

LSC Redbook

Analysis of the Executive Budget Proposal

Department of Transportation

(Including the Ohio Rail Development Commission)

Main Operating Budget Funding

(Corrected Version)

Jason Phillips, Senior Budget Analyst
Legislative Service Commission

April 2011

TABLE OF CONTENTS

OVERVIEW	1
Agency Overview.....	1
Appropriation Overview	1
Funding Distribution	1
By Functional Category.....	1
By Category of Expense	2
GRF Funding History	3
Summary of DOT Funding in the Transportation Budget Bill	3
ANALYSIS OF EXECUTIVE PROPOSAL	5
Category 1: Public Transportation	5
Public Transportation – State (775451).....	5
Category 2: Rail Transportation	9
Ohio Rail Development Commission (776465).....	9
Category 3: Aviation	12
Airport Improvements – State (777471).....	12
 ATTACHMENTS:	
Catalog of Budget Line Items	
Budget Spreadsheet By Line Item	

Department of Transportation

- Total biennial funding of \$20.3 million from the GRF
- GRF public transit funding for the eight largest urban systems to be eliminated, but offset by flexible federal funding
- Reduced GRF funding for rail development grants and loans and airport capital improvement projects.

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). Most of the budget is derived from federal sources, the state motor fuel tax, and bond revenue. The following provides an analysis of the GRF portion of the DOT budget, which includes the state's public transportation, rail, and aviation programs that are funded by appropriations in the main operating budget. The majority of the Department's biennial funding is contained in H.B. 114, the transportation budget act for FY 2012-FY 2013.

Appropriation Overview

As Table 1 below shows, the executive proposal recommends a GRF budget of \$10.2 million in each fiscal year, amounts that are about 28% lower than estimated FY 2011 spending of \$14.1 million. The FY 2011 estimate equals the appropriations for that year provided in H.B. 1 of the 128th General Assembly, the main operating budget act for FY 2010-FY 2011.

Table 1. GRF Executive Budget Recommendations by Fund Group, FY 2012-FY 2013

Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$14,081,656	\$10,159,194	(27.9%)	\$10,160,116	<0.1%

*FY 2011 figures represent estimated expenditures.

Funding Distribution

By Functional Category

Of the total proposed funding, 72% of appropriations are for public transportation, 20% are for rail transportation and 8% 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 the biennium's total GRF allocation. As the table indicates, public transportation will absorb the brunt of the reductions in GRF funding compared to FY 2011. Under the Governor's proposal, public transit funding declines by 32.9%, aviation declines by 11.3%, and rail declines by 10.8%.

Functional Category	FY 2011 Estimate	FY 2012 Recommended	FY 2013 Recommended	Biennium Total	Percent of Budget
Public Transportation	\$10.9	\$7.3	\$7.3	\$14.6	71.9%
Rail Transportation	\$2.3	\$2.0	\$2.0	\$4.1	20.1%
Aviation	\$0.9	\$0.8	\$0.8	\$1.6	8.1%
Total	\$14.1	\$10.2	\$10.2	\$20.3	100%

Note: Individual amounts may not add to totals due to rounding.

Though GRF public transit funding is slated to decline significantly, DOT will direct \$6 million per year in flexible federal funds to the Urban Formula component of the Ohio Public Transportation Grant Program, which is normally funded by the GRF only. This will allow the eight largest urban transit systems, which will no longer be eligible to receive GRF funding through the Ohio Public Transportation Grant Program or through the Elderly and Disabled Fare Assistance Program, and potentially several small urban systems to use local funds to backfill the loss of GRF dollars. This strategy minimizes the GRF funding cuts to small urban transit systems and nearly eliminates the GRF funding reduction to rural transit systems, which receive priority due to heavier reliance on GRF funding. In addition, \$14 million per year in flexible federal funds will be competitively awarded for vehicle replacements, transit facility capital improvements, or capitalized operating expenses, which will further enable the transit agencies receiving these awards to shift local funds toward operating purposes. These flexible federal funds are appropriated in H.B. 114, the transportation budget act for FY 2012-FY 2013.

By Category of Expense

Most of DOT's GRF expenditures over the biennium will be for subsidies associated with public transit, rail, and aviation grants. Table 3 below shows the budget by category of expense. The "Other" category includes costs associated with supplies and maintenance, purchased services, and equipment.

Category of Expense	FY 2011 Estimate	FY 2012 Recommended	FY 2013 Recommended	Biennium Total	Percent of Budget
Subsidy	\$12.4	\$8.7	\$8.7	\$17.5	85.9%
Personal Services	\$1.5	\$1.3	\$1.3	\$2.6	12.6%
Other	\$0.2	\$0.1	\$0.1	\$0.3	1.5%
Total	\$14.1	\$10.2	\$10.2	\$20.3	100%

Note: Individual amounts may not add to totals due to rounding.

GRF Funding History

To put the executive recommendations in historical perspective, the \$10.2 million recommended for 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 2010, the FY 2011 spending estimate, and the FY 2012-FY 2013 recommendations. FY 2012 and FY 2013 GRF recommendations are 77.6% lower in nominal terms than peak GRF spending of \$45.6 million in FY 2002.

Chart 1: Historical GRF Spending vs. FY 2012-FY 2013 Recommendations (\$ in millions)



Summary of DOT Funding in the Transportation Budget Bill

Though GRF support for nonhighway modes has dwindled in the last fifteen years or so, the transportation budget bill for the FY 2012-FY 2013, H.B. 114, includes additional sources of funding for those modes. H.B. 114 allocates approximately \$53.5 million for public transit purposes, nearly all of which is derived from federal funds, \$17.9 million per year for rail purposes, such as rail-highway grade crossing improvements and financial assistance for rail-related projects, and about \$7.7 million

per year for aviation-related programs, the largest of which is the maintenance and operation of the state's aircraft fleet. Altogether, H.B. 114 appropriates about \$158.1 million for these nonhighway modes of transportation over the biennium, amounting to 2.8% of the biennial funding included in the transportation budget.

Roughly \$5.0 billion (90.3%) of the total will go toward the Department's various highway construction and maintenance responsibilities. The remainder, \$381.5 million (6.9%), funds the Department's administration and planning and research activities. Overall, H.B. 114 funds DOT at approximately \$5.55 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.

ANALYSIS OF EXECUTIVE PROPOSAL

Category 1: 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. In the main operating appropriations bill, GRF dollars provide formula funding for operating and capital grants to public transit systems to match federal funding. GRF funds also provide reimbursements to public transit systems offering reduced fares for the elderly and disabled and support the operating expenses of the Office of Transit. The following table shows the recommended funding for the GRF line item that funds a portion of the Public Transportation category.

Governor's Recommended Funding for Public Transportation				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	775451	Public Transportation – State	\$7,300,000	\$7,300,000

Public Transportation – State (775451)

This line item provides funding for the Ohio Public Transportation Grant Program and the Elderly and Disabled Fare Assistance Program. Funding is also used to provide technical assistance to individual transit systems. Overall, H.B. 153 provides \$7.3 million in each fiscal year for this line item. These amounts are 32.9% lower than the FY 2011 appropriation of \$10.9 million. The table below summarizes the programs funded by this line item followed by a brief description of the programs.

Program	FY 2011 Estimate	FY 2012 Recommended	FY 2013 Recommended
Public Transit Assistance	\$5.8	\$3.5	\$3.5
Elderly and Disabled Assistance	\$4.6	\$3.5	\$3.5
Public Transit Operating	\$0.4	\$0.3	\$0.3
Total	\$10.9	\$7.3	\$7.3

Please note that the allocations for each program listed above are subject to change. According to DOT, the final amount of GRF funding for public transit was arrived at very late in the budget development process. The amounts for FY 2012 and FY 2013 should be viewed as placeholders, as OBM did not have adequate time to consult with DOT concerning the proper amounts for each program. The discussion that follows reflects the apportionments as provided by OBM.

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 (OPTGP). OPTGP provides grants to transit systems for operating assistance as well as for planning and capital projects. State funding is only available to match a federal grant. Of the 24 urban transit systems, there are eight "large urban" systems and 16 "small urban" systems. For the purposes of allocating funds under the Urban Formula component of the OPTGP, the 24 urban systems are placed into five categories based on system size. Each category is allocated a fixed percentage of the available funds. Within each category, funds are suballocated to transit systems based on a formula that takes into account factors such as ridership, revenue service miles, farebox revenue, cost per hour, passengers carried per mile and fare recovery rates. For rural systems, OPTGP Rural Formula funds are allocated based on a formula that takes into account the number of passengers, revenue vehicle miles, and local contributions. The impact of the executive recommendations on the Public Transit Assistance Program will vary depending on the size of each transit system.

Large urban transit systems. Under the Governor's proposal, the eight largest urban transit systems (operating in and around Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown) will no longer be eligible for GRF funding through the OPTGP. This will minimize the cuts in GRF funding to small urban transit systems and nearly eliminate any reduction in GRF funding to rural transit systems, which are a higher priority due to their heavier reliance on GRF funding compared to their urban counterparts. However, H.B. 114, the transportation budget act for FY 2012-FY 2013, includes \$20 million per year in flexible Federal Highway Administration (FHWA) funds that will be used to assist transit agencies during the upcoming biennium. Of the \$20 million in flexible federal funds allocated for this purpose, \$6 million annually will be included in the Urban Formula Program for expenses eligible for federal reimbursement. The use of these federal dollars will allow the eight largest transit systems to use local resources to backfill the GRF funds for which these systems will no longer be eligible. DOT indicates that these systems should receive the same amount of funding provided through DOT as they did in FY 2010, if not more. FY 2011 funding for the large urban transit systems was extraordinarily high as a result of the Next Generation Transit Partnership, which provided \$40 million in flexible FHWA funds for public transit. Of the \$40 million, \$25 million was allocated for operational support and \$15 million was allocated to the purchase of environmentally friendly buses.

Rural transit systems. Within the OPTGP, DOT gives priority to the Rural Formula Program over the Urban Formula Program in allocating GRF funding, as rural transit systems are much more reliant on GRF funding than their urban counterparts. For example, GRF funding provided 14% of rural transit system operating budgets in

CY 2009, although it is important to note that these figures do not include administrative or capital spending. In comparison, GRF funds provided 7% of small urban transit system operating budgets and just 2% of the eight large urban system operating budgets in that year. Under the Governor's proposal, rural transit systems would receive \$3 million per year in GRF funding through the Rural Formula Program for the upcoming biennium, nearly the same amount as that provided in FY 2011 and about 4.7% less than FY 2010 funding of \$3.15 million.

Small urban transit systems. The 16 small urban transit systems appear to be taking the brunt of the GRF funding reductions for the FY 2012-FY 2013 biennium. DOT estimates that the GRF available to the small urban systems will be reduced by about \$300,000. Nevertheless, several of these small urban systems may be able to take advantage of some of the \$6 million in flexible federal funds being inserted into the Urban Formula Program if they have sufficient local revenues to use as a match to draw down the additional federal funds. If several small urban systems are able to qualify for the flexible federal funds, additional GRF resources would be made available for the other small urban systems, which would reduce the overall amount of the GRF funding reduction for those agencies.

Transit System Preservation Discretionary Program. Under the Governor's proposal, \$14 million per year of the flexible federal funding being provided for transit purposes has been allocated for competitively awarded grants. The priority for these discretionary grants, which all 59 transit systems will be eligible for, will be to assist transit agencies in replacing vehicles and transit system infrastructure, though they may also be used for capitalized operating expenses if necessary. These funds will assist transit agencies in freeing up local resources for other noncapital purposes, such as operating costs.

Elderly and Disabled Assistance

This program offers affordable transportation for the elderly and people with disabilities through reduced fare assistance to public transit agencies offering half fare or less rides to passengers within those population groups. The program is funded entirely with state GRF dollars. In order to qualify for funding under this program, a transit system must receive an allocation from either the urban or rural component of the OPTGP. The allocations of funds to individual transit systems under the program are based on the actual ridership of the elderly and people with disabilities for the prior calendar year and the actual loss of farebox revenue from the reduced fares offered. Currently, 53 public transit systems offer half fares. The other systems have chosen not to offer reduced fares for financial reasons. According to DOT, total foregone revenue from reduced fares amounted to \$14.7 million during FY 2010. Yet, due to funding constraints, the fare assistance program reimbursed only \$4.6 million, or 31.3% of those foregone revenues.

The executive recommendation reduces the allocation to this program from \$4.6 million in FY 2011 to \$3.5 million per year in the FY 2012-FY 2013 biennium, though this amount is subject to change. Under the executive proposal, no reduced fare assistance funding will be provided to the eight largest urban transit systems to minimize the cuts in funding to rural and small urban transit systems, which rely on GRF funds more so than their urban area counterparts.

Public Transit Operating

This program covers the operating costs, such as payroll, supplies and equipment, for DOT's Office of Transit. 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 GRF expenses, the Office of Transit has moved eligible payroll to federal sources of reimbursement, among other cost saving measures. Currently, there are 13 positions funded from Federal Transit Administration (FTA) funds. These dollars are accounted for in the portion of the Public Transit Assistance program funded in the transportation budget act. The executive recommendation funds this program at \$300,000 per fiscal year in the main operating budget, all of which is allocated for personal service expenses. This is 33.0% lower than the FY 2011 allocation of \$447,867. As noted above, the amounts apportioned to this program are subject to change. Ultimately, DOT expects that there will be no changes to the number of positions funded by the GRF, which currently stands at four.

Category 2: Rail Transportation

This category of appropriations is administered by the Ohio Rail Development Commission (ORDC). ORDC administers programs that promote economic development and rail-highway safety. The following table shows the recommended funding for the GRF appropriation item that supports a portion of the Rail Transportation category.

Governor's Recommended Funding for Rail Transportation				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	776465	Ohio Rail Development Commission	\$2,040,319	\$2,040,884

Ohio Rail Development Commission (776465)

This line item supports the Rail Development Grant and Loan program as well as the operating expenses of ORDC. Overall, H.B. 153 includes \$2.0 million in each fiscal year for this line item. These amounts are 10.8% lower than the FY 2011 appropriation of \$2.3 million. The table below summarizes the programs funded by this line item followed by a brief description of the programs.

Program	FY 2011 Estimate	FY 2012 Recommended	FY 2013 Recommended
Rail Development Grant and Loan	\$1.5	\$1.3	\$1.3
Rail Operating	\$0.8	\$0.7	\$0.7
Total	\$2.3	\$2.0	\$2.0

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.

Freight Rail Development/Spur 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.

Rail Line Acquisition/Preservation Program. This program consists of loans and grants to prevent cessation of service or preserve the line or right of way for future rail development. ORDC may also provide funding for an entity to acquire a rail line as long as the acquisition enhances the rail line's viability.

Over the course of FY 2009 and FY 2010, ORDC approved grant or loan assistance to 33 rail development projects totaling \$5.4 million, with the average project receiving \$163,000 in state assistance. These projects are expected to leverage millions of dollars more in additional capital investment and generate an estimated 2,500 carloads of freight, reducing congestion from commercial truck traffic on the state's highways.

The executive recommends \$1.3 million in GRF funding each fiscal year for these programs, a 13% to 14% reduction from the \$1.5 million allocated to the program in FY 2011. However, readers should note that this funding is augmented with \$1.9 million in FY 2012 and \$2.7 million in FY 2013 in grant and loan funding through appropriation item 776664, Rail Transportation – Other, which is appropriated in H.B. 114, the FY 2012-FY 2013 transportation budget act.

Between H.B. 114 and H.B. 153, ORDC will have grant and loan funding of about \$3.2 million in FY 2012 and \$4.0 million in FY 2013. This compares to approximately \$3.4 million available for rail development grants and loans in FY 2011. The loss in GRF rail assistance funding in FY 2013 is more than offset by \$764,000 that will no longer need to be set aside for the Panhandle Rail Line lease reserve, which is also appropriated in H.B. 114.¹

Rail Operating

This program funds a portion of the operating costs of ORDC, which currently has 16 full-time employees. GRF funding covers the payroll costs for seven administrative FTEs as well as all of the purchased service contracts, supplies, maintenance, and equipment costs of the Commission. Payroll for the remaining nine FTEs, who handle project planning and development and rail safety matters, is covered by funds appropriated in H.B. 114. The executive recommendation provides GRF funding of \$721,408 in FY 2012, which is 4.1% less than the FY 2011 GRF allocation for this program of \$752,053. The executive recommends \$703,093 in FY 2013, a 2.5% reduction compared to FY 2012. Actual FY 2011 expenses for this program will be

¹ FY 2012 represents the last year of bond payments on the certificates of participation (COPs) used to finance the state's purchase of the Panhandle Rail Line in 1992. The contract operator of the rail line is responsible for maintaining the line and for repayment of the COPs. The lease reserve is only to be used in the event of nonpayment by the contract operator.

lower than the allocation stated above due to GRF lapses associated with the cost savings day program. The FY 2012 budget reflects the 32-hour pay supplement and a 27th pay period, but also the executive proposal to shift 2% of pension contribution costs from employers to employees. The FY 2013 amount declines because there is no pay supplement or extra pay period scheduled.

Category 3: 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 for the GRF appropriation item that funds a portion of the Aviation category.

Governor's Recommended Funding for Aviation				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	777471	Airport Improvements – State	\$818,875	\$819,232

Airport Improvements – State (777471)

This line item is used to support grant funding as well as airport and pavement condition inspections and airspace protection, planning, engineering, and technical assistance to Ohio's general aviation airports. Overall, H.B. 153 includes about \$819,000 in each fiscal year for this line item. These amounts are 11.3% lower than the FY 2011 appropriation of \$923,064. The Airport Grant Program bears the brunt of this funding reduction. The table below summarizes the funding provided by this line item to the Airport Grant Program and the Aviation Operating Program, followed by a brief description of each.

Program	FY 2011 Estimate	FY 2012 Recommended	FY 2013 Recommended
Airport Grant Program	\$0.5	\$0.4	\$0.4
Aviation Operating	\$0.4	\$0.4	\$0.4
Total	\$0.9	\$0.8	\$0.8

Airport Grant Program

The Airport Grant Program provides capital improvement grants to publicly owned airports that do not receive FAA passenger or air cargo entitlements. Grant funds may provide up to 90% of the construction costs associated with airport pavement resurfacing or obstruction removal and marking projects. The grant program operates on a reimbursement basis. In order to be awarded grant funds, an airport must have a current Airport Safety Plan that complies with Transportation Security Administration (TSA) guidelines. There are currently 99 publicly owned airports eligible to receive grant funding.

The executive proposal provides GRF grant funding of \$397,669 in FY 2012, 18.2% less than the FY 2011 allocation of \$486,288 for this purpose. The FY 2013 recommended allocation of \$409,579 is 3.0% higher than the amount recommended for FY 2012. GRF funding for airport grants is augmented by funding of \$620,000 per fiscal year in aircraft license tax revenues deposited into the Airport Assistance Fund (Fund 5W90), which is appropriated in H.B. 114. Together, these sources provide a grant program of about \$1.0 million per year for the upcoming biennium.

Overall, the state's FY 2011 grant program awarded five grants totaling approximately \$1.2 million. This compares to nine grants totaling approximately \$1.1 million awarded in FY 2010. Given the declining levels of state support, DOT predicts the average Pavement Condition Index (PCI) for runways, taxiways, and aprons across the state to decline.

Aviation Operating

GRF funds for this program support a small portion of the operating expenses of the Office of Aviation. Activities funded by the GRF include administration of the Airport Safety Program, enforcement of the Ohio Airport Protection Law, and administration of the Airport Grant Program. These functions are described briefly below.

Airport Safety Program. Under the Airport Safety Program, Office of Aviation officials conduct safety and pavement condition inspections at 157 noncommercial service, public use airports on a three-year cycle to ensure airport operations comply with Federal Aviation Administration (FAA) standards and the Ohio Airport Protection Law. After inspections, airports are advised of deficiencies and assisted in developing a corrective action plan. The salaries of the inspectors conducting the inspections are paid out of the GRF. However, the federal government reimburses the state a set amount per inspection, the proceeds of which are deposited into the GRF. The information gathered from airport pavement condition inspections is used to assess the maintenance needs of Ohio's airports and to assist with the selection of projects receiving Airport Grant Program funds.

Ohio Airport Protection Law Enforcement. The Office of Aviation enforces the Ohio Airport Protection Law by reviewing any proposed construction that will take place within a specified distance of an airport runway. If the construction is determined to pose no obstruction hazard to airport navigation, the Office issues a permit to proceed. If there is a potential hazard, the Office works with project officials to change the location or design of the building so that it does not result in an obstruction.

Airport Grant Program Administration. As noted above, the Airport Grant Program provides capital improvement funds to certain publicly owned airports. Office of Aviation staff verify and evaluate grant applications, rank proposed projects

based on merit and availability of funds, execute grant contracts, and so on to carry out the grant program.

The executive recommendation provides GRF funding of \$421,206 in FY 2012 for these activities, a 3.6% decrease compared to the FY 2011 allocation of \$436,776. FY 2013 funding is recommended at \$409,653, a 2.7% reduction from the FY 2012 level. Actual FY 2011 expenses for this program will be lower than the allocation stated above due to GRF lapses associated with the cost savings day program. The FY 2012 budget reflects the 32-hour pay supplement and a 27th pay period, but also the executive proposal to shift 2% of pension contribution costs from employers to employees. The FY 2013 amount declines because there is no pay supplement or extra pay period scheduled.

The majority of funding for the Aviation Operating program is appropriated in H.B. 114, the transportation budget act for FY 2012-FY 2013. These funds, amounting to approximately \$5.4 million per year from the Highway Operating Fund (Fund 7002), primarily are used to operate and maintain the state's aircraft fleet. The aircraft are used to transport the Governor, legislators, and state personnel, and to perform aerial photography, emergency management, forestry missions, homeland security, prisoner transfers, Department of Natural Resources missions, wild animal inoculations, and marijuana eradication assistance. DOT maintains a fleet of 26 aircraft, which include those of the Ohio State Highway Patrol and the Department of Natural Resources. Any costs arising from the nonhighway use of the aircraft must be reimbursed to DOT. Fund 7002 resources also support the costs associated with the registration and oversight of 10,140 Ohio aircraft.

DOT.docx / rs

Department of Transportation

General Revenue Fund

GRF 775451 Public Transportation-State

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$18,685,470	\$16,382,877	\$13,086,564	\$10,870,642	\$7,300,000	\$7,300,000
	-12.3%	-20.1%	-16.9%	-32.8%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 5501.07; Section 401.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item provides funding for the Ohio Public Transportation Grant Program, which provides partial funding for operating assistance and capital projects to urban and rural transit systems, and the Elderly and Disabled Fare Assistance Program, which offsets farebox losses experienced by transit systems reducing their fares for elderly and disabled passengers. Funding is also used to support the administrative costs of these programs and provide technical assistance to individual transit systems.

GRF 776465 Ohio Rail Development Commission

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$2,456,729	\$3,182,758	\$2,953,653	\$2,287,950	\$2,040,319	\$2,040,884
	29.6%	-7.2%	-22.5%	-10.8%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 4981.02 and 4981.03; Section 401.10 of Am. Sub. H.B. 1 of the 128th 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 ORDC's various rail development grant and loan programs, which provide assistance to railroads, businesses, and communities for rail line rehabilitation, rail line acquisition or preservation, and construction of rail spurs and other rail infrastructure as an incentive for companies to locate or expand in Ohio.

Department of Transportation

GRF 776466 Railroad Crossing/Grade Separation

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$196,443	\$165,109	\$73,562	\$0	\$0	\$0
	-16.0%	-55.4%	-100%	N/A	N/A

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 640 of the 123rd G.A.)

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

GRF 777471 Airport Improvements-State

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$1,288,514	\$1,701,947	\$1,359,571	\$923,064	\$818,875	\$819,232
	32.1%	-20.1%	-32.1%	-11.3%	0.0%

Source: General Revenue Fund

Legal Basis: ORC 4561; Section 401.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: This line item primarily funds the Airport Grant Program, which provides capital funding for airport pavement rehabilitation and obstruction removal or marking to publicly-owned airports in Ohio that do not receive FAA Air Carrier Enplanement Funds or FAA Air Cargo Entitlements. Currently, there are 99 such airports in Ohio eligible for the grant program. Airport Grant Program funding is also provided in SSR Fund 5W90 appropriation item 777615, County Airport Maintenance. In addition to the grant program, this line item supports the operating expenses of the Office of Aviation through its airport safety and pavement condition inspection, airspace protection, planning, engineering, and technical assistance activities.

Department of Transportation

General Services Fund Group

5E70 775657 Transit Capital Funds

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$43,725	\$52,186	\$0	\$0	\$0	\$0
	19.4%	-100%	N/A	N/A	N/A

Source: General Services Fund Group: FY 2000 and FY 2001 fund transfers from the GRF totaling \$18 million

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

Purpose: Funds were used to provide local matching dollars for federal grants for public transportation.

State Special Revenue Fund Group

5CF0 776667 Rail Transload Facilities

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$0	\$200,000	\$200,000	\$0	\$0	\$0
	N/A	0.0%	-100%	N/A	N/A

Source: State Special Revenue Fund Group: FY 2006 fund transfer of \$500,000 from the Advanced Energy Fund (Fund 5M50), which is used by the Department of Development

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.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
DOT Department of Transportation								
GRF	775451	Public Transportation-State	\$ 13,086,564	\$ 10,870,642	\$ 7,300,000	-32.85%	\$ 7,300,000	0.00%
GRF	776465	Ohio Rail Development Commission	\$ 2,953,653	\$ 2,287,950	\$ 2,040,319	-10.82%	\$ 2,040,884	0.03%
GRF	776466	Railroad Crossing/Grade Separation	\$ 73,562	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	777471	Airport Improvements-State	\$ 1,359,571	\$ 923,064	\$ 818,875	-11.29%	\$ 819,232	0.04%
General Revenue Fund Total			\$ 17,473,349	\$ 14,081,656	\$ 10,159,194	-27.86%	\$ 10,160,116	0.01%
5CF0	776667	Rail Transload Facilities	\$ 200,000	\$ 0	\$ 0	N/A	\$ 0	N/A
State Special Revenue Fund Group Total			\$ 200,000	\$ 0	\$ 0	N/A	\$ 0	N/A
Department of Transportation Total			\$ 17,673,349	\$ 14,081,656	\$ 10,159,194	-27.86%	\$ 10,160,116	0.01%