portion of the Aviation category. Please note that the table below also includes the funding in appropriation item 776668, Transportation Operating – Federal Stimulus, allocated to aviation in the executive recommendation. This line item also funds programs in the public transit and rail transportation categories.

Governor's Recommended Amounts for Aviation				
Fund	ALI and Name		FY 2010	FY 2011
<b>General Revenue Fund</b>				
GRF	777471	Airport Improvements – State	\$1,137,664	\$1,137,664
GRF	776668	Transportation Operating – Federal Stimulus	\$178,458	\$178,458
<b>Total Funding: Aviation</b>			<b>\$1,316,122</b>	<b>\$1,316,122</b>

### Airport Improvements – State (777471)

This line item is used to support planning, engineering, technical assistance, pavement management, airspace protection, and grant funding to Ohio's general aviation airports. Overall, H.B. 1 includes \$1.1 million in each fiscal year for this line item. These amounts are 19.5% lower than FY 2009 base appropriations (as of January 1, 2009) of \$1.4 million. The table below summarizes the programs funded by this line item followed by a brief description of the programs.

GRF 777471, Airport Improvements – State		
Program	FY 2010	FY 2011
Aviation Operating	\$0.65	\$0.67
Aviation Improvement Program	\$0.48	\$0.47
<b>Total</b>	<b>\$1.13</b>	<b>\$1.13</b>

Totals may not add to 100% due to rounding

### Aviation Operating

This program is responsible for the operation of the Department's aircraft. The aircraft are used to transport the Governor, legislators, state personnel, and to perform DOT missions such as aerial photography, emergency management, forestry missions, homeland security, prisoner transfers, Department of Natural Resources missions, wild

animal inoculations, and assisting in marijuana eradication. DOT maintains a fleet of 30 state aircraft, which include those of the Ohio State Highway Patrol and the Department of Natural Resources. These GRF funds, which are allocated in roughly the same amounts as in the previous biennium, are augmented with approximately \$5 million per year in Highway Operating Fund dollars, which are appropriated in H.B. 2, the transportation budget bill. Total funding for this program supports 26 FTEs. The executive recommendations fully fund the Office of Aviation's operating expenses at \$653,847 in FY 2010 and \$666,020 in FY 2011, enough to maintain existing levels of service.

In order to cut costs, the Office of Aviation has completed more in-house aircraft inspections, negotiated an agreement to purchase fuel from The Ohio State University at reduced university prices, negotiated with contractors for reduced parts and services costs, and so forth.

### **Aviation Improvement Program**

The Airport Improvement Program focuses primarily on airport safety and airport capital improvements. The Airport Safety program regulates 176 public use airports, heliports and seaplane bases as well as over 700 private airports and heliports.

Airport safety involves conducting airport inspections every two years, enforcing aviation laws, aircraft registration, and data gathering. Airport inspections ensure airport operations comply with Federal Aviation Administration (FAA) standards. After inspections, airports are advised of deficiencies and assisted in developing a corrective action plan. The capital improvement portion of this program provides grants to publicly owned airports for runway maintenance (including marking and lighting), runway and apron extensions, navigational aids, and weather reporting equipment.

Grants from the Airport Improvement Program are not the only source of grant money available to publicly owned airports. Though not administered by DOT, both primary and nonprimary airports receive funding through the FAA's Airport Improvement Program (AIP).

In FY 2008, the state's grant program awarded nine grants totaling nearly \$1.5 million while there were nine grants totaling approximately \$1.8 million awarded in FY 2009. Funding for this program is augmented by federal stimulus, state special revenue, and federal funds. These other sources provide an additional \$1.2 million per year. Due to state GRF budget cuts, the airport improvement program has absorbed the brunt of the reductions. As of June 2008, 43% of taxiways, 38% of runways, and 33% of aprons were rated as having a deficient Pavement Condition Index (PCI). Given the declining levels of state support, and an increase in construction material prices that

have pushed the cost to resurface airport pavements from \$88,000 to \$114,000 per lane mile, DOT predicts PCI to decline even further.

**Transportation Operating – Federal Stimulus (776668)**

This line item is funded using resources from the federal stimulus bill's Fiscal Stabilization Fund. As noted above, a portion of this line item will be used by the Office of Aviation to provide grants through the Airport Improvement Program. The executive budget originally proposed allocating about \$178,458 each year (8.2%) of the \$2.2 million recommended for this line item annually. Under the revised plan, if program allocations are made in the same proportions, about \$100,000 to \$110,000 per year would supplement the Airport Improvement Program.

## REQUESTS NOT FUNDED

This section describes agency requests that are not funded in the executive budget.

Public Transit Assistance						
Fund Line Item	FY 2010 Recommended	FY 2010 Requested	Difference	FY 2011 Recommended	FY 2011 Requested	Difference
GRF 775451	\$13,330,697	\$15,830,202	(\$2,499,505)	\$13,330,697	\$15,830,202	(\$2,499,505)

The executive recommends approximately \$2.5 million less than what DOT requested for appropriation item 775451, Public Transportation – State. Because the operating expenses of DOT's Office of Transit were fully funded and the elderly and disabled fare assistance program was recommended to receive more funding than requested, the amount not funded will fall on the Public Transit Assistance Program, which provides partial funding for operating assistance and capital projects to the state's urban and rural transit systems.

DOT requested approximately \$7.3 million in GRF funds each fiscal year to carry out the Public Transit Assistance Program. The executive recommendation provides \$4.8 million through appropriation item 775451, Public Transportation – State. When federal stimulus funds are added in, the program is expected to receive a total of \$6.4 million each fiscal year, \$0.9 million less than requested. As a result, it appears that a reduction in state support to transit systems will occur in the upcoming biennium.

Ohio Rail Development Commission						
Fund Line Item	FY 2010 Recommended	FY 2010 Requested	Difference	FY 2011 Recommended	FY 2011 Requested	Difference
GRF 776465	\$2,932,000	\$3,481,750	(\$549,750)	\$2,932,000	\$3,481,750	(\$549,750)

The executive recommends approximately \$550,000 less each fiscal year than what the Ohio Rail Development Commission requested for appropriation item 776465, Ohio Rail Development Commission. Because the operating expenses of the Commission were fully funded, the amount not funded will fall on the Rail Development Grants and Loans Program.

DOT requested approximately \$2.5 million in GRF funds each fiscal year to carry out this program. The executive recommendation provides \$1.9 million through appropriation item 76465, Ohio Rail Development Commission. When federal stimulus funds are added in, the program is expected to receive a total of \$2.3 million each fiscal year, about \$200,000 less than requested. As a result, about two to three projects over the biennium will not be funded that otherwise would have been.

Aviation Improvements – State						
Fund Line Item	FY 2010 Recommended	FY 2010 Requested	Difference	FY 2011 Recommended	FY 2011 Requested	Difference
GRF 777471	\$1,137,664	\$1,410,351	(\$272,687)	\$1,137,664	\$1,140,647	(\$272,687)

The executive recommends approximately \$273,000 less each fiscal year than what the Office of Aviation requested for appropriation item 777471, Aviation Improvements – State. Because the operating expenses of the Office were fully funded, the amount not funded will fall on the Airport Improvement Program.

DOT requested approximately \$682,275 in FY 2010 and \$670,102 in FY 2011 in GRF funds each fiscal year to carry out this program. The executive recommendation provides \$483,817 in FY 2010 and \$471,644 in FY 2011 through appropriation item 777471, Aviation Improvements – State. When federal stimulus funds are added in, the program is expected to receive a total of \$662,275 in FY 2010 and \$650,102 in FY 2011, about \$20,000 less than requested per fiscal year. As a result, some Airport Improvement Program grant money will not be able to be used to resurface additional lane miles of airport pavement.

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*General Revenue Fund*

**GRF 775451 Public Transportation-State**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$20,130,270	\$17,638,599	\$18,685,470	\$14,677,193	<b>\$13,330,697</b>	<b>\$13,330,697</b>
	-12.4%	5.9%	-21.5%	<b>-9.2%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 5501.07; Section 407.10 of Am. Sub. H.B. 119 of the 127th G.A. (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., the FY 2004-2005 budget act, consolidated former line item 775458, Elderly and Disabled Fare Assistance, into this line item.

**GRF 775456 Public Transportation/Discretionary Capital**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$490,393	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>

**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 776465 Ohio Rail Development Commission**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$2,200,145	\$2,021,200	\$2,456,729	\$3,490,912	<b>\$2,932,000</b>	<b>\$2,932,000</b>
	-8.1%	21.5%	42.1%	<b>-16.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 407.10 of Am. Sub. H.B. 119 of the 127th 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 776466 Railroad Crossing/Grade Separation**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$254,158	\$899,192	\$196,443	\$0	\$0	\$0
	253.8%	-78.2%			

**Source:** GRF

**Legal Basis:** Section 407.10 of Am. Sub. H.B. 119 of the 127th 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. The executive budget proposes to discontinue this line item.

**GRF 776668 Transportation Operating - Federal Stimulus**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$0	\$0	\$0	\$0	\$2,181,295	\$2,181,295
					0.0%

**Source:** GRF; receipts from the proposed federal American Reinvestment and Recovery Act of 2009

**Legal Basis:** Proposed by the Executive Budget

**Purpose:** This line item provides assistance using federal stimulus dollars for public transit operating and capital grants, rail development grants, and grants for airport maintenance, infrastructure improvements, and safety programs.

**GRF 777471 Airport Improvements-State**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$2,577,086	\$1,430,147	\$1,288,514	\$1,414,062	\$1,137,664	\$1,137,664
	-44.5%	-9.9%	9.7%	-19.5%	0.0%

**Source:** GRF

**Legal Basis:** ORC 4561.08, 4561.09 and 5501; Section 407.10 of Am. Sub. H.B. 119 of the 127th G.A. (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 176 general aviation airports in Ohio.

**GRF 777473 Rickenbacker Lease Payments-State**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$535,626	\$265,492	\$0	\$0	\$0	\$0
	-50.4%				

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established by Am. Sub. S.B. 310 of the 121st G.A.)

**Purpose:** This line item funded the lease payments for the Rickenbacker Port Authority. The lease payments funded the payment of debt service for bonds issued to make port authority improvements. The Department of Transportation completed lease payments in FY 2007 in accordance with the Office of Budget and Management's lease payment schedule for the Port Authority.

*General Services Fund Group*

**5E70 775657 Transit Capital Funds**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$353,917	\$351,988	\$43,725	\$0	\$0	\$0
	-0.5%	-87.6%			

**Source:** GSF: Highway Operating Fund 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. This was funded by a language appropriation that transferred \$5 million in each fiscal year from the Highway Operating Fund (Fund 7002) to the Transit Capital Fund (Fund 5E70). Am. Sub. H.B. 562 of the 127th G.A. eliminated the transfer to Fund 5E70. Instead, that bill established in DOT a Diesel Emissions Reduction Grant Program funded from Fund 7002. The Department of Development is required to administer the program and solicit, evaluate, score, and select projects submitted by public and private entities that are eligible for the federal Congestion Mitigation and Air Quality (CMAQ) Program. DOT is required to fund Federal Highway Administration-approved projects as recommended by the Department of Development.

*State Special Revenue Fund Group*

**5CF0 776667 Rail Transload Facilities**

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$0	\$400,000	\$0	\$0	\$0	\$0
	N/A				

**Source:** SSR: Fund transfer of \$500,000 from the Department of Development's Energy Efficiency Revolving Loan Fund (Fund 5M5)

**Legal Basis:** Discontinued line item (originally established in Sections 203.99.45 and 212.12 of Am. Sub. H.B. 66 of the 126th G.A.)

**Purpose:** These moneys were used to fund the Rail Transload Initiative, a statewide pilot program administered by the Ohio Rail Development Commission to provide grants to assist communities, railroads, and other businesses to develop facilities that enhance the ability of railroads to work with other transport modes to move bulk commodities more efficiently and safely.

## LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
<b><i>DOT Department of Transportation</i></b>								
GRF	775451	Public Transportation-State	\$ 18,685,470	\$ 14,677,193	\$ 13,330,697	-9.2%	\$ 13,330,697	0.0%
GRF	776465	Ohio Rail Development Commission	\$ 2,456,729	\$ 3,490,912	\$ 2,932,000	-16.0%	\$ 2,932,000	0.0%
GRF	776466	Railroad Crossing/Grade Separation	\$ 196,443	\$0	\$0	N/A	\$0	N/A
GRF	776668	Transportation Operating - Federal Stimulus	\$0	\$ 0	\$ 2,181,295	N/A	\$ 2,181,295	0.0%
GRF	777471	Airport Improvements-State	\$ 1,288,514	\$ 1,414,062	\$ 1,137,664	-19.5%	\$ 1,137,664	0.0%
<b>General Revenue Fund Total</b>			<b>\$ 22,627,156</b>	<b>\$ 19,582,167</b>	<b>\$ 19,581,656</b>	<b>0.0%</b>	<b>\$ 19,581,656</b>	<b>0.0%</b>
5E70	775657	Transit Capital Funds	\$ 43,725	\$0	\$0	N/A	\$0	N/A
<b>General Services Fund Group Total</b>			<b>\$ 43,725</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>	<b>\$0</b>	<b>N/A</b>
<b><i>Total All Budget Fund Groups</i></b>			<b>\$ 22,670,881</b>	<b>\$ 19,582,167</b>	<b>\$ 19,581,656</b>	<b>0.0%</b>	<b>\$ 19,581,656</b>	<b>0.0%</b>