

Transportation Budget Bill

H.B. 67 of the 127th G.A.

House Transportation and Justice Subcommittee

Jonathan Lee, Senior Budget Analyst
Sara D. Anderson, Senior Budget Analyst
Brian Hoffmeister, Budget Analyst

Legislative Service Commission

February 27, 2007

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LSC Redbook
for the
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Transportation Budget Bill

OVERVIEW

- Total biennial funding for all agencies is \$7.8 billion
- ODOT will issue GARVEE bonds to support its ongoing Major/New construction program
- PWC will implement Program Years 21 and 22 of the LTIP
- Declining funding to the Highway Patrol will be offset from revenue from a reduction in the shrinkage allowance on motor fuel
- Development will continue providing \$37 million in grants for road improvements

This budget analysis consists of four agencies included in the transportation budget bill. These agencies are the Department of Transportation (ODOT), the Department of Public Safety (DHS), the Public Works Commission (PWC), and a brief section on the Department of Development (DEV). The format for this analysis includes an overview of each agency, an analysis of the Executive's funding recommendations, line item descriptions, and appropriation spreadsheets. Unlike the main appropriations bill, the transportation bill does not contain GRF appropriations; instead, most of the bill's appropriations are backed by gas tax revenues and fees. Note that funding for each of these agencies is also appropriated in the main operating budget.

The agencies in the bill are primarily responsible for construction and maintenance of the state highway system, funding local infrastructure projects, and ensuring the public's safety.

Since the FY 2006-2007 Transportation Budget, Am. Sub. H.B. 68, ODOT and DHS have both been impacted by several issues. In ODOT's case, passage of the 2005-2009 federal transportation bill, otherwise known as the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU), brought in fewer federal dollars than anticipated. Furthermore, due to rising energy prices nationwide, inflation increased construction material costs significantly. These pressures forced ODOT to make adjustments to its programs in order to continue providing its long-term Major/New funding plan.

Public Safety has been struggling with a declining fund balance in its Highway Safety Fund (Fund 036), which largely supports the operating expenses of the Highway Patrol. Formerly, the Highway Patrol received an allocation from the motor fuel tax to support its expenses. However, Am. Sub. H.B. 87, the FY 2004-2005 transportation budget bill, of the 125th General Assembly phased the Patrol off the gas tax and transferred the proceeds to local governments to support declining road and bridge programs.

During this same time, the Public Works Commission saw a renewal of its State Capital Improvement Program through the authorization of a constitutional amendment for the issuance of \$1.35 billion in general obligation bonds. Also, the Department of Development continued to provide grants from its Road Work Development Fund. Despite these past developments, new challenges await these agencies during the biennium:

- The Department of Transportation will continue its \$500 million annual Major/New construction program to update the state's aging highway system and use \$600 million in grant anticipated revenue bonds (GARVEEs) as a financing source;
- The Public Works Commission will enter into Program Years 21 and 22 of the \$67.5 million Local Transportation Improvement Program;

- The Department of Development will continue level funding of the Roadwork Development Fund amid increasing grant requests; and
- The Department of Public Safety will seek a stable funding source for its Highway Safety Fund (Fund 036) and continue implementing the requirements of the federal REAL ID act amid administrative funding uncertainties.

FY 2008-2009 Executive Recommendations

The bill contains total recommended funding levels of \$3.97 billion in FY 2008 and \$3.83 billion in FY 2009, for a total of \$7.8 billion for the biennium, representing an increase of approximately 8.9% over FY 2006-2007 appropriations. The last transportation bill (Am. Sub. H.B. 68 of the 126th General Assembly) appropriated a total of \$7.16 billion over the FY 2006-2007 biennium.

Department of Transportation

The Ohio Department of Transportation's recommended transportation budget is approximately \$6.25 billion for the biennium, representing an increase of 9.2% above FY 2006-2007 appropriations. The Department's budget includes increases primarily in highway construction to support new bond issuances.

Department of Public Safety

Public Safety's recommended budget is approximately \$1.37 billion for the biennium, representing an increase of 7.8% over FY 2006-2007 appropriations. The Department's recommended budget provides that \$19.2 million be transferred to the Highway Safety Fund (Fund 036) in each of FYs 2008 and 2009. This amount is made available through a reduction in the shrinkage allowance on motor fuel.

Public Works Commission

The Public Works Commission's recommended budget is \$137 million for the biennium, representing a 2.2% increase compared to FY 2006-2007 appropriations. The recommended budget will allow the Commission to continue operating the State Capital Improvement Program (SCIP) and Local Transportation Improvement Program (LTIP).

Department of Development

The bill includes \$18.69 million each fiscal year to Development's Road Work Development Fund. This is the same level of funding the Department received in the last transportation bill. The grants are available to businesses for road improvements in order to retain and/or attract business in Ohio.

The table below displays the executive recommendations by fund group for the Transportation Budget Bill.

Table 1. FY 2008-2009 Executive Recommendations by Fund Group

	FY 2008	FY 2009
Department of Transportation		
Highway Operating Fund Group	\$2,546,030,191	\$2,551,265,782
Infrastructure Bank Obligations Fund Group	\$450,000,000	\$450,000,000
Highway Capital Improvements Fund Group	\$200,000,000	\$100,000,000
Subtotal	\$3,200,484,191	\$3,054,720,982
Department of Public Safety		
State Highway Safety Fund Group	\$510,392,243	\$516,891,069
Agency Fund Group	\$1,500,000	\$1,500,000
State Special Revenue Fund Group	\$5,937,415	\$5,938,568
Liquor Control Fund Group	\$11,435,527	\$11,546,052
General Services Fund Group	\$935,862	\$989,149
Federal Special Revenue Fund Group	\$151,728,179	\$152,113,072
Holding Account Redistribution Fund Group	\$2,235,000	\$2,235,000
Subtotal	\$684,164,226	\$690,985,110
Public Works Commission		
Local Infrastructure Fund Group	\$879,237	\$918,912
Local Transportation Improvement Fund Group	\$67,791,537	\$67,806,178
Subtotal	\$68,670,774	\$68,725,090
Department of Development		
Highway Operating Fund Group	\$18,699,900	\$18,699,900
Subtotal	\$18,699,900	\$18,699,900
Grand Total All Budget Fund Groups	\$3,972,019,091	\$3,833,131,082

Department of Transportation

Jonathan Lee, Senior Budget Analyst

- Total budget of \$6.3 billion with focus on preservation, safety, and Major/New construction
- New criteria for the Transportation Review Advisory Council (TRAC)
- Use of GARVEE bonds to offset rising inflationary costs and flat fuel tax revenues
- New State Infrastructure Bond Program for aviation, transit, and rail

OVERVIEW

The Ohio Department of Transportation's (ODOT) primary function is to plan, design, construct, and maintain the state's network of highways and bridges. The Department also provides financial and technical assistance to the state's public transit systems, general aviation airports, and railways. The Department has a staff of approximately 6,000 employees located in 12 districts throughout the state, as well as a central office in Columbus. ODOT's primary funding sources include state and federal motor fuel taxes and bonds. The Department also receives funding from the General Revenue Fund (GRF) for nonhighway programs, such as rail, transit, and aviation. These GRF appropriations are provided in the main operating budget bill.

FY 2008-2009 Recommended Budget

The executive recommended budget is \$3.20 billion in FY 2008 and \$3.05 billion in FY 2009. Funding levels in FY 2008 are 10.93% higher than estimated FY 2007 expenditures, and FY 2009 levels are 4.55% less than FY 2008 recommendations.

Under the new Strickland administration, ODOT will focus its efforts on targeting transportation resources to communities that need and desire growth and make Ohio a gateway to international commerce and a hub for the nation's freight. Overall, the recommended budget will provide the necessary funding for routine highway operations such as snow and ice control, preserve the existing system of pavements and bridges, reduce crashes throughout the state, and maintain ODOT's long range Major/New construction program.

Budget Environment

ODOT's budget request was crafted in an environment of rising construction costs as well as flat, and potentially declining, state and federal motor fuel taxes revenues. ODOT predicted it was facing nearly \$1 billion in added costs from these factors. That said, since the last transportation budget and in designing its new FY 2008-2009 budget ODOT had to evaluate where it could continue to trim its programs to deal with the rising costs and limited federal dollars while still maintaining its long-term construction goals. For starters, since the last budget, ODOT examined its programs for any costs savings. First ODOT looked for any savings in its Operating Program since savings in its System Preservation program was limited. Secondly, ODOT decided not to reduce Safety, Miscellaneous Statewide programs, or other small programs since limited cost savings could be achieved in these areas. Thirdly, to deal with reduced federal motor fuel tax revenue ODOT, in agreement with local governments, decided to reduce discretionary funding in federal pass-through dollars. Various project cuts and delays were also part of the equation. Finally, ODOT decided to use more bonding and borrow at low interest rates in an environment of high inflation for construction materials. Even with these

changes, ODOT will still likely achieve its goal of maintaining an annual \$500 million Major/New construction budget through 2015.

Recent transportation budgets have increased the state motor fuel tax, and most recently have been used to start an ambitious Major/New construction program. ODOT's last budget, Am. Sub. H.B. 68, which provided funding for the FY 2006-2007 biennium, was the start-up of the Taft administration ten-year, \$5 billion Major/New construction program, called the Jobs and Progress Plan. On the federal side, Congress passed the much anticipated federal transportation bill, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU), which provided nearly \$6 billion in new federal dollars from 2005 to 2009. This federal legislation was approved in July 2005.

All this was in contrast to earlier transportation budgets. During the FY 2004-2005 period, for example, ODOT was facing a diminishing Major/New program and limited state motor fuel taxes revenue to support basic operations and preservation. To combat the problem, the General Assembly approved a 6-cent increase in the state motor fuel tax from 22 cents to the current 28 cents. During that same budget, the State Highway Patrol was phased off the gas tax with replacement funding through increased motor vehicle fees. The revenue previously allocated to the Patrol was then transferred to local governments to support declining road and bridge programs.

Budget Basis

ODOT's recommended budget for the FY 2008-2009 period is based on the following spending plan shown below. (Though this is only a snapshot of two fiscal years, ODOT's Pro Forma budget is forecasted from 2005 to 2015.) The table shows how much state and federal revenue ODOT anticipates over the biennium; how much of this revenue will go to debt service; the Department's estimated spending for each of its programs (excluding rail, transit, and aviation); the difference in revenues and expenditures; and the bonding needed to make up the difference. The Governor's recommended budget largely mirrors this spending plan.

Table 1. ODOT Budget Pro Forma for FY 2008-FY 2009 (in millions)		
	FY 2008	FY 2009
Revenue Sources		
State Motor Fuel Tax Revenue	\$1,103	\$1,100
Other State Revenues	\$163	\$163
State Bond Debt Service	(\$198)	(\$199)
State Portion of GARVEE Debt Service	(\$9)	(\$19)
State Revenue Used to pay debt service	(\$207)	(\$217)
TOTAL State Revenue	\$1,059	\$1,407
TOTAL Federal Revenue	\$1,304	\$1,312
Federal Portion of GARVEE Debt Service	(\$111)	(\$136)
Federal Revenue Available for Programs	\$1,193	\$1,176
TOTAL State and Federal Revenue	\$2,252	\$2,224
Program Expenditures		
TOTAL Operating Costs	(\$755)	(\$777)
TOTAL Pavement Programs	(\$561)	(\$591)
TOTAL Bridge Program	(\$239)	(\$248)
TOTAL Safety Program	(\$75)	(\$76)

	FY 2008	FY 2009
TOTAL Statewide Programs	(\$171)	(\$172)
TOTAL Local Programs	(\$292)	(\$295)
TOTAL Major/New	(\$747)	(\$588)
TOTAL Highway Construction Costs & Operating Costs	(\$2,840)	(\$2,747)
Difference in Revenue vs. Expense	(\$588)	(\$523)
Bond Funding		
Estimated State Bonds Required	\$111	\$112
Estimated Federal Bonds Required	\$436	\$370

Funding Distribution

By Fund Group

Focusing on the recommended budget, the Department's total budget is divided among five fund groups. Table 2 below displays the recommendations for these fund groups and the percentage each fund group is of the total budget. The Highway Operating Fund (motor vehicle fuel and highway use taxes) provides the majority of operating and capital support for the agency's programs. The Infrastructure Bank Obligations Fund Group and the Highway Capital Improvement Fund Group receive state and federal bond appropriations. Lastly, the appropriations to the State Special Revenue Fund Group and Federal Special Revenue Group support aviation and rail operations. More discussion on each of these fund groups is below.

Fund Group	FY 2008	% of Total Budget	FY 2009	% of Total Budget	Biennium Total
Highway Operating Fund Group (Fund 002)	\$2.547 billion	79%	\$2.551 billion	82%	\$5.098 billion
Infrastr. Bank Oblig. Fund Group (Fund 045)	\$450 million	14%	\$400 million	13%	\$850 million
Highway Cap. Improv. Fund Group (Fund 042)	\$200 million	6%	\$100 million	3%	\$300 million
State Spec.Rev. Fund Group (Funds 4N4 & 5W9)	\$3.4 million	1%	\$3.4 million	1%	\$6.8 million
Federal Special Rev. Fund Group (Fund 3B9)	\$10,000	<1%	\$10,000	<1%	\$20,000
TOTAL	\$3.2 billion	100%	\$3.1 billion		\$6.3 billion

The Highway Operating Fund Group (Fund 002)

The Highway Operating Fund Group (Fund 002) contains the lion's share of the Department's line items. Revenues to the fund include state and federal motor fuel tax revenues, local government participation, vehicle registration fees, interest income, and other miscellaneous revenues. ODOT forecasts very conservative growth to the fund over the biennium due to flattening state and federal motor fuel tax revenues. The cash balance in the fund over the biennium will likely remain between \$350 million to \$550 million to account for encumbered dollars for projects extending several years into the future.

Infrastructure Bank Obligations Fund Group (Fund 045)

This fund group, consisting of one appropriation item, 772-428, Highway Infrastructure Bank-Bonds, receives proceeds from Grant Anticipated Revenue Vehicles (GARVEE) bonds issued against and

retired with ODOT's federal highway revenues. All of GARVEE bond revenues will be allocated to the Major/New program over the biennium. In the past, ODOT has used GARVEE bonds to finance unusually large construction projects such as the Spring-Sandusky interchange and the Maumee River Crossing Bridge. New in FY 2008, the debt service on these bonds will be paid out of the Highway Operating Fund (Fund 002). Also, note that though the fund group and the appropriation item reference the "Infrastructure Bank" they actually have nothing to do with the State Infrastructure Bank Bond and Loan Program.

Highway Capital Improvement Fund Group (Fund 042)

This fund group also consists of one appropriation item, 772-723, Highway Construction-Bonds. This fund was established in 1996 as a result of Section 2m, Article VIII of the Ohio Constitution. Revenues to the fund consist of state bond sales, premiums, and interest income. The debt service on the state bonds is paid from motor fuel tax revenues from the Highway Operating Fund (Fund 002). Section 203.20 of the bill authorizes the state to issue up to \$290 million in general obligation bonds to finance highway projects. Similar to GARVEE bonds, ODOT uses state highway bonds to finance large construction projects so as not to tie up cash.

Other Fund Groups

The State Special Revenue Fund Group and the Federal Special Revenue Fund group make up less than 1% of the Department's total budget. These fund groups contain line items supporting rail and aviation. In the past, these several line items supporting these modes were appropriated in the main operating bill rather than the transportation bill.

By Program Series

Most of ODOT's budgeted resources go to programs in the Highway Construction series. As always, pavement and bridge construction will continue to be ODOT's biggest outlay over the biennium. Table 3 below shows the recommended budget by program series.

Table 3. Budget by Program Series					
Program Series (PS)	FY 2008	% of Total Budget	FY 2009	% of Total Budget	Biennium Total
Planning & Research (PS 1)	\$50.7 million	2%	\$51.9 million	2%	\$102.6 million
Highway Construction (PS 2)	\$2.95 billion	92%	\$2.80 billion	91%	\$5.75 billion
Public Transportation (PS 3)	\$36.2 million	1%	\$39.1 million	2%	\$75.3 million
Rail Transportation (PS 4)	\$17.8 million	.5%	\$17.8 million	.5%	\$35.6 million
Aviation (PS 5)	\$14.2 million	.5%	\$15.8 million	.5%	\$30 million
Program Management (PS 6)	\$131 million	4%	\$126 million	4%	\$257 million
TOTAL	\$3.2 billion	100%	\$3.1 billion	100%	\$6.3 billion

By Object of Expense

Most of ODOT's expenditures over the biennium will be for capital improvements and personnel costs. ODOT estimates its capital program will be about \$2.37 billion in FY 2008 and \$2.17 billion in FY 2009. The Department's personnel expenses over the biennium are estimated to increase 5% from FY 2008 to FY 2009 due to pay increases and scheduled healthcare increases. Table 4 below shows the budget by object of expense.

Object of Expense	FY 2007 (est.)	FY 2008 (rec.)	% Change	FY 2009 (rec.)	% Change
10 – Personal Services	\$446 million	\$452 million	1.3%	\$473 million	4.6%
13 – Purchased Services	\$19 million	\$14.1 million	-25.5%	\$14.6 million	3.8%
20 – Maintenance	\$170 million	\$128.8 million	-24.4%	\$131.6 million	2.1%
30 – Equipment	\$38 million	\$35.8 million	-5.4%	\$36 million	.6%
50 – Subsidy	\$32 million	\$30 million	-6.3%	\$35 million	16%
70 – Capital Improvements	\$2.02 billion	\$2.37 billion	18%	\$2.17 billion	-8.4%
90 – Transfer and Other	\$159.9 million	\$160.8 million	.56%	\$185.6 million	15.4%
TOTAL	\$2.88 billion	\$3.20 billion	11%	\$3.05 billion	-4.6%

By Priority

The Department's \$6.25 billion biennial budget will be spent according to ODOT's business plan. As usual, the first priority of the plan will be to fund routine operations such as payroll, salt for snow and ice control, and routine road maintenance, and its last priority is to fund new system capacity projects, also known as Major/New construction. Several programs and budget priorities lie in between.

Priority	Function	Function Description	Total Amount Budgeted
#1	Routine Operations	Routine roadway maintenance, signal maintenance, guard rail repair, pavement marking, sign replacement, snow and ice removal	\$1.53 billion
#2	System Preservation	Pavement resurfacing, bridge repair and replacement	\$1.64 billion
#3	Safety	Intersection improvements, traffic signal updates, turn lanes, other roadway modifications	\$151 million
#4	Miscellaneous Statewide	Railroad warning devices, rest areas, noise walls, Amish buggy lanes, and park road paving projects	\$343 million
#5	Local Programs	Allocation to Metropolitan Planning Organizations, county bridge and paving projects	\$587 million
#6	Major/New Construction	Highway capacity additions	\$1.34 billion

Source: ODOT's Business Plan 2006 & 2007 - Addendum and 2005-2015 Highway Funding and Program Forecast.

Staffing Levels

ODOT's workforce totals approximately 6,000 employees. Overall, staffing levels have been consistent since 2002. Table 2 below shows ODOT's staffing levels from 1994 to 2006. Thirty percent of ODOT's workforce consists of employees in the Highway Technician Series (1,826). The remaining workforce consists primarily of Transportation Engineers (551), Transportation Managers (330), Highway Maintenance Workers (325), Auto Technicians (166), and Project Inspectors (149). The recommended budget assumes the same staffing levels as in FY 2006 for FY 2008 and FY 2009.

Summary of FY 2008-2009 Budget Issues

Highway Construction Cost Inflation

Since the last transportation budget, the Department has experienced large inflationary increases in construction costs and lower than expected state and federal motor tax revenues. Rising energy prices since 2003 have increased the cost of construction materials. Construction costs began increasing steadily from 2003 to early 2006. Overall, since 2001 ODOT reports that costs have risen nearly 30% for materials such as aggregate, steel, cement, and asphalt. Furthermore, rising diesel fuel prices have increased costs for excavation, earth moving, grading, and hauling.

Despite the rise in highway construction materials costs, ODOT's FY 2008-2009 budget recommendation should allow the Department to stay on track with the previous administration's Jobs and Progress Plan, a ten-year, \$5 billion Major/New construction program that provides \$500 million annually from 2005 to 2015 for new highway capacity. Under the original plan, the \$500 million annually would come from \$250 million in federal highway dollars each year, an average of \$180 million in state motor fuel tax revenues, and roughly \$70 million each year from bond proceeds.

Because of the effects of inflation on material costs eroding ODOT's purchasing power, coupled with the Department's long-range Major/New construction goals and other priorities, ODOT will have to allocate some of the dollars allocated to its Major/New program to fund routine operations and basic system preservation. The amount of necessary funds that will be taken away from the Major/New

ODOT District	1994	1996	1998	2000	2002	2004	2006
Central Office	1,484	1,262	1,131	1,004	1,025	1,050	1,048
District One	409	403	384	366	367	362	362
District Two	465	427	412	391	393	393	393
District Three	490	468	449	413	422	415	415
District Four	645	597	551	483	520	518	519
District Five	441	416	390	372	374	360	360
District Six	552	529	503	473	522	523	523
District Seven	525	493	478	439	453	450	450
District Eight	649	585	516	462	456	453	453
District Nine	466	416	368	329	345	345	346
District Ten	444	401	378	357	360	368	368
District Eleven	477	445	398	364	344	344	344
District Twelve	607	568	478	434	450	450	450
Totals	7,654	7,010	6,436	5,887	6,031	6,031	6,031

program is about \$460 million over the next few years. After these funds are taken from the Major/New program, the program will still need to make up the \$460 million loss, plus account for its own increases for projects already committed by the Transportation Review Advisory Council (TRAC). This amount totals an extra \$700 million. In all, since the last budget the Department estimates inflationary costs have resulted in added expenses upwards of \$1.16 billion.

In an effort to combat rising prices, inflation, and uncertain revenue streams, the Department has developed a strategy that has partly been in effect since 2005 and 2006. First, the Department has, and will continue, cutting operating costs from 2007 to 2012 by lowering payroll costs, changing the way they manage facilities and equipment, and by cutting back on federal research. This is estimated to save approximately \$105 million. The Department also plans to increase its level of bonding to raise \$600 million for Major/New projects. The remaining \$460 million has already started to be addressed through delaying several projects through the 2007-2012 time period.

More Bonding in the Highway Construction Program

GARVEE Bonds. As previously noted above, to offset a portion of the cost of increased construction material costs as well as cover Major/New projects and other program needs, ODOT's recommended budget provides additional bond appropriations over and above previous forecasts. ODOT's rationale for using more bonds is that the overall inflation rate applied to construction materials is likely to exceed the interest rate of bond debt. From ODOT's analysis, using the assumption that construction inflation would be 5% in 2007 and 4% for every year following, and with a borrowing interest rate of approximately 3.9%, total present value interest costs from bonds issued in 2007 would be less than the present value of construction inflation by 2012.

Within this contract, the Department is proposing using \$600 million worth of federal GARVEE bonds over a three-year period in 2007, 2008, and 2009. GARVEEs are supported by anticipated future federal revenues. The GARVEEs will increase ODOT's federal debt service ceiling from 10% of available federal funding to 15%. The Department anticipates using a total of \$436 million of GARVEE bond appropriations in FY 2008 and \$370 million in GARVEE bond appropriations in FY 2009. This is why appropriation item 772-428, Highway Infrastructure Bank-Bonds (Fund 045) was recommended to receive \$450 million in FY 2008 and \$400 million in FY 2009.

ODOT estimates the \$600 million issuance in GARVEE bonds would cover the \$700 million in inflationary costs to the Major/New program described above, by providing about \$750 million from FY 2008 to FY 2010, plus providing an additional \$400 million each year from FY 2010 to FY 2020.

State Highway Bonds. The bill also contains \$290 million in state bonding authority over the biennium. However, the \$290 million in issuance authority is related to state bonds only, not GARVEE bonds. For state bonds, ODOT asked for \$300 million in appropriations and \$290 million in issuance authority. The \$10 million difference is due to the fact that ODOT estimates earning \$10 million of investment income on the bond issuance proceeds over the biennium and the bonding authority in the bill only applies to how much ODOT plans to issue. On the state side, ODOT's policy of 20% debt service to available state revenues would remain the same.

Note that there is a difference between issuing bonds and using bond appropriations. Bond appropriations are used to encumber projects. The use of issuing authority, the \$290 million, is not used until the cash is needed to pay out projects. In other words, the use of the \$290 million in authority would cover the costs of projects that were programmed and in progress since 2007, 2006, 2005, or earlier.

Current State Debt. To provide perspective on the whole bonding picture, as of the end of December 2006 ODOT had outstanding debt (principal and interest) of approximately \$1.5 billion. The table below displays the total outstanding debt on both state bonds and GARVEE bonds.

	State Bonds	GARVEE Bonds	Total
Principal	\$831.0 million	\$454.0 million	\$1.25 billion
Interest	\$133.2 million	\$77.5 million	\$210.7 million
Total	\$964.2 million	\$531.5 million	\$1.49 billion

Potential Growth Changes in State and Federal Motor Fuel Tax Revenues

In addition to inflationary considerations, revenues from the state and federal motor fuel tax are also an issue affecting ODOT's budget over the biennium.

State Motor Fuel Tax

The 28-cent state motor fuel tax comprises nearly 85% of the total state revenue ODOT receives. ODOT's portion of the tax, 16.97 cents, provides roughly \$1.1 billion in revenue for the Department. In the FY 2006-2007 biennium ODOT had assumed a 1% growth in the motor fuel tax, but for the FY 2008-2009 biennium ODOT assumes a 0% growth rate. From these state motor fuel tax revenues, ODOT will use a portion to pay down the debt service on bonds. Due to ODOT's projected flat growth in motor fuel tax revenues, coupled with the fact that additional GARVEE bonds may be issued by ODOT, state bond debt service may decline somewhat in the out years.

Federal Motor Fuel Tax

Similar to ODOT's state motor fuel tax projects, federal motor fuel tax revenues coming to ODOT are also based on a slow growth assumption. Each fiscal year, ODOT receives roughly \$1.2 billion in federal funding. Over the past few years federal revenue has grown about 5% annually. Starting in FY 2008 ODOT predicts federal revenues to decline until 2010 then possibly grow roughly 1% annually to 2015. So far, federal funding to the states is currently set through 2009. ODOT notes that the federal highway trust fund could potentially be insolvent by 2009 or 2010 due to funds being spent faster than revenue is being generated.

However, for both state and federal revenues, the Department's policy in the past has been if additional state and federal motor fuel tax revenue come in above estimates the surplus would go to decreasing bond funding. Whether this same policy will continue in the new administration is unknown. Furthermore, an estimate of the future revenue of state and federal motor fuel tax revenues is uncertain, though not likely to waver significantly.

Highway Operating Fund to Pay GARVEE Bond Debt Service

Section 5735.05 of the bill permits state motor fuel tax revenues to be used to pay the principal and interest on GARVEE bonds used to fund Major/New construction projects. In the past GARVEE debt service payments have been paid with 100% federal dollars out of ODOT's federal debt service fund (Fund 214). However, beginning in FY 2008 the debt service payments on GARVEE debt issuances from FY 2007 and beyond will be split 80% federal, 20% state. To accommodate this change the recommended budget zeros out Fund 214 and creates a new federal GARVEE debt service line item (772-438) within the Highway Operating Fund (Fund 002). A balance of approximately \$70 million from Fund 214 will be transferred to Fund 002.

The table below shows the recommended amount of debt service appropriated to these new line items to pay down new GARVEE bonds. These debt service levels are based on GARVEE issuances of \$200 million in FY 2008 and \$360 million in FY 2009.

	FY 2008	FY 2009
State Share of Debt Service (ALI 772-437)	\$10.3 million	\$19.2 million
Federal Share of Debt Service (ALI 772-438)	\$113.9 million	\$139.0 million
Total GARVEE Debt Service	\$124.2 million	\$158.2 million

Toll Revenue Credit. ODOT notes that the change from GARVEEs being backed by 100% federal to an 80% federal, 20% state split is due to a decline in Toll Revenue Credit (TRC) received by the state from the revenues generated by the Ohio Turnpike that are used by the Commission to build and improve its infrastructure. Revenues built up largely in the 1990s due to the expansion of lanes and major infrastructure improvements along the Turnpike. Since the improvements have been completed, the available balance of ODOT's credit has continued to decline. The credit is not cash but a special budgeting mechanism that provides a "credit" allowing federal funding to be spent at 100%.

Both ODOT and local governments use the credit. Local governments used this credit toward their 20% share of matching dollars primarily for federally earmarked projects. The 20% nonfederal share is paid from the TRC balance. As the balance continues to decline local governments will have to increase their local participation for projects. ODOT also uses this credit to pay down part of GARVEE debt and finance special projects. As of December 2006, ODOT has used approximately \$85 million of TRC for GARVEE debt service. The current balance of the TRC is approximately \$28 million, down from a total credit amount of nearly \$1 billion earned from 1992-2001. The \$28 million balance will be needed to close out projects with TRC commitments or be available for special needs. Essentially, the continued decline of the TRC will limit spending flexibility for the state and local governments.

Changes to the TRAC

Section 5501.10 of the bill requires the Department of Transportation to revise its policy for classifying and prioritizing new construction planning. The bill requires prioritization of projects that promote economic development, encourage infrastructure and airport preservation and rehabilitation, expand public transportation capacity, reduce traffic congestion in urban areas, improve rail freight services, enhances safety, and reflect local community requests in land use decisions. Currently it is unknown how this change will affect the current process of project selection. Tier I TRAC commitments over the biennium are \$669 million in FY 2008 and \$579 million in FY 2009.

TRAC Background. Major/New construction projects are selected by the Transportation Review Advisory Council. The TRAC was established in 1997 at the request of ODOT. Major/New projects are those which cost ODOT more than \$5 million and do one or more of the following: increase mobility, provide connectivity, increase the accessibility of a region for economic development, increase the capacity of a transportation facility, or reduce congestion. Nontraditional projects such as intelligent transportation systems, share ride facilities, and freight rail infrastructure are also selected through TRAC. Project selection is based on projects meeting several different criteria and being awarded a certain level of points. ODOT's Division of Planning conducts technical analyses of projects to provide TRAC with recommended transportation scores. Projects points are based on how well the project contributes to transportation efficiency, safety, and economic development. Projects are then organized into a construction program and ranked either as tier I, tier II, or tier III projects. Tier I projects are those recommended for construction during the upcoming four-year construction period. Tier I projects exceed

the available funding for Major/New construction by no more than 20% over the four-year period. Tier II projects comprise the projects under development beyond the four-year planning horizon. These are ready projects waiting for additional funding to become available. By placing projects in tier II, TRAC is not obligated to fund that project sometime in the future. Tier III projects are those reviewed by TRAC but are not recommended for further development due to lack of funding, low scores, or excessive cost.

Environmental Policy Act Pilot Program

The bill authorizes the Director of Transportation and the U.S. Secretary of Transportation or other appropriate official or agency of the United States to enter into agreements so that the Director of Transportation may perform environmental reviews, consult, make decisions, assume specified responsibilities of the Secretary, and take other necessary actions pursuant to the agreement.

These provisions of the bill correspond to the provisions of Section 6005 of the most recent federal surface transportation authorizing legislation – the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU (Pub. L. 109-59, 119 Stat. 1144). Section 6005 of SAFETEA-LU establishes a pilot program that allows five states, including Oklahoma, Texas, Alaska, California, and Ohio, to assume the responsibilities of the Secretary of Transportation for implementation of the National Environmental Policy Act (NEPA) (42 U.S.C. 4321-4347) for one or more highway projects. The goal of the pilot program is to test environmental streamlining opportunities. Whenever a state assumes the Secretary's responsibilities under this program, the state becomes solely responsible and solely liable for carrying out, in lieu of the Federal Highway Administration, the responsibilities it has assumed, including coordination and resolution of issues with federal environmental resource and regulatory agencies and responding to litigation.

The Ohio Department of Transportation reports that all responsibilities to implement the pilot program will be handled with current staff and within ODOT's current budget. No additional resources will be needed at this time. The Department may experience additional arbitration and/or litigation costs if a case or cases are brought forth regarding the implementation of the NEPA. The magnitude of these potential costs are uncertain. Any costs would likely be drawn from the Highway Operating Fund (Fund 002).

California's experience suggests that the pilot program may eliminate four to six months worth of delays usually associated with the processing of environmental impact statements, resulting in an estimated savings of approximately \$23 million. Whether or not similar savings may occur in Ohio is unknown. Any savings to Ohio may be in the form of faster processing of environmental impact statements and decreased delays in construction contracts.

Business Logo Program

The Director of Transportation, in accordance with federal law, is required to maintain a program for the placement of business logos for identification purposes on state directional signs within the rights-of-way of divided, multi-lane, limited access highways in both rural and urban areas. All direct and indirect costs of the business logo sign program are paid by the businesses applying for participation in the program. The participating businesses pay the costs to design and manufacture the sign, and ODOT pays for erection and maintenance of the sign. The bill allows the Director of Transportation to approve the participation of qualified attractions in the business logo sign program. These qualified attractions may include things such as small town museums, historic monuments, and unique points of interest. Any additional costs to ODOT such as modification and maintenance to the signs will be paid for by the business participating in the program. The Department anticipates any additional state costs to be negligible.

Evaporation Discount For Fuel Dealers/Retailers

The bill makes changes to the tax base under the motor fuel tax (MFT). Specifically, the bill reduces the number of gallons of motor fuel that a motor fuel dealer may claim as a shrinkage allowance from 3% of total gallons handled to 1% for fiscal years 2008 and 2009. Similarly, the number of gallons for which a retail dealer of motor fuel may claim a refund as compensation for shrinkage is temporarily reduced from 1% to 0.65%. Both provisions have the effect of increasing the MFT tax base.

Current law requires motor fuel dealers (*i.e.*, wholesalers) to report and pay the MFT on the number of gallons of taxable fuel handled, but allows them to subtract 3% of those gallons as an allowance for shrinkage. Similarly, retail dealers of motor fuel are permitted to apply for a refund under the tax based on 1% of the gallons that they handle on which tax has been paid.¹ Retail dealers in motor fuel do not pay the MFT directly, but they purchase fuel from wholesalers who have paid the tax. The price that retailers pay to wholesalers therefore includes the MFT.

In the FY 2006-2007 budget act, temporary changes were made to both shrinkage allowances. It reduced the 3% allowance for dealers to 2.5% for FY 2006 and 1.95% for FY 2007, and it reduced the 1% allowance for retailers to 0.83% in FY 2006 and 0.65% in FY 2007. All these reductions were contained in an uncodified section of the bill (section 557.09.07), so that in the absence of any action by the General Assembly, the shrinkage allowance for dealers would revert to 3% beginning July 1, 2007, and the allowance for retailers would revert to 1% on that date.

Reducing the shrinkage allowance increases revenue to several state funds and to counties, municipalities, and townships for highway-related projects. The increased revenue results from an increase in the amount of tax paid by dealers due to an effective increase in the number of gallons that are taxable under the MFT. The amount of revenue involved is approximately \$36 million.

Of the increased revenue, the bill would provide that \$19.2 million be transferred to the Highway Safety Fund (Fund 036) in each year of the 2008-2009 biennium, to support funding needs of the Highway Patrol. The distribution of the remaining revenue, or approximately \$17 million, is as follows:

- 1% goes to the Department of Natural Resources (0.875% to the Waterways Safety Fund and 0.125% to the Wildlife Boater Angler Fund);
- 0.275% goes to the Department of Taxation;
- Approximately 71.3% goes to the Department of Transportation;
- Approximately 23.8% goes to counties, municipalities, and townships for highway-related projects; and
- Approximately 3.6% goes to the Public Works Commission for use in the Local Transportation Infrastructure Program.

Overall, the Department is likely to see an increase of \$12 million each fiscal year of the biennium as a result of the provision. The \$24 million total will support ODOT's existing maintenance and construction programs.

¹ Although dealers are permitted to claim a 3% allowance on other taxable gallons, they are permitted to claim just a 2% allowance on taxable gallons sold to a retailer. Together with the 1% refund that a retailer may claim, that makes the total allowance on gallons sold to retailers 3%, matching the allowance on other taxable gallons.

Safe Routes to Schools Program

The bill provides funding for the new Safe Routes to Schools Program. This program enables communities to make walking and bicycling to school a safe and routine activity for school children. Federal funding from the recent federal transportation bill, SAFETEA-LU, created the program and provides ODOT with \$19 million in federal gas tax moneys over a four-year period. The funding will provide for infrastructure improvements such as sidewalk construction and repair, pedestrian and bike paths, crosswalks, traffic calming devices, bike racks, and educational activities. Letters of interest for ODOT's first round of funding began January 1, 2007. Approximately \$3 million will be available the first half of 2007 to make it safer and appealing for children in kindergarten through eighth grade to walk or ride their bikes to school. The program will provide approximately \$5 million of funding a year through 2009 and thereafter.

New State Infrastructure Bank Bond Program

The State Infrastructure Bank Loan Program provides a resource for local government entities to access to fund highway, transit, rail, and aviation projects on top of current state grants and federal allocations available. The SIB program is considered an innovative financing method by the Federal Highway Administration (FHWA) and serves as a way to move projects forward that otherwise may be delayed due to limited local transportation funds. Funding for the program was provided in the initial capitalization of the SIB - \$87 million in federal funds, \$40 million in GRF funds, and \$10 million in motor fuel tax revenues. The moneys from the initial capitalization allow the whole SIB program to serve as a revolving loan program. The bill contains several appropriations that are used to provide low interest rate loans to local governments to either fund projects at 100% or to match available federal funding.

The recommendations also provide several appropriations for transit, rail, and aviation as part of a new SIB bond program. Ohio's State Transportation Infrastructure Bond Fund (STIBF) is a bond program that allows bonds to be issued as needed, on a project-by-project basis. Projects can range from \$2 million to \$20 million and do not require any additional state resources. The program is expected to generate an additional \$100 to \$150 million of financing for transportation projects in Ohio. Eligible projects include highway, transit, airports, waterway, roads, bridges, railroad, and any other transportation infrastructure projects. It is expected the bond fund program will be utilized by cities, towns, villages, port authorities, and other political subdivisions or public agencies in order to achieve a lower cost of capital. Depending upon the credit quality of the borrower, the bond program can use motor fuel taxes, sales taxes, or income taxes as a revenue pledge.

The state will issue bonds on behalf of the local governments and all bond debt service is paid by the local governments to the bond trustee. The bill includes appropriation items 772-429, Highway Infrastructure Bank-Local; 772-432, Roadway Infrastructure Bank-Local; 775-408, Transit Infrastructure Bank-Local; and 777-478, Aviation Infrastructure Bank-Local. The appropriations are established in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance ODOT would request the cash from the trustee to support the payment.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the Executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund Group				
Fund 002	770-003	Administration-State-Debt Service	\$10,555,300	\$3,614,700
		<u>Program Series 6: Program Management</u>		
		Program 6.02: Land and Buildings	\$10,555,300	\$3,614,700
Fund 002	771-411	Planning and Research - State	\$20,724,547	\$21,733,301
		<u>Program Series 1: Planning and Research</u>		
		Program 1.01: Planning and Research	\$14,800,000	\$15,506,700
		Program 1.02: Planning and Research Contracts	\$5,924,547	\$6,226,601
Fund 002	771-412	Planning and Research - Federal	\$29,996,363	\$30,264,923
		<u>Program Series 1: Planning and Research</u>		
		Program 1.02: Planning and Research Contracts	\$29,996,363	\$30,264,923
Fund 002	772-421	Highway Construction - State	\$528,722,188	\$504,184,419
		<u>Program Series 2: Highway Construction</u>		
		Program 2.01: Highway Operating	\$163,427,032	\$171,111,779
		Program 2.02: Preservation Pavement and Bridges	\$248,264,305	\$239,596,613
		Program 2.03: Safety	\$14,800,000	\$13,000,000
		Program 2.05: Major/New	\$79,915,881	\$43,180,027
		Program 2.06: Other Construction Programs	\$22,314,970	\$37,296,000
Fund 002	772-422	Highway Construction - Federal	\$1,103,979,148	\$1,086,733,759
		<u>Program Series 2: Highway Construction</u>		
		Program 2.02: Preservation Pavement and Bridges	\$503,041,322	\$584,514,261
		Program 2.03: Safety	\$55,200,000	\$58,280,000
		Program 2.04: Local Government Programs	\$280,592,412	\$284,177,242
		Program 2.05: Major/New	\$90,914,630	\$2,954,502
		Program 2.06: Other Construction Programs	\$174,230,784	\$156,807,754
Fund 002	772-424	Highway Construction - Other	\$106,439,000	\$100,379,155
		<u>Program Series 2: Highway Construction</u>		
		Program 2.04: Local Government Programs	\$106,439,000	\$100,379,155
Fund 002	772-437	GARVEE Debt Service-State	\$10,321,300	\$19,273,500
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$10,321,300	\$19,273,500
Fund 002	772-438	GARVEE Debt Service-Federal	\$113,915,900	\$139,015,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$113,915,900	\$139,015,000
Fund 002	773-431	Highway Maintenance - State	\$403,252,901	\$417,915,187
		<u>Program Series 2: Highway Construction</u>		
		Program 2.01: Highway Operating	\$323,141,629	\$336,551,690
		Program 2.07: Highway Maintenance Programs	\$80,111,272	\$81,363,497

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
Fund 002	775-452	Public Transportation-Federal	\$25,471,589	\$30,391,763
		<u>Program Series 3: Public Transportation</u>		
		Program 3.01: Public Transit Assistance	\$24,031,589	\$28,936,763
		Program 3.04: Technical Assistance	\$1,440,000	\$1,455,000
Fund 002	775-454	Public Transportation-Other	\$1,500,000	\$1,500,000
		<u>Program Series 3: Public Transportation</u>		
		Program 3.01: Public Transit Assistance	\$1,500,000	\$1,500,000
Fund 002	775-459	Elderly and Disabled Special Equipment	\$4,730,000	\$4,730,000
		<u>Program Series 3: Public Transportation</u>		
		Program 3.03: Elderly and Disable Assistance	\$4,730,000	\$4,730,000
Fund 002	776-462	Grade Crossing-Federal	\$15,000,000	\$15,000,000
		<u>Program Series 4: Rail Transportation</u>		
		Program 4.03: Rail-Highway Grade Crossing Safety	\$15,000,000	\$15,000,000
Fund 002	777-472	Airport Improvements-Federal	\$405,000	\$405,000
		<u>Program Series 5: Aviation</u>		
		Program 5.02: Airport Improvement Program	\$405,000	\$405,000
Fund 002	777-475	Aviation Administration	\$5,210,000	\$5,358,100
		<u>Program Series 5: Aviation</u>		
		Program 5.01: Aviation Operating	\$5,210,000	\$5,318,100
Fund 002	779-491	Administration-State	\$120,262,864	\$122,601,493
		<u>Program Series 6: Program Management</u>		
		Program 6.01: Program Management	\$98,262,864	\$100,601,493
		Program 6.02: Program Management	\$22,000,000	\$22,000,000
Fund 212	772-426	Highway Infrastructure Bank - Fed	\$4,303,173	\$4,018,649
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$4,303,173	\$4,018,649
Fund 212	772-427	Highway Infrastructure Bank - State	\$8,268,315	\$10,209,272
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$8,268,315	\$10,209,272
Fund 212	772-429	Infrastructure Bank-Local	\$11,000,000	\$11,499,999
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$11,000,000	\$11,499,999
Fund 212	772-430	Infrastructure Debt Res. Title 23-49	\$1,500,000	\$1,500,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$1,500,000	\$1,500,000
Fund 213	772-431	Roadway Infrastructure Bank - State	\$1,000,000	\$1,000,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$1,000,000	\$1,000,000
Fund 213	772-432	Roadway Infrastructure Bank - Local	\$6,000,000	\$6,000,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$6,000,000	\$6,000,000
Fund 213	772-433	Infrastructure Debt Service-State	\$2,000,000	\$2,000,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.06: Other Construction Programs	\$2,000,000	\$2,000,000
Fund 212	775-408	Transit Infrastructure Bank-Local	\$2,500,000	\$812,685
		<u>Program Series 3: Public Transportation</u>		
		Program 3.05: Transit Infrastructure Bank Loans	\$2,500,000	\$812,685
Fund 213	775-455	Title 49 Infrastructure Bank-State	\$476,485	\$312,795

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		<u>Program Series 3: Public Transportation</u>		
		Program 3.05: Transit Infrastructure Bank Loans	\$476,485	\$312,795
Fund 213	775-457	Title 49 Infrastructure Bank-State	\$500,000	\$312,082
		<u>Program Series 3: Public Transportation</u>		
		Program 3.05: Transit Infrastructure Bank Loans	\$500,000	\$312,082
Fund 213	775-460	Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
		<u>Program Series 3: Public Transportation</u>		
		Program 3.05: Transit Infrastructure Bank Loans	\$1,000,000	\$1,000,000
Fund 213	777-477	Aviation Infrastructure Bank-State	\$2,000,000	\$3,500,000
		<u>Program Series 5: Aviation</u>		
		Program 5.03: Aviation Infrastructure Bank-State	\$2,000,000	\$3,500,000
Fund 213	777-478	Aviation Infrastructure Bank-Local	\$5,996,118	\$6,000,000
		<u>Program Series 5: Aviation</u>		
		Program 5.03: Aviation Infrastructure Bank-Local	\$5,996,118	\$6,000,000
Highway Operating Fund Subtotal			\$2,547,030,191	\$2,551,265,782
Highway Capital Improvement Fund Group				
Fund 042	772-723	Highway Construction-Bonds	\$200,000,000	\$100,000,000
		<u>Program Series 2: Highway Construction</u>		
		Program 2.05: Major/New	\$200,000,000	\$100,000,000
Highway Capital Improvement Fund Subtotal			\$200,000,000	\$100,000,000
Infrastructure Bank Obligations Fund Group				
Fund 045	772-428	Highway Infrastructure Bank-Bonds	\$450,000,000	\$400,000,000
		<u>Program Series 2: Highway Construction</u>	\$0	\$0
		Program 2.05: Major/New	\$450,000,000	\$400,000,000
Infrastructure Bank Obligations Fund Subtotal			\$450,000,000	\$400,000,000
State Special Revenue Fund Group				
Fund 4N4	776-663	Panhandle Reserve Lease Payments	\$762,500	\$763,700
		<u>Program Series 4: Rail Transportation</u>		
		Program 4.02: Rail Development Grant and Loan Program	\$762,500	\$763,700
Fund 4N4	776-664	Rail Transportation-Other	\$2,111,500	\$2,111,500
		<u>Program Series 4: Rail Transportation</u>		
		Program 4.02: Rail Development Grant and Loan Program	\$2,111,500	\$2,111,500
Fund 5W9	777-615	County Airport Maintenance	\$570,000	\$570,000
		<u>Program Series 5: Aviation</u>	\$0	\$0
		Program 5.02: Aviation Improvement Program	\$570,000	\$570,000
State Special Fund Subtotal			\$3,444,000	\$3,445,200
Federal Special Revenue Fund Group				
Fund 3B9	776-662	Rail Transportation-Federal	\$10,000	\$10,000
		<u>Program Series 4: Rail Transportation</u>	\$0	\$0
		Program 4.02: Rail Development Grant and Loan Program	\$10,000	\$10,000
Federal Special Revenue Fund Subtotal			\$10,000	\$10,000
Agency Total Funding			\$3,200,484,191	\$3,054,720,982

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Transportation Planning and Research

Purpose: The following table shows the line items that are used to fund the Transportation Planning and Research program series as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund				
002	771-411	Planning and Research-State	\$20,724,547	\$21,733,301
002	772-412	Planning and Research-Federal	\$29,996,363	\$30,264,923
Total Funding: Transportation Planning and Research			\$50,720,910	\$51,998,224

The following programs are within the Transportation Planning and Research program series:

- **Program 1.01 – Planning and Research Operating**
- **Program 1.02 – Planning and Research Contracts**

Program 1.01 – Planning and Research Operating

Program Description: This program covers payroll, supplies, and equipment expenses for 145 FTEs involved in planning and research operations.

Funding Sources: State motor fuel tax revenues (100%)

Line Items:

Line Item	FY 2008	FY 2009
771-411, Planning and Research-State	\$14,800,000	\$15,506,700
Planning and Research Operating Total	\$14,800,000	\$15,506,700

Implication of Executive Recommendation: The recommendations cover all necessary costs related to payroll, supplies, and equipment associated with the Transportation Planning and Research program series.

Permanent and Temporary Law Provisions

None.

Program 1.02 – Planning and Research Contracts

Program Description: This program provides the capital dollars to support planning and research operations. No operating dollars for personnel, equipment, etc., are included in Program 1.02. Planning and research funds can be used for transportation planning for highways, transit (intercity passenger rail, urban passenger rail, and other transit services), and rail freight. Planning operations include: traffic and roadway monitoring, roadway inventory, local road mileage certification, computer mapping and database development, air quality monitoring, special planning projects, updates to the long-range plan, coordination with Metropolitan Planning Organizations, and review of traffic congestion and travel demand.

Funding Sources: State motor fuel tax revenues (17%) and federal motor fuel tax revenues (85%)

Line Items:

Line Item	FY 2008	FY 2009
771-411, Planning and Research-State	\$5,924,547	\$6,226,601
772-412, Planning and Research-Federal	\$29,996,363	\$30,264,923
Planning and Research Contracts Total	\$35,920,910	\$36,491,524

Implication of Executive Recommendation: The recommendations will allow the Department to accomplish the goals and objectives of this program. Current service levels will be maintained over the biennium. The Department may incur additional expenses throughout the biennium to update their Travel Demand Model software as well as other transportation analysis software. The program will continue to provide emphasis on the necessary planning needed to accomplish the Department's long-term Major/New construction objectives. Recommended funding will also provide for continued efforts related to congestion mitigation, environmental impacts and air quality, updating Access Ohio, continuing freight studies, and assisting Metropolitan Planning Organizations (MPOs) with their travel demand modeling needs.

Permanent and Temporary Law Provisions

None.

Program Series

2: Highway Construction

Purpose: The Highway Construction series consists of several programs that are responsible for the design, purchase of right-of-way, building, and rehabilitation of the highway system. Most projects consist of widening, upgrading, and providing safety improvements to the current system.

The following table shows the line items that are used to fund the Highway Construction Program Series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund				
002	772-422	Highway Construction – Federal	\$1,103,979,148	\$1,086,733,759
002	772-421	Highway Construction – State	\$528,722,188	\$504,184,419
002	772-424	Highway Construction – Other	\$106,439,000	\$100,379,155
002	773-431	Highway Maintenance – State	\$403,252,901	\$417,915,187
002	772-437	GARVEE Debt Service – State	\$10,321,300	\$19,273,500
002	772-438	GARVEE Debt Service – Federal	\$113,915,900	\$139,015,000
042	772-723	Highway Construction – Bonds	\$200,000,000	\$100,000,000
212	772-426	Highway Infrastructure Bank – Fed	\$4,303,173	\$4,018,649
212	772-427	Highway Infrastructure Bank – State	\$8,268,315	\$10,209,272
212	772-429	Highway Infrastructure Bank – Local	\$11,000,000	\$11,499,999
212	772-430	Infrastructure Debt Reserve Title 23 – 49	\$1,500,000	\$1,500,000
213	772-431	Roadway Infrastructure Bank – State	\$1,000,000	\$1,000,000
213	772-432	Roadway Infrastructure Bank – Local	\$6,000,000	\$6,000,000
213	772-433	Infrastructure Debt Reserve – State	\$2,000,000	\$2,000,000
Highway Operating Fund Subtotal			\$2,500,701,925	\$2,403,728,940
Highway Capital Improvement Fund				
042	772-723	Highway Construction – Bonds	\$200,000,000	\$100,000,000
Highway Capital Improvement Fund Subtotal			\$200,000,000	\$200,000,000
Infrastructure Bank Obligations Fund				
045	772-428	Highway Infrastructure Bank – Bonds	\$450,000,000	\$400,000,000
Infrastructure Bank Obligations Fund Subtotal			\$450,000,000	\$400,000,000
Total Funding: Highway Construction			\$3,150,701,925	\$3,003,728,940

The following programs are within the Highway Construction program series:

- **Program 2.01 – Highway Operating**
- **Program 2.02 – Preservation Paving and Bridges**
- **Program 2.03 – Safety**
- **Program 2.04 – Local Government Programs**
- **Program 2.05 – Major/New**
- **Program 2.06 – Other Construction Programs**
- **Program 2.07 – Highway Maintenance Contracts**

Program 2.01 – Highway Operating

Program Description: This program covers the operating costs (payroll, supplies, and equipment) for all ODOT's program series (2.02, 2.03, 2.04, 2.05, 2.06, and 2.07). In past budgets, ODOT prorated its operating costs among all the programs within a series.

Funding Sources: State motor fuel tax revenues (100%)

Line Items:

Line Item	FY 2008	FY 2009
772-421, Highway Construction-State	\$163,427,032	\$171,111,779
773-431, Highway Maintenance-State	\$323,141,629	\$336,551,690
Program Total	\$486,568,661	\$507,663,469

Implication of Executive Recommendation: The recommendations cover all necessary costs related to payroll, supplies, and equipment associated with the Highway Construction program series. In total, over the biennium, \$769 million will go to payroll, \$163 million to supplies and maintenance, \$53 million to equipment, and \$9 million for purchased services. The Department has already directed \$104 million in payroll, research, equipment and facility costs to make up the shortfalls in the Preservation Program and Major/New program.

Permanent and Temporary Law Provisions

None.

Program 2.02 – Pavement Preservation and Bridges

Program Description:

This program provides funds to ODOT districts in order to maintain the existing pavements on two-lane state routes (the General System); interstate routes, freeways, and multi-lane roads (the Priority System); and U.S. and state routes within municipal boundaries (the Urban System). In addition, the program remedies deficiencies in bridge paint condition, wearing surfaces, and deck condition. All of the program's funds over the biennium will be budgeted for capital expenditures, such as: engineering and design services, right-of-way acquisition, utility relocation, construction, and construction inspection. All of the funding allocated to the 12 districts throughout the state is goal driven and based on roadway condition indicators.

Funding Sources: State and federal motor fuel tax revenues and bonds

Line Items:

Line Item	FY 2008	FY 2009
772-421, Highway Construction-State	\$163,427,032	\$171,111,779
772-422, Highway Construction-Federal	\$323,141,629	\$336,551,690
Program Total	\$486,568,661	\$507,663,469

Implication of Executive Recommendation: The recommendations will provide the necessary funding for preservation and replacement of existing pavements and bridges throughout the state.

Specifically, funding will cover all costs associated with design, necessary right-of-way acquisition and utility relocation, and construction and inspections. The Department will continue to follow a pavement preventive maintenance strategy based on regular inspections and track the performance history of all roadways and bridges and identify poorly performing pavements. The program will continue at current levels due to future transfers upwards of \$460 million from the Major/New program to offset rising construction prices and inflation. The Major/New program will use bonds to offset the transfer loss from its program.

Permanent and Temporary Law Provisions

None.

Program 2.03 – Safety

Program Description: This program provides funding for safety projects which contribute to improving safety and reducing the severity, frequency, and rate of crashes on the state highway system and local roads. The program's objectives are to reduce the crash fatality rate per vehicle miles traveled. In the long-term the Department's goals are to see a 10% reduction in crashes by 2015, a 25% reduction in rear-end crashes by 2015, and an overall reduction in fatality rates. Examples of projects include signing, striping, clearing brush, traffic signal coordination, two-way left turn lanes, additional lanes, and other roadway modifications.

Funding Sources: State and federal motor fuel tax revenues and bonds

Line Items:

Line Item	FY 2008	FY 2009
772-421, Highway Construction-State	\$14,800,000	\$13,000,000
772-422, Highway Construction-Federal	\$55,200,000	\$58,280,000
Program Total	\$70,000,000	\$71,280,000

Implication of Executive Recommendation: The recommendations will allow ODOT to maintain its safety and congestion program and identify and improve areas with high crash frequency and severity. Over the biennium the Department will continue funding low cost, short-term measures and monitor the impact on crash reductions.

Permanent and Temporary Law Provisions

None.

Program 2.04 – Local Government Programs

Program Description: This program allocates federal funds for several local government programs. These programs and their estimated budgeted amounts over the biennium are listed in the table below followed by a brief description of each program.

Table 10. Budgeted Amounts to Local Government Programs		
Program Name	Budgeted FY 2008	Budgeted FY 2009
Metropolitan Planning Organizations-Urban	\$176 million	\$178 million
Local Participation	\$96 million	\$89 million

County Bridge and Surface Program	\$58 million	\$59 million
Local Major Bridge Program	\$25 million	\$25 million
Transportation Enhancement Program	\$11 million	\$11 million
Small Cities Program	\$8 million	\$8 million
City Bridge Program	\$8 million	\$8 million
Safe Routes to Schools Program	\$5 million	\$6 million
Total	\$387 million	\$384 million

Metropolitan Planning Organizations-Urban. This program provides funds to each of the 17 Metropolitan Planning Organizations (MPOs) and four large cities for multi-modal transportation system improvement projects and programs in Ohio's urban areas. ODOT sub-allocates a portion of federal Surface Transportation Program (STP) funds each year to urbanized areas with populations over 200,000. ODOT also provides Transportation Enhancement funds to MPOs, and Congestion Mitigation and Air Quality (CMAQ) funds to eligible MPOs based on U.S. EPA air quality criteria. STP funding can be used for a wide variety of multi-modal maintenance, operational, and new construction projects within urban areas.

County Bridge and Surface Program. This program group consists of the County Local Bridge (CLB) program and the County Surface Transportation (CST) program. For both programs the County Engineers Association of Ohio (CEAO) serves as the program manager and is responsible for project selection, funding criteria, and program priorities.

The CLB program provides counties with \$32-\$35 million in federal money annually for bridge replacement or rehabilitation. Each county has a \$5 million federal funding limit for projects within any four-year program period, subject to a six-year statewide programming limit.

The CST program has two components, a regular construction funding program for eligible roadway improvements and a program administered by the Ohio Department of Public Safety (ODPS) for safety studies. The CST program is funded at approximately \$20 million annually, of which \$750,000 is set aside for safety studies. Specific project funding limits under the CST program are: \$200,000 per county for each guardrail project, \$100,000 per county for each pavement marking project, and \$50,000 per county for each raised pavement marker project.

Local Major Bridge Program. This \$25 million annual program provides federal funds to counties and municipalities for bridge replacement or major bridge rehabilitation projects. Funds are for construction only and for local major bridges that carry vehicular traffic. These are defined as moveable bridges or bridges having a deck area greater than 35,000 square feet. Currently, 50 structures have been identified statewide as Local Major Bridges. ODOT will provide up to 80% of the eligible costs for construction only.

Transportation Enhancement Program. This is a federally funded program that provides \$11 million each fiscal year to local governments. The program is designed to preserve historic transportation sites, provide landscaping and other scenic enhancements to local roadways, and add pedestrian bicycle and walking paths throughout Ohio. Generally, local governments outside the boundaries of Metropolitan Planning Organizations are eligible for funding.

Small Cities Program. This is a federally funded program that provides roughly \$8 million each fiscal year to cities with populations between 5,000 and 24,999. Currently, 58 small cities statewide meet

this criterion. This program may be used by incorporated localities for any road, safety, or signal project on the Federal-aid highway system.

City Bridge Program. This program provides approximately \$8 million annually in federal funds for municipal bridge projects. ODOT will provide up to 80% of the eligible costs for construction only. The municipality is responsible for the balance of the construction costs and also for all costs associated with preliminary engineering, environmental studies and documents, final design, and right-of-way. The local match for construction is required to be cash.

Safe Routes to Schools Program. This program enables communities to make walking and bicycling to school a safe and routine activity for school children. Federal funding from the recent federal transportation bill, SAFETEA-LU, created the program and provides ODOT with \$19 million in federal gas tax moneys over a four-year period. The funding will provide for infrastructure improvements such as sidewalk construction and repair, pedestrian and bike paths, crosswalks, traffic calming devices, bike racks, and educational activities. Letters of interest for ODOT's first round of funding began January 1, 2007. Approximately \$3 million will be available the first half of 2007 to make it safer and appealing for children in kindergarten through eighth grade to walk or ride their bikes to school. The program will provide approximately \$5 million of funding a year through 2009 thereafter.

Funding Sources: Federal funds and local government matching funds

Line Items: Note that the line items that support this program are also used to fund other programs within this program series; thus, the figures listed below represent only a portion of the total line item appropriation. Consult the "Master Table" in the preceding section for a complete listing of these line items, the programs they fund, and total recommended appropriations.

Line Item	FY 2008	FY 2009
772-422, Highway Construction-Federal	\$280,592,412	\$284,177,242
772-424, Highway Construction-Other	\$106,439,000	\$100,379,155
Program Total	\$387,031,412	\$384,556,397

Implication of Executive Recommendation: The recommended funding levels match the Department's request levels for this program. It should be noted that due to federal funding dollars coming in lower than expected since 2005, ODOT, in agreement with local governments, has pared down some of the federal discretionary funding it gives to locals.

Program 2.05 – Major/New Construction

Program Description: This program provides funding for projects which increase mobility, provide connectivity, increase the accessibility of a region for economic development, increase the capacity of a transportation facility, and reduce congestion throughout Ohio. Funds are dedicated to Major/New construction only after ODOT assures it is meeting basic system maintenance and operational needs. Once a Major/New project is approved by the Transportation Review Advisory Council (TRAC), the project moves through a series of phases before completion. These phases include planning and engineering; design; right of way acquisition, and construction. Since the Major/New program is funded last on ODOT's list of funding priorities, the program ends up absorbing the brunt of the impact if state and federal revenue decreases or if other program costs increase.

The budget will continue the Department long-range Major/New funding goal of providing a 10-year, \$5 billion Major/New construction program. The program plan is to provide approximately

\$500 million annually from 2006 through 2015 specifically for Major/New construction. This annual program will be made up of a combination of \$250 million in federal highway dollars each year, an average of \$180 million in state motor fuel tax revenues, and roughly \$70 million each year from state bond proceeds.

Funding Sources: State and federal motor fuel tax revenues and bonds

Line Items:

Line Item	FY 2008	FY 2009
772-421, Highway Construction-State	\$79,915,881	\$43,180,027
772-422, Highway Construction-Federal	\$90,914,630	\$2,954,502
772-723, Highway Construction-Bonds	\$150,000,000	\$85,000,000
772-428, Highway Infrastructure-Bonds	\$450,000,000	\$400,000,000
Program Total	\$770,830,511	\$531,134,529

Implication of Executive Recommendation: The recommendations allow for the continued funding of the Major/New construction program, despite limited growth in both state and federal motor fuel tax revenues and the rising costs of construction materials and fuel. These issues were not predicted at the time of the implementation of the previous administration's "Jobs and Progress Plan."

The recommendations include a 181% increase in appropriation item 772-428, Highway Construction Bank-Bonds compared to FY 2007 estimates. This increase will account for the use of grant anticipated revenue vehicle bonds (GARVEEs). With the goal of maintaining the Department long-range Major/New funding program, the Department will use GARVEE bonds as a source of revenue to keep the program solvent. Tier I Major/New projects programmed by the TRAC amount to \$715 million in FY 2008 and \$618 million in FY 2009.

From the Department's perspective, paying a lower debt interest rate on bonds is more fiscally prudent than using additional motor fuel tax revenues due to the erosion of the purchasing power of these revenues. In FY 2007 the interest rate on GARVEE bonds was approximately 3.89% and the interest rate in FY 2006 on state highway bonds was 3.73%.

Permanent Law

Use of Fuel Tax Revenues to Pay Certain Bonds (R.C. 5735.05). The bill permits fuel tax revenues to be used to pay the interest, principal, and charges on major new GARVEE bonds issued by the Treasurer of State on behalf of ODOT for highway construction projects approved by the United States Department of Transportation as federal-aid debt-financed projects. In the past GARVEE debt service payments have been paid with 100% federal dollars out of ODOT's federal debt service fund (Fund 214). However, beginning in FY 2008 the debt service payments on GARVEE debt issuances from FY 2007 and beyond will be split 80% federal, 20% state.

Department of Transportation Construction Planning and Contracting Policy (R.C. 5501.10). The bill also requires ODOT to revise its policy for classifying and prioritizing new construction planning to require prioritization of projects that promotes economic development, encourages infrastructure and airport preservation and rehabilitation, expands public transportation capacity, reduces traffic congestion in urban areas, improves rail freight services, enhances safety, and reflects local community requests in land use decisions. Currently, it is unknown how this change will effect the current process of project

selection. Tier I TRAC commitments over the biennium are \$669 million in FY 2008 and \$579 million in FY 2009.

Temporary Law

Bond Issuances (Section 203.20). This provision authorizes the issuance of \$290 million in state obligation bonds for highway purposes. In the last transportation budget act (Am. Sub. H.B. 87 of the 125th General Assembly), \$360 million was authorized. Similar to the last transportation bill, this is reoccurring temporary language.

Transfer of Highway Operating Fund Appropriations (Section 203.40). This provision would allow the Director of Budget and Management to approve requests for the transfer of appropriations between various line items within the Highway Operating Fund (Fund 002) to cover unforeseen costs and optimize the use of federal funds. Similar to the last transportation bill, this is reoccurring temporary language.

Transfer of Appropriations – Federal Highway and Federal Transit (Section 203.40). This provision would allow the Director of Budget and Management to approve requests for the transfer of appropriations between line items 772-422, Highway Construction-Federal and 775-452, Public Transportation-Federal within the Department to meet federal highway funding guidelines. Similar to the last transportation bill, this is reoccurring temporary language.

Increase Appropriation Authority – State Funds (Section 203.40). This provision would allow the Director of Transportation to request additional appropriation authority to the Highway Operating Fund in the event that revenues exceed estimates. Similar to the last transportation bill, this is reoccurring temporary language.

Increase Appropriation Authority – Federal and Local Funds (Section 203.40). This provision would allow the Director of Transportation to request additional appropriation authority for the Highway Operating Fund. The increase would be necessary in the event that revenues exceed estimates or apportionments or allocations made available from the federal government that exceed the estimates for local projects. Similar to the last transportation bill, this is reoccurring temporary language.

Reappropriations (Section 203.40). This provision specifies that appropriations to the Highway Operating Fund, the Highway Capital Improvement Fund, and the Infrastructure Bank funds that remain unencumbered at the end of FY 2007 and FY 2008 (and any prior year appropriations) automatically be reappropriated for FY 2008 and FY 2009, respectively. Similar to the last transportation bill, this is reoccurring temporary language.

Liquidation of Unforeseen Liabilities (Section 203.50). This provision would authorize any appropriations to the Highway Operating Fund to be used to liquidate unforeseen liabilities arising from contractual agreements of prior years. Similar to the last transportation bill, this is reoccurring temporary language.

Maintenance Interstate Highways (Section 203.30). This provision authorizes ODOT to provide maintenance on interstate highways located within the bounds of municipal corporations, and to reimburse municipal corporations for their costs in providing such maintenance if ODOT has an agreement with a municipal corporation. Similar to the last transportation bill, this is reoccurring temporary language.

Program 2.06 – Other Construction Programs

Program Description: This program series contains several different programs. A list of the several programs in this program series is provided in the table below.

Table 11. Budget Amounts for Other Construction Programs		
Program Name	Budget FY 2008	Budget FY 2009
GARVEE Debt Service	\$120 million	\$154 million
Earmarks	\$106 million	\$102 million
State Infrastructure Bank	\$34 million	\$36 million
Appalachian Development	\$18 million	\$18 million
Geological Site Management	\$16 million	\$16 million
Railroad Grade Separation Initiative	\$12.8 million	\$13 million
Statewide Miscellaneous	\$12 million	\$12 million
Emergency Program	\$11 million	\$11 million
Roadside Rest Areas	\$10 million	\$10 million
ODNR/Metro Park Paving Program	\$7 million	\$7 million
Noise Walls	\$5 million	\$5 million
Amish Buggy	\$1 million	\$1 million
Total	\$352.8 million	\$385 million

GARVEE Debt Service. This program provides the annual debt service for the \$455.4 million in GARVEE bonds outstanding as of September 2006. GARVEE bonds are leveraged with future federal highway funds. GARVEE bond proceeds are used primarily to advance ODOT's Major/New construction program rather than waiting until cash is available, and risking higher construction costs.

Earmarks. This program allocates federally earmarked funds to the appropriate local governments. Federal law requires that in order to access earmarked funding, local governments that are to receive the earmarked funds must provide a 20% nonfederal match. This is not an ODOT requirement but a federal requirement of the High Priority Program. Instead of the local governments providing 20%, ODOT uses Toll Revenue Credit (TRC) authority to make up the locals' 20% matching requirement. The effect is to allow local governments to secure 100% of their earmarked funds.

The TRC is a federal program that allows states to use certain toll revenue expenditures as a credit toward the nonfederal share of programs authorized by Title 23 of the U.S. Code. The amount of the credit is based on the revenues generated by the toll authority (toll receipts, concession sales, right-of-way leases, interest, and bond and loan proceeds) that are expended by the Turnpike to build, improve, or maintain its highways, bridges, or tunnels that serve interstate commerce. ODOT has not earned any TRC credit since 2001 and the balance of the credit amount is about \$28 million. The end result is local governments providing more in federal matching authority or more earmarked projects being forgone since locals cannot afford the match.

State Infrastructure Bank. This program provides direct loans to public or private entities for local highway projects. Funds can be used for final design, right-of-way, and construction of a project. The increased motor fuel tax revenue has increased the number of loans as local governments are pledging their increased gas tax revenues as loan repayments. The SIB was capitalized with \$87 million in federal funds, \$40 million in General Revenue Funds, and \$10 million of motor fuel tax funds. The

availability of dollars is dependent upon SIB activity and loan repayments. The SIB may also issue bonds on behalf of the borrower. There is no set limit and 100% financing is available.

Appalachian Development. The Appalachian Development Program is a federal program that provides funding for the construction of the Appalachian corridor highways in 13 states including Ohio. The program promotes economic development and establishes a state-federal framework to meet the needs of the region. Funds are apportioned among the 13 states based on the latest available cost to complete estimates prepared by the Appalachian Regional Commission.

Geological Site Management. This program provides funding for slopes and slides, rockfalls, underground mines, and erosion projects.

Railroad Grade Separation Initiative. 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. 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.

Emergency Program. This program provides emergency funds for the repair or reconstruction of Federal-aid highways and roads on federal lands that have suffered serious damage by natural disasters or catastrophic failures from an external cause. Repairs accomplished within 180 days after the occurrence of a disaster are eligible for 100% federal reimbursement.

Roadside Rest Areas. This program provides funding for the replacement and rehabilitation for the rest areas on the state and national highway system.

ODNR/Metropark Paving Program. This program provides funds for the construction, reconstruction, and maintenance of public access roads to and within facilities owned or operated by the Department of Natural Resources and within the boundaries of metropolitan parks. Funds can be used for the materials and labor necessary for construction, reconstruction, improvement, repair, and maintenance of park drives, park roads, park access roads, parking lots, and for purchase and hauling of materials, and for equipment rental.

Noise Walls. This program provides funding for retrofitting roadways with noise barriers state wide. Targeted areas are residential areas in existence prior to the construction of a roadway. Project selection is based on a statewide priority list. The proposed project must be in a noncommercial noise-sensitive area. Primarily, these are residential areas but they also may contain schools, nursing homes, hospitals, churches, libraries, parks, and recreation areas. In order for an area to qualify for a noise wall, an impact must be determined via a noise analysis.

Amish Buggy. The Amish Buggy Safety Program provides funding for transportation improvement projects on priority state routes and off-road trails adjacent to priority state routes that improve safety for motorists and horse drawn vehicles. The following types of projects are eligible: widening paved shoulders to 6-8 feet, paving graded shoulders during scheduled reconstruction or repaving of roadway, construction of buggy pull-off or hill-climbing lanes, widening shoulders on downhill side of roadways, and construction of separate buggy/bicycle trails. Funding for this program has historically been \$1 million each fiscal year.

Funding Sources: State and federal motor fuel taxes; State Infrastructure Bank dollars (initial capitalization amounts, interest, loan proceeds)

Line Items: The following table lists the line items supporting this program. Except for the SIB and GARVEE debt service, the majority of the programs described above are funded from ALIs 772-421 and 772-422. Several of the line items are exclusively related to the State Infrastructure Bank program. The line items in Funds 212 and 213 are supported by loan repayments and are used mainly for capital expenses for various SIB projects.

Fund	Line Item	FY 2008	FY 2009
002	772-421, Highway Construction-State	\$22,314,970	\$37,296,000
002	772-422, Highway Construction-Federal	\$174,230,970	\$156,870,754
212	772-426, Highway Infrastructure Bank-Fed	\$4,303,173	\$4,018,649
212	772-427, Highway Infrastructure Bank-State	\$8,268,315	\$10,209,272
212	772-429, Highway Infrastructure Bank-Local	\$11,000,000	\$11,499,999
212	772-430, Infrastructure Debt Res. Title 23-49	\$1,500,000	\$1,500,000
213	772-431, Roadway Infrastructure Bank-State	\$1,000,000	\$1,000,000
213	772-432, Roadway Infrastructure Bank-Local	\$6,000,000	\$6,000,000
213	772-433, Infrastructure Debt Service-State	\$2,000,000	\$2,000,000
002	772-437, GARVEE Debt Service-State	\$10,321,300	\$19,273,500
002	772-438, GARVEE Debt Service-Federal	\$113,915,900	\$139,015,000
Program Total		\$354,854,442	\$388,620,174

Implication of Executive Recommendation: The recommendations will allow the Department to continue all the programs described above at current service levels. The SIB program will continue to be a desirable resource for local governments to use to access transportation funds now and pay later. Local governments will continue to use motor fuel tax revenues as pledged repayments on SIB loans. Over the biennium, ODOT anticipates SIB loans will be distributed by the following percentages per transportation mode: highway (84%); aviation (8.5%), rail (4.26%); transit (2.13%); and bikeway (1.06%).

Appropriation items 772-429, Highway Infrastructure Bank-Local, and 772-432, Roadway Infrastructure Bank-Local, represent a part of a new SIB bond program. Over the biennium, ODOT is starting a new SIB bond program in order to obtain large sums of money, upwards of \$1 million, for large local projects. The state will issue bonds on behalf of the local governments and all bond debt service is paid by the local governments to the bond trustee. Appropriation items 772-429 and 772-432, are established in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance ODOT would request the cash from the trustee to support the payment.

Permanent Law

None.

Temporary Law

Transfer of Appropriations – State Infrastructure Bank. This provision would allow the Director of Budget and Management to approve requests for the transfer of appropriations between Infrastructure Bank line items and other line items within the Department. Similar to the last transportation bill, this is reoccurring temporary language.

Public Access Roads for State Facilities. This provision provides earmarking language requiring the Department of Transportation to use \$5,000,000 from appropriation item 772-421, Highway Construction-State, during each year of the biennium for the construction, reconstruction, or maintenance of public access roads to and within state facilities owned or operated by the Department of Natural Resources. In the last transportation budget this amount was \$5,000,000. Also, the provision includes earmarking language requiring ODOT to use \$2,228,000 from appropriation item 772-421, Highway Construction-State, during each year of the biennium for the construction, reconstruction, or maintenance of park drives or park roads within metropolitan parks. This amount did not change since the last transportation budget. The Department may also use part of the total earmarks from the appropriation item for construction, reconstruction, or maintenance of public access roads and support features at the state fairgrounds.

Program 2.07 – Highway Maintenance Contracts

Purpose: This program series maintains the state highway system in a safe and attractive condition, provides tourist information and clean rest areas for the motoring public, and maintains ODOT facilities and equipment. This program series funds the following activities:

Rest Area Maintenance/District Cleaning: This program employs people with disabilities to clean roadside rest areas and ODOT facilities along the highway system. The Department uses contracted cleaning services to carry out this work.

Traffic System Maintenance: This program maintains traffic control signals on the state highway systems. Examples of traffic control signals include highway lighting, signing, striping, and raised pavement markers. ODOT began an eight-year sign replacement program in FY 2002.

Guardrail Maintenance: This program upgrades guardrail systems to meet current standards and reconstructs or replaces damaged or deteriorating guardrails. The replacement schedule for a guardrail is 20 years. The Department invoices drivers for damage caused if cited by the State Highway Patrol.

Roadside Maintenance: This program includes the removal of vegetation obstructions, mowing, tree/flower planting, erosion control, drainage ditch obstructions, litter, and repairing of pavement drop-offs. ODOT pays the cities of Akron, Canton, and Dayton to mow and perform maintenance along right-of-ways in their city limits.

Pavement Maintenance: This program consists of pothole patching, chip and crack sealing, surface paving and treatment, spot berming and restoration, and full depth repair of roadways to repair isolated damages.

The following table shows the line item that is used to fund the Maintenance program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund				
002	773-431	Highway Maintenance – State	\$80,111,272	\$81,363,497
Total Funding: Maintenance			\$80,111,272	\$81,363,497

Funding Sources: State motor fuel tax revenue. This program series does not use federal dollars.

Line Items: 773-431, Highway Maintenance-State.

Implication of Executive Recommendation: The recommendations will be sufficient to accomplish the goals and objectives of this program series. ODOT will maintain current service and staffing levels. The Department will keep routine maintenance a top priority over the biennium by maintaining a steady state of maintenance efforts and identify and reduce system deficiencies.

Permanent Law

Business Logo Signs for Qualified Attractions of Charitable Organizations (R.C. 4511.101). Upon approval of the Director of Transportation, the bill allows a charitable organization operating a qualified attraction (natural wonders, and artistic, scenic, and historical attractions) to participate in the Department of Transportation's business logo program and place a logo on state directional signs within the rights-of-way of divided, multi-lane, limited access highways at no cost or for a nominal fee. Any additional costs to ODOT such as modification and maintenance to the signs will be paid for by the business participating in the program. The Department anticipates any additional state costs to be negligible.

Advertising on Interstate Highways (R.C. 5516.01, 5516.02, and 5516.06). This provision generally conforms Ohio law governing advertising devices along interstates and highways on the primary system with Federal Highway Administration provisions by updating definitions to reflect current procedures for determining highway status and by removing references to devices on the premises of a sports facility, which are not allowed under federal law. (Existing devices on sports facilities would become nonconforming devices.) This provision is expected to have no fiscal impact on the department.

Temporary Law

None.

Program Series

3: Public Transportation

Purpose: The Public Transportation program series provides capital, operating, technical, and planning assistance to 60 transit systems serving portions of 58 counties. Of the 60 transit systems, 24 systems are in urban areas and 36 in rural areas. The majority of assistance funds are from federal dollars and are used for grants to transit systems – both for operating assistance and capital purchases. Funding is also provided from the General Revenue Fund (GRF) and the Highway Operating Fund. 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 dollars and other HOF dollars 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. Over the biennium, vehicle replacement will continue to be the greatest need for Ohio transit systems.

Ohio's transit systems continue to provide a major role in the Welfare to Work Initiative by providing work transportation for those transitioning from welfare back to the workforce. Over 60% of public transit trips are work related. Also, public transit trips in rural areas for senior citizens and the disabled continue to rise. These trips are for doctor visits, medical treatments, and grocery shopping

ODOT reports that past biennial budget cuts have limited the service of some transit systems, resulting in reduced routes, increased fares, employee lay-offs, wage freezes, and deferred capital bus purchases. Ridership levels continue to increase despite limited funding, particularly GRF funding. ODOT reports ridership levels increased by 3 million riders, comparing FY 2006 to FY 2005 levels.

The following table shows all line items that are used to fund the Public Transportation program series as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	775-451	Public Transportation-State	N/A*	N/A*
General Revenue Fund Subtotal			N/A*	N/A*
Highway Operating Fund				
HOF	775-452	Public Transportation-Federal	\$30,000,000	\$30,365,000
HOF	775-454	Public Transportation-Other	\$1,500,000	\$1,500,000
HOF	775-460	Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
212	775-408	Transit Infrastructure Bank-Local	\$2,500,000	\$2,500,000
HOF	775-459	Elderly and Disabled Special Equipment	\$4,730,000	\$4,730,000
212	775-455	Title 49 Infrastructure Bank-State	\$476,485	\$312,795
213	775-457	Transit Infrastructure Bank-State	\$500,000	\$312,082
Highway Operating Fund Subtotal			\$40,706,485	\$40,719,877
Total Funding: Public Transportation			\$40,706,485	\$40,719,877

*Funded in the Main Operating Budget

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

- **Program 3.01 – Public Transit Operating**
- **Program 3.02 – Public Transit Assistance**
- **Program 3.03 – Elderly and Disabled Assistance**
- **Program 3.04 – Technical Assistance**

■ **Program 3.05 – Transit Infrastructure Bank Loans**

Program 3.01 – Public Transit Operating

Program Description: This program covers the operating costs (payroll, supplies, and equipment) of ODOT's Office of Transit for all ODOT's Public Transportation program series (3.02, 3.03, 3.04, and 3.05). In past budgets, ODOT prorated its operating costs among all the programs within a series.

Funding Sources: GRF (100%)

Line Items:

Line Item	FY 2008	FY 2009
775-451, Pubic Transportation-State	N/A*	N/A*
Program Total	N/A*	N/A*

*Funded in Main Operating Budget

Implications of Executive Recommendation: The recommendations to be included in the main operating budget cover all necessary costs related to a payroll for 17 employees, supplies, and equipment associated with the Public Transportation program series. In total, over the biennium \$1.54 million will go to payroll, \$17,000 to supplies and maintenance, \$1,000 to equipment, and \$117,380 for purchased services.

Permanent Law

None.

Temporary Law

Public Transportation Highway Purpose Grants (Section 203.70). This provision authorizes the Director of Transportation to use motor vehicle fuel tax revenues to match federal grants to fund projects for public transportation highway purposes. Projects may include the construction or repair of high-occupancy vehicle traffic lanes; the acquisition or construction of park-and-ride facilities and public transportation vehicle loops; and repair of bridges used by public transportation vehicles. Motor fuel tax revenues may not be used for operating assistance or for the purchase of vehicles, equipment, or maintenance facilities. To date, the Department indicates that no state motor fuel tax revenues have been approved for this purpose – the language simply provides the Department flexibility to do so. This provision was included in the last transportation budget.

Program 3.02 – Public Transit Assistance

Program Description: Currently there are 36 rural transit systems and 24 urban transit systems operating throughout the state. Program 3.02 provides partial funding to these transit systems for operating assistance and capital projects through the Ohio Public Transportation Grant Program and the Ohio Coordination Program.

The Ohio Public Transportation Grant Program provides grants to transit systems, both rural and urban, 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, cost per mile, and the amount of

local funds contributed. Capital items that are covered under the grant program include purchasing transit vehicles, computer equipment, and the construction of transit buildings.

The Ohio Coordination Program provides funding to public entities to assist in the coordination of transportation services among local human service 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.

Funding Sources: GRF, Federal dollars, motor fuel tax revenues (775-454)

Line Items:

Line Item	FY 2008	FY 2009
775-451, Pubic Transportation-State	N/A*	N/A*
775-452, Public Transportation-Federal	\$24,031,589	\$28,936,763
775-454, Public Transportation-Other	\$1,500,000	\$1,500,000
Program Total	\$25,531,589	\$30,436,763

*Funded in Main Operating Bill

Implication of Executive Recommendation: Funding in all line items for this program are funded at or below FY 2007 appropriations levels. Funding at these levels will not allow for expansion of services or retirement of vehicles beyond their useful life. Many transit systems have been delaying vehicle purchases since 2000 due to funding reductions. Some capital projects may continue to be delayed at these funding levels and grant requests may be denied.

The recommendations in line item 775-452, Public Transportation-Federal will allow the Department to implement two new federal transit programs: the New Freedom Program and the Job Access Reserve Commute (JARC) program. The JARC program has been in existence but was a discretionary program. It is now a formula program administered by the states for small urban and rural areas. The Department has one vacancy in the Office of Transit. One of the major responsibilities of this new person would be the administration of the new programs.

The Department appealed to the Executive for \$10 million in additional funds to be put in line item 775-451, Public Transportation-State to create a statewide bus replacement program. This appeal was denied. ODOT's data shows that Ohio's urban systems need close to \$100 million to replace 348 buses that are currently beyond their useful life. A requirement would be that these buses would run on both diesel and biodiesel.

Permanent and Temporary Law Provisions

None.

Program 3.03 – Elderly and Disabled Assistance

Program Description: This program offers affordable transportation for elderly and people with disabilities through reduced fare assistance through its Ohio Elderly and Disabled Fare Assistance Program (EDFA). The EDFA is funded entirely with state GRF dollars. Federal dollars allocated under the Specialized Transportation Program (STP) are used for the purchase of vehicles and equipment. The STP is funded from federal (80%) and local matching funds (20%).

The allocation of dollars to individual transit systems under the EDFA program are based on the actual ridership of elderly and people with disabilities and the actual loss of farebox revenue from the reduced fares offered. Currently, 54 of 60 transit systems in Ohio offer half fares and the EDFA program replaces approximately 64% of the revenues lost by transit systems offering reduced fares. ODOT reports that from 1997 to 2005, ridership among the elderly and disabled increased over 40%.

Funding Sources: GRF; federal dollars

Line Items:

Line Item	FY 2008	FY 2009
775-451, Pubic Transportation-State	N/A*	N/A*
775-459, Elderly and Disabled Special Equipment	\$4,730,000	\$4,730,000
Program Total	\$4,730,000	\$4,730,000

*Funded in Main Operating Bill

Implication of Executive Recommendation: Though the bill does not provide GRF appropriations which are used to fund the Ohio Elderly and Disabled Fare Assistance Program, ODOT notes that the funding levels in the past have been insufficient to cover all farebox losses. Total federal grants expected for Ohio are \$4.8 million in FY 2008 and \$5.1 million in FY 2009.

Permanent and Temporary Law Provisions

None.

Program 3.04 – Technical Assistance

Program Description: This program provides oversight for the Ohio Public Transportation Grant Program, the Ohio Coordination program, Specialized Program, and federally mandated Rail Safety Program. Essentially, this program ensures all grantees are in compliance with federal regulations and state program requirements. ODOT staff serve as consultants to public transit systems; offer guidance on ODOT grant programs; conduct program reviews and quality assurance reviews, site visits, and training workshops.

Funding Sources: Federal dollars

Line Items:

Line Item	FY 2008	FY 2009
775-452, Public Transportation-Federal	\$1,440,000	\$1,455,000
Program Total	\$1,440,000	\$1,455,000

Implication of Executive Recommendation: The recommendations will allow the Department to accommodate a large part of technical assistance requests, but not all. Service evaluations, route analysis, and transportation development plans may be limited. Furthermore, training workshops such as defensive driving, new director training, and federal program updates may also be limited. Over the biennium, ODOT will continue to minimize travel costs and use more teleconferencing and videoconferencing as opposed to actual site visits. ODOT will also pursue online training courses.

Permanent and Temporary Law Provisions

None.

Program 3.05 – Transit Infrastructure Bank Loans

Program Description: The Transit Infrastructure Bank Loan program provides another resource local government entities can access as a method to fund transit projects on top of current state grants and federal allocations available. Transit Infrastructure Bank Loans is just one of the loan accounts provided through the State Infrastructure Bank (SIB) program. Funding for transit loans as well as other highway and aviation loans was provided in the initial capitalization of the SIB - \$87 million in federal funds, \$40 million in GRF funds, and \$10 million in motor fuel tax revenues. The moneys from the initial capitalization allow the whole SIB program to serve as a revolving loan program. The appropriations in this program will be used to provide low interest rate loans to local governments to either fund transit construction projects at 100% or to match available federal funding.

Currently, the Department has two transit loans outstanding totaling \$8.5 million. The first loan is for \$6.9 million to the Cleveland Regional Transit Authority for the rehabilitation of the Cuyahoga River Viaduct. The viaduct currently serves as a rapid transit line. The pledged repayment source for this project is various operating fees. The other loan is \$485,875 to the METRO Regional Transit Authority for the rehabilitation of rail lines between Akron and Canton. In this project the pledged repayment source is a grant from the Federal Transit Administration.

Funding Sources: Federal dollars authorized under 49 U.S.C. Section 5303.

Line Items:

Line Item	FY 2008	FY 2009
775-408, Transit Infrastructure Bank-Local	\$2,500,000	\$812,685
775-455, Title 49 Infrastructure Bank-State	\$476,485	\$312,795
775-457, Transit Infrastructure Bank-State	\$500,000	\$312,082
775-460, Transit Infrastructure Bank-Local	\$1,000,000	\$1,000,000
Program Total	\$4,476,485	\$2,437,562

Implication of Executive Recommendation: The recommendations will provide the necessary resources for the Department to provide future transit loans from the State Infrastructure Bank. Appropriation items 775-408, Transit Infrastructure Bank-Local, and 775-460, Transit Infrastructure Bank-Local, represent a part of a new SIB bond program. Over the biennium, ODOT is starting a new SIB bond program in order to obtain large sums of money, upwards of \$1 million, for large local projects. The state will issue bonds on behalf of the local governments and all bond debt service is paid by the local governments to the bond trustee. Appropriation items 775-408 and 775-460 are established in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance ODOT would request the cash from the trustee to support the payment.

Permanent and Temporary Law Provisions

None.

Program Series

4: Rail Transportation

Purpose: This program series is administered by the Ohio Rail Development Commission (ORDC). The Commission provides 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 the Public Utilities Commission.

The following table shows the line items that are used to fund the Rail Transportation program series and the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	776-465	Ohio Rail Development Commission	N/A*	N/A*
General Revenue Fund Subtotal			N/A*	N/A*
Highway Operating Fund				
HOF	776-462	Grade Crossing-Federal	\$15,000,000	\$15,000,000
Highway Operating Fund Subtotal			\$15,000,000	\$15,000,000
Federal Special Revenue Fund				
3B9	776-662	Rail Transportation-Federal	\$10,000	\$10,000
Federal Special Revenue Fund Subtotal			\$10,000	\$10,000
State Special Revenue Fund				
4N4	776-663	Panhandle Lease Reserve Payments	\$762,500	\$763,700
4N4	776-664	Rail Transportation-Other	\$2,111,500	\$2,111,500
5CF	776-667	Rail Transload Facilities	N/A*	N/A*
State Special Revenue Fund Subtotal			\$2,874,000	\$2,875,200
Total Funding: Rail Transportation			\$17,884,000	\$17,885,200

*Funded in the Main Operating Budget

This program series includes funding for the following:

- **Program 4.01 – Rail Operating**
- **Program 4.02 – Rail Development Grant and Loan Program**
- **Program 4.03 – Rail-Highway Grade Crossing Safety**
- **Program 4.04 – Railroad Transload Facilities**
- **Program 4.05 – Passenger Rail Studies**

Program 4.01 – Rail Operating

Program Description: This program consists of the entire operating costs of the Ohio Rail Development Commission. Funding covers payroll, personal service contracts, and all administrative expenses including equipment, travel, and rent.

The Commission is currently operating with a staff of 14 and has a vacancy for the Executive Director. Since last transportation budget the Commission has reduced its staff from 19 to 15 through an early retirement incentive (ERI). By offering an ERI the commission was able to put more resources into its capital program. Overall, the ERI saved \$110,694 in FY 2007. These savings have been allocated to freight railroad grants and rail-highway grade crossing safety projects.

Funding Sources: GRF

Line Items:

Line Item	FY 2008	FY 2009
776-465, Ohio Rail Development Commission	N/A*	N/A*
Program Total	N/A*	N/A*

*Funded in the Main Operating Budget

Implication of Executive Recommendation: While the appropriations for this program are provided in the main operating bill, the Commission plans to focus on additional training of existing staff and maintaining current levels of service. The additional training will be for field inspection staff so they can perform multiple duties/inspections in the field.

Permanent and Temporary Law Provisions

None.

Program 4.02 – Rail Development Grant and Loan Program

Program Description: Program 4.02 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.

Fiscal Year	Projects Approved	Loan Amount	Grant Amount
2001	22	\$1,918,051	\$2,190,246
2002	22	\$1,929,750	\$2,788,768
2003	19	\$1,110,300	\$1,967,515
2004	16	\$4,074,736	\$1,062,127
2005	22	\$1,163,000	\$1,450,520
2006	13	\$2,470,000	\$1,911,355

The loans and grants are distributed through the following programs: the Rail Line Rehabilitation and Improvement Program, the Economic Development Program, the Acquisition Program, and the State-Owned Rail Line Program. These individual programs are discussed below.

Rail Line and 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 and/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 to be 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 because there may be a risk that the rail asset would be lost to rail use through property abandonment or alternative land use. Currently, the ORDC is managing 240 miles of state-owned rail lines. Much of the cost for this program involves administration of these acquired properties, such as: maintaining licenses, easements, and rented properties associated with the land. Currently, ORDC is pursuing a federal loan with a term of 25 years to purchase the Panhandle Rail Line from CAPRAIL 1 for complete state ownership. Purchase of this line would result in the state no longer leasing the line and subsequently funding 776-663, Panhandle Lease Reserve Payments.

Funding Sources: GRF; federal dollars; loan repayments

Line Items:

Line Item	FY 2008	FY 2009
776-465, Ohio Rail Development Commission	N/A*	N/A*
776-662, Rail Transportation-Federal	\$10,000	\$10,000
776-663, Panhandle Lease Reserve Payments	\$762,500	\$763,700
776-664, Rail Transportation-Other	\$2,111,500	\$2,111,500
Program Total	\$2,884,000	\$2,885,200

*Funded in the Main Operating Budget

Implication of Executive Recommendation: The recommendations will allow the ORDC to continue providing loans and grants at consistent levels.

Permanent and Temporary Law Provisions

None.

Program 4.03 – Rail-Highway Grade Crossing Safety

Program Description: This is a federally mandated program that 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. The ORDC received \$15 million in appropriations in both FY 2006 and FY 2007. With those funds, the Commission was able to perform 68 warning device (light and gate) projects; 9 crossing closures; and 37 highway-rail surface reconstruction projects.

Funding Sources: Federal rail funds

Line Items:

Line Item	FY 2008	FY 2009
776-462, Grade Crossing-Federal	\$15,000,000	\$15,000,000
Program Total	\$15,000,000	\$15,000,000

Implication of Executive Recommendation: The recommendations will maintain current service and levels and allow the ORDC to continue providing federally mandated moneys to communities to eliminate rail hazards.

Permanent and Temporary Law Provisions

None.

Program 4.04 – Rail Transload Facilities

Program Description: The Rail Transload Facilities Program, created in the last main operating budget, is a statewide pilot program administered by ORDC to provide grants to communities, railroads, and other businesses. The grants are intended to develop facilities that will enhance the ability of railroads to work with other transport modes to move bulk commodities more efficiently and safely.

Since the program's inception, the ORDC has committed funds to three projects including a plastic pellets and resins transload in Wallbridge (Wood County); a coal dock along the Ohio River in Warrenton; and an aggregate transload in Belmont County.

Funding Sources: Fund transfers

Line Items:

Line Item	FY 2008	FY 2009
776-667, Rail Transload Facilities	N/A*	N/A*
Program Total	N/A*	N/A*

*Funded in the Main Operating Budget

Implication of Executive Recommendation: Based on the number of grants awarded with FY 2006-2007 appropriations, the ORDC estimates it will fund another three to four at similar appropriation levels.

Permanent and Temporary Law Provisions

None.

Program 4.05 – Passenger Rail Studies

Program Description: The Passenger Rail Studies Program focuses on planning and project development activities related to the initiation of possible intercity as well as regional passenger rail services. The ORDC is directed to prepare a plan for passenger rail in the state with the initial route being in the Cleveland-Columbus-Cincinnati Corridor, also known as the Ohio Hub. The Ohio Hub plan is an interconnected intercity passenger rail system that serves the major cities in the state and connects to rail corridors in neighboring states as well as other multiple modes such as air travel.

Currently, ORDC is finalizing the Ohio Hub Economic Impact Study which highlights the impacts of the passenger rail system on Ohio's economy. The ORDC estimates the study will be completed by the end of FY 2007. For the FY 2008-2009 biennium, the ORDC's goal is to advance a \$7 million Programmatic Environmental Impact Statement for the Ohio Hub system. This statement is a

component of the environmental review process under the National Environmental Policy Act (NEPA). ORDC plans to pursue several funding sources to achieve this goal, primarily federal moneys.

The Ohio Hub is just one part of the overall Midwest Regional Rail Initiative (MWRRI), and interstate passenger rail plan that is centered in Chicago.

Funding Sources: Fund transfers

Line Items:

Line Item	FY 2008	FY 2009
776-465, Ohio Rail Development Commission	N/A*	N/A*
Program Total	N/A*	N/A*

*Funded in the Main Operating Budget

Implication of Executive Recommendation: The appropriations will continue to prepare the state to potentially leverage federal dollars for passenger rail services by supporting ongoing conceptual development of the Ohio Hub Passenger Rail System Plan.

Permanent and Temporary Law Provisions

None.

Program Series

5: 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, registering aircrafts, 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 as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund				
002	777-472	Airport Improvements-Federal	\$405,000	\$405,000
002	777-475	Aviation Administration	\$5,210,000	\$5,358,100
213	777-477	Aviation Infrastructure Bank-State	\$2,000,000	\$3,500,000
213	777-478	Aviation Infrastructure Bank-Local	\$5,996,118	\$6,000,000
Highway Operating Fund Subtotal			\$13,611,118	\$15,263,100
Total Funding: Aviation			\$13,611,118	\$15,263,100

- **Program 5.01 – Aviation Operating**
- **Program 5.02 – Aviation Improvement Program**
- **Program 5.03 – Aviation Infrastructure Bank Loans**

Program 5.01 – Aviation Operating

Program Description: 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 ODOT missions such as aerial photography; emergency management; forestry missions; homeland security; prisoner transfers; ODNR missions; wild animal inoculations; and assisting in marijuana eradication. The Department maintains a fleet of 30 state aircraft, which includes those of the Ohio State Highway Patrol and the Ohio Department of Natural Resources. The majority of budgeted dollars are spent for passenger transportation missions, marijuana eradication, aerial photo missions, and maintenance test flights.

Funding Sources: GRF; motor fuel tax revenues; flight fees

Line Items:

Line Item	FY 2008	FY 2009
777-471, Airport Improvements-State	N/A*	N/A*
777-475, Aviation Administration	\$5,210,000	\$5,358,100
Program Total	\$5,210,000	\$5,358,100

*Funded in the Main Operating Budget

Implication of Executive Recommendation: The recommendations will fund existing levels of service. Over the biennium ODOT will continue completing more in-house aircraft inspections as a cost savings measure rather than contracting inspections out – saving ODOT roughly \$1,500 per inspection. ODOT also anticipates savings close to \$16,500 from the installation of installed fuel sump saver units on its aircraft.

Permanent and Temporary Law Provisions

None.

Program 5.02 – Aviation Improvement Program

Program Description: The Airport Improvement Program focuses primarily on airport safety and airport capital improvements. The Airport Safety Program regulates 164 public use airports, 9 public use heliports, 440 private airports, 300 private heliports, and 5 seaplane bases.

Airport safety involves conducting airport inspections (every two years), enforcement of aviation laws, and 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 plan. The capital improvement portion of this program provides grants to public-owned airports for runway maintenance (including marking and lighting), runway extensions, apron extensions, navigational aids, and weather reporting equipment. The Airport Improvement Program also registers all Ohio-based aircraft.

Grants from the Aviation Improvement Program are not the only source of grant money available to public owned airports. Though not administered through ODOT, both primary and nonprimary airports receive approximately \$58.1 million per year from the FAA through the federal Airport Improvement Program (AIP). Of the \$58 million per year, approximately \$18 million goes to primary airports; \$20 million goes to nonprimary airports; and \$20 million is available in discretionary funds, typically awarded to primary airports.

S.B. 9 of the 126th General Assembly, the state's anti-terror law, required ODOT to maintain the base location of all aircraft registered in Ohio; collect certain forms at the time of registration; register all 946 airports in the state biannually; and make airport security plans available to law enforcement, emergency services, and federal agencies. So far the cost to ODOT has been approximately \$185,000 for the purchase of software to maintain aircraft registration files, airport information, and security plans. To date, four airports have submitted security plans to ODOT.

Funding Sources: GRF; federal dollars; general aviation license tax (\$15 per aircraft seat); and annual flat rate of \$15 for gliders and balloons

Line Items:

Line Item	FY 2008	FY 2009
777-471, Airport Improvements-State	N/A*	N/A*
777-472, Airport Improvements-Federal	\$405,000	\$405,000
777-615, County Airport Maintenance	\$570,000	\$570,000
Program Total	\$975,000	\$975,000

*Funded in the Main Operating Budget

Implication of Executive Recommendation: The recommendations will be used primarily to provide grants that target pavement system deficiencies and other capital improvements. Current service levels will be maintained with funding from the transportation budget bill.

Permanent and Temporary Law Provisions

None.

Program 5.03 – Aviation Infrastructure Bank Loans

Program Description: The Aviation Infrastructure Bank Loan program provides another resource publicly owned airports may use to fund aviation projects. Similar to Transit Infrastructure Bank Loans, Aviation Infrastructure Bank Loans are another loan account provided through the State Infrastructure Bank (SIB) program. Funding for aviation loans as well as other highway and transit loans was provided in the initial capitalization of the SIB – \$87 million in federal funds, \$40 million in GRF funds, and \$10 million in motor fuel tax revenues. The moneys from the initial capitalization allow the whole SIB program to serve as a revolving loan program. The Department is also starting an SIB bond program that provides funding by leveraging loan repayments. The appropriations in this program will be used to provide low interest rate loans to local governments to either fund aviation capital improvement projects at 100% or to match available federal funding.

Funding Sources: Federal dollars authorized under 49 U.S.C. Section 5303.

Line Items:

Line Item	FY 2008	FY 2009
777-477, Aviation Infrastructure Bank-State	\$2,000,000	\$3,500,000
777-478, Aviation Infrastructure Bank-Local	\$5,996,118	\$6,000,000
Program Total	\$7,996,118	\$9,500,000

Implication of Executive Recommendation: The recommendations will provide the necessary resources for the Department to provide future aviation loans from the State Infrastructure Bank for capital improvements at public-use airports.

Appropriation item 777-478, Aviation Infrastructure Bank-Local, represents a part of a new SIB bond program. Over the biennium, ODOT is starting a new SIB bond program in order to obtain large sums of money, upwards of \$1 million, for large local projects. The state will issue bonds on behalf of public entities. All bond debt service is paid by the public entities to the bond trustee. Appropriation item 777-478 is established in case ODOT sells the project on behalf of the public entity and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

Permanent and Temporary Law Provisions

None.

Program Series

6: Program Management

Purpose: This program series provides the management support for all the Department's programs, supports capital improvements to ODOT facilities and pays the debt service on bonds issued for such improvements.

The following table shows the line items that are used to fund the Program Management program series as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Operating Fund				
002	770-003	Administration-State-Debt Service	\$10,555,300	\$3,614,700
002	779-491	Administration-State	\$120,262,864	\$122,601,493
Highway Operating Fund Subtotal			\$130,818,164	\$126,216,193
Total Funding: Program Management			\$130,818,164	\$126,216,193

This program series includes the following:

- **Program 6.01 – Administration**
- **Program 6.02 – Land and Buildings**

Program 6.01 – Administration

Program Description: This program series provides the management support needed to administer the Department's programs. Program management includes the Director's Executive Leadership Staff, Divisions of Quality and Human Resources, Financing and Forecasting, Information Technology, Facilities Management, and Local Programs. This single program series maintains a staff of 774 employees. The program also includes minor capital and maintenance projects for Department lands and buildings as well as debt service for bonds sold through the Ohio Building Authority.

Funding Sources: State motor fuel tax revenues and other highway related revenues

Line Items:

Line Item	FY 2008	FY 2009
779-491, Administration-State	\$98,262,864	\$100,601,493
Program Total	\$98,262,864	\$100,601,493

Implication of Executive Recommendation: The recommendations reduced appropriations to line item 770-003, Administration-State-Debt Service, by \$4,000,000 in FY 2008 and by \$5,000,000 in FY 2009. The reductions will be offset by carry-over funds the Department has from previous fiscal years. Despite these cuts the Department will maintain current service and staffing levels and debt service payments over the biennium.

Permanent Law

None.

Temporary Law

Rental Payments – OBA. This provision specifies the authorized uses for line item 770-003, Administration-State Debt Service, and that the Director of Transportation shall hold title to any land purchased and structures attributable to this line item. This is a recurring temporary law provision from previous transportation budgets.

Program 6.02 – Land and Buildings

Program Description: This program provides minor capital and maintenance projects for department lands and buildings as well as debt service for bonds sold through the Ohio Building Authority.

Funding Sources: State motor fuel tax revenues and other highway related revenues

Line Items:

Line Item	FY 2008	FY 2009
770-003, Administration-State-Debt Service	\$10,555,300	\$3,614,700
779-491, Administration-State	\$22,000,000	\$22,000,000
Program Total	\$32,555,300	\$25,614,700

Implication of Executive Recommendation: The recommendations reduce appropriation item 770-003, Administration-State-Debt Service, by \$5,700 in FY 2008 and by \$15,300 in FY 2009. These reductions were made by OBM due to necessary changes in determining debt service amounts for certain buildings. ODOT anticipated this change when they submitted their budget request. This reduction will not interfere with ODOT's service levels.

Permanent and Temporary Provisions

None.

REQUESTS NOT FUNDED

The executive recommendations fully funded the Department's budget request, except for the line items below. The requests not funded listed below will not impact current service or staffing levels since they relate to primarily to accounting and cash management issues.

Administration Debt Service – PS 6						
Fund & Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
Fund 002 ALI 770-003	\$10,561,000	\$10,555,300	(\$5,700)	\$3,630,000	\$3,614,700	(\$15,300)
TOTALS	\$10,561,000	\$10,555,300	(\$5,700)	\$3,630,000	\$3,614,700	(\$15,300)

The Department received \$21,000 less than it requested over the biennium for line item 770-003, Administration-State-Debt Service. The Department indicates that the reductions are based on what the Office of Budget and Management determined the debt service payments would be over the biennium. The recommendations will have no effect on the Department's service or staffing levels.

Department Administrative Expenses – PS 6						
Fund & Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
Fund 002 ALI 779-491	\$124,262,864	\$120,262,864	(\$4,000,000)	\$127,601,493	\$122,601,493	(\$5,000,000)
TOTALS	\$124,262,864	\$120,262,864	(\$4,000,000)	\$127,601,493	\$122,601,493	(\$5,000,000)

The Department received \$9,000,000 less than it requested over the biennium for appropriation item 779-491. This reduction was made by OBM due to a \$28 million carry over balance maintained for administrative expenses. OBM felt these carry over funds could be used to balance the needs of the administration program. ODOT indicates that they will absorb the cost and that service and staffing levels will remain the same.

Panhandle Lease Payments – PS 4						
Fund & Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
Fund 002 ALI 776-663	\$764,400	\$762,500	(\$1,900)	\$764,400	\$763,700	(\$700)
TOTALS	\$764,400	\$762,500	(\$1,900)	\$764,400	\$763,700	(\$700)

The Department received \$2,600 less than it requested over the biennium for line item 776-663, Panhandle Lease Reserve Payments. The Department indicates that the reductions are based on what the Office of Budget and Management determined the debt service payments would be over the biennium. The recommendations will have no effect on the Department's service or staffing levels.

Department of Public Safety

Sara D. Anderson, Senior Budget Analyst

- Stopgap moneys for Patrol
- Federal REAL ID Act implementation deadline looms
- GRF appropriations uncertain
- Critical ATPS update in the works

OVERVIEW

Duties and Responsibilities

The mission of the Department of Public Safety is to save lives, reduce injuries and economic loss, administer Ohio's motor vehicle laws, and preserve the safety and well being of all citizens with the most cost-effective and service-oriented methods available. For the purposes of accomplishing this mission, the Department is organized into the following eight divisions:

- **Administration.** Provides management, coordination, and oversight for the Department.
- **Ohio State Highway Patrol.** Enforces traffic laws and commercial motor safety regulations and protects state property, the Governor, and visiting dignitaries.
- **Bureau of Motor Vehicles.** Oversees driver and motor vehicle licensing and registration.
- **Investigative Unit.** Enforces Ohio's liquor, tobacco sale, and food stamp rules.
- **Emergency Management Agency.** Coordinates statewide preparation, response, and recovery to emergencies and disasters.
- **Emergency Medical Services.** Oversees the certification of emergency medical technicians (EMTs) and firefighters and provides that these people are properly trained, educated, and prepared for emergency situations.
- **Homeland Security.** Coordinates all homeland security activities of state agencies, as well as, local entities and oversees the licensing and regulation of private investigators and security guards.
- **Criminal Justice Services.** Administers federal financial assistance intended to improve state and local criminal and juvenile systems.

Revenue Sources

Motor Vehicle Fuel Tax

Under the Taft administration, the Ohio State Highway Patrol (OSHP) was shifted from a reliance on state motor fuel tax revenues and provided with dedicated new funding from licenses and registration fees. This shift began during the 2004-2005 biennium when, in FY 2004, the motor fuel tax cash transfer was reduced to 75% of the FY 2003 receipts (a cash transfer of \$140.14 million) and, in FY 2005, the motor fuel tax transfer was reduced to 50% of the FY 2003 receipts (a cash transfer of \$94.36 million). In the 2006-2007 biennium, the motor fuel tax cash transfer was reduced to 30% of the FY 2003 receipts in FY 2006 (a cash transfer of \$57.18 million) and to 20% of the FY 2003 receipts in FY 2007 (a cash

transfer of \$38.50 million). The plan was that, as of FY 2008, the Patrol would no longer receive any funding via the state motor fuel tax. The current Governor, however, intends to make temporary changes to current motor vehicle excise tax law, the practical effect of which, as discussed in more detail below, is to generate additional revenues for the Patrol's use over the course of FYs 2008 and 2009.

Replacement Revenues

In order to make up for the projected loss in revenue from the motor fuel tax, Am. Sub. H.B. 87 of the 125th General Assembly included several provisions that increased driver's license, vehicle registration, and temporary tag fees. In addition, Am. Sub. H.B. 68 of the 126th General Assembly allows the Department to retain the entire existing \$10 fee for a special state reserved license plate and the entire existing \$35 fee for a special reserved license plate for deposit to the credit of the State Highway Safety Fund (Fund 036). Previously, \$2.50 of the \$10 fee for a special state reserved license plate and \$30 of the \$35 fee for a special reserved license plate is deposited to the credit of the Department of Transportation's Highway Operating Fund (Fund 002).

Shrinkage Rate for Petroleum Products

The executive-recommended transportation budget makes temporary changes to the tax base under the motor fuel tax (MFT). Specifically, the budget contains language reducing the number of gallons of motor fuel that a motor fuel dealer may claim as a shrinkage allowance from 3% of total gallons handled to 1% for FYs 2008 and 2009. Similarly, the number of gallons for which a retail dealer of motor fuel may claim a refund as compensation for shrinkage is temporarily reduced from 1% to 0.65%. Both provisions have the effect of increasing the MFT tax base.

Current law requires motor fuel dealers (*i.e.*, wholesalers) to report and pay the MFT on the number of gallons of taxable fuel handled, but allows them to subtract 3% of those gallons as an allowance for shrinkage. Similarly, retail dealers of motor fuel are permitted to apply for a refund under the tax based on 1% of the gallons that they handle on which tax has been paid.² Retail dealers in motor fuel do not pay the MFT directly, but they purchase fuel from wholesalers who have paid the tax. The price that retailers pay to wholesalers therefore includes the MFT.

In Am. Sub. H.B. 66 of the 126th General Assembly, temporary changes were made to both shrinkage allowances. It reduced the 3% allowance for dealers to 2.5% for FY 2006 and 1.95% for FY 2007, and it reduced the 1% allowance for retailers to 0.83% in FY 2006 and 0.65% in FY 2007. All these reductions were contained in an uncodified section of the bill (section 557.09.07), so that in the absence of any action by the General Assembly, the shrinkage allowance for dealers would revert to 3% beginning July 1, 2007, and the allowance for retailers would revert to 1% on that date.

The executive proposal to reduce the shrinkage allowance will increase revenue to several state funds and to counties, municipalities, and townships for highway-related projects. The increased revenue results from an increase in the amount of tax paid by dealers due to an effective increase in the number of gallons that are taxable under the MFT. The amount of revenue involved is approximately \$37 million per year.

² Although dealers are permitted to claim a 3% allowance on other taxable gallons, they are permitted to claim just a 2% allowance on taxable gallons sold to a retailer. Together with the 1% refund that a retailer may claim, that makes the total allowance on gallons sold to retailers 3%, matching the allowance on other taxable gallons.

Of the increased revenue, the executive-recommended transportation budget provides that \$19.2 million be transferred to the Highway Safety Fund (Fund 036) in each of FYs 2008 and 2009. The distribution of the remaining revenue, or approximately \$18 million, is as follows:

- 1%, or \$170,000, directed to the Department of Natural Resources (0.875% to the Waterways Safety Fund and 0.125% to the Wildlife Boater Angler Fund).
- 0.275%, or \$46,750, directed to the Department of Taxation.
- Approximately 71.3%, or \$12,121,000, directed to the Department of Transportation.
- Approximately 23.8%, or \$4,046,000, directed to counties, municipalities, and townships for highway-related projects.
- Approximately 3.6%, or \$612,000, directed to the Public Works Commission for use in the Local Transportation Infrastructure Program.

Multi-Agency Radio Communications System (MARCS)

As the deficiencies in Ohio's existing communications systems became apparent during several disasters and emergency situations in the late 1980s and early 1990s, Ohio's Multi-Agency Radio Communications System (MARCS), a state-of-the-art radio communications system, was developed to enable voice and data communications to be shared statewide by various state, local, and federal agencies. The state's Department of Administrative Services assumed the role of managing/guiding the procurement process and administering the infrastructure as MARCS became operational. The Ohio State Highway Patrol has been assigned the task of maintaining the system's tower sites.

Currently, MARCS serves 14 state agencies (of which the Department of Public Safety is one of the largest users), 138 local health departments, 172 hospitals, all 88 sheriff offices and county emergency management agencies, and more than 110 fire, police, and first responder agencies. MARCS supports voice and data services, utilizing a total of 203 radio sites and supporting approximately 19,370 total voice users and 2,251 data devices.

The MARCS program officially began on October 2, 1998; work on establishing the system began in 2000; the final communication tower was completed in December 2004; and the system became fully operational in April 2006.

MARCS implementation, construction, and equipment costs have been funded primarily through capital appropriations totaling around \$300 million, of which approximately \$275 million has been disbursed to date.

The system is set up to run in a rotary capacity, which means that the subscriber base covers the operating expenses (technical support, network operations, and remote communications), estimated at approximately \$11 million annually. Subscribers are billed based on the number of mobile voice radios, wireless mobile data units, and computer-aided dispatch terminals utilized.

Automated Title Processing System (ATPS)

The Automated Title Processing System (ATPS) is a computerized, statewide system linking all 88 clerks of courts and their branch offices for the issuance of motor vehicle and watercraft titles. The system maintains records for all motor vehicles and watercraft in Ohio and it performs the accounting functions of the related fees and taxes. The system is very complex since it maintains the title repository

of over 95 million titles on file, performs approximately 7 million new transactions annually, and provides an intricate accounting system necessary for the calculation and collection of sales taxes.

The Bureau of Motor Vehicles is planning to spend, subject to available appropriations, an estimated \$12 million over the course of FYs 2008 and 2009 to affect the planned rewrite/replacement of this system. The rewrite will replace the current ATPS, which was deployed statewide in early 2000, and cost an estimated \$153 million. The new version will completely change the technical infrastructure with new computers, disk storage and the operating software to run it on. The technological advances in the last six years and the lack of support for systems that are over five years old make it necessary to replace the existing ATPS.

Last fiscal year, all the county and central servers, back up storage, and uninterruptible power supply systems were replaced for \$4.4 million. This will not be a part of the currently planned rewrite.

Federal REAL ID Act

The federal REAL ID Act of 2005 is intended to deter terrorism by, among other things, establishing national standards for state-issued driver's licenses and nondriver's identification cards. The national license/ID standards cover: (1) what data must be included on the card, (2) what documentation must be presented before a card can be issued, and (3) how the states must share their databases. In the case of Ohio, implementation of these national standards will fall under the purview of the Department's Bureau of Motor Vehicles.

The REAL ID Act is scheduled to take effect on May 11, 2008, three years after the law passed. After that date, a federal agency will not be permitted to accept, for any official purpose, a driver's license or identification card issued by a state to any person unless the state is meeting the requirements specified in the REAL ID Act.

As of this writing, the federal rules surrounding the implementation of the Act have not yet been released by the U.S. Department of Homeland Security, although Congress has appropriated \$40 million to assist states with the implementation, a level of federal financial assistance that many have asserted is inadequate relative to the fiscal burden imposed by the Act. Thus, states are facing an uncertain future relative to meeting the May 2008 implementation deadline.

The cost to Ohio for initial development of the required identification system has been estimated at \$45 million, with ongoing system maintenance costs estimated at \$16 million annually. How Ohio will finance those costs is uncertain.

State Labor Contract Talks

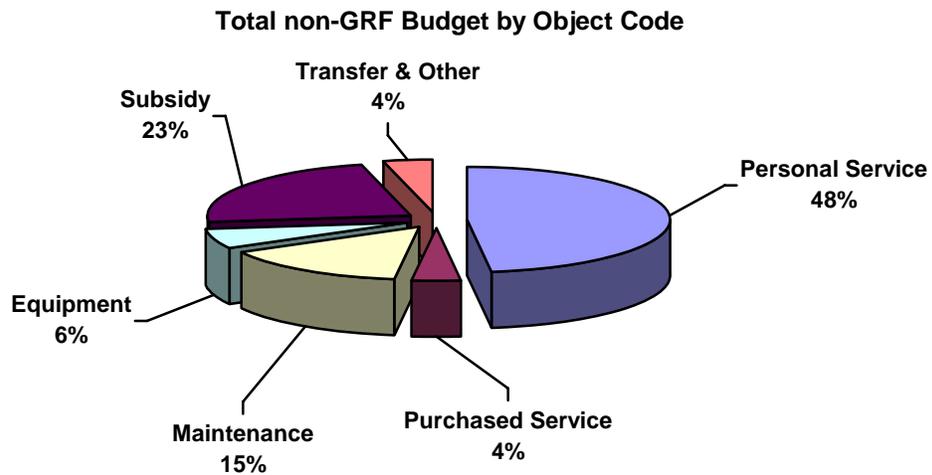
As of February 16, 2007, contract negotiations between the union representing the Ohio State Highway Patrol troopers and the state are moving toward a statutory fact-finding hearing before an arbitrator. According to an article that appeared in *Gongwer*, among the issues in dispute by the union are: (1) an across the board wage increase retroactively from July 2006, (2) an increased shift differential, (3) a supplemental for academic achievement, (4) the funding of a workforce development program, (5) a risk supplement reflecting the physical and psychological conditions troopers face, and (6) mandatory fire suppression units on all newly ordered patrol cars. As of this writing, LSC fiscal staff has not had an adequate opportunity to explore the fiscal implications of any subsequent collective bargaining agreement for the Department's annual operating budget.

Twin Operating Budgets

The Department's operating budget is appropriated in two separate budget bills with all non-GRF appropriations enacted pursuant to the transportation budget bill and all GRF appropriations enacted pursuant to the main operating budget bill. The analysis contained herein focuses largely on the Department's non-GRF appropriations contained in the executive-recommended transportation budget. As of this writing, the executive-recommended GRF funding levels are uncertain.

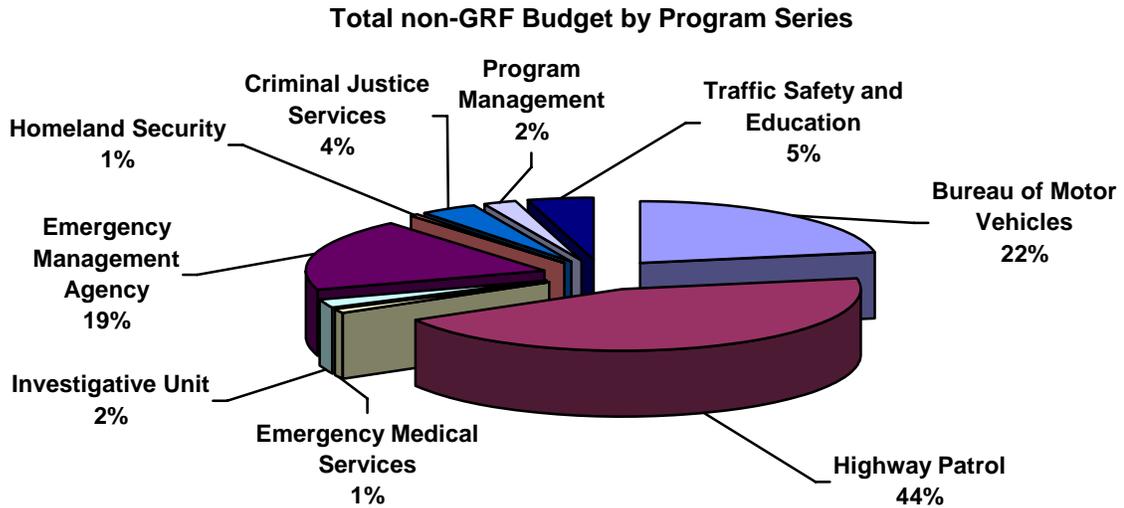
Expense by Object Summary

The pie chart immediately below, which is based on data contained in the executive's transportation budget documents, shows the total recommended appropriations (FYs 2008 and 2009) by major object of expense. This information is shown for all funds, except for the Department's GRF appropriations, as those are presumably to be part of the yet to be introduced executive-recommended main operating budget bill.



Expense by Program Series Summary

The pie chart immediately below shows the total recommended appropriations (FYs 2008 and 2009) by program series. A program series is a method of categorizing or grouping goods and/or services provided by a given agency that are closely related or similar in nature. This information is shown for all funds, except for the Department's GRF appropriations, as those are presumably to be part of the yet to be introduced executive-recommended main operating budget bill.



Staffing Levels

The table below displays the staffing levels for each of the Department's divisions from FYs 2004 through 2009. The numbers presented for FYs 2007-2009 are probably best viewed as a maximum number of authorized full-time equivalent (FTE) staff positions, with the actual number being a function of available funding and vacancy rates.

Department of Public Safety Staffing Levels						
Division	2004	2005	2006	2007*	2008*	2009*
Administration	97	97	96	91	91	91
Bureau of Motor Vehicles	894	891	888	882	882	882
Emergency Management Agency	97	97	98	101	101	101
Emergency Medical Services	27	27	27	26	26	26
Investigative Unit	133	133	133	133	133	133
Ohio State Highway Patrol**	2,699	2,699	2,739	2,739	2,739	2,739
Homeland Security	10	13	15	25	25	25
Criminal Justice Services	N/A	N/A	26	25	25	25
Totals	3,957	3,957	4,022	4,022	4,022	4,022

*The staffing levels displayed in the above table for FYs 2008 and 2009 are estimates.

**The number of authorized uniformed personnel is around 1,580.

Note: In December 2005, Public Safety's staffing level was increased by 65 positions: 36 uniformed positions, 26 positions for the Division of Criminal Justice Services, and 3 nonuniformed Patrol positions for LEADS and the Turnpike.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the non-GRF appropriations for each of the Department's line items and the programs that each line item supports as recommended in the executive's transportation budget. The Department's GRF line items are also listed, but the executive recommendations are, as of this writing, uncertain. Please note that some line items may provide funding for multiple program series and/or programs. See the "Analysis of Executive Proposal" section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	763-403	Operating Expenses - EMA	TBD	TBD
		<i>Program Series 6: Emergency Management Agency</i>		
		Program 1: Operations, Planning and Training	TBD	TBD
		Program 2: Mitigation and Recovery	TBD	TBD
GRF	763-507	Individuals and Households Program - State	TBD	TBD
		<i>Program Series 6: Emergency Management Agency</i>		
		Program 2: Mitigation and Recovery	TBD	TBD
GRF	768-424	Operating Expenses - CJS	TBD	TBD
		<i>Program Series 8: Criminal Justice Services</i>		
		Program 1: Criminal Justice Services	TBD	TBD
GRF	769-321	Food Stamp Trafficking Enforcement Operations	TBD	TBD
		<i>Program Series 5: Investigative Unit</i>		
		Program 1: Investigations	TBD	TBD
General Revenue Fund Subtotal			TBD	TBD
General Services Fund Group				
Fund 4P6	768-601	Justice Program Services	\$100,000	\$100,000
		<i>Program Series 8: Criminal Justice Services</i>		
		Program 1: Criminal Justice Services	\$100,000	\$100,000
Fund 4S2	764-660	MARCS Maintenance	\$335,862	\$389,149
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$335,862	\$389,149
Fund 4S3	766-661	Hilltop Utility Reimbursement	\$500,000	\$500,000
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$500,000	\$500,000
General Services Fund Group Subtotal			\$935,862	\$989,149
Federal Special Revenue Fund Group				
Fund 329	763-645	Individual/Households Grants - Federal	\$13,831,920	\$13,848,251
		<i>Program Series 6: Emergency Management Agency</i>		
		Program 2: Mitigation and Recovery	\$13,831,920	\$13,848,251
Fund 337	763-609	Federal Disaster Relief	\$27,700,200	\$27,707,636
		<i>Program Series 6: Emergency Management Agency</i>		
		Program 2: Mitigation and Recovery	\$27,700,200	\$27,707,636
Fund 339	763-647	Emergency Management Assistance and Training	\$85,121,692	\$85,265,885
		<i>Program Series 6: Emergency Management Agency</i>		
		Program 1: Operations, Planning, and Training	\$85,121,692	\$85,265,885
Fund 3AY	768-606	Federal Justice Grants	\$13,019,284	\$13,060,000

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		<u>Program Series 8: Criminal Justice Services</u>		
		Program 1: Criminal Justice Services	\$13,019,284	\$13,060,000
Fund 3L5	768-604	Justice Program	\$11,880,083	\$12,056,300
		<u>Program Series 8: Criminal Justice Services</u>		
		Program 1: Criminal Justice Services	\$11,880,083	\$12,056,300
Fund 3N5	763-644	US DOE Agreement	\$175,000	\$175,000
		<u>Program Series 6: Emergency Management Agency</u>		
		Program 1: Operations, Planning, and Training	\$175,000	\$175,000
Federal Special Revenue Fund Group Subtotal			\$151,728,179	\$152,113,072
Special Services Revenue Fund Group				
Fund 4V3	763-662	EMA Service and Reimbursement	\$650,000	\$650,000
		<u>Program Series 6: Emergency Management Agency</u>		
		Program 1: Operations, Planning, and Training	\$650,000	\$650,000
Fund 539	762-614	Motor Vehicles Dealers Board	\$200,000	\$200,000
		<u>Program Series 2: Bureau of Motor Vehicles</u>		
		Program 1: Licensing and Registration	\$200,000	\$200,000
Fund 5B9	766-632	Private Investigator and Security Guard Provider	\$1,288,730	\$1,289,883
		<u>Program Series 7: Homeland Security</u>		
		Program 1: Homeland Security	\$1,288,730	\$1,289,883
Fund 5BK	768-687	Criminal Justice Services Operating Expenses	\$400,000	\$400,000
		<u>Program Series 8: Criminal Justice Services</u>		
		Program 1: Criminal Justice Services	\$400,000	\$400,000
Fund 5BK	768-689	Family Violence Shelter Programs	\$750,000	\$750,000
		<u>Program Series 8: Criminal Justice Services</u>		
		Program 1: Criminal Justice Services	\$750,000	\$750,000
Fund 5CM	767-691	Federal Investigative Seizure	\$642,175	\$642,175
		<u>Program Series 5: Investigative Unit</u>		
		Program 1: Investigations	\$642,175	\$642,175
Fund 622	767-615	Investigative Unit Contraband and Forfeiture	\$375,000	\$375,000
		<u>Program Series 5: Investigative Unit</u>		
		Program 1: Investigations	\$375,000	\$375,000
Fund 657	763-652	Utility Radiological Safety	\$1,260,000	\$1,260,000
		<u>Program Series 6: Emergency Management Agency</u>		
		Program 1: Operations, Planning, and Training	\$1,260,000	\$1,260,000
Fund 681	763-653	SARA Title III HAZMAT Planning	\$271,510	\$271,510
		<u>Program Series 6: Emergency Management Agency</u>		
		Program 1: Operations, Planning, and Training	\$271,510	\$271,510
Fund 850	767-628	Investigative Unit Salvage	\$100,000	\$100,000
		<u>Program Series 5: Investigative Unit</u>		
		Program 1: Investigations	\$100,000	\$100,000
State Special Revenue Fund Group Subtotal			\$5,937,415	\$5,938,568
State Highway Safety Fund Group				
Fund 036	761-321	Operating Expense - Information & Education	\$3,645,598	\$3,645,598
		<u>Program Series 1: Traffic Safety and Education</u>		
		Program 1: Safety and Education	\$3,645,598	\$3,645,598
Fund 036	761-401	Lease Rental Payments	\$13,929,500	\$14,017,100
		<u>Program Series 9: Program Management</u>		
		Program 2: Debt Service	\$13,929,500	\$14,017,100
Fund 036	761-402	Traffic Safety Match	\$277,137	\$277,137

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		<u>Program Series 1: Traffic Safety and Education</u>		
		Program 1: Safety and Education	\$277,137	\$277,137
Fund 036	764-033	Minor Capital Projects	\$1,250,000	\$1,250,000
		<u>Program Series 3: Ohio State Highway Patrol</u>		
		Program 1: Highway Enforcement	\$1,250,000	\$1,250,000
Fund 036	764-321	Operating Expense - Highway Patrol	\$253,967,276	\$267,539,597
		<u>Program Series 3: Ohio State Highway Patrol</u>		
		Program 1: Highway Enforcement	\$253,967,276	\$267,539,597
Fund 036	764-605	Motor Carrier Enforcement Expenses	\$3,061,817	\$3,340,468
		<u>Program Series 3: Ohio State Highway Patrol</u>		
		Program 1: Highway Enforcement	\$3,061,817	\$3,340,468
Fund 036	766-321	Operating Expenses - Administration	\$4,461,836	\$4,461,836
		<u>Program Series 1: Traffic Safety and Education</u>		
		Program 1: Safety and Education	\$3,568,359	\$3,532,711
		<u>Program Series 9: Program Management</u>		
		Program 1: Program Management	\$893,477	\$929,125
Fund 4W4	762-321	Operating Expenses - BMV	\$90,394,299	\$85,145,103
		<u>Program Series 2: Bureau of Motor Vehicles</u>		
		Program 1: Licensing and Registration	\$85,748,687	\$80,660,361
		Program 2: Titling of Motor Vehicles	\$4,645,612	\$4,484,742
Fund 4W4	762-410	Registrations Supplement	\$32,480,610	\$32,480,610
		<u>Program Series 2: Bureau of Motor Vehicles</u>		
		Program 1: Licensing and Registration	\$32,480,610	\$32,480,610
Fund 5V1	762-682	License Plate Contributions	\$2,100,000	\$2,100,000
		<u>Program Series 2: Bureau of Motor Vehicles</u>		
		Program 1: Licensing and Registration	\$2,100,000	\$2,100,000
Fund 830	761-603	Salvage and Exchange - Administration	\$20,000	\$20,000
		<u>Program Series 1: Traffic Safety and Education</u>		
		Program 1: Safety and Education	\$20,000	\$20,000
Fund 831	761-610	Information and Education Federal	\$468,982	\$468,982
		<u>Program Series 1: Traffic Safety and Education</u>		
		Program 1: Safety and Education	\$468,982	\$468,982
Fund 831	764-610	Patrol - Federal	\$2,455,484	\$2,455,484
		<u>Program Series 3: Ohio State Highway Patrol</u>		
		Program 1: Highway Enforcement	\$2,455,484	\$2,455,484
Fund 831	764-659	Transportation Enforcement Federal	\$5,665,690	\$6,132,592
		<u>Program Series 3: Ohio State Highway Patrol</u>		
		Program 1: Highway Enforcement	\$5,665,690	\$6,132,592
Fund 831	765-610	EMS/Federal	\$582,007	\$582,007
		<u>Program Series 4: Emergency Medical</u>		
		Program 1: Firefighters and Emergency Medical Technicians	\$582,007	\$582,007
Fund 831	767-610	Liquor Enforcement Federal	\$514,184	\$514,184
		<u>Program Series 5: Investigative Unit</u>		
		Program 1: Investigations	\$514,184	\$514,184
Fund 831	769-610	Food Stamp Trafficking Enforcement Federal	\$1,032,135	\$1,032,135
		<u>Program Series 5: Investigative Unit</u>		
		Program 1: Investigations	\$1,032,135	\$1,032,135
Fund 831	769-631	Homeland Security - Federal	\$1,500,000	\$1,552,500
		<u>Program Series 7: Homeland Security</u>		
		Program 1: Homeland Security	\$1,500,000	\$1,552,500

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
Fund 832	761-612	Traffic Safety Federal	\$16,577,565	\$16,577,565
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$16,577,565	\$16,577,565
Fund 835	762-616	Financial Responsibility Compliance	\$5,843,830	\$6,063,600
		<i>Program Series 2: Bureau of Motor Vehicles</i>		
		Program 1: Licensing and Registration	\$5,843,830	\$6,063,600
Fund 837	764-602	Turnpike Policing	\$10,893,146	\$11,553,959
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$10,893,146	\$11,553,959
Fund 838	764-606	Patrol Reimbursement	\$175,000	\$175,000
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$175,000	\$175,000
Fund 83C	764-630	Contraband, Forfeitures, Other	\$622,894	\$622,894
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$622,894	\$622,894
Fund 83F	764-657	Law Enforcement Automated Data System	\$7,945,555	\$8,275,898
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 2: Non-Highway Enforcement	\$7,945,555	\$8,275,898
Fund 83G	764-633	OMVI Enforcement/Education	\$650,000	\$650,000
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$650,000	\$650,000
Fund 83J	764-693	Highway Patrol Justice Contraband	\$2,100,000	\$2,100,000
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$2,100,000	\$2,100,000
Fund 83M	765-624	Operating Expenses - Trauma and EMS	\$2,587,627	\$2,587,627
		<i>Program Series 4: Emergency Medical</i>		
		Program 1: Firefighters and Emergency Medical Technicians	\$2,587,627	\$2,587,627
Fund 83N	761-611	Elementary Seat Belt Program	\$375,000	\$375,000
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$375,000	\$375,000
Fund 83P	765-637	Trauma and EMS	\$4,429,290	\$4,562,912
		<i>Program Series 4: Emergency Medical</i>		
		Program 1: Firefighters and Emergency Medical Technicians	\$4,429,290	\$4,562,912
Fund 83R	762-639	Local Immobilization Reimbursement	\$750,000	\$750,000
		<i>Program Series 2: Bureau of Motor Vehicles</i>		
		Program 1: Licensing and Registration	\$750,000	\$750,000
Fund 83T	764-694	Highway Patrol Treasury Contraband	\$21,000	\$21,000
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$21,000	\$21,000
Fund 840	764-607	State Fair Security	\$1,396,283	\$1,396,283
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 2: Non-Highway Enforcement	\$1,396,283	\$1,396,283
Fund 840	764-617	Security and Investigations	\$6,231,916	\$6,155,385
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 2: Non-Highway Enforcement	\$6,231,916	\$6,155,385
Fund 840	764-626	State Fairgrounds Police Force	\$788,375	\$788,375
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 2: Non-Highway Enforcement	\$788,375	\$788,375
Fund 840	769-632	Homeland Security Operating	\$1,913,276	\$1,989,807
		<i>Program Series 7: Homeland Security</i>		

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
		Program 1: Homeland Security	\$1,913,276	\$1,989,807
Fund 841	764-603	Salvage and Exchange - Highway Patrol	\$1,339,399	\$1,339,399
		<i>Program Series 3: Ohio State Highway Patrol</i>		
		Program 1: Highway Enforcement	\$1,339,399	\$1,339,399
Fund 844	761-613	Seat Belt Education Program	\$395,700	\$411,528
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$395,700	\$411,528
Fund 846	761-625	Motorcycle Safety Education	\$3,698,084	\$4,010,865
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$3,698,084	\$4,010,865
Fund 849	762-627	Automated Title Processing Board	\$23,487,248	\$19,240,839
		<i>Program Series 2: Bureau of Motor Vehicles</i>		
		Program 2: Titling of Motor Vehicles	\$23,487,248	\$19,240,839
State Highway Safety Fund Group Subtotal			\$510,027,743	\$516,663,269
Liquor Control Fund Group				
Fund 043	767-321	Liquor Enforcement - Operations	\$11,435,527	\$11,546,052
		<i>Program Series 5: Investigative Unit</i>		
		Program 1: Investigations	\$11,435,527	\$11,546,052
Liquor Control Fund Group Subtotal			\$11,435,527	\$11,546,052
Agency Fund Group				
Fund 5J9	761-678	Federal Salvage/GSA	\$1,500,000	\$1,500,000
		<i>Program Series 1: Traffic Safety and Education</i>		
		Program 1: Safety and Education	\$1,500,000	\$1,500,000
Agency Fund Group Subtotal			\$1,500,000	\$1,500,000
Holding Account Redistribution Fund Group				
Fund R24	762-619	Unidentified Motor Vehicle Receipts	\$1,885,000	\$1,885,000
		<i>Program Series 2: Bureau of Motor Vehicles</i>		
		Program 1: Licensing and Registration	\$1,885,000	\$1,885,000
Fund R52	762-623	Security Deposits	\$350,000	\$350,000
		<i>Program Series 2: Bureau of Motor Vehicles</i>		
		Program 1: Licensing and Registration	\$350,000	\$350,000
Holding Account Redistribution Fund Subtotal			\$2,235,000	\$2,235,000
Agency Total Funding			\$683,799,726	\$690,985,110

Note: TBD denotes "to be determined" and indicates that the executive-recommended GRF appropriations are not available at this time.

ANALYSIS OF EXECUTIVE PROPOSAL

The Department of Public Safety's biennial operating budget is appropriated in two separate budget bills, with all non-GRF appropriations contained in the transportation budget bill and all GRF appropriations contained in the main operating budget bill. What follows is LSC fiscal staff's analysis of the Department of Public Safety's biennial operating budget covering FYs 2008 and 2009 as contained in the executive-recommended transportation budget.

The Department requested a total of \$6.5 million in annual GRF funding be included in the main operating budget bill for the purpose of maintaining existing service levels related to emergency management, criminal justice services, and food stamp trafficking enforcement. As of this writing, the executive-recommended GRF funding levels for these activities is uncertain.

The analysis contained herein is organized around the following nine program series.

- ***Program Series 1 – Traffic Safety and Education***
- ***Program Series 2 – Bureau of Motor Vehicles***
- ***Program Series 3 – Ohio State Highway Patrol***
- ***Program Series 4 – Emergency Medical***
- ***Program Series 5 – Investigative Unit***
- ***Program Series 6 – Emergency Management Agency***
- ***Program Series 7 – Homeland Security***
- ***Program Series 8 – Criminal Justice Services***
- ***Program Series 9 – Program Management***

Throughout this detailed analysis of the implications of the executive-recommended appropriations for each of the Department's program series, LSC fiscal staff has attempted to examine whether those funding amounts will permit continuation of existing service levels, including any associated payroll costs. As LSC fiscal staff has not had an adequate opportunity to discuss these implications with the Department, we opted to more closely examine the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management. This narrative included some discussion of the number of staff – expressed as full-time equivalent (FTE) positions – that would be funded in each program budget request.

This strategy is fraught with peril for several reasons, including, but not necessarily limited to: (1) the conditions that shaped this biennial budget request, which was submitted months ago after many more months of internal departmental work, may have changed, (2) the number of budgeted FTEs may in some cases have reflected an authorized number of staff positions and not the number of staff positions that are typically filled and/or funded, (3) the Department has varying degrees of flexibility or discretion permitting it to realign or reallocate moneys to fit within existing fiscal constraints, for example, by delaying equipment purchases or leaving unfilled staff positions vacant for certain periods of time, and (4) certain departmental operations, for example, the Ohio Emergency Management, the Investigative Unit, and the Division of Criminal Justice Services, are somewhat dependent on GRF appropriations for which the executive has yet to make any recommendations.

Thus, when one is reviewing our discussion of the implications of the executive-recommended transportation budget for any given departmental program, the reader should do so with some caution, in particular as it relates to the number of funded FTEs. Of particular concern in our mind is the discussion surrounding three specific program series: (1) the Bureau of Motor Vehicles (program series 2), (2) the

Ohio State Highway Patrol (program series 3), and (3) the Ohio Emergency Management Agency (program series 6). As of this writing, it appears that, relative to those three program series, there may be some discrepancy between what LSC fiscal staff gleaned from the Department's biennial budget request in terms of the number of existing funded FTEs and the number of FTEs that would be funded pursuant to the Department's request. It may be the case that some number of the latter FTEs represented funded but vacant staff positions and/or authorized, but never funded or filled staff positions.

Program Series

1: Traffic Safety and Education

Purpose: To save lives, reduce injuries, and minimize loss to Ohioans through dissemination of information regarding the Department of Public Safety's safety programs and the distribution of federal funds to support safety programs.

The following table shows the line items that are used to fund the Traffic Safety and Education program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund (GSF)				
4S3	766-661	Hilltop Utility Reimbursement	\$500,000	\$500,000
General Services Fund Subtotal			\$500,000	\$500,000
Highway Safety Fund (HSF)				
036	761-321	Operating Expense – Information/Education	\$3,645,598	\$3,645,598
036	761-402	Traffic Safety Match	\$277,137	\$277,137
036	766-321	Operating Expense – Administration	\$3,568,359	\$3,532,711
830	761-603	Salvage and Exchange – Administration	\$20,000	\$20,000
831	761-610	Information and Education – Federal	\$468,982	\$468,982
83N	761-611	Elementary School Seat Belt Program	\$375,000	\$375,000
832	761-612	Traffic Safety – Federal	\$16,577,565	\$16,577,565
844	761-613	Seat Belt Education Program	\$395,700	\$411,528
846	761-625	Motorcycle Safety Education	\$3,698,084	\$4,010,865
Highway Safety Fund Subtotal			\$29,026,425	\$29,319,386
Agency Fund (AGY)				
5J9	761-678	Federal Salvage/GSA	\$1,500,000	\$1,500,000
Agency Fund Subtotal			\$1,500,000	\$1,500,000
Total Funding: Traffic Safety and Education			\$31,026,425	\$31,319,386

The Traffic Safety and Education program series only contains one program as noted below. A relatively brief discussion of that program then follows.

■ **Program 1.01 – Traffic Safety and Education**

Program 1.01 – Safety and Education

Program Description: The Governor's Highway Safety Office, which was created pursuant to federal Highway Safety Act of 1966, uses the moneys appropriated for the Safety and Education program: (1) for the award and distribution of funds to implement Ohio's federally funded Traffic Safety Action Plan, (2) to administer and enforce rules concerning instruction required for beginning drivers of

commercial trucks, cars, buses, and commercial tractors and trailers, and (3) to provide state-mandated motorcycle safety courses to the public.

Funding Sources (in order of magnitude): (1) Federal funds, (2) Fund 036, which consists of moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles, (3) Six dollars from each motorcycle registration and \$25 course tuition charged to all motorcycle safety program participants, except minors, (4) moneys used to make purchases of surplus federal property on behalf of local governments, (5) 16% of seat belt fine revenue, (6) charge-backs to other funds in the departments of Public Safety and Transportation, and (7) proceeds from the sale of motor vehicles and related equipment

Line Items: See above table.

Implication of Executive Recommendation: The total amount of recommended funding for the Traffic Safety and Education program series for FYs 2008 and 2009 is less than what the Department requested by roughly \$700,000 and \$1.2 million, respectively. These differences are largely a function of the requested and recommended appropriations for two line items that draw their moneys from the Highway Safety Fund (Fund 036): (1) line item 761-321, Operating Expense – Information and Education, and (2) line item 766-321, Operating Expense – Administration.

Based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the requested amounts of funding were necessary to sustain existing service levels as payroll (wages and fringe benefits) and inflation generally drive up the cost of doing business. (The number of funded FTEs for this program series in FY 2007 is estimated at 79.) In that document, the Department also stated, if the program series were not fully funded, it was possible that the equivalent of eight full-time positions (FTEs) would need to be eliminated in FY 2008, followed by an additional five full-time positions in FY 2009. A direct consequence of this scenario would theoretically be some reduction in existing service levels. More recent discussions with the Department suggest that, if alternative or additional revenues are not available, then everything possible will be done to avoid staff layoffs, including reductions in payroll expenses by leaving vacant positions unfilled.

Also of note is that the recommended budget for the Traffic Safety and Education program series contains additional funding for the Motorcycle Ohio Program, which is financed exclusively by motorcycle registration and course tuition fees. This funding increase, in the range of \$1.0 million to \$1.3 million annually, will enable the program to train 1,000 and 2,000 more individuals in 2008 and 2,000, respectively, by adding two motorcycle training ranges. Currently, it is estimated that 13,000-plus Ohioans participate in the program annually statewide.

Permanent Law

It does not appear that the executive-recommended transportation budget contains any permanent law provisions directly affecting the Department's Traffic Safety and Education program series.

Temporary Law

Federal Highway Safety Program Match (Section 205.10). The executive-recommended transportation budget contains a temporary law provision requiring line item 761-402, Traffic Safety Match, be used to provide the nonfederal portion of the federal Highway Safety Program.

Program Series

2: Bureau of Motor Vehicles

Purpose: To provide services relating to motor vehicle titling, registration of motor vehicles, and driver's licenses.

The following table shows the line items that are used to fund the Bureau of Motor Vehicles program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund (SSR)				
539	762-614	Motor Vehicle Dealers Board	\$200,000	\$200,000
State Special Revenue Fund Subtotal			\$200,000	\$200,000
Highway Safety Fund (HSF)				
4W4	762-321	Operating Expense – BMV	\$90,394,299	\$85,145,103
4W4	762-410	Registrations Supplement	\$32,480,610	\$32,480,610
5V1	762-682	License Plate Contributions	\$2,100,000	\$2,100,000
83R	762-639	Local Immobilization Reimbursement	\$750,000	\$750,000
835	762-616	Financial Responsibility Compliance	\$5,843,830	\$6,063,600
849	762-627	Automated Title Processing Board	\$23,487,248	\$19,240,839
Highway Safety Fund Subtotal			\$155,055,987	\$145,780,152
Highway Safety Fund (HSF)				
R24	762-619	Unidentified Motor Vehicle Receipts	\$1,885,000	\$1,885,000
R52	762-623	Security Deposits	\$350,000	\$350,000
Holding Account Redistribution Fund Subtotal			\$2,235,000	\$2,235,000
Total Funding: Bureau of Motor Vehicles			\$157,490,987	\$148,215,152

This analysis focuses on the following specific programs within the Bureau of Motor Vehicles program series:

- **Program 2.01 – Licensing and Registration**
- **Program 2.02 – Titling of Motor Vehicles**

Program 2.01 – Licensing and Registration

Program Description: The key components of this program include, but are not limited, the following:

- Registration of 12 million motor vehicles.
- Ensuring the proper collection and distribution of vehicle licensing revenue for taxing districts and other governmental entities (in FY 2006, over \$475 million was collected and distributed to over 2,300 local taxing districts and counties for the purpose of maintaining Ohio's roadways).
- Licensing and regulation of motor vehicle sales, leasing, and salvage industries (over 28,500 licenses have been issued to motor vehicle dealerships and salespersons).
- Oversight of 215 deputy registrars (private contractors) and 12 limited authority deputy registrars.

- Operation of two customer services centers, seven reinstatement offices, and central service operations.
- Credentialing process for approximately 8.8 million individuals who have driver's licenses or state identification cards, which serves as a means to identify individuals, including citizenship status, and to ensure a safe driving environment for the citizens of Ohio.
- Issue refunds to individuals and businesses when incorrect payments are received and to hold revenue until it is properly identified for further distribution, as well as providing a holding place for security deposits received from uninsured motorists involved in traffic accidents until notification by the courts for proper disbursement.

Group	Fund	ALI	Title	FY 2008	FY 2009
HSF	4W4	762-321	Operating Expense – BMV	\$85,748,687	\$80,660,361
HSF	4W4	762-410	Registrations Supplement	\$32,480,610	\$32,480,610
HSF	5V1	762-682	License Plate Contributions	\$2,100,000	\$2,100,000
HSF	83R	762-639	Local Immobilization Reimbursement	\$750,000	\$750,000
HSF	835	762-616	Financial Responsibility Compliance	\$5,843,830	\$6,063,600
SSR	539	762-614	Motor Vehicle Dealers Board	\$200,000	\$200,000
090	R24	762-619	Unidentified Motor Vehicle Receipts	\$1,885,000	\$1,885,000
090	R52	762-623	Security Deposits	\$350,000	\$350,000
Total Funding: Licensing and Registration				\$129,358,127	\$124,489,571

Funding Sources (in order of magnitude): (1) Vehicle registration, driver licensing, abstracts, and reinstatement fees, (2) fines for failure to provide proof of financial responsibility, (3) specialty license plate contribution fees ranging from \$10 to \$25, (4) \$100 immobilization fee, (5) four cents from each motor vehicle title, (6) registrar receipts for which a final destination cannot be immediately determined, and (7) security deposits made by uninsured individuals involved in vehicle accidents

Line Items: See above table.

Implication of Executive Recommendation: The Department requested non-GRF funding totaling \$132.1 million in FY 2008 and \$128.5 in FY 2009 to maintain existing service levels, including the payroll costs associated with around 870 or so full-time equivalent (FTE) staff positions. The executive-recommended transportation budget provides less than the Department's requested levels of annual non-GRF funding by \$2.8 million in FY 2008 and \$4.0 million in FY 2009. Arguably, in the context of annual operations costing in the neighborhood of \$130 million, the executive-recommended transportation budget more or less fully funds the Department's requested level of annual non-GRF funding for the Licensing and Registration program. Thus, at the executive-recommended level of funding, it appears that the Bureau of Motor Vehicles will be able to continue their program functions. Also in the bureau's plans is a mainframe upgrade/replacement needed in order to keep pace with technological advances as well as computer industry standards for maintenance and support. The mainframe handles over 12 million vehicle registrations issued annually and also serves as the most up-to-date central repository for approximately 8.8 million driver's licenses and identification cards.

Permanent Law

It does not appear that the executive-recommended transportation budget contains any permanent law provisions directly affecting the Department's Licensing and Registration program.

Temporary Law

Motor Vehicle Registration (Section 207.10). The executive-recommended transportation budget contains a temporary law provision: (1) allowing the Registrar of Motor Vehicles to deposit revenues obtained pursuant to sections 4503.02 and 4504.02 of the Revised Code, less all other available cash, to meet the cash needs of the Bureau of Motor Vehicles Fund (Fund 4W4), (2) requiring revenues deposited pursuant to this provision be used to support, in part, appropriations for operating expenses and defray the cost of manufacturing and distributing license plates and license plate stickers and enforcing the law relative to the operating and registration of motor vehicles, (3) notwithstanding section 4501.03 of the Revised Code, the revenues obtained pursuant to sections 4503.02 and 4504.02 of the Revised Code be paid into Fund 4W4 before being paid into any other fund, and (4) requiring the deposit of revenues to meet the cash needs be in approximate equal amounts on a monthly basis or as otherwise determined by the Director of Budget and Management pursuant to a plan submitted by the Registrar of Motor Vehicles.

Capital Projects (Section 207.10). The executive-recommended transportation budget contains a temporary law provision authorizing the Registrar of Motor Vehicles to transfer cash from the Bureau of Motor Vehicles Fund (Fund 4W4) to the State Highway Safety Fund (Fund 036) to meet its obligations for the Public Safety Office Building, Warehouse Facility, and Canton One Stop Shop capital projects.

Program 2.02 – Titling of Motor Vehicles

Program Description: This program involves the development, maintenance, and ongoing support of Ohio's centralized motor vehicle titling system, related accounting system, and staff that support a repository for over 95 million motor vehicle and watercraft titles. An integral component of this process is the Automated Title Processing System (ATPS), which is a computerized system that maintains all of the motor vehicle and watercraft titles in Ohio and also links county clerks of courts and their branch offices. This system was used for over seven million title transactions in FY 2006 and kept accounting records for \$1.3 billion in sales taxes and another \$47 million in title fees.

Group	Fund	ALI	Title	FY 2008	FY 2009
HSF	4W4	762-321	Operating Expense – BMV	\$4,645,612	\$4,484,742
HSF	849	762-627	Automated Title Processing Board	\$23,487,248	\$19,240,839
Total Funding: Titling of Motor Vehicles				\$28,132,860	\$23,725,581

Funding Sources (in order of magnitude): (1) Various titling fees, and (2) vehicle registration, driver licensing, abstracts, and reinstatement fees

Line Items: See above table.

Implication of Executive Recommendation: The Department requested non-GRF funding totaling \$28.1 million in FY 2008 and \$23.7 million in FY 2009 to maintain existing service levels, including the payroll costs associated with 62 full-time equivalent (FTE) staff positions. The executive-recommended transportation budget fully funds the Department's requested levels of annual non-GRF funding for the Titling of Motor Vehicles program. Also in these annual funding levels appears to be moneys for a planned rewrite of the ATPS that will completely change the technical infrastructure with new computers, disk storage, and software. The current ATPS was deployed statewide in early 2000.

Temporary and Permanent Law Provisions

It does not appear that the executive-recommended transportation budget contains any permanent or temporary law provisions directly affecting the Department's Titling of Motor Vehicles program.

Program Series

3: Ohio State Highway Patrol

Purpose: To provide statewide police traffic services to keep Ohio's roadways safe, provide statewide emergency response and support services to the public and criminal justice community, investigate criminal activities on state owned or leased property, and provide security for the Governor and other dignitaries.

The following table shows the line items that are used to fund the Ohio State Highway Patrol program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund (GSF)				
4S2	764-660	MARCS Maintenance	\$335,862	\$389,149
General Services Fund Subtotal			\$335,862	\$389,149
Highway Safety Fund (HSF)				
036	764-033	Minor Capital Projects	\$1,250,000	\$1,250,000
036	764-321	Operating Expense – Highway Patrol	\$253,967,276	\$267,539,597
036	764-605	Motor Carrier Enforcement Expenses	\$3,061,817	\$3,340,468
831	764-610	Patrol – Federal	\$2,455,484	\$2,455,484
831	764-659	Transportation Enforcement – Federal	\$5,665,690	\$6,132,592
837	764-602	Turnpike Policing	\$10,893,146	\$11,553,959
838	764-606	Patrol Reimbursement	\$175,000	\$175,000
83C	764-630	Contraband, Forfeitures, Other	\$622,894	\$622,894
83F	764-657	Law Enforcement Automated Data System	\$7,945,555	\$8,275,898
83G	764-633	OMVI Enforcement/Education	\$650,000	\$650,000
83J	764-693	Highway Patrol Justice Contraband	\$2,100,000	\$2,100,000
83T	764-694	Highway Patrol Treasury Contraband	\$21,000	\$21,000
840	764-607	State Fair Security	\$1,396,283	\$1,396,283
840	764-617	Security and Investigations	\$6,231,916	\$6,155,385
840	764-626	State Fairgrounds Police Force	\$788,375	\$788,375
841	764-603	Salvage and Exchange – Highway Patrol	\$1,339,399	\$1,339,399
Highway Safety Fund Subtotal			\$298,563,835	\$313,796,334
Total Funding: Ohio State Highway Patrol			\$298,899,697	\$314,185,483

This analysis focuses on the following specific programs within the Ohio State Highway Patrol program series:

- **Program 3.01 – Highway Enforcement**
- **Program 3.02 – Non-Highway Enforcement**

Program 3.01 – Highway Enforcement

Program Description: The Highway Enforcement program aims to increase highway safety by enforcing traffic laws on Ohio highways, investigating traffic crashes, assisting motorists, interdicting illegal drugs, enforcing vehicle size and weight restrictions, conducting driver's license examinations, and enforcing criminal laws related to auto title fraud.

Group	Fund	ALI	Title	FY 2008	FY 2009
GSF	4S2	764-660	MARCS Maintenance	\$335,862	\$389,149
HSF	036	764-033	Minor Capital Projects	\$1,250,000	\$1,250,000
HSF	036	764-321	Operating Expense – Highway Patrol	\$253,967,276	\$267,539,597
HSF	036	764-605	Motor Carrier Enforcement Expenses	\$3,061,817	\$3,340,468
HSF	83C	764-630	Contraband, Forfeitures, Other	\$622,894	\$622,894
HSF	83G	764-633	OMVI Enforcement/Education	\$650,000	\$650,000
HSF	83J	764-693	Highway Patrol Justice Contraband	\$2,100,000	\$2,100,000
HSF	83T	764-694	Highway Patrol Treasury Contraband	\$21,000	\$21,000
HSF	831	764-610	Patrol – Federal	\$2,455,484	\$2,455,484
HSF	831	764-659	Transportation Enforcement – Federal	\$5,665,690	\$6,132,592
HSF	837	764-602	Turnpike Policing	\$10,893,146	\$11,553,959
HSF	838	764-606	Patrol Reimbursement	\$175,000	\$175,000
HSF	841	764-603	Salvage and Exchange – Highway Patrol	\$1,339,399	\$1,339,399
Total Funding: Highway Enforcement				\$282,537,568	\$297,569,542

Funding Sources (in order of magnitude): (1) Fund 036, which consists of moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles, (2) cash generated from temporary changes to the motor fuel excise tax shrinkage and evaporation discount and refund amounts, (3) reimbursement from the Ohio Turnpike Commission, (4) federal matching grants, (5) assets seized in drug busts, (6) proceeds from the sale of salvaged automobiles and equipment, (7) fine revenue from operating a vehicle under the influence, (8) MARCS user fees, and (9) rental fees from deputy registrars

Line Items: See above table.

Implication of Executive Recommendation: The Department requested non-GRF funding totaling \$283.2 million in FY 2008 and \$298.4 in FY 2009 to maintain existing service levels, including the payroll costs associated with around 2,650 or so full-time equivalent (FTE) staff positions. The executive-recommended transportation budget provides less than the Department's requested levels of annual non-GRF funding by around \$672,000 in FY 2008 and \$818,000 in FY 2009. Arguably, in the context of annual operations costing in the neighborhood of \$280 million, the executive-recommended transportation budget more or less fully funds the Department's requested level of annual non-GRF funding for the Highway Enforcement program. Thus, at the executive-recommended level of funding, it appears that the Ohio State Highway Patrol will be able to continue their program functions of enforcing traffic laws on highways, investigating traffic crashes, and conducting driver's license examinations.

Permanent Law

It does not appear that the executive-recommended transportation budget contains any permanent law provisions directly affecting the Department's Highway Enforcement program.

Temporary Law

Motor Fuel Excise Tax Shrinkage and Evaporation Discount and Refund (Section 557.10). The executive-recommended transportation budget contains a provision making temporary changes to the motor fuel excise tax shrinkage and evaporation discount and refund amounts, the practical effect of which is to generate additional revenues for the state treasury in FYs 2008 and 2009. Those changes are as follows:

- (1) For motor fuel dealers, the monthly discount for fuel shrinkage and evaporation, unaccounted for losses, and to cover the cost of the monthly reports is reduced from 3% to 1% of the net number of taxable gallons received by the dealer during the preceding calendar month, and the deduction for gallons resold to a retailer is decreased from 1% to 0.65%.
- (2) For retailers, the semiannual refund for fuel shrinkage and evaporation is reduced from 1% to 0.65% of tax paid.

Traffic Safety Operating Fund (Section 209.10). The executive-recommended transportation budget contains a temporary law provision transferring the cash balance in the Traffic Safety Operating Fund (Fund 5AY) to the Highway Safety Fund (Fund 036). The provision also requires the Director of Budget and Management to cancel any existing encumbrances against line item 764-688, Traffic Safety Operating, and reestablish them against line item 764-321, Operating Expense – Highway Patrol. Once the transfers are complete, the Traffic Safety Operating Fund is abolished.

Cash Transfer to the State Highway Safety Fund (Section 209.10). The executive-recommended transportation budget contains a temporary law provision stating that, prior to any distributions related to the motor vehicle fuel evaporation and shrinkage discount and refund, the Treasurer of State is required to deposit the first \$1,600,000 received each month to the credit of the State Highway Safety Fund (Fund 036).

Collective Bargaining Increases Fund (Section 209.10). The executive-recommended transportation budget contains a temporary law provision authorizing the Controlling Board, subject to certain exceptions, to increase the appropriation of any fund necessary for the Department to pay the increase in costs of employee compensation arising due to new collective bargaining agreements.

Program 3.02 – Non-Highway Enforcement

Program Description: The Non-Highway Enforcement program provides a variety of statewide services, including: (1) off-highway investigations, (2) security for the Governor and other officials and dignitaries, Capitol Square, and other state property, (3) traffic control and security for the Ohio Expositions Commission, (4) non-highway related duties of the Ohio State Highway Patrol at the Ohio State Fair, (5) homeland security, and (6) the Law Enforcement Automated Data System (LEADS), a communication and database network that provides law enforcement agencies with immediate access to information.

Group	Fund	ALI	Title	FY 2008	FY 2009
HSF	83F	764-657	Law Enforcement Automated Data System	\$7,945,555	\$8,275,898
HSF	840	764-607	State Fair Security	\$1,396,283	\$1,396,283
HSF	840	764-617	Security and Investigations	\$6,231,916	\$6,155,385
HSF	840	764-626	State Fairgrounds Police Force	\$788,375	\$788,375
Total Funding: Non-Highway Enforcement				\$16,362,129	\$16,615,941

Funding Sources: (1) LEADS user fees from criminal justice agencies in Ohio, and (2) fines resulting from arrests made by Ohio State Highway Patrol troopers

Line Items: See above table.

Implication of Executive Recommendation: The Department requested non-GRF funding totaling \$18.4 million in FY 2008 and \$18.7 million in FY 2009 to maintain existing service levels, including the payroll costs associated with around 105 or so full-time equivalent (FTE) staff positions.

The executive-recommended transportation budget provides less than the Department's requested levels of annual non-GRF funding by \$2.0 million in FY 2008 and \$2.1 million in FY 2009.

From LSC fiscal staff's perspective, based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the recommended levels of non-GRF funding will cover the payroll costs of between 85 to 90 of the program's FTEs. If this is true, then, absent alternative or additional revenues and/or the reallocation of existing resources, it seems that the Department may be facing a problematic fiscal situation relative to ongoing payroll and related operating expenses associated with another 15 to 20 of the program's FTEs. As of this writing, however, LSC fiscal staff has not had an adequate opportunity to discuss with the Department the potential implications of these recommended funding levels for the provision on Non-Highway Enforcement program services in FYs 2008 and 2009.

Temporary and Permanent Law Provisions

It does not appear that the executive-recommended transportation budget contains any permanent or temporary law provisions directly affecting the Department's Non-Highway Enforcement program.

Program Series

4: Emergency Medical

Purpose: To save lives and minimize disability in Ohio by responding to injury, illness, and fire.

The following table shows the line items that are used to fund the Emergency Medical Services program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Safety Fund (HSF)				
83M	765-624	Operating Expenses – Trauma and EMS	\$2,587,627	\$2,587,627
83P	765-637	Trauma and EMS	\$4,429,290	\$4,562,912
831	765-610	EMS/Federal	\$582,007	\$582,007
Highway Safety Fund Subtotal			\$7,598,924	\$7,732,546
Total Funding: Emergency Medical Services			\$7,598,924	\$7,732,546

The Emergency Medical Services program series only contains one program as noted below. A relatively brief discussion of that program then follows.

■ **Program 4.01 – Firefighters and Emergency Medical Technicians**

Program 4.01 – Firefighters and Emergency Medical Technicians

Program Description: Under this program, the Division of Emergency Medical Services, which serves as the administrative arm of the State Board of Emergency Medical Services, performs various tasks, including, but not limited to: (1) overseeing the certification and training of Ohio's emergency medical technicians (EMTs) and firefighters, fire safety inspectors, and fire and EMS instructors, (2) administering grants that are directed primarily to local EMS agencies in support of training and patient care equipment, (3) directing the Emergency Medical Services for Children program, and (4) overseeing the Regional Physicians Advisory System. Ohio currently has more than 41,000-plus and 80,000-plus certified EMTs and firefighters, respectively.

Funding Sources (in order of magnitude): (1) 82% of seat belt fine revenue, and (2) federal funds

Line Items: See above table.

Implication of Executive Recommendation: The total amount of recommended funding for the Emergency Medical Services program series for FYs 2008 and 2009 is less than what the Department requested by roughly \$246,000 and \$419,000, respectively. These differences are entirely a function of the requested and recommended appropriations for line item 765-624, Operating Expenses – Trauma and EMS.

Based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the requested amounts of funding were necessary to sustain existing service levels as payroll (wages and fringe benefits) and inflation generally drive up the cost of doing business. (The number of funded FTEs in FY 2007 is estimated at 27.) In that document, the Department also stated, if the program series were not fully funded, then a potential consequence could include the need to eliminate the equivalent of three full-time positions (FTEs) in FY 2008,

followed by an additional one full-time position in FY 2009. A direct consequence of this scenario would theoretically be some reduction in existing service levels. More recent discussions with the Department suggest that, if alternative or additional revenues are not available, then everything possible will be done to avoid staff layoffs, including reductions in payroll expenses by leaving vacant positions unfilled.

Permanent Law

It does not appear that the executive-recommended transportation budget contains any permanent law provisions directly affecting the Department's Emergency Medical program series.

Temporary Law

Cash Transfers of Seat Belt Fine Revenues (Section 211.10). The executive-recommended transportation budget contains a temporary law provision allowing the Director of Public Safety to request that the Controlling Board approve the transfer of cash between the following four funds that receive fine revenues from enforcement of the mandatory seat belt law: (1) the Trauma and Emergency Medical Services Fund (Fund 83M), (2) the Elementary School Program Fund (Fund 83N), (3) the Trauma and Emergency Medical Services Grants Fund (Fund 83P), and (4) the Seat Belt Education Fund (Fund 844).

Program Series

5: Investigative Unit

Purpose: To enforce laws, rules, and regulations, and reduce illegal activity, relating to alcohol, tobacco, food stamp fraud, and gambling.

The following table shows the line items that are used to fund the Investigative Unit program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	769-321	Food Stamp Trafficking Enforcement Operations	*	*
General Revenue Fund Subtotal			*	*
State Special Revenue Fund (SSR)				
5CM	767-691	Federal Investigative Seizure	\$642,175	\$642,175
622	767-615	Investigative Contraband and Forfeiture	\$375,000	\$375,000
850	767-628	Investigative Unit Salvage	\$100,000	\$100,000
State Special Revenue Fund Subtotal			\$1,117,175	\$1,117,175
Liquor Control Fund (LCF)				
043	767-321	Liquor Enforcement – Operations	\$11,435,527	\$11,546,052
Liquor Control Fund Subtotal			\$11,435,527	\$11,546,052
Highway Safety Fund (HSF)				
831	767-610	Liquor Enforcement – Federal	\$514,184	\$514,184
831	769-610	Food Stamp Trafficking Enforcement – Federal	\$1,032,135	\$1,032,135
Highway Safety Fund Subtotal			\$1,546,319	\$1,546,319
Total Funding: Investigative Unit			\$14,099,021	\$14,209,546

* The Department requested \$774,560 in annual GRF funding be included in the main operating budget bill for the purpose of maintaining food stamp trafficking enforcement activities. As of this writing, the executive-recommended GRF funding levels are uncertain.

The Investigative Unit program series only contains one program as noted below. A relatively brief discussion of that program then follows.

■ **Program 5.01 – Investigations**

Program 5.01 – Investigations

Program Description: This program includes four major enforcement responsibilities for laws, rules, and regulations pertaining to: (1) the illegal sale of alcohol beverages, (2) the illegal sale and/or trading of food stamp benefits, (3) the sale of tobacco to underage persons where a liquor permit premise is involved, and (4) gambling laws and narcotics trafficking as they pertain to liquor permit premises.

Funding Sources (in order of magnitude): (1) Liquor sales, (2) federal funds, (3) potential GRF moneys (if appropriated in the main operating budget bill), (4) seized assets and cash, and (5) sale of salvaged equipment

Line Items: See above table.

Implication of Executive Recommendation: The total amount of recommended non-GRF funding for the Investigations program for FYs 2008 and 2009 is less than what the Department requested by roughly \$1.2 million and \$2.0 million, respectively. These differences are almost entirely a function of the requested and recommended appropriations for Liquor Control line item 767-321, Liquor Enforcement – Operations.

Based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the requested levels of funding were primarily to: (1) cover the payroll costs for 133 existing full-time equivalent staff positions, including contracted pay raises and increase healthcare expenses, (2) cover inflationary costs related to purchased services, supplies, and equipment, and (3) restore eight agent positions. The need to restore these agent positions reflects a prior departmental decision to implement a management review team's recommendation that the Investigative Unit reduce the ratio of supervisors to agents. As a result, eight enforcement agents were promoted and the vacated agent positions were left unfilled.

In its biennial budget submission, the Department noted that, if the requested levels of GRF and non-GRF funding were not provided, then: (1) the eight currently vacant enforcement agent positions would not be filled, and (2) the unit's future operating expenses would have to be reduced, which included the possibility that the equivalent of 16 full-time positions (FTEs) would need to be eliminated in FY 2008, followed by an additional 9 full-time positions in FY 2009. Theoretically, any reductions in staff would correspondingly decrease service levels in some manner. For example, fewer personnel would be available to uncover and investigate criminal activity, to police liquor premises, food stamp retailers, tobacco retailers, and to assist local law enforcement agencies.

More recent discussions with the Department suggest that, if alternative or additional revenues are not available, then everything possible will be done to avoid staff layoffs, including reductions in payroll expenses by leaving vacant positions unfilled. Additional cost-cutting measures could include reducing travel expenses and delaying the purchase of replacement vehicles and crime laboratory equipment.

At this time, another critical unknown is the level of GRF funding that the executive intends to recommend for the Investigations program. The Department requested around \$750,000 in GRF funding for each of FYs 2008 and 2009, amounts that would have been allocated to cover a portion of the Investigative Unit's ongoing payroll costs, perhaps in the range of 8-12 FTEs.

Permanent Law

It does not appear that the executive-recommended transportation budget contains any permanent law provisions directly affecting the Department's Investigations program.

Temporary Law

Lease Rental Payment for CAP-076, Investigative Unit MARCS Equipment (Section 213.10). The executive-recommended transportation budget contains a temporary law provision requiring the Director of Public Safety, using intrastate transfer vouchers, to make cash transfers to the State Highway Safety Fund (Fund 036) from other funds to reimburse Fund 036 for the share of lease rental payments to the Ohio Building Authority that are associated with a specific capital line item: CAP-076, Investigative Unit MARCS Equipment.

Program Series

6: Emergency Management Agency

Purpose: To coordinate the activities of all state agencies charged with emergency management, address mitigation, preparedness, response, and recovery functions before, during, and after a disaster and minimize the effects of all hazards on the general public.

The following table shows the line items that are used to fund the Emergency Management Agency (EMA) program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	763-403	Operating Expenses – EMA	*	*
GRF	763-507	Individual and Households Program – State	*	*
General Revenue Fund Subtotal			*	*
State Special Revenue Fund (SSR)				
4V3	763-662	EMA Service and Reimbursement	\$650,000	\$650,000
657	763-652	Utility Radiological Safety	\$1,260,000	\$1,260,000
681	763-653	SARA Title III HAZMAT Planning	\$271,510	\$271,510
State Special Revenue Fund Subtotal			\$2,181,510	\$2,181,510
Federal Special Revenue Fund (FED)				
329	763-645	Individual Household Grants – Federal	\$13,831,920	\$13,848,251
337	763-609	Federal Disaster Relief	\$27,700,200	\$27,707,636
339	763-647	Emergency Management Assistance and Training	\$85,121,692	\$85,265,885
3N5	763-644	US DOE Agreement	\$175,000	\$175,000
Federal Special Revenue Fund Subtotal			\$126,828,812	\$126,996,772
Total Funding: Emergency Management Agency			\$129,010,322	\$129,178,282

* The Department requested \$4.3 million in annual GRF funding be included in the main operating budget bill for the purpose of maintaining emergency management activities. As of this writing, the executive-recommended GRF funding levels are uncertain.

This analysis focuses on the following specific programs within the Emergency Management Agency program series:

- **Program 6.01 – Operations, Planning, and Training**
- **Program 6.02 – Mitigation and Recovery**

Program 6.01 – Operations, Planning, and Training

Program Description: Under the Operations, Planning, and Training program, EMA staff: (1) act as a central point of coordination with county EMA programs, (2) manage the state's Emergency Operations Center (EOC), where agencies gather to coordinate response activities during a disaster, (3) disburse roughly \$80 million in federal emergency management grant moneys annually to counties and other governmental entities, (4) guide the development, implementation, and evaluation of emergency management planning, training, and exercises, (5) oversee and develop county emergency management centers, (6) establish and manage state emergency communications and warning systems, support all EOC functions and related personnel, (7) operate the Ohio Radiological Instrument Maintenance and Calibration Laboratory, (8) liaison with the Nuclear Regulatory Commission, and (9) coordinate emergency preparedness efforts that involve radiological materials

Group	Fund	ALI	Title	FY 2008	FY 2009
GRF	GRF	763-403	Operating Expenses – EMA	*	*
FED	3N5	763-644	US DOE Agreement	\$175,000	\$175,000
FED	339	763-647	Emergency Management Assistance and Training	\$85,121,692	\$85,265,885
SSR	4V3	763-662	EMA Service and Reimbursement	\$650,000	\$650,000
SSR	657	763-652	Utility Radiological Safety	\$1,260,000	\$1,260,000
SSR	681	763-653	SARA Title III HAZMAT Planning	\$271,510	\$271,510
Total Funding: Operations, Planning, and Training				\$87,478,202	\$87,622,395

* The Department requested \$3.9 million in annual GRF funding be included in the main operating budget bill for the purpose of maintaining operations, training, and planning activities. As of this writing, the executive-recommended GRF funding levels are uncertain.

Funding Sources (in order of magnitude): (1) Federal funds, (2) potential GRF moneys (if appropriate in the main operating budget bill, (3) Utility Radiological Safety Board assessments against nuclear electric utilities, (4) fees generated from services provided under the STORMS maintenance contract and the radiological instrumentation contract, and (5) grant moneys awarded by the state's Emergency Response Commission

Line Items: See above table.

Implication of Executive Recommendation: The Department requested a mix of GRF and non-GRF funding totaling \$91.6 million (\$87.6 million non-GRF and \$4.0 million GRF) in FY 2008 and \$91.8 million (\$87.8 million non-GRF and \$4.0 million GRF) in FY 2009 to maintain existing service levels, including the payroll costs associated with 94 full-time equivalent (FTE) staff positions. The executive-recommended transportation budget more or less fully funds the Department's requested levels of annual non-GRF funding for the Operations, Planning, and Training program. This includes an estimated \$80.0 million to be allocated for annual federal subsidies, primarily moneys to be passed through to local governments for reimbursement of FEMA-approved local emergency management organizations for certain administrative costs (personnel, equipment, and so forth).

From LSC fiscal staff's perspective, based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the recommended levels of non-GRF funding will cover the payroll costs of 57 of the program's currently funded 94 FTEs. If this is true, then the Department's requested level of GRF funding would cover the payroll and related operating expenses of 37 currently funded FTEs. Whether the Executive intends to recommend a level of GRF funding sufficient to fully fund the program's anticipated future biennial operating expenses is uncertain.

Permanent Law

It does not appear that there are any permanent law provisions contained in the executive-recommended transportation budget directly affecting the Department's Operations, Planning, and Training program.

Temporary Law

SARA Title III HAZMAT Planning (Section 215.10). The executive-recommended transportation budget contains a temporary law provision authorizing the SARA Title III HAZMAT Planning Fund (Fund 681) to receive grant funds from the Emergency Response Commission to implement the EMA's responsibilities under Chapter 3750. of the Revised Code.

Program 6.02 – Mitigation and Recovery

Program Description: The Mitigation and Recovery program: (1) provides funding assistance to help individuals and state and local governments recover from the impact of a disaster, and (2) supports the management and implementation of Ohio's mitigation efforts, which are intended to reduce or minimize the impact of future disasters on individuals, businesses, and property.

Group	Fund	ALI	Title	FY 2008	FY 2009
GRF	GRF	763-507	Individuals and Households Program – State	*	*
FED	329	763-645	Individual Households Grants – Federal	\$13,831,920	\$13,848,251
FED	337	763-609	Federal Disaster Relief	\$27,700,200	\$27,707,636
Total Funding: Mitigation and Recovery				\$41,532,120	\$41,555,887

* The Department requested \$366,235 million in annual GRF funding be included in the main operating budget bill for the purpose of maintaining mitigation and recovery activities. As of this writing, the executive-recommended GRF funding levels are uncertain.

Funding Sources (in order of magnitude): (1) Federal grants, (2) potential GRF moneys (if appropriated in the main operating budget bill), and (3) funds transferred by the Controlling Board

Line Items: See above table.

Implication of Executive Recommendation: The Department requested a mix of GRF and non-GRF funding totaling \$41.9 million (\$41.5 million non-GRF and \$366,235 GRF) in FY 2008 and \$41.9 million (\$41.6 million non-GRF and \$366,235 GRF) in FY 2009 to maintain existing service levels, including the payroll costs associated with 16 full-time equivalent (FTE) staff positions. The executive-recommended transportation budget fully funds the Department's requested levels of annual non-GRF funding for the Mitigation and Recovery program. This includes an estimated \$41.0 million in federal grant moneys to be allocated annually for hazards mitigation and disaster relief.

From LSC fiscal staff's perspective, based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the recommended levels of non-GRF funding will cover the payroll costs of 10 of the program's currently funded 16 FTEs. If this is true, then the Department's requested level of GRF funding would cover the payroll and related operating expenses of six currently funded FTEs. Whether the Executive intends to recommend a level of GRF funding sufficient to fully fund the program's anticipated future biennial operating expenses is uncertain.

Permanent Law

It does not appear that there are any permanent law provisions contained in the executive-recommended transportation budget directly affecting the Mitigation and Recovery program.

Temporary Law

State Disaster Relief (Section 215.10). The executive-recommended transportation budget contains a temporary law provision authorizing the State Disaster Relief (Fund 533) and related non-GRF appropriation item 763-601: (1) to accept cash and appropriations transferred from Controlling Board appropriation items for Ohio Emergency Management Agency (EMA) disaster response costs and disaster program management costs, as well as for the following purposes, (2) to accept transfers of cash and appropriations from Controlling Board appropriation items for EMA public assistance and mitigation program match costs to reimburse eligible local governments and private nonprofit organizations for disaster-related costs, (3) to accept and transfer cash to reimburse the costs associated with Emergency

Management Assistance Compact (EMAC) deployments, (4) to accept disaster-related reimbursement from federal, state, and local governments, and (5) to accept transfers of cash and appropriations from Controlling Board appropriation items to fund the State Disaster Relief Program for disasters declared by the Governor, and the State Individual Assistance Program for disasters declared by the Governor and the federal Small Business Administration.

Program Series

7: Homeland Security

Purpose: To coordinate the state's homeland security activities.

The following table shows the line items that are used to fund the Homeland Security program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund (SSR)				
5B9	766-632	PI & Security Guard Provider	\$1,288,730	\$1,289,883
State Special Revenue Fund Subtotal			\$1,288,730	\$1,289,883
Highway Safety Fund (HSF)				
831	769-631	Homeland Security – Federal	\$1,500,000	\$1,552,500
840	769-632	Homeland Security – Operating	\$1,913,276	\$1,989,807
Highway Safety Fund Subtotal			\$3,413,276	\$3,542,307
Total Funding: Homeland Security			\$4,702,006	\$4,832,190

The Homeland Security program series only contains one program as noted below. A relatively brief discussion of that program then follows.

■ **Program 7.01 – Homeland Security**

Program 7.01 – Homeland Security

Program Description: This program: (1) plans, develops, and coordinates statewide resources in support of public and private entities responsible for preventing terrorism, raising awareness, reducing vulnerabilities, and responding to and recovering from terrorist acts, and (2) enforces the laws regulating the private investigator/security guard industry.

Funding Sources (in order of magnitude): (1) Fines resulting from arrests made by Ohio State Highway Patrol troopers, (2) federal funds, and (3) license fees for private investigators and security guards and for businesses in this industry

Line Items: See above table.

Implication of Executive Recommendation: Based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the executive-recommended transportation budget fully funds the Homeland Security program's existing level of operating expenses, including the ongoing payroll costs associated with an estimated 24 full-time equivalent staff positions.

Permanent Law

Appropriations for the Division of Homeland Security (R.C. 5502.03). The executive-recommended transportation budget removes language enacted when the Division of Homeland Security was created in 2003, declaring the intent of the General Assembly that the creation of the division "not result in an increase in funding appropriated to the department."

Temporary Law

It does not appear that the executive-recommended transportation budget contains any temporary law provisions directly affecting the Department's Homeland Security program.

Program Series

8: Criminal Justice Services

Purpose: To administer, apply for, allocate, disburse, and account for grants that are made available pursuant to federal criminal justice acts or from other federal, state, or private sources to improve the state's criminal justice system.

The following table shows the line items that are used to fund the Criminal Justice Services program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund (GRF)				
GRF	768-424	Operating Expenses – CJS	*	*
General Revenue Fund Subtotal			*	*
General Services Fund (GSF)				
4P6	768-601	Justice Program Services	\$100,000	\$100,000
General Services Fund Subtotal			\$100,000	\$100,000
State Special Revenue Fund (SSR)				
5BK	768-687	Criminal Justice Services Operating	\$400,000	\$400,000
5BK	768-689	Family Violence Shelter Programs	\$750,000	\$750,000
State Special Revenue Fund Subtotal			\$1,150,000	\$1,150,000
Federal Special Revenue Fund (FED)				
3AY	768-606	Federal Justice Grants	\$13,019,284	\$13,060,000
3L5	768-604	Justice Program	\$11,880,083	\$12,056,300
Federal Special Revenue Fund Subtotal			\$24,899,367	\$25,116,300
Total Funding: Criminal Justice Services			\$26,149,367	\$26,366,300

* The Department requested \$1.4 million in annual GRF funding be included in the main operating budget bill for the purpose of maintaining criminal justice services and planning. As of this writing, the executive-recommended GRF funding levels are uncertain.

The Criminal Justice Services program series only contains one program as noted below. A relatively brief discussion of that program then follows.

■ **Program 8.01 – Criminal Justice Services**

Program 8.01 – Criminal Justice Services

Program Description: The range of the Criminal Justice Services program's functions includes, but is not limited to:

- Federal criminal justice grants administration. Disbursement and monitoring of assorted federal criminal justice system-related grant moneys to various state and local recipients for projects targeting the areas of crime, public safety, residential substance abuse and treatment, family violence prevention, and violence against women (estimated that federal grant awards will exceed a combined \$40 million over the two-year period covering FYs 2008 and 2009).
- Planning and evaluation. Provision of research, development, needs assessments, and statistical analysis on emerging trends and updated criminal justice information.

- Technology programs. Coordination of Ohio's Criminal Justice Information System plan, including development of automated systems to promote information and data sharing, maintenance of the Ohio Incident-Based Reporting System (OIBRS), a voluntary crime-reporting system, and provision of the Law Enforcement Officer's Toolkit, a subscription-based records management system.

There are three notable features to the Criminal Justice Services program. First, at one time, the Office of Criminal Justice Services, an independent state agency, performed these program activities. Effective July 2005, the Office of Criminal Justice Services was abolished and its personnel, functions, and operating budget were transferred to the newly created Division of Criminal Justice Services within the Department of Public Safety. Second, level of staffing for this program, as measured by the number of full-time equivalents (FTEs), has steadily decreased over the course of the last five biennia or so. As a reference point, the program's staffing level was around 62 FTEs over the course of the FY 2000-2001 biennium; the number of program staff currently stands at 25 FTEs. Third, the changing structure and magnitude of federal criminal justice grant programs has significantly decreased the amount of money available for state administrative purposes.

Funding Sources (in order of magnitude): (1) federal funds, (2) potential GRF moneys (if appropriated in the main operating budget bill), (3) fees for certificates of birth and death and for the filing of a divorce decree or dissolution, and (4) fees charged to law enforcement agencies for goods and services

Line Items: See above table.

Implication of Executive Recommendation: The Department requested a mix of GRF and non-GRF funding totaling \$27.0 million (\$25.6 million non-GRF and \$1.4 million GRF) in FY 2008 and \$27.2 million (\$25.8 million non-GRF and \$1.4 million GRF) in FY 2009 to maintain existing service levels, including the payroll costs associated with 25 full-time equivalent (FTE) staff positions. The executive-recommended transportation budget contains non-GRF funding for the Criminal Justice Services program in excess of the Department's requested amounts by \$500,000 in each fiscal year. From LSC fiscal staff's perspective, based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the recommended levels of non-GRF funding will cover the payroll costs of 17 of the program's currently funded 25 FTEs. If this is true, then the Department would need additional funding of around \$900,000 per year to cover the payroll and related operating expenses of eight currently funded FTEs. Whether the Executive intends to recommend a level of GRF funding sufficient to fully fund the program's anticipated future biennial operating expenses is uncertain.

Permanent Law

Uses of the Family Violence Prevention Fund (R.C. 3705.242). The executive-recommended transportation budget contains a provision that requires the Director of Public Safety to use money credited to the Family Violence Prevention Fund (Fund 5BK), which is currently required to be used to provide grants to family violence shelters in Ohio, to be used to operate the Division of Criminal Justice Services as well.

Creation of the Federal Justice Grants Fund (R.C. 5502.62). The executive-recommended transportation budget contains a provision creating the Federal Justice Grants Fund (Fund 3L5, formerly known as the Justice Programs Fund), to consist of money from federal grants that is received by the Division of Criminal Justice Services for criminal justice programs and that is not required to be credited into an interest-bearing fund or account.

Codification of the Justice Program Services Fund (R.C. 5502.67). The executive-recommended transportation budget contains a provision that codifies the Justice Program Services Fund (Fund 4P6, formerly known as the General Services Fund), to consist of money collected by the Division of Criminal Justice Services for nonfederal purposes and to be used for costs of administering the operations of the Division of Criminal Justice Services.

Temporary Law

Transfer of the Office of Criminal Justice Services to the Department of Public Safety (Section 217.10). In Am. Sub. H.B. 66 of the 126th General Assembly, effective July 1, 2005, the Office of Criminal Justice Services was abolished and its functions were transferred to the Division of Criminal Justice Services within the Department of Public Safety. A continuing temporary law provision in the budget as proposed by the Executive essentially states that the Office of Criminal Justice Services' work is to continue uninterrupted by the transfer of its functions and that the Division of Criminal Justice Services assumes the Office of Criminal Justice Services' obligations, business, rules, orders, determinations, pending actions, or proceedings, and the like with respect to these functions.

Fund Clarifications (Sections 217.10, 550.10, and 550.20). The executive-recommended transportation budget changes the names of two funds used by the Division of Criminal Justice Services within the Department of Public Safety. The Justice Programs Fund (Fund 3L5) is renamed the Federal Justice Grants Fund and the General Services Fund (Fund 4P6) is renamed the Justice Program Services Fund.

Program Series

9: Program Management

Purpose: To provide overall direction and leadership in support of the Department's varied missions as well as to support retirement of bond debt related to various capital projects.

The following table shows the line item that is used to fund the Debt Service program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Highway Safety Fund (HSF)				
036	761-401	Lease Rental Payments	\$13,929,500	\$14,017,100
036	766-321	Operating Expense – Administration	\$893,477	\$929,125
Highway Safety Fund Subtotal			\$14,822,977	\$14,946,225
Total Funding: Program Management			\$14,822,977	\$14,946,225

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

- **Program 9.01 – Program Management**
- **Program 9.02 – Debt Service**

Program 9.01 – Program Management

Program Description: The purpose of this program is to cover the operating costs of the director's office, including the director and assistant director, chief legal officer, two legislative liaisons, and the public information officer.

Group	Fund	ALI	Title	FY 2008	FY 2009
HSF	036	766-321	Operating Expense – Administration	\$893,477	\$929,125
Total Funding: Program Management				\$893,477	\$929,125

Funding Source: Fund 036, which consists of moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Line Item: See above table.

Implication of Executive Recommendation: Based on the narrative accompanying the Department's biennial budget request as submitted to the Office of Budget and Management, it appears that the executive-recommended transportation budget fully funds the ongoing operating expenses of the director's office, including eight existing full-time equivalent (FTE) staff positions.

Permanent and Temporary Law

It does not appear that there are any permanent or temporary law provisions contained in the executive-recommended transportation budget directly affecting the Department's Program Management program.

Program 9.02 – Debt Service

Program Description: The Debt Service program/line item picks up the state's debt service tab that must be paid to the Ohio Building Authority (OBA) for its obligations incurred as a result of issuing bonds that cover the Department's capital appropriations.

Group	Fund	ALI	Title	FY 2008	FY 2009
HSF	036	761-401	Lease Rental Payments	\$13,929,500	\$14,017,100
Total Funding: Debt Service				\$13,929,500	\$14,017,100

Funding Sources: (1) Cash transferred from the Department of Transportation's Highway Operating Fund (Fund 002) to cover its portion of the Hilltop Building Project, (2) cash transferred from the State Bureau of Motor Vehicles Fund (Fund 4W4) to meet the Bureau's obligations for certain capital projects, and (3) moneys appropriated from the Highway Safety Fund (Fund 036), which consists of moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Line Item: See above table.

Implication of Executive Recommendation: It appears that the executive-recommended transportation budget provides a level of funding that will be sufficient to pay existing bonded debt related to the Hilltop building, the Alum Creek Warehouse facility, Center School renovation, and the Multi-Agency Radio Communications System (MARCS).

Permanent Law

It does not appear that there are any permanent law provisions contained in the executive-recommended transportation budget directly affecting the Department's Debt Service program.

Temporary Law

OBA Bond Authority/Lease Rental Payments (Section 221.10). The executive-recommended transportation budget contains a temporary law provision: (1) authorizing the Ohio Building Authority (OBA) to lease capital facilities to the Department of Public Safety, and (2) specifying that line item 761-401, Lease Rental Payments, is used to make lease payments to the OBA.

Hilltop Transfer (Section 221.10). The executive-recommended transportation budget contains a temporary law provision authorizing the Director of Budget and Management to transfer funds from the Highway Operating Fund to the Highway Safety Fund. The amount that could be transferred would be the Department of Transportation's share of the Hilltop Building Project and is determined by the Director of Public Safety, with the agreement of the Director of Transportation.

Public Works Commission

Jonathan Lee, Senior Budget Analyst

- \$67.5 million Local Transportation Improvement Program (LTIP)
- Funding covers operating and capital expenses for Program Years 21 and 22 of the LTIP
- Recent renewal of the SCIP program provides \$2 billion from FYs 2009-2018
- Current service and staffing levels will be maintained over the biennium

OVERVIEW

The Agency

The Public Works Commission (PWC) administers the State Capital Improvement Program (SCIP) and the Local Transportation Improvement Program (LTIP). These programs provide grants and loans to local governments for infrastructure projects. The SCIP receives funding from infrastructure bonds and the LTIP receives funding from one cent of the motor fuel tax. PWC also administers a portion of the Clean Ohio Conservation Program. Currently, the Commission employs a staff of 13.

Funding Distribution

The transportation budget bill contains the *operating* dollars for the LTIP and the SCIP as well as the *capital* dollars for the LTIP. This analysis will focus on these dollars.

The capital reappropriations bill and the capital bill contain the *capital* dollars for the SCIP. The main appropriations bill contains the debt service appropriations for the SCIP and the Clean Ohio Conservation Program (COCP), as well as operating dollars for the COCP.

FYs 2008-2009 Recommended Budget

PWC's recommended budget in the transportation bill is \$68.6 million in FY 2008 and \$68.7 million in FY 2009, for a total of \$137.3 million for the biennium. Of this total, 98% funds the capital portion of the LTIP, while 2% funds the combined operating portion of the SCIP and LTIP. FY 2008 levels are 59.7% below estimated FY 2007 spending levels of \$170 million. The large difference between the two years occurs because FY 2007 levels include previously encumbered moneys spent in FY 2007. FY 2009 recommendations are .1% more than FY 2008 recommendations.

Overall, the recommendations fully funded PWC's budget request. PWC will be able to maintain current service and staffing levels with the recommendations. Funding in the bill provides for a 3.5% cost of living adjustment for its employees, merit increases, healthcare coverage, travel, and bond counsel fees. The capital dollars for the LTIP are tied to one cent of the motor fuel tax, providing approximately \$67.5 million each fiscal year of the biennium.

Staffing Levels

The Commission's staffing levels have been constant over recent years. From 1991 to 1998, the staff was reduced from 18 to the current level of 12. The table below displays PWC's staffing levels from FYs 2004 to 2009.

Public Works Commission Staffing Levels by Fiscal Year						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
SCIP/LTIP/COCP	13	13	13	13	12	12
Totals	13	13	13	13	12	12

Summary of FYs 2008-2009 Budget Issues

Over the biennium PWC will focus on the following issues:

- Continuing development of the PWC-Information Systems database. This database provides local governments and contractors with direct access to the Commission's data network;
- Continuing development of the statewide Capital Improvement Report database. This database inventories all local government infrastructure in the state;
- Ongoing development of forms and procedures to expedite application review and approval processes;
- Continued administration of the SCIP, LTIP, and COCP; and
- Implementation of the Ohio Administrative Knowledge System (OAKS).

Reauthorization of the State Capital Improvement Program (SCIP)

Ohio voters renewed the SCIP program in November 2005 with the passage of Article 2p of the Ohio Constitution, otherwise known as State Issue 1. The amendment to the Ohio Constitution reauthorized the SCIP program for another ten program years for the purposes of local government public infrastructure capital improvements, research and development, the development of certain sites and facilities, and to expand state and local government authority regarding economic development. A total of \$1.35 billion in general obligation bonds with a maximum of 30 years' maturity period may be issued for local government public infrastructure capital improvement purposes. The new issuances are estimated to start in December 2009 and continue each year until 2018 (or later). These new bonds will not be issued until the prior constitutional authority for the same purpose has been exhausted. The proceeds will continue to be distributed to each of PWC's 19 District Public Works Integrating Committees (DPWIC) through the SCIP program, and debt service on the bonds will be paid from the General Revenue Fund.

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Aid to Local Government Improvements

Purpose: This program series provides grants and loans to address Ohio's local public infrastructure needs.

The following table shows the line items that are used to fund the Aid to Local Government Improvements program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Local Transportation Improvement Fund				
052	150-402	LTIP-Operating	\$291,537	\$306,178
052	150-701	Local Transportation Improvement Program	\$67,500,000	\$67,500,000
Local Transportation Improvement Fund Subtotal			\$67,791,537	\$67,806,178
Local Infrastructure Improvement Fund				
038	150-321	SCIP-Operating	\$879,237	\$918,912
Local Infrastructure Improvement Fund Subtotal			\$879,237	\$918,912
Total Funding: Aid to Local Government Improvements			\$68,670,774	\$68,725,090

The Aid to Local Government Improvements program series includes two programs:

- **Program 1.01 – State Capital Improvement Program (SCIP)**
- **Program 1.02 – Local Transportation Improvement Program (LTIP)**

Program 1.01 – State Capital Improvement Program

Program Description: The State Capital Improvement Program uses infrastructure bond proceeds to provide grants and loans to local governments for improvement of their infrastructure systems. Bond issuing authority is provided in Section 2m, Article VIII of the Ohio Constitution. Each year approximately \$120 million in bonds are issued to provide the grants and loans. Eligible projects include improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal systems. The SCIP also has two subprograms, the Small Government Program, which sets aside \$12 million each fiscal year for villages and townships less than 5,000 in population, and the Emergency Assistance Program, which provides \$2.5 million for infrastructure emergencies.

The transportation budget bill only provides the operating funding for the SCIP. Over time operating expenses have remained fairly constant, ranging between \$800,000 to \$900,000 each fiscal year. The majority of these operating expenses are for personnel and maintenance. Maintenance costs have been reduced since FY 2004 due to the purchase of an internal server, reducing the amount the Commission paid to the Ohio Data Network for computer usage and storage.

The capital appropriations for the SCIP program are provided in the capital bill and the capital reappropriations bill. The program's debt service appropriations are provided in the main appropriations bill.

Funding Source: Operating expenses are paid by investment income from bond proceeds. No GRF moneys are used for program administration. Fund 038 earns an average of \$1.5 million to \$2.5 million per year in investment income.

Line Items:

Line Item	FY 2008	FY 2009
150-907, State Capital Improvement General Obligation Debt Service	N/A*	N/A*
150-321, SCIP-Operating Expenses	\$879,237	\$918,912
Planning and Research Operating Total	\$879,237	\$918,912

*Funding provided in the Main Operating Budget

Implication of Executive Recommendation: Total recommended funding for SCIP operating expenses over the biennium is \$1,798,149. PWC will maintain current service and staffing levels with the recommended funding levels. Overall, the recommendation will allow PWC to administer Program Year s21 and 22 of the SCIP. Administrative functions include: approving disbursement requests, providing ongoing technical assistance to district public works integrating committees, project monitoring, and providing continued maintenance for the Commission's statewide infrastructure needs database.

Permanent Law

There are no permanent law provisions in the bill affecting the SCIP.

Temporary Law

District Administration Costs. The provision authorizes the Director of PWC to use investment earnings from the SCIP and LTIP funds for administrative costs incurred by the 19 individual Public Works District Integrating Committees. No more than \$1,235,000 per fiscal year will be available for reimbursement, and individual districts may not receive more than \$65,000 per fiscal year. In the last transportation budget \$760,000 was available for reimbursements with the individual districts receiving no more than \$40,000 per year. The increase in reimbursements compared to last budget is due to inflation. This provision is recurring from the last transportation budget bill.

Program 1.02 – Local Transportation Improvement Program

Program Description: The Local Transportation Improvement Program (LTIP) provides direct grants to assist in the costs associated with local road and bridge projects. Grants are distributed on a per capita basis and are used to make cash payments to consultants and contractors for work performed on behalf of the local government. The majority of grants are distributed to cities and counties, but also villages and townships.

Funding Source: The LTIP receives one cent of the motor fuel tax which is the equivalent to \$65 million to \$67 million annually.

Line Items:

Line Item	FY 2008	FY 2009
150-402, LTIP-Operating	\$291,537	\$306,178
150-701, Local Transportation Improvement Program	\$67,500,000	\$67,500,000
Local Transportation Improvement Fund Total	\$67,791,537	\$67,806,178

Implication of Executive Recommendation: PWC was funded at requested levels for the biennium. The recommendations will allow PWC to implement Program Years 21 and 22 of the LTIP. The Commission estimates this will result in the approval of 360 projects representing over \$135 million in grants over the biennium. The recommended budget will also provide the necessary administrative support for the LTIP. Administrative expenses include project monitoring, processing disbursement requests, and maintenance of the Commission's information system technology.

Permanent Law

There are no permanent law provisions in the bill affecting the LTIP.

Temporary Law

District Administration Costs. The provision authorizes the Director of PWC to use investment earnings from the SCIP and LTIP funds for administrative costs incurred by the 19 individual Public Works District Integrating Committees. No more than \$1,235,000 per fiscal year will be available for reimbursement, and individual districts may not receive more than \$65,000 per fiscal year. In the last transportation budget \$760,000 was available for reimbursements with the individual districts receiving no more than \$40,000 per year. The increase in reimbursements compared to last budget is due to inflation. This is recurring language from the last transportation budget bill.

Reappropriations. This provision specifies that all capital appropriations of the Local Transportation Improvement Fund (Fund 052) that remain unencumbered at the end of FY 2007 and FY 2008 are reappropriated for FY 2008 and FY 2009, respectively. This provision will allow unused, unobligated capital funds to be carried forward for local infrastructure projects in the next fiscal year. This is recurring language from the last transportation budget bill.

REQUESTS NOT FUNDED

The executive fully funded PWC's requested budget.

Department of Development

Brian Hoffmeister, Budget Analyst

- \$18.7 million per year for roadwork development grants for businesses
- This is a 33.6% increase over the estimated FY 2007 spending levels

OVERVIEW

Roadwork Development

Am. Sub. H.B. 298 of the 119th General Assembly created line item 195-629, Roadwork Development, within the Department of Development. Roadwork Development moneys are used for road improvements associated with economic development opportunities that retain or attract business in Ohio. Because the account is fully funded by gas tax revenues, the account is restricted to public road projects. The Department of Transportation, under the direction of the Department of Development, provides these moneys in accordance with all guidelines and requirements for the fund. Moneys may be spent only after the Controlling Board approves the agency's planned use of the funds.

The Department of Transportation and the Department of Development have a 13-year partnership with respect to gas tax moneys being allocated to the Roadwork Development account. Over the life of the program, the two departments have assisted numerous businesses and communities across the state with more than \$150 million in roadwork assistance. Grants are usually given to local governments (counties, cities, townships, and villages) in order to complete roadwork improvements in support of business expansion or construction. In calendar year 2006, the Controlling Board approved 55 Roadwork Development Grants for projects across the state, ranging from \$20,000 to \$2 million. These grants are estimated to result in the creation of 5,954 jobs and the retention of 17,140 jobs over a three-year period.

The executive recommendation for line item 195-629, Roadwork Development, is \$18.7 million in each fiscal year of the biennium. The recommended amount for each year is \$4.7 million (33.6%) greater than the estimated spending amount for FY 2007.

Federal Special Revenue Fund Group

3B9 776-662 Rail Transportation-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$496,056	\$48,155	\$363	\$10,000	\$10,000	\$10,000
	-90.3%	-99.2%	2658.2%	0.0%	0.0%

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

Legal Basis: Section 203.10 of H.B. 67 of the 127th 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

4A3 776-665 Railroad Crossing Safety Devices

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,500	\$0	\$0	\$0	\$0	\$0
		N/A	N/A	N/A	N/A

Source: SSR: Motor fuel tax revenues

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: This line item was used to fund the installation of rumble strips or other appropriate warning devices at railroad crossings.

4N4 776-663 Panhandle Lease Reserve Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$764,400	\$762,500	\$763,700
	N/A	N/A	N/A	-0.2%	0.2%

Source: SSR: Biannual rail operator fees

Legal Basis: Section 203.10 of H.B. 67 of the 127th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,710,015	\$1,162,900	\$1,040,201	\$2,111,500	\$2,111,500	\$2,111,500
	-57.1%	-10.6%	103.0%	0.0%	0.0%

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

Legal Basis: Section 203.10 of H.B. 67 of the 127th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$114,343	\$436,630	\$570,000	\$570,000	\$570,000
	N/A	281.9%	30.5%	0.0%	0.0%

Source: SSR: General aviation license tax (\$15 per aircraft seat); annual flat rate of \$15 for gliders and balloons.

Legal Basis: ORC 4561.18 and 4561.21 (originally established by Am. Sub. H.B. 95 of the 125th G.A.); Section 203.10 of H.B. 67 of the 127th G.A.

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

Highway Operating Fund Group

002 770-003 Administration-State-Debt Service

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$13,802,440	\$13,393,459	\$12,964,242	\$10,923,100	\$10,555,300	\$3,614,700
	-3.0%	-3.2%	-15.7%	-3.4%	-65.8%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item provides debt service payments for the bonds issued for the rehabilitation and construction of district and county garages and outposts, as well as ODOT's central office in Columbus.

002 771-411 Planning and Research-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$14,645,322	\$14,225,862	\$16,048,766	\$19,112,000	\$20,724,547	\$21,733,301
	-2.9%	12.8%	19.1%	8.4%	4.9%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: ORC 5501.03 and 5501.11 (originally established by Am. Sub. H.B. 107 of the 121st G.A.); Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A.

Purpose: Funds are used for collection and review of statewide traffic monitoring data, maintaining the state road inventory, long-range and urban plan development, and other planning activities.

002 771-412 Planning and Research-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$26,849,202	\$22,912,973	\$24,821,192	\$40,000,000	\$29,996,363	\$30,264,923
	-14.7%	8.3%	61.2%	-25.0%	0.9%

Source: HOF: Federal motor fuel tax revenues (CFDA 20.205, Highway Planning and Construction - Federal-Aid Highway Program)

Legal Basis: ORC 5501.03 and 5501.11; Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A.

Purpose: Funds are used for collection and review of statewide traffic monitoring data, maintaining the state road inventory, long-range and urban plan development, and other planning activities.

002 772-421 Highway Construction-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$437,276,063	\$508,574,905	\$493,079,108	\$578,969,730	\$528,722,188	\$504,184,419
	16.3%	-3.0%	17.4%	-8.7%	-4.6%

Source: HOF: State motor fuel tax revenues and other highway-related revenues

Legal Basis: Sections 203.10, 203.40, 203.50, and 203.60 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item provides state operating and capital dollars for major-new construction; pavement preservation; local government road projects; bridge preservation; road safety; state infrastructure bank loans; special discretionary projects; construction and rehabilitation of public access roads; and construction of grade crossing separations.

002 772-422 Highway Construction-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$756,233,868	\$942,829,102	\$1,086,636,087	\$1,131,500,000	\$1,103,979,148	\$1,086,733,759
	24.7%	15.3%	4.1%	-2.4%	-1.6%

Source: HOF: Federal motor fuel tax revenues and other federal-highway related revenues (CFDA 20.205, Highway Planning and Construction - Federal-Aid Highway Program)

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item provides federal capital dollars for major-new construction; pavement preservation; local government road projects; bridge preservation; road safety; special discretionary projects; and construction of grade crossing separations.

002 772-424 Highway Construction-Other

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$58,759,131	\$62,454,927	\$52,305,838	\$53,500,000	\$106,439,000	\$100,379,155
	6.3%	-16.3%	2.3%	99.0%	-5.7%

Source: HOF: Local government project participation dollars

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: Moneys in this line item provides state funds for local highway and bridge design; resurfacing, restoration, replacement, and upgrading; new construction; noise walls/barriers; and pedestrian/bicycle facilities.

002 772-437 GARVEE Debt Service - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$10,321,300	\$19,273,500
	N/A	N/A	N/A	N/A	86.7%

Source: HOF: State motor fuel tax revenues

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A.

Purpose: This line item provides the debt service on federal grant anticipated revenue vehicle bonds (GARVEEs). GARVEE bonds are considered an innovative financing tool by leveraging federal motor fuel tax revenues appropriated from the federal Highway Trust Fund. The proceeds from GARVEE bonds will be used to finance the Department's Major/New construction program.

002 772-438 GARVEE Debt Service - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$113,915,900	\$139,015,000
	N/A	N/A	N/A	N/A	22.0%

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A.

Purpose: This line item provides the debt service on federal grant anticipated revenue vehicle bonds (GARVEEs). GARVEE bonds are considered an innovative financing tool by leveraging federal motor fuel tax revenues appropriated from the federal Highway Trust Fund. The proceeds from GARVEE bonds will be used to finance the Department's Major/New construction program.

002 773-431 Highway Maintenance-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$395,140,339	\$376,567,481	\$370,516,138	\$393,313,472	\$403,252,901	\$417,915,187
	-4.7%	-1.6%	6.2%	2.5%	3.6%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: Moneys appropriated to this line item funds the Department's maintenance program. Maintenance activities include: rest area maintenance; guardrail maintenance; garage operations; snow and ice control; roadside maintenance; pavement and bridge maintenance; and traffic system maintenance. Funds are also used to build and maintain ODOT buildings and to acquire equipment such as cars, backhoes, and garage equipment. Several maintenance services are accomplished by ODOT employees as well as contracted out.

002 775-452 Public Transportation-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$23,943,231	\$18,099,674	\$20,730,219	\$29,365,000	\$25,471,589	\$30,391,763
	-24.4%	14.5%	41.7%	-13.3%	19.3%

Source: HOF: CFDA 20.509, Public Transportation for Non-urbanized Areas (Non-urbanized Formula Grants, Section 5311)

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item provides federal funding for the Ohio Public Transportation Grant Program. Funding is also used to provide technical assistance to individual transit systems and assist in transit planning activities.

002 775-454 Public Transportation-Other

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$330,136	\$429,559	\$658,843	\$1,500,000	\$1,500,000	\$1,500,000
	30.1%	53.4%	127.7%	0.0%	0.0%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item establishes expenditure authority for an unfunded rotary account which was established to enable the collection of local shares for vehicles purchased through the Elderly and Disabled Special Equipment Program and for consortium purposes for non-profit grantees under the Rural Transit Program. Because these agencies are not eligible to purchase vehicles directly from ODOT term contracts, ODOT purchases the vehicles on their behalf.

002 775-459 Elderly and Disabled Special Equipment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,044,567	\$1,476,512	\$2,213,228	\$4,595,000	\$4,730,000	\$4,730,000
	41.4%	49.9%	107.6%	2.9%	0.0%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: Funds provide federal capital assistance to non-profit agencies providing transportation services to the elderly and people with disabilities. This program was established in 1975 and is authorized under 49 U.S.C Section 5310. ODOT is designated as the recipient of these funds and is required to oversee their distribution and their subsequent investment in local transportation services. ODOT directly awards term contracts for the purchase of vehicles on behalf of the recipient agencies.

002 776-462 Grade Crossings-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$10,472,055	\$11,380,273	\$8,593,475	\$15,000,000	\$15,000,000	\$15,000,000
	8.7%	-24.5%	74.6%	0.0%	0.0%

Source: HOF: CFDA 20.205, Highway Planning and Construction (Federal-Aid Highway Program)

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item funds the installation of warning devices at rail-highway crossings; restoration and rehabilitation of rail-highway grade crossing pavements; and posting of signs and pavement markings near crossings.

002 777-472 Airport Improvements-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$30,000	\$198,831	\$211,169	\$405,000	\$405,000	\$405,000
	562.8%	6.2%	91.8%	0.0%	0.0%

Source: HOF: CFDA 20.106, Airport Improvement Program (AIP)

Legal Basis: ORC 4561.06 and 4561.08 (originally established by Am. Sub. H.B. 107 of the 121st G.A.); Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: Moneys appropriated to this line item provide Federal Aviation Administration (FAA) funds to contract with consultants for the preparation of individual master plans and layout plans to improve the attractiveness of local airports for corporate and other general aviation.

002 777-475 Aviation Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,322,960	\$3,398,583	\$5,490,564	\$4,046,900	\$5,210,000	\$5,358,100
	2.3%	61.6%	-26.3%	28.7%	2.8%

Source: HOF: Motor fuel tax revenues and other highway-related revenues; flight fees

Legal Basis: Sections 203.10 and 203.40 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item funds the Aviation Operating Program, which is responsible for operating ODOT's aircraft. The ODOT aircraft are used to transport state officials, including the Governor, legislators, and ODOT and other state departments and personnel. If they are used for highway purposes expenses are paid with gas tax revenues, and if they are used for non-highway purposes the user is billed for the cost of the flight.

002 779-491 Administration-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$113,122,638	\$117,731,660	\$105,983,054	\$121,057,898	\$120,262,864	\$122,601,493
	4.1%	-10.0%	14.2%	-0.7%	1.9%

Source: HOF: Motor fuel tax revenues and other highway-related revenues

Legal Basis: Sections 203.10, 203.40, and 203.60 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: This line item is used to fund the administrative functions of the Department, such as the offices of the Director, Assistant Directors, District Deputy Directors, Business Management (Information Technology, Finance, Personnel, Facilities), District Business and Human Resource Administrators, Chief of Staff, and Major and Local Programs Administration.

212 770-005 Infrastructure Debt Service-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$65,541,596	\$66,592,452	\$0	\$0	\$0	\$0
	1.6%		N/A	N/A	N/A

Source: HOF: CDFA 20.205, Highway Planning and Construction - Federal Aid Highway Program

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys appropriated to this line item were used to pay the debt service on bonds issued to build major/new construction projects.

212 772-423 Infrastructure Lease Payments-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$11,752,277	\$11,290,018	\$0	\$0	\$0	\$0
	-3.9%		N/A	N/A	N/A

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item was used to fund semi-annual payments for the lease of the Michael A. Fox Highway. The lease payments enabled the Butler County Transportation Improvement District to make principal and interest payments on bonds issued to build the highway.

212 772-426 Highway Infrastructure Bank-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,298,271	\$10,886,209	\$10,542,981	\$2,000,000	\$4,303,173	\$4,018,649
	373.7%	-3.2%	-81.0%	115.2%	-6.6%

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Controlling Board on September 16, 1996)

Purpose: Moneys in this line item represent first generation federal dollars used for loans to entities for highway construction. Projects must be CFR Title 23/49 eligible. The objectives of the State Infrastructure Bank (SIB) include project acceleration, economic development, and stimulation of private investment. The following phases of a project are eligible for State Infrastructure Bank funding: right-of-way purchases, final design, and construction. Federal funds cover 80% of the project cost and state motor fuel tax revenues cover the 20% state match.

212 772-427 Highway Infrastructure Bank-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,191,548	\$10,647,942	\$13,981,913	\$8,853,400	\$8,268,315	\$10,209,272
	72.0%	31.3%	-36.7%	-6.6%	23.5%

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys in this line item represent second generation federal funds used for loans for highway infrastructure projects. Second generation funds are non-federal funds that were used to pay back original loans financed with federal funds. No state match is required to use these funds. The following phases of a project are eligible for State Infrastructure Bank funding: right of way purchases, final design, and construction. The only requirement placed on using these funds is that they qualify as Title 23/49 eligible.

212 772-429 Highway Infrastructure Bank-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$12,500,000	\$11,000,000	\$11,499,999
	N/A	N/A	N/A	-12.0%	4.5%

Source: HOF: Motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

212 772-430 Infrastructure Debt Reserve Title 23-49

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$1,500,000	\$1,500,000	\$1,500,000
	N/A	N/A	N/A	0.0%	0.0%

Source: HOF: Loan Repayments

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

212 775-406 Transit Infrastructure Bank-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$171,542	\$0	\$0	\$0	\$0	\$0
		N/A	N/A	N/A	N/A

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item housed the federal share of transit infrastructure projects funded through the State Infrastructure Bank.

212 775-408 Transit Infrastructure Bank-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$2,500,000	\$2,500,000	\$812,685
	N/A	N/A	N/A	0.0%	-67.5%

Source: HOF: Motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

212 775-455 Title 49 Infrastructure Bank - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$1,000,000	\$476,485	\$312,795
	N/A	N/A	N/A	-52.4%	-34.4%

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys in this line item represent second generation federal funds used for loans for highway infrastructure projects and transit projects. Second generation funds are non-federal funds that were used to pay back original loans financed with federal funds. No state match is required to use these funds. The following phases of a project are eligible for State Infrastructure Bank funding: right of way purchases, final design, and construction. The only requirement placed on using these funds is that they qualify as Title 23/49 eligible.

213 772-431 Roadway Infrastructure Bank - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$1,775,461	\$1,000,000	\$1,000,000
	N/A	N/A	N/A	-43.7%	0.0%

Source: HOF: GRF and state motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys in this line item represent federal funds used for loans for highway infrastructure projects and transit projects. No state match is required to use these funds. These funds will not be loaned to any local government if the repayment stream is made with original federal funds. The following phases of a project are eligible for State Infrastructure Bank funding: right of way purchases, final design, and construction. The only requirement placed on using these funds is that they qualify as Title 23/49 eligible.

213 772-432 Roadway Infrastructure Bank-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$7,000,000	\$6,000,000	\$6,000,000
	N/A	N/A	N/A	-14.3%	0.0%

Source: HOF: Motor fuel tax revenues, bonds, and payments from local governments

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: Moneys in this line item represent second generation federal funds used for loans for highway infrastructure projects and transit projects. Second generation funds are non-federal funds that were used to pay back original loans financed with federal funds. No state match is required to use these funds. The following phases of a project are eligible for State Infrastructure Bank funding: right of way purchases, final design, and construction. The only requirement placed on using these funds is that they qualify as Title 23/49 eligible.

213 772-433 Infrastructure Debt Reserve - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
	N/A	N/A	N/A	0.0%	0.0%

Source: HOF: State motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

213 775-457 Transit Infrastructure Bank - State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$500,000	\$500,000	\$312,082
	N/A	N/A	N/A	0.0%	-37.6%

Source: HOF: GRF

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item is used to provide loans under the State Infrastructure Bank.

213 775-460 Transit Infrastructure Bank-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
	N/A	N/A	N/A	0.0%	0.0%

Source: HOF: GRF

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

213 777-477 Aviation Infrastructure Bank-State

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$2,000,000	\$609,455	\$3,000,000	\$2,000,000	\$3,500,000
	N/A	-69.5%	392.2%	-33.3%	75.0%

Source: HOF: Motor fuel tax revenues and bonds

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: This line item represents the state share of aviation infrastructure projects funded through the State Infrastructure Bank.

213 777-478 Aviation Infrastructure Bank-Local

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$7,000,000	\$5,996,118	\$6,000,000
	N/A	N/A	N/A	-14.3%	0.1%

Source: HOF: GRF

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item will help support the new State Infrastructure Bank Bond Program. The bond program will leverage incoming SIB loan repayments to allow local governments to complete certain project phases more quickly. The appropriations will be used in case ODOT sells the project on behalf of the local government and is required to pay the contractor directly. In that instance, ODOT would request the cash from the trustee to support the payment.

214 770-401 Infrastructure Debt Service-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$73,372,557	\$105,129,400	\$0	\$0
	N/A	N/A	43.3%		N/A

Source: HOF: Federal motor fuel tax revenues

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: Moneys appropriated to this line item were used to pay the debt service on bonds issued to build major/new construction projects.

214 772-434 Infrastructure Lease Payments-Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$2,614,380	\$12,536,000	\$0	\$0
	N/A	N/A	379.5%		N/A

Source: HOF: Federal dollars

Legal Basis: Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item was used to fund semi-annual payments for the lease of the Michael A. Fox Highway. The lease payments enabled the Butler County Transportation Improvement District to make principal and interest payments on bonds issued to build the highway.

4T5 770-609 Administration Memorial Fund

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$640	\$0	\$0	\$0	\$0
	N/A		N/A	N/A	N/A

Source: HOF: Donations (employees, private, civic organizations)

Legal Basis: Discontinued line item (originally established by Controlling Board on August 15, 1994)

Purpose: This line item was used for the maintenance of the existing ODOT employees' memorial monuments across the state. The monuments are for those who have lost their lives while building Ohio's highways.

Infrastructure Bank Obligations Fund Group

045 772-428 Highway Infrastructure Bank-Bonds

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$99,792,739	\$56,551,078	\$12,693,458	\$160,000,000	\$450,000,000	\$400,000,000
	-43.3%	-77.6%	1160.5%	181.3%	-11.1%

Source: 045: Proceeds from bonds (GARVEE bonds - Grant Anticipated Revenue Vehicles) issued against and retired with ODOT's Federal-Aid Highway Program revenues.

Legal Basis: ORC 5531.09 (originally established by Am. Sub. H.B. 627 of the 121st G.A.); Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item funds Major/New construction projects with Grant Anticipated Revenue Vehicles (GARVEE) bonds issued against and retired with ODOT's federal highway revenues. All of GARVEE bond revenues will be allocated to the Major/New program over the biennium. In the past, ODOT has used GARVEE bonds to finance unusually large construction projects such as the Spring-Sandusky interchange and the Maumee River Crossing Bridge. New in FY 2008, the debt service on these bonds will be paid out of the Highway Operating Fund (Fund 002). Also, note that though the fund group and the appropriation item reference the "Infrastructure Bank" they actually have nothing to do with the State Infrastructure Bank Bond and Loan Program.

Highway Capital Improvement Fund Group

042 772-723 Highway Construction-Bonds

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$105,716,295	\$173,318,802	\$164,862,472	\$150,000,000	\$200,000,000	\$100,000,000
	63.9%	-4.9%	-9.0%	33.3%	-50.0%

Source: 042: Proceeds from bond sales authorized under section 2m of Article VIII of the Ohio Constitution, and under ORC 5528.51 to 5528.56; no more than \$220 million can be issued in any fiscal year, and no more than \$1.2 billion can be outstanding at any one time. Proceeds from bonds are issued against, and retired with ODOT's state motor fuel tax revenues.

Legal Basis: ORC 5528.53 (originally established by Am. Sub. H.B. 107 of the 121st G.A.); Section 203.10 of H.B. 67 of the 127th G.A.

Purpose: This line item is used for Major/New highway construction projects. Bonds sales are dependent on cash needs from project expenditures. The debt service on the state bonds is paid from motor fuel tax revenues from the Highway Operating Fund (Fund 002). Section 203.20 of the bill authorizes the state to issue up to \$290 million in general obligation bonds to finance highway projects. Similar to GARVEE bonds, ODOT uses state highway bonds to finance large construction projects so as not to tie up cash.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DOT Transportation, Department of								
3B9	776-662	Rail Transportation-Federal	\$ 363	\$10,000	\$ 10,000	0.0%	\$ 10,000	0.0%
Federal Special Revenue Fund Group Total			\$ 363	\$ 10,000	\$ 10,000	0.0%	\$ 10,000	0.0%
4N4	776-663	Panhandle Lease Reserve Payments	---	\$764,400	\$ 762,500	-0.2%	\$ 763,700	0.2%
4N4	776-664	Rail Transportation-Other	\$ 1,040,201	\$2,111,500	\$ 2,111,500	0.0%	\$ 2,111,500	0.0%
5W9	777-615	County Airport Maintenance	\$ 436,630	\$570,000	\$ 570,000	0.0%	\$ 570,000	0.0%
State Special Revenue Fund Group Total			\$ 1,476,832	\$ 3,445,900	\$ 3,444,000	-0.1%	\$ 3,445,200	0.0%
002	770-003	Administration-State-Debt Service	\$ 12,964,242	\$10,923,100	\$ 10,555,300	-3.4%	\$ 3,614,700	-65.8%
002	771-411	Planning and Research-State	\$ 16,048,766	\$19,112,000	\$ 20,724,547	8.4%	\$ 21,733,301	4.9%
002	771-412	Planning and Research-Federal	\$ 24,821,192	\$40,000,000	\$ 29,996,363	-25.0%	\$ 30,264,923	0.9%
002	772-421	Highway Construction-State	\$ 493,079,108	\$578,969,730	\$ 528,722,188	-8.7%	\$ 504,184,419	-4.6%
002	772-422	Highway Construction-Federal	\$ 1,086,636,087	\$1,131,500,000	\$ 1,103,979,148	-2.4%	\$ 1,086,733,759	-1.6%
002	772-424	Highway Construction-Other	\$ 52,305,838	\$53,500,000	\$ 106,439,000	99.0%	\$ 100,379,155	-5.7%
002	772-437	GARVEE Debt Service - State	---	\$0	\$ 10,321,300	N/A	\$ 19,273,500	86.7%
002	772-438	GARVEE Debt Service - Federal	---	\$0	\$ 113,915,900	N/A	\$ 139,015,000	22.0%
002	773-431	Highway Maintenance-State	\$ 370,516,138	\$393,313,472	\$ 403,252,901	2.5%	\$ 417,915,187	3.6%
002	775-452	Public Transportation-Federal	\$ 20,730,219	\$29,365,000	\$ 25,471,589	-13.3%	\$ 30,391,763	19.3%
002	775-454	Public Transportation-Other	\$ 658,843	\$1,500,000	\$ 1,500,000	0.0%	\$ 1,500,000	0.0%
002	775-459	Elderly and Disabled Special Equipment	\$ 2,213,228	\$4,595,000	\$ 4,730,000	2.9%	\$ 4,730,000	0.0%
002	776-462	Grade Crossings-Federal	\$ 8,593,475	\$15,000,000	\$ 15,000,000	0.0%	\$ 15,000,000	0.0%
002	777-472	Airport Improvements-Federal	\$ 211,169	\$405,000	\$ 405,000	0.0%	\$ 405,000	0.0%
002	777-475	Aviation Administration	\$ 5,490,564	\$4,046,900	\$ 5,210,000	28.7%	\$ 5,358,100	2.8%
002	779-491	Administration-State	\$ 105,983,054	\$121,057,898	\$ 120,262,864	-0.7%	\$ 122,601,493	1.9%
212	772-426	Highway Infrastructure Bank-Federal	\$ 10,542,981	\$2,000,000	\$ 4,303,173	115.2%	\$ 4,018,649	-6.6%
212	772-427	Highway Infrastructure Bank-State	\$ 13,981,913	\$8,853,400	\$ 8,268,315	-6.6%	\$ 10,209,272	23.5%
212	772-429	Highway Infrastructure Bank-Local	---	\$12,500,000	\$ 11,000,000	-12.0%	\$ 11,499,999	4.5%
212	772-430	Infrastructure Debt Reserve Title 23-49	---	\$1,500,000	\$ 1,500,000	0.0%	\$ 1,500,000	0.0%
212	775-408	Transit Infrastructure Bank-Local	---	\$2,500,000	\$ 2,500,000	0.0%	\$ 812,685	-67.5%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DOT Transportation, Department of								
212	775-455	Title 49 Infrastructure Bank - State	---	\$1,000,000	\$ 476,485	-52.4%	\$ 312,795	-34.4%
213	772-431	Roadway Infrastructure Bank - State	---	\$1,775,461	\$ 1,000,000	-43.7%	\$ 1,000,000	0.0%
213	772-432	Roadway Infrastructure Bank-Local	---	\$7,000,000	\$ 6,000,000	-14.3%	\$ 6,000,000	0.0%
213	772-433	Infrastructure Debt Reserve - State	---	\$2,000,000	\$ 2,000,000	0.0%	\$ 2,000,000	0.0%
213	775-457	Transit Infrastructure Bank - State	---	\$500,000	\$ 500,000	0.0%	\$ 312,082	-37.6%
213	775-460	Transit Infrastructure Bank-Local	---	\$1,000,000	\$ 1,000,000	0.0%	\$ 1,000,000	0.0%
213	777-477	Aviation Infrastructure Bank-State	\$ 609,455	\$3,000,000	\$ 2,000,000	-33.3%	\$ 3,500,000	75.0%
213	777-478	Aviation Infrastructure Bank-Local	---	\$7,000,000	\$ 5,996,118	-14.3%	\$ 6,000,000	0.1%
214	770-401	Infrastructure Debt Service-Federal	\$ 73,372,557	\$105,129,400	---	N/A	---	N/A
214	772-434	Infrastructure Lease Payments-Federal	\$ 2,614,380	\$12,536,000	---	N/A	---	N/A
Highway Operating Fund Group Total			\$ 2,301,373,209	\$ 2,571,582,361	\$ 2,547,030,191	-1.0%	\$ 2,551,265,782	0.2%
045	772-428	Highway Infrastructure Bank-Bonds	\$ 12,693,458	\$160,000,000	\$ 450,000,000	181.3%	\$ 400,000,000	-11.1%
Infrastructure Bank Obligations Fund Group Total			\$ 12,693,458	\$ 160,000,000	\$ 450,000,000	181.3%	\$ 400,000,000	-11.1%
042	772-723	Highway Construction-Bonds	\$ 164,862,472	\$150,000,000	\$ 200,000,000	33.3%	\$ 100,000,000	-50.0%
Highway Capital Improvement Fund Group Total			\$ 164,862,472	\$ 150,000,000	\$ 200,000,000	33.3%	\$ 100,000,000	-50.0%
Total All Budget Fund Groups			\$ 2,480,406,333	\$ 2,885,038,261	\$ 3,200,484,191	10.9%	\$ 3,054,720,982	-4.6%

General Services Fund Group

4P6 768-601 Justice Program Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$16,783	\$100,000	\$100,000	\$100,000
	N/A	N/A	495.8%	0.0%	0.0%

Source: GSF: Primarily fees charged to law enforcement agencies for goods and services (annual software maintenance agreements) delivered in relation to the Ohio Incident-Based Reporting System (OIBRS); secondarily, miscellaneous revenue from charges for items such as publications and registration fees for conferences and the like

Legal Basis: Section 209.51 of Am. Sub. H.B. 66 of the 126th G.A. (replaced Fund 4P6, line item 196-424, General Services, reflecting the consolidation of the Office of Criminal Justice Services within the Department of Public Safety as the Division of Criminal Justice Services pursuant to Am. Sub. H.B. 66 of the 126th G.A.) (executive-recommended transportation budget for FYs 2008 and 2009, as contained in H.B. 67 of the 127th G.A., codifies fund in ORC 5502.67)

Purpose: Moneys deposited to the credit of the fund are to be used to pay the costs of administering the operations of the Division of Criminal Justice Services.

4S2 764-660 MARCS Maintenance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$207,426	\$283,398	\$522,338	\$612,186	\$335,862	\$389,149
	36.6%	84.3%	17.2%	-45.1%	15.9%

Source: GSF: (1) Moneys transferred from the Department of Administrative Services's Office of Information Technology to reimburse the Ohio State Highway Patrol for its costs related to maintaining the Multi-Agency Radio Communications System (MARCS), and (2) all investment earnings on moneys in the fund

Legal Basis: ORC 4501.16; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys deposited to the credit of the fund are used solely to provide maintenance for MARCS-related equipment located at MARCS facilities and tower sites.

4S3 766-661 Hilltop Utility Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$182,191	\$229,537	\$253,742	\$500,000	\$500,000	\$500,000
	26.0%	10.5%	97.1%	0.0%	0.0%

Source: GSF: Moneys collected from entities that occupy a state site in the Hilltop area of Columbus, most specifically organizational units of the departments of Public Safety and Transportation, for their respective shares of utility costs, e.g., sewer and water charges

Legal Basis: Section 203.06.18 of Am. Sub. H.B. 68 of the 126th G.A. (originally established in Am. Sub. H.B. 210 of the 122nd G.A.)

Purpose: Moneys deposited to the credit of the fund are used to cover utility expenses of the state site in the Hilltop area of Columbus managed by the Department of Public Safety.

533 763-601 State Disaster Relief

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,096,550	\$6,856,492	\$10,428,246	\$8,779,172	\$0	\$0
	-3.4%	52.1%	-15.8%		N/A

Source: GSF: Moneys transferred from the Controlling Board's budget for mitigation and recovery grants and related program operating expenses.

Legal Basis: As needed line item; Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: The moneys deposited to the credit of the fund will be used to: (1) provide the required state match to be eligible for Federal Emergency Management Agency (FEMA) mitigation grant programs, (2) following a Presidential disaster declaration, provide the required state share for participation in FEMA's Public Assistance Program, which reimburses state and local governments and certain private non-profit organizations, (3) following a disaster declared by local governments or the Governor, reimburse eligible local governments and private non-profit organizations for costs related to disasters, (4) following a disaster declared by the Governor and the U.S. Small Business Administration, reimburse eligible individuals for costs related to disasters, (5) support and/or match certain Ohio EMA program management costs, and (6) reimburse state and local governments for Emergency Management Assistance Compact (EMAC) deployment.

Federal Special Revenue Fund Group

329 763-645 Individual Household Grants--Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$5,047,416	\$21,717,710	\$13,831,920	\$13,848,251
	N/A	N/A	330.3%	-36.3%	0.1%

Source: FED: CFDA 97.039, Hazard Mitigation Grant; CFDA 97.029, Flood Mitigation Assistance; CFDA 97.047, Pre-Disaster Mitigation

Legal Basis: Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A.)

Purpose: As of FY 2006, the fund was renamed to reflect its changed purpose to serve as the depository for financial assistance awarded from Federal Emergency Management Agency's (FEMA) mitigation grant programs as follows: (1) hazards mitigation funding for the purpose of implementing long-term hazard mitigation measures following a Presidential disaster declaration, (2) flood mitigation funding to assist the state and communities in implementing measures to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program, and (3) pre-disaster mitigation technical and financial assistance to the state and local governments for cost-effective pre-disaster hazard mitigation activities that complement a comprehensive mitigation program, and reduce injuries, loss of life, and damage and destruction of property. In general, the required nonfederal matching share is around 25% of total eligible costs, and, depending upon the grant program, can be combination of cash, in-kind services, or materials.

Prior to FY 2006, the Ohio Emergency Management Agency directly administered federal assistance to individuals and households eligible for reimbursement of costs related to disasters declared by the President, and deposited the federal portion of those costs in the renamed fund. The federal government provided money to cover 75% of those reimbursable costs. The state's share of those reimbursable costs, drawn from GRF line item 763-507, Individuals and Households Program - State, was 25%. Administrative control of the Individuals and Households Program shifted to FEMA. Under that arrangement, FEMA makes direct cost reimbursement payments to eligible individuals and households and then invoices the state for its 25% share.

337 763-609 Federal Disaster Relief - State Assistance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$27,205,888	\$55,418,896	\$50,626,110	\$27,819,161	\$27,700,200	\$27,707,636
	103.7%	-8.6%	-45.0%	-0.4%	0.0%

Source: FED: CFDA 97.036, Disaster Grants - Public Assistance

Legal Basis: Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: Moneys deposited in the fund are used, subsequent to a disaster or emergency declared by the President, to provide reimbursement to state and local government and eligible private non-profit organizations for removal of wreckage and debris from private and public lands, performance of emergency protective measures, emergency transportation assistance, emergency communications, and permanent restoration of eligible facilities. The federal share is not less than 75% with the state and local governments responsible for the remainder. The state share is provided through Fund 533, line item 763-601, State Disaster Relief.

339 763-647 Emergency Management Assistance and Training

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$31,094,780	\$86,452,052	\$106,713,302	\$129,622,000	\$85,121,692	\$85,265,885
	178.0%	23.4%	21.5%	-34.3%	0.2%

Source: FED: Various federal grant programs for emergency management operations, planning, and training, the bulk of which is awarded by the Federal Emergency Management Agency (FEMA) as part of the Homeland Security Grant Program (CFDA 97.067), which includes eight component programs (CFDA 97.004/97.073, State Homeland Security Program, CFDA 97.008, Urban Area Security Initiative, CFDA 97.074, Law Enforcement Terrorism Prevention Program; CFDA 97.053, Citizen Corps, CFDA 97.042, Emergency Management Performance Grants, and CFDA 97.071, Metropolitan Medical Response System Program, CFDA 97.075, Transit Security Grant Program, and CFDA 97.078, Buffer Zone Protection Program); secondary grants include CFDA 97.020, Hazardous Materials Training Program, and CFDA 20.703, Interagency Hazardous Materials Public Sector Training and Planning Grants

Legal Basis: Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: Moneys deposited to the credit of the fund are passed through to local governments for reimbursement of FEMA-approved local emergency management organizations for up to 50% of their administrative costs (personnel costs, equipment, and so forth). Other funded activities include Homeland Security grants (equipment, planning, training, and exercise related to Homeland Security) and hazardous material emergency preparedness and training. This fund also provides funding for eligible program costs to the Ohio Emergency Management Agency.

3AY 768-606 Federal Justice Grants

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$2,451,774	\$11,500,000	\$13,019,284	\$13,060,000
	N/A	N/A	369.0%	13.2%	0.3%

Source: FED: (1) Money from federal grants that require the money be deposited into an interest-bearing fund, that are intended to provide funding to criminal justice programs, and that require investment earnings be distributed in accordance with the terms of the grant under with the money was received, primarily CFDA 16.738, Edward J. Byrne Memorial Justice Assistance Grant (JAG) Program, and (2) all investment earnings on moneys in the fund

Legal Basis: ORC 5502.62; Section 209.51 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The Edward Byrne Memorial Justice Assistance Grant (JAG) Program blends the previous Byrne Formula and Local Law Enforcement Block Grant (LLEBG) Programs.

Formula: The JAG formula includes a state allocation consisting of a minimum base allocation with the remaining amount determined on population and Part 1 violent crime statistics, and a direct allocation to units of local government. Once the state allocation is calculated, 60 percent of the funding is awarded to the state and 40 percent to eligible units of local government. State allocations also have a required variable pass through to units of local government, calculated by the Bureau of Justice Statistics (BJS) from each state's crime expenditures.

Purpose Areas: JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice for any one or more of the following purpose areas: law enforcement programs, prosecution and court programs, prevention and education programs, corrections and community corrections programs, drug treatment programs, and planning, evaluation, and technology improvement programs.

The state administering agency may use up to 10 percent of the state award for costs associated with administering JAG funds.

3BF 764-692 Federal Contraband, Forfeiture, and Other

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$965,027	\$1,942,040	\$0	\$0
	N/A	N/A	101.2%		N/A

Source: FED: (1) Moneys received by the State Highway Patrol pursuant to federal law from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, and (2) interest or other earnings derived from investment of the proceeds or forfeited moneys in the fund; prior to FY 2006, these moneys were deposited in the state treasury to the credit of the Highway Patrol State Contraband, Forfeiture, and Other Fund (Fund 83C).

Legal Basis: ORC 2933.43(D)(4)(b); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A as amended by Section 401.11 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Moneys deposited to the credit of the fund must be used for activities authorized by the Federal Equitable Sharing Program.

3L5 768-604 Justice Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$26,580,878	\$25,214,623	\$11,880,083	\$12,056,300
	N/A	N/A	-5.1%	-52.9%	1.5%

Source: FED: Various federal, principally criminal justice, financial assistance programs, largest of which historically has been the Byrne Formula Grant Program (CFDA 16.579); additional federal financial assistance programs, more or less in order of monetary magnitude, has included Violence Against Women Formula Grants (CFDA 16.588), Family Violence Prevention and Services Grants (CFDA 93.671), Residential Substance Abuse Treatment for State Prisoners (CFDA 16.593), National Criminal History Improvement Program (NCHIP) (CFDA 16.554), and Local Law Enforcement Block Grant Program (CFDA 16.592)

Legal Basis: Section 209.51 of Am. Sub. H.B. 66 of the 126th G.A. (replaced Fund 3L5, line item 196-604, Justice Programs, reflecting the consolidation of the Office of Criminal Justice Services within the Department of Public Safety as the Division of Criminal Justice Services pursuant to Am. Sub. H.B. 66 of the 126th G.A.) (executive-recommended transportation budget for FYs 2008 and 2009, as contained in H.B. 67 of the 127th G.A., codifies fund in ORC 5502.62)

Purpose: Each of these forms of federal financial assistance comes attached with specifically authorized uses and use restrictions. Generally speaking, these federal awards fund efforts to: (1) improve criminal justice information systems, (2) assist in drug law enforcement and improve the functioning of the criminal justice system, (3) combat crimes against women, (4) reduce family violence, and (5) reduce gun violence.

3N5 763-644 US DOE Agreement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$133,373	\$68,476	\$31,764	\$275,000	\$175,000	\$175,000
	-48.7%	-53.6%	765.8%	-36.4%	0.0%

Source: FED: U.S. Department of Energy financial assistance passed through the Ohio EPA's Office of Federal Facilities Oversight (previously CFDA 81.103, Office of Science and Technology for Environmental Management, which has been consolidated into CFDA 81.104, Office of Environmental Cleanup and Acceleration)

Legal Basis: Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on February 7, 1994)

Purpose: These moneys, which are passed through the Ohio EPA, are used to cover the Ohio Emergency Management's role in the management and oversight of U.S. Department of Energy sites located in Ohio (coordination and public awareness, emergency planning and exercising, hazardous assessments, and data management).

State Special Revenue Fund Group

4V3 763-662 EMA Service and Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$427,681	\$473,864	\$473,050	\$696,446	\$650,000	\$650,000
	10.8%	-0.2%	47.2%	-6.7%	0.0%

Source: SSR: Moneys collected under the Emergency Management Law (ORC 5502.21 to 5502.38); revenue stream includes, but is not limited to: (1) reimbursement from the owners of rain gauges, the Council of State Governments, and other entities, and (2) contract with the National Oceanic and Atmospheric Administration (NOAA) of the National Weather Service

Legal Basis: ORC 5502.39; Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on September 16, 1996)

Purpose: All money in the fund may only be used to pay the costs of administering programs of the EMA. To date, moneys have been collected to: (1) pay the costs associated with labor, travel and parts for the maintenance of rain gauges in the cities of Columbus and Findlay and others that own the gauges that are part of the Ohio Rain/Snow Monitoring System (STORMS) and pay EMA to maintain them, and (2) reimburse the EMA for activities associated with work performed for the Council of State Governments, NOAA, Corps of Engineers, and Radiological Instrument Calibration and Repair (RIMC) facility contracts.

539 762-614 Motor Vehicle Dealers Board

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$85,947	\$128,780	\$130,823	\$239,902	\$200,000	\$200,000
	49.8%	1.6%	83.4%	-16.6%	0.0%

Source: SSR: (1) Four cents from each automobile title fee collected by county clerks of courts from motor vehicle owners, and (2) all investment earnings of the fund

Legal Basis: ORC 4505.09(B)(2)(a); Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 295 of the 114th G.A.)

Purpose: Moneys deposited to the credit of the fund are required to be used by the Motor Vehicle Dealers Board created under ORC 4517.30, together with other moneys appropriated to it, in the exercise of its powers and the performance of its duties under ORC Chapter 4517., except that the Director of Budget and Management may transfer excess money from the Motor Vehicle Dealers Board Fund to the Bureau of Motor Vehicles Fund (Fund 4W4) if the Registrar determines that the amount of money in the Motor Vehicle Dealers Board Fund, together with other moneys appropriated to the Board, exceeds the amount required for the exercise of its powers and the performance of its duties under ORC Chapter 4517. and requests the Director to make the transfer.

5B9 766-632 Private Investigator and Security Guard Provider

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$1,074,908	\$960,291	\$1,188,716	\$1,288,730	\$1,289,883
	N/A	-10.7%	23.8%	8.4%	0.1%

Source: SSR: (1) Activities related to the licensure and registration of private investigators and security guard providers for which a fee is charged (examination fee, registration as an employee, annual renewal of license or registration, and application to carry a firearm), and (2) one-third of moneys received in payment of fines levied pursuant to ORC 4749.99

Legal Basis: ORC 4749.07(A); Section 209.51 of Am. Sub. H.B. 66 of the 126th G.A. (the regulatory authority and related revenue stream for private investigators and security guard providers was transferred from the Division of Real Estate and Professional Licensing in the Department of Commerce to the Department of Public Safety pursuant to Sub. H.B. 230 of the 125th G.A.)

Purpose: Moneys deposited to the credit of the fund are used to pay for operating expenses of the Division of Homeland Security's Private Investigator/Security Guard Section, which oversees the licensing and regulation of private investigators and security guards.

5BK 768-687 Criminal Justice Services Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$400,000	\$400,000
	N/A	N/A	N/A	N/A	0.0%

Source: SSR: (1) An additional \$1.50 fee for each certified copy of a birth record, each certification of birth, and each copy of a death record, (2) an additional \$5.50 fee for the filing of a divorce decree or dissolution, and (3) all earnings resulting from investment of the fund, except that actual administration costs incurred by the Treasurer of State in administering the fund may be deducted from the earnings resulting from investments (amount that may be deducted cannot exceed three per cent of the total amount of fees credited to the fund in each fiscal year; balance of the investment earnings are credited to the fund)

Legal Basis: ORC 3705.242(B)

Purpose: Moneys appropriated to the line item will be used to operate the Division of Criminal Justice Services.

5BK 768-689 Family Violence Shelter Programs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$417,910	\$750,000	\$750,000	\$750,000
	N/A	N/A	79.5%	0.0%	0.0%

Source: SSR: (1) An additional \$1.50 fee for each certified copy of a birth record, each certification of birth, and each copy of a death record, (2) an additional \$5.50 fee for the filing of a divorce decree or dissolution, and (3) all earnings resulting from investment of the fund, except that actual administration costs incurred by the Treasurer of State in administering the fund may be deducted from the earnings resulting from investments (amount that may be deducted cannot exceed three per cent of the total amount of fees credited to the fund in each fiscal year; balance of the investment earnings are credited to the fund)

Legal Basis: ORC 3705.242(B); Section 209.51 of Am. Sub. H.B. 66 of the 126th G.A. (replaced GRF line item 196-405, Violence Prevention Subsidy, reflecting the consolidation of the Office of Criminal Justice Services within the Department of Public Safety as the Division of Criminal Justice Services pursuant to Am. Sub. H.B. 66 of the 126th G.A.)

Purpose: Moneys appropriated to the line item are used by the Director of Public Safety to provide grants to family violence shelters in Ohio.

5CM 767-691 Federal Investigative Seizure

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$63,380	\$642,175	\$642,175	\$642,175
	N/A	N/A	913.2%	0.0%	0.0%

Source: SSR: (1) Moneys received by the Investigative Unit pursuant to federal law from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, and (2) interest or other earnings derived from investment of the proceeds or forfeited moneys in the fund; prior law directed such moneys be deposited in the Investigative, Contraband, and Forfeiture Fund (Fund 622)

Legal Basis: ORC 2933.43(D)(4)(c); Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A as amended by Section 401.11 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on June 6, 2005)

Purpose: Per federal guidelines, moneys deposited to the credit of the fund are to be used for law enforcement-related purchases, including, but not limited to, firearms, computers, surveillance equipment, and vehicles.

622 767-615 Investigative Contraband and Forfeiture

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$239,651	\$328,005	\$254,025	\$404,111	\$375,000	\$375,000
	36.9%	-22.6%	59.1%	-7.2%	0.0%

Source: SSR: Moneys received by the Investigative Unit pursuant to state criminal forfeiture laws from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys; prior to FY 2006, moneys of this nature seized under federal law were deposited in the state treasury to the credit of Fund 622, including all interest or other earnings derived from the investment of the proceeds or forfeited moneys received under federal law; effective FY 2006, these moneys related to seizure of property under federal criminal laws were directed for deposit in the newly created Investigative Unit Federal Equitable Share Account (Fund 5CM)

Legal Basis: ORC 2933.43(D)(1)(c)(ii); Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 163 of the 123rd G.A.; under prior law, if the Department of Public Safety received funds as a result of the sale of seized contraband property, the money had to be credited to either the Liquor Enforcement Contraband, Forfeiture, and Other Fund (Fund 863) or the Food Stamp Contraband, Forfeiture, and Other Fund (Fund 4M3), depending on whether the liquor control or food stamp trafficking unit was involved in the seizure; act merged these two funds into, and created, the Investigative Unit Contraband, Forfeiture, and Other Fund)

Purpose: Moneys deposited to the credit of the fund must be used for enforcing liquor and food stamp laws, rules, and regulations.

657 763-652 Utility Radiological Safety

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$996,792	\$1,018,913	\$1,169,307	\$1,260,000	\$1,260,000	\$1,260,000
	2.2%	14.8%	7.8%	0.0%	0.0%

Source: SSR: Utility Radiological Safety Board assessments against nuclear electric utilities to fund emergency response planning and preparedness

Legal Basis: ORC 4937.05; Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. and Section 306.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in July 1988)

Purpose: Moneys deposited to the credit of the fund are used to enhance Ohio's radiological emergency response planning and preparedness in the following areas: evacuation, response, ingestion zone planning, training, exercises, equipment, and public education.

681 763-653 SARA Title III HAZMAT Planning

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$91,453	\$461,703	\$255,135	\$271,510	\$271,510	\$271,510
	404.9%	-44.7%	6.4%	0.0%	0.0%

Source: SSR: Grant funds received from the State Emergency Response Commission

Legal Basis: Section 203.06.15 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: Moneys deposited to the credit of the fund consist of grants from the State Emergency Response Commission, the fiscal agent of which is the Ohio EPA, to implement the Emergency Management Agency's responsibilities under ORC Chapter 3750. These moneys support planning for hazardous and toxic chemical emergencies.

The state enacted ORC Chapter 3750. to implement the federal requirements contained in the Emergency Planning and Community Right-to-Know Act (EPCRA) passed by Congress in 1986. EPCRA was included as Title III of the Superfund Amendments and Reauthorization Act (SARA) and is sometimes referred to as SARA Title III. EPCRA provides for the collection and availability of information regarding the use, storage, production, and release of hazardous chemicals to the public and emergency responders in local communities.

850 767-628 Investigative Unit Salvage

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$65,985	\$120,000	\$100,000	\$100,000
	N/A	N/A	81.9%	-16.7%	0.0%

Source: SSR: Money received by the Department of Public Safety Investigative Unit established under ORC 5502.13 from the sale of motor vehicles and other equipment pursuant to ORC 125.13; prior to FY 2004, the money the Department previously received from the sale of motor vehicles and related equipment was generally required to be deposited into either the Highway Safety Salvage and Exchange Administration Fund (Fund 830) or the Highway Safety Salvage and Exchange Highway Patrol Fund (Fund 841); effective FY 2004, moneys received by the Investigative Unit from the sale of motor vehicles and other related equipment were to be deposited in the state treasury to credit of the newly created Public Safety Investigative Unit Salvage and Exchange Fund (Fund 850)

Legal Basis: ORC 4501.10(C); Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 87 of the 125th G.A.; under prior law, the money the Department previously received from the sale of motor vehicles and related equipment was generally required to be deposited into either the Highway Safety Salvage and Exchange Administration Fund or the Highway Safety Salvage and Exchange Highway Patrol Fund, as appropriate)

Purpose: Moneys in the fund may only be used only to purchase replacement motor vehicles and other equipment for the Investigative Unit.

State Highway Safety Fund Group

036 761-321 Operating Expense - Information and Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,727,669	\$2,613,595	\$2,893,068	\$3,645,599	\$3,645,598	\$3,645,598
	-4.2%	10.7%	26.0%	0.0%	0.0%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: ORC 4501.06 and 5502.02; Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: These moneys are appropriated to support various operating expenses of the Traffic Safety and Education Program Series, specifically two activities: the Governor's Highway Safety Office and the Driver Training Program.

036 761-401 Lease Rental Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$11,675,152	\$11,960,812	\$13,217,918	\$14,407,000	\$13,929,500	\$14,017,100
	2.4%	10.5%	9.0%	-3.3%	0.6%

Source: HSF: (1) Roughly 60% of moneys are drawn from two Public Safety funds: the Bureau of Motor Vehicles Fund (4W4) and the State Highway Safety Fund (Fund 036), and (2) remainder, or 40%, represents moneys transferred from the Department of Transportation's Highway Operating Fund (Fund 002) for its portion of the Hilltop headquarters construction project costs

Legal Basis: Section 203.06.21 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 904 of the 119th G.A.)

Purpose: The line item funds debt service payments made to the Ohio Building Authority for its obligations incurred as a result of issuing the bonds that finance certain capital improvements, specifically construction of the new headquarters for the departments of Public Safety and Transportation located in the Hilltop area of Columbus, and purchase of dispatch fixed equipment (computer aided dispatch (CAD) equipment, telephone systems, and radio control stations) and mobile radio equipment (mobile radios, portable radios, in-car repeater systems, radio control equipment, radio consoles, GPS systems, and mobile computer systems) to operationalize the Ohio State Highway Patrol's participation in the state's Multi-Agency Radio Communications System (MARCS).

036 761-402 Traffic Safety Match

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$277,137	\$277,137	\$277,137	\$277,137	\$277,137	\$277,137
	0.0%	0.0%	0.0%	0.0%	0.0%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: ORC 4501.06 and 5502.02; Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 656 of the 113th G.A.)

Purpose: These moneys are appropriated to match federal funds for the operation of the Federal Highway Safety Program (Fund 832).

036 764-033 Minor Capital Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,696,149	\$1,877,269	\$1,717,964	\$1,250,000	\$1,250,000	\$1,250,000
	10.7%	-8.5%	-27.2%	0.0%	0.0%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: ORC 4501.06 and 5502.02; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board in FY 1988)

Purpose: These moneys are appropriated to fund minor capital projects at Ohio State Highway Patrol facilities.

036 764-321 Operating Expense - Highway Patrol

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$201,412,397	\$217,213,901	\$226,956,905	\$237,364,989	\$253,967,276	\$267,539,597
	7.8%	4.5%	4.6%	7.0%	5.3%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: ORC 4501.06 and 5502.02; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: These moneys are appropriated to cover the operating expenses of the Ohio State Highway Patrol.

036 764-605 Motor Carrier Enforcement Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,185,029	\$2,497,344	\$2,499,007	\$2,670,912	\$3,061,817	\$3,340,468
	14.3%	0.1%	6.9%	14.6%	9.1%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 405 of the 124th G.A.)

Purpose: These moneys are appropriated as the state match for the Ohio State Highway Patrol's enforcement of motor carrier safety regulations and rules.

036 766-321 Operating Expense - Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,719,803	\$4,225,947	\$4,036,735	\$4,461,836	\$4,461,836	\$4,461,836
	13.6%	-4.5%	10.5%	0.0%	0.0%

Source: HSF: Moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways or to fuels used for propelling such vehicles

Legal Basis: Section 203.06.18 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: These moneys are appropriated to fund the operating costs of the Administration Division, which provides support services for all other divisions within the Department of Public Safety, including, but not limited to, offices of the Director, Business Services, Data Services, Fiscal Services, Human Resources, Information Technology, and Internal Audit.

4W4 762-321 Operating Expense - BMV

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$70,120,400	\$70,266,269	\$63,731,549	\$73,702,629	\$90,394,299	\$85,145,103
	0.2%	-9.3%	15.6%	22.6%	-5.8%

Source: HSF: (1) Motor vehicle license tax, (2) fees charged for dealer plates, (3) driver and vehicle registration abstracts, (4) driver licenses, (5) all investment earnings of the fund, and (6) other miscellaneous items

Legal Basis: ORC 4501.25; Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Moneys deposited to the credit of the fund must be used to pay the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles. The moneys appropriated from the fund to this line item are used to pay the Bureau of Motor Vehicles' administrative costs.

4W4 762-410 Registrations Supplement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$28,192,332	\$27,468,521	\$23,999,341	\$32,480,610	\$32,480,610	\$32,480,610
	-2.6%	-12.6%	35.3%	0.0%	0.0%

Source: HSF: (1) Motor vehicle license tax, (2) fees charged for dealer plates, (3) driver and vehicle registration abstracts, (4) driver licenses, (5) all investment earnings of the fund, and (6) other miscellaneous items

Legal Basis: ORC 4501.25 and 4503.02; Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Moneys deposited to the credit of the fund must be used to pay the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles. The moneys appropriated from the fund to this line item are used to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.

5AY 764-688 Traffic Safety Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$1,390,707	\$2,173,181	\$1,999,437	\$0	\$0
	N/A	56.3%	-8.0%		N/A

Source: HSF: Moneys from the Department of Transportation's Highway Operating Fund Group (Fund 002, line item 772-422, Highway Construction - Federal)

Legal Basis: Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A., (originally established by Controlling Board on November 1, 2004) (revenue stream discontinued in the executive-proposed transportation budget covering FYs 2008 and 2009 as contained in H.B. 67 of the 127th G.A. and existing cash balance of the fund and any encumbrances are transferred to line item 764-321, Operating Expense - Highway Patrol, in Fund 036)

Purpose: Moneys deposited to the credit of the fund are used for the Ohio State Highway Patrol's personal services, maintenance, and equipment expenses related to a comprehensive traffic safety enforcement program in northern Ohio. Under the direction of the Governor's Office, the Department of Public Safety, the Department of Transportation, and the Ohio Turnpike Commission have partnered to provide a safety initiative on roadways that parallel the Ohio Turnpike.

5V1 762-682 License Plate Contributions

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,306,705	\$1,321,713	\$1,573,782	\$2,388,568	\$2,100,000	\$2,100,000
	1.1%	19.1%	51.8%	-12.1%	0.0%

Source: HSF: (1) Contributions for specialty license plates, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.21; Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 87 of the 125th G.A.)

Purpose: Contributions are paid to the various organizations for which contributions have been made by vehicle owners purchasing specialty plates. Am. Sub. H.B. 87 of the 125th G.A. eliminated individual funds for specialty license plates and merged their revenue streams and related purposes into the License Plate Contribution Fund (Fund 5V1).

830 761-603 Salvage & Exchange - Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$5,400	\$0	\$22,070	\$20,000	\$20,000
	N/A		N/A	-9.4%	0.0%

Source: HSF: (1) Proceeds from the sale of motor vehicles and related equipment of the Department of Public Safety's Administrative Division, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.10; Section 203.06.18 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board in FY 1974)

Purpose: Moneys deposited to the credit of the fund may only be used to purchase replacement motor vehicles and related equipment.

831 761-610 Information & Education - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$126,780	\$119,803	\$1,313,574	\$2,379,118	\$468,982	\$468,982
	-5.5%	996.4%	81.1%	-80.3%	0.0%

Source: HSF: (1) CFDA 20.600, State and Community Highway Safety (Section 402 grants), and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08; Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board in FY 1968)

Purpose: These federal dollars are used to reimburse the Department for costs to enter and analyze crash data in general, and fatal crash data specifically.

831 764-610 Patrol - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,210,760	\$7,295,592	\$2,985,738	\$3,047,698	\$2,455,484	\$2,455,484
	230.0%	-59.1%	2.1%	-19.4%	0.0%

Source: HSF: (1) CFDA 20.600, State and Community Safety (Section 402 grants), and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08; Section 203.06.06 of Am. Sub H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: These federal dollars are used to reimburse the Ohio State Highway Patrol for operating costs related to certain federally-funded highway safety programs and activities, principally law enforcement project and Safe Communities program grant moneys awarded by the Governor's Highway Safety Office.

831 764-659 Transportation Enforcement - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$3,898,118	\$4,239,788	\$4,740,024	\$5,027,091	\$5,665,690	\$6,132,592
	8.8%	11.8%	6.1%	12.7%	8.2%

Source: HSF: (1) CFDA 20.218, Motor Carrier Safety Assistance Program (MCSAP), and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: These appropriated moneys represent the amounts transferred from the Public Utilities Commission's federal Motor Carrier Safety Fund (Fund 350) to assist in covering the Ohio State Highway Patrol's operating costs in relation to the Motor Carrier Safety Assistance Program (MCSAP), the purpose of which is to enforce both federal and state laws pertaining to the safe operation of commercial motor vehicles. MCSAP is a major grant program of the U.S. Department of Transportation for which the Public Utilities Commission has been designated the lead agency in Ohio. The Patrol's required state matching funds are drawn from Fund 036, line item 764-605, Motor Carrier Enforcement Expenses.

831 765-610 EMS/Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$381,737	\$4,545,069	\$1,898,570	\$632,007	\$582,007	\$582,007
	1090.6%	-58.2%	-66.7%	-7.9%	0.0%

Source: HSF: (1) various federal emergency medical services grants awarded by the U.S. Department of Health and Human Services, including CFDA 93.259, Rural Access to Emergency Services Devices, and CFDA 93.952, Trauma Care Systems Planning and Development, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08; Section 203.06.09 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 107 of the 121st G.A.)

Purpose: The federal moneys appropriated to the line item are largely distributed by the Department's Emergency Medical Services Division in the form of grants directed primarily at local agencies for the purpose of the planning, development, and improvement of emergency medical services and trauma care systems, with an emphasis on rural areas.

831 767-610 Liquor Enforcement - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$329,773	\$256,736	\$295,256	\$514,184	\$514,184	\$514,184
	-22.1%	15.0%	74.1%	0.0%	0.0%

Source: HSF: (1) CFDA 20.600, State and Community Highway Safety (Section 402 grants), and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08; Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on November 14, 1994)

Purpose: These federal dollars constitute a grant awarded by the Governor's Highway Safety Office to the Department's Investigative Unit for the reimbursement of overtime expenses for liquor agents and first level supervisors participating in directed enforcement through sobriety checkpoints to cause a reduction in alcohol-related traffic accident fatalities.

831 769-610 Food Stamp Trafficking Enforcement - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$813,577	\$813,404	\$943,773	\$1,032,135	\$1,032,135	\$1,032,135
	0.0%	16.0%	9.4%	0.0%	0.0%

Source: HSF: (1) CFDA 10.561, State Administrative Matching Grants for Food Stamp Administration, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.08 and 5502.15; Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. S.B. 162 of the 121st G.A.)

Purpose: These federal moneys represent a transfer of a portion of the Department of Job and Family Services' federal Fund 384, line item 600-610, Food Stamps and State Administration, which is used to pay the state and county departments of job and family services' costs of administering the food stamp trafficking enforcement operations. The transferred moneys are used by the Investigative Unit to cover a portion of its operating expenses, primarily staff wage and fringe benefits costs, related to investigating and controlling the illegal sale of food stamp benefits. The Investigative Unit's required state matching funds are drawn from GRF line item 769-321, Food Stamp Trafficking Enforcement Operations.

831 769-631 Homeland Security - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$1,500,000	\$1,552,500
	N/A	N/A	N/A	N/A	3.5%

Source: HSF: (1) CFDA 97.073, State Homeland Security Program, and (2) all investment earnings of the fund

Legal Basis: Section 209.10 of H.B. 67 of the 127th G.A., the transportation budget bill covering FYs 2008 and 2009

Purpose: These federal dollars are used to reimburse the Homeland Security Division for homeland security disaster-related costs.

832 761-612 Traffic Safety - Federal

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$11,694,116	\$12,271,775	\$11,035,166	\$16,577,564	\$16,577,565	\$16,577,565
	4.9%	-10.1%	50.2%	0.0%	0.0%

Source: HSF: Various federal highway safety grant programs authorized by the Transportation Equity Act for the 21st Century (TEA-21) administered by the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA)

Legal Basis: ORC 4501.09; Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 102 of the 114th G.A.)

Purpose: These federal highway safety program grant funds are used by the Governor's Highway Safety Office to: (1) primarily award grants to state agencies, political subdivisions, nonprofit organizations, higher education institutions, hospitals, and other interested groups to provide highway safety programs and activities identified in the state's Traffic Safety Action Plan (traffic safety, impaired driving, and seat programs), and (2) secondarily cover a portion of the Office's planning and administrative costs. The state match required for the Office to use some of these federal program grant moneys for its operating expenses is drawn from Fund 036, line item 761-402, Traffic Safety Match.

835 762-616 Financial Responsibility Compliance

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,692,210	\$4,372,393	\$4,159,373	\$6,551,535	\$5,843,830	\$6,063,600
	-6.8%	-4.9%	57.5%	-10.8%	3.8%

Source: HSF: (1) \$75 fee for a first offense paid by operators whose licenses have been suspended for failure to provide proof of financial responsibility; a second offense is \$250, and a third or subsequent offense is \$500, and (2) all investment earnings of the fund

Legal Basis: ORC 4509.101(E); Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. S.B. 250 of the 114th G.A.)

Purpose: Moneys credited to the fund must be used exclusively to cover costs incurred by the Bureau of Motor Vehicles in the administration of ORC 4509.101, 4503.20, 4507.212 [4507.21.2], and 4509.81, and by any law enforcement agency employing any peace officer who returns any license, certificate of registration, and license plates to the Registrar pursuant to ORC 4509.101(C), except that the Director of Budget and Management may transfer excess money from the Financial Responsibility Compliance Fund to the State Bureau of Motor Vehicles Fund (Fund 4W4) if the Registrar determines that the amount of money in the Financial Responsibility Compliance Fund exceeds the amount required to cover such costs incurred by the Bureau or a law enforcement agency and requests the Director to make the transfer.

837 764-602 Turnpike Policing

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,792,191	\$8,967,515	\$8,877,843	\$10,240,900	\$10,893,146	\$11,553,959
	2.0%	-1.0%	15.4%	6.4%	6.1%

Source: HSF: (1) Reimbursement by the Ohio Turnpike Commission, and (2) all investment earnings of the fund

Legal Basis: ORC 5503.32; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Moneys deposited to the credit of the fund must be used for the costs incurred by the Ohio State Highway Patrol in policing turnpike projects, including, but not limited to, the salaries of employees of the patrol assigned to the policing, the current costs of funding retirement pensions for the employees of the Patrol and of providing workers' compensation for them, the cost of training Ohio State Highway Patrol troopers and radio operators assigned to turnpike projects, and the cost of equipment and supplies used by the Patrol in such policing, and of housing for such troopers and radio operators, to the extent that the equipment, supplies, and housing are not directly furnished by the Ohio Turnpike Commission.

838 764-606 Patrol Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$89,761	\$75,785	\$75,619	\$222,108	\$175,000	\$175,000
	-15.6%	-0.2%	193.7%	-21.2%	0.0%

Source: HSF: Each deputy registrar assigned to a driver's license examining station by the Registrar of Motor Vehicles as provided in ORC 4507.01 remits to the Superintendent of the Ohio State Highway Patrol a rental fee equal to the percentage of space occupied by the deputy registrar in the driver's license examining station multiplied by the rental fee paid for the entire driver's license examining station plus a pro rata share of all utility costs

Legal Basis: ORC 4507.011(A); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 58 of the 115th G.A.)

Purpose: Moneys deposited to the credit of the fund may only be used by the Ohio State Highway Patrol to pay the rent and expenses of the driver's license examining stations.

83C 764-630 Contraband, Forfeiture, Other

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$373,339	\$1,173,982	\$1,153,017	\$622,894	\$622,894	\$622,894
	214.5%	-1.8%	-46.0%	0.0%	0.0%

Source: HSF: (1) Moneys received by the State Highway Patrol pursuant to state law from a sale of forfeited contraband, proceeds from another disposition of forfeited contraband, or forfeited contraband moneys, and (2) interest or other earnings derived from investment of the proceeds or forfeited moneys in the fund; prior to FY 2006, such moneys received pursuant to federal law were also deposited in this fund; starting with FY 2006, such moneys received pursuant to federal law were directed for deposit in the newly created Highway Patrol State Contraband, Forfeiture, and Other Fund (Fund 3BF).

Legal Basis: ORC 2933.43(D)(1)(c)(ii); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Moneys deposited to the credit of the fund may be used for any law enforcement purpose that the Superintendent of the Ohio State Highway Patrol determines to be appropriate.

83F 764-657 Law Enforcement Automated Data System

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$6,608,647	\$6,805,165	\$6,638,779	\$7,544,260	\$7,945,555	\$8,275,898
	3.0%	-2.4%	13.6%	5.3%	4.2%

Source: HSF: (1) Monthly user fees from criminal justice agencies in Ohio, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.18 and 5503.10; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. S.B. 336 of the 118th G.A., which transferred LEADS from the Department of Administrative Services)

Purpose: Moneys deposited to the credit of the fund are used solely to operate and maintain the Law Enforcement Automated Data System (LEADS), a computer communications network. This network allows local, state, and federal law enforcement agencies to access information on vehicle registration, titling, licensing, outstanding warrants, stolen vehicles, wanted and missing persons, individual criminal histories, and emergency data.

83G 764-633 OMVI Enforcement/Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$512,768	\$405,704	\$523,981	\$820,927	\$650,000	\$650,000
	-20.9%	29.2%	56.7%	-20.8%	0.0%

Source: HSF: Fine moneys received by the Ohio State Highway Patrol pursuant to ORC 4511.19 (driving while under the influence of alcohol or drugs or with certain concentration of alcohol in bodily substances)

Legal Basis: ORC 4501.17; Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on May 29, 1990)

Purpose: Moneys deposited to the credit of the fund are required to be used by the Ohio State Highway Patrol to enforce ORC 4511.19 and to conduct programs to inform the public of the dangers of, and laws governing, the operation of motor vehicles while under the influence of alcohol.

83J 764-693 Highway Patrol Justice Contraband

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$2,113,824	\$2,100,000	\$2,100,000
	N/A	N/A	N/A	-0.7%	0.0%

Source: HSF: (1) Moneys received by the Ohio State Highway Patrol pursuant to ORC 2925.44 from the Federal (Justice) Equitable Sharing Program, and (2) all investment earnings of the fund

Legal Basis: ORC 2925.44(A)(4)(a) (originally established in Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. as most recently amended by Am. Sub. H.B. 530 of the 126th G.A.)

Purpose: Moneys deposited in this fund and appropriated to related line item 764-693 are used according to the federal rules of equitable sharing.

83M 765-624 Operating Expenses - Trauma and EMS

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,962,573	\$2,259,556	\$2,218,933	\$2,587,628	\$2,587,627	\$2,587,627
	15.1%	-1.8%	16.6%	0.0%	0.0%

Source: HSF: 28% of the fine money generated from the enforcement of the mandatory seat belt law

Legal Basis: ORC 4513.263(E)(4); Section 203.06.09 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on October 26, 1992 as a result of Am. Sub. S.B. 98 of the 119th G.A.)

Purpose: Moneys currently deposited to the credit of the fund must be used for the operating expenses of the Division of Emergency Medical Services and the State Board of Emergency Medical Services.

83N 761-611 Elementary School Seat Belt Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$215,634	\$196,223	\$132,616	\$447,895	\$375,000	\$375,000
	-9.0%	-32.4%	237.7%	-16.3%	0.0%

Source: HSF: 8% of the fine money generated from the enforcement of the mandatory seat belt law

Legal Basis: ORC 4513.263(E)(2); Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on October 26, 1992 as a result of Am. Sub. S.B. 98 of the 119th G.A.)

Purpose: Moneys deposited to the credit of the fund may only be used by the Department of Public Safety to establish and administer elementary school programs that encourage seat safety belt use.

83P 765-637 Trauma and EMS

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,611,585	\$6,776,237	\$3,937,133	\$5,836,744	\$4,429,290	\$4,562,912
	-21.3%	-41.9%	48.2%	-24.1%	3.0%

Source: HSF: 54% of the fine money generated from the enforcement of the mandatory seat belt law

Legal Basis: ORC 4513.263(E)(5) and 4765.07; Section 203.06.09 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on October 26, 1992 as a result of Am. Sub. S.B. 98 of the 119th G.A. and amended by H.B. 138 of the 123rd G.A.)

Purpose: Moneys deposited to the credit of the fund must be distributed by the State Board of Emergency Medical Services in the form of grants primarily to emergency medical services organizations for the training of personnel, for the purchase of equipment and vehicles, and to improve the availability, accessibility, and quality of emergency medical services, and secondarily to entities for trauma injury, prevention, medical research, and rehabilitation issues.

83R 762-639 Local Immobilization Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$621,905	\$534,219	\$558,139	\$850,000	\$750,000	\$750,000
	-14.1%	4.5%	52.3%	-11.8%	0.0%

Source: HSF: (1) \$100 immobilization fee, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.19; Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 154 of the 120th G.A.)

Purpose: Moneys deposited to the credit of the fund are paid out to the appropriate county, municipality, or law enforcement agency as designated by the court to reimburse the designated entity for the costs it incurs to immobilize a vehicle for state OMVI (operating a motor vehicle under the influence) offenses. However, the Director of Budget and Management may transfer excess money from Fund 83R to the Bureau of Motor Vehicles Fund (Fund 4W4) if the Registrar determines that the amount of money in Fund 83R exceeds the amounts required to be paid by ORC 4503.233(A)(5), and the Registrar requests the Director to make the transfer.

83T 764-694 Highway Patrol Treasury Contraband

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$21,000	\$21,000	\$21,000
	N/A	N/A	N/A	0.0%	0.0%

Source: HSF: (1) Moneys received by the Ohio State Highway Patrol pursuant to ORC 2925.44 from the Federal (Treasury) Equitable Sharing Program, and (2) all investment earnings of the fund

Legal Basis: ORC 2925.44(A)(4)(a) (originally established in Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. as most recently amended by Am. Sub. H.B. 530 of the 126th G.A.)

Purpose: Moneys deposited in this fund and appropriated to related line item 764-694 are used according to the federal rules of equitable sharing.

840 764-607 State Fair Security

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,269,284	\$997,318	\$1,119,951	\$1,496,283	\$1,396,283	\$1,396,283
	-21.4%	12.3%	33.6%	-6.7%	0.0%

Source: HSF: (1) Fines collected from or money arising from bonds or bail forfeited by persons apprehended or arrested by Ohio State Highway Patrol troopers, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.11(B)(4); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 656 of the 113th G.A.)

Purpose: These moneys are appropriated from the Security, Investigations, and Policing Fund (Fund) and are only to be used to perform non-highway related duties of the Ohio State Highway Patrol at the Ohio State Fair.

840 764-617 Security and Investigations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,968,434	\$9,040,311	\$9,902,934	\$8,145,192	\$6,231,916	\$6,155,385
	13.5%	9.5%	-17.7%	-23.5%	-1.2%

Source: HSF: (1) Fines collected from or money arising from bonds or bail forfeited by persons apprehended or arrested by Ohio State Highway Patrol troopers, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.11(B)(1) and (2); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 373 of the 115th G.A.)

Purpose: These moneys are appropriated from the Security, Investigations, and Policing Fund (Fund) and are only to be used to: (1) provide security for the Governor, other officials and dignitaries, the Capitol Square, and other state property pursuant to ORC 5503.02(E), and (2) undertake major criminal investigations that involve state property interests.

840 764-626 State Fairgrounds Police Force

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$646,957	\$647,791	\$748,634	\$788,375	\$788,375	\$788,375
	0.1%	15.6%	5.3%	0.0%	0.0%

Source: HSF: (1) fines collected from or money arising from bonds or bail forfeited by persons apprehended or arrested by Ohio State Highway Patrol troopers, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.11(B)(3); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: These moneys are appropriated from the Security, Investigations, and Policing Fund (Fund) and are only to be used to provide traffic control and security for the Ohio Expositions Commission on a full-time, year-round basis.

840 764-667 Security Assessment

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,260	\$0	\$0	\$0	\$0	\$0
		N/A	N/A	N/A	N/A

Source: HSF: (1) Fines collected from or money arising from bonds or bail forfeited by persons apprehended or arrested by Ohio State Highway Patrol troopers, and (2) all investment earnings of the fund

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

Purpose: These moneys were appropriated from the Security, Investigations, and Policing Fund (Fund) to pay for costs incurred by the Department with respect to the State Building Security Review Committee, which was activated by the Governor for the purpose of reviewing and improving security measures in state-owned and state-operated buildings.

840 769-632 Homeland Security Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$1,913,276	\$1,989,807
	N/A	N/A	N/A	N/A	4.0%

Source: HSF: (1) Fines collected from or money arising from bonds or bail forfeited by persons apprehended or arrested by Ohio State Highway Patrol troopers, and (2) all investment earnings of the fund

Legal Basis: Section 209.10 of H.B. 67 of the 127th G.A., the transportation budget bill covering FYs 2008 and 2009

Purpose: Moneys appropriated to this line item will be used by the Department to coordinate homeland security activities of state agencies and to serve as a liaison between state agencies and local entities for the purpose of communicating homeland security funding and policy initiatives.

841 764-603 Salvage and Exchange - Highway Patrol

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,899,691	\$1,396,924	\$2,773,026	\$1,339,399	\$1,339,399	\$1,339,399
	-26.5%	98.5%	-51.7%	0.0%	0.0%

Source: HSF: (1) Proceeds from the sale of motor vehicles and related equipment of the Ohio State Highway Patrol, and (2) all investment earnings of the fund

Legal Basis: ORC 4501.10(A); Section 203.06.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board in FY 1974)

Purpose: Moneys deposited to the credit of the fund may only be used to purchase replacement motor vehicles and related equipment.

844 761-613 Seat Belt Education Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$303,728	\$436,591	\$596,190	\$482,095	\$395,700	\$411,528
	43.7%	36.6%	-19.1%	-17.9%	4.0%

Source: HSF: 8% of the fine money generated from the enforcement of the mandatory seat belt law

Legal Basis: ORC 4513.263(E)(1); Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on October 26, 1992 as a result of Am. Sub. S.B. 98 of the 119th G.A.)

Purpose: Moneys deposited to the credit of the fund must be used to establish a seat belt education program.

846 761-625 Motorcycle Safety Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,601,322	\$1,860,762	\$1,975,894	\$2,991,171	\$3,698,084	\$4,010,865
	16.2%	6.2%	51.4%	23.6%	8.5%

Source: HSF: \$6 of each motorcycle registration fee

Legal Basis: ORC 4501.13; Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 291 of the 117th G.A.)

Purpose: Unless otherwise provided by law, moneys deposited to the credit of the fund are to be used solely to pay part or all of the costs of conducting the motorcycle safety and education program created by ORC 4508.08.

847 761-622 Film Production Reimbursement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,185	\$807	\$0	\$0	\$0	\$0
	-31.9%		N/A	N/A	N/A

Source: HSF: Moneys received from other agencies for services and supplies provided for the production of public service announcements, media materials, and training materials

Legal Basis: Discontinued line item; ORC 4501.35 (originally established by Am. Sub. H.B. 419 of the 117th G.A.)

Purpose: Moneys deposited to the credit of the fund were only to be expended on services and supplies provided for the production of public service announcements, media materials, and training materials for other state agencies. Effective July 1, 2005, the fund was eliminated. Any moneys received by the Department for such production costs subsequent to that date will be credited to the Department's existing State Highway Safety Fund (Fund 036).

849 762-627 Automated Title Processing Board

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,614,940	\$9,127,996	\$10,727,287	\$13,146,218	\$23,487,248	\$19,240,839
	19.9%	17.5%	22.5%	78.7%	-18.1%

Source: HSF: (1) \$2 of each vehicle title fee (ORC 4505.09(B)(3)), (2) \$1 of each watercraft title fee (ORC 1548.10), (3) \$2 of each certificate title for off-highway motor vehicles and all-purpose vehicles (ORC 4519.59), and (4) all investment earnings of the fund

Legal Basis: ORC 4505.09(B)(3); Section 203.06.03 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 419 of the 117th G.A.)

Purpose: Moneys deposited to the credit of the fund must be used to: (1) implement and maintain an automated title processing system for the issuance of motor vehicle, off-highway motorcycle, and all-purpose vehicle certificates of title in the offices of the clerks of the courts of common pleas, (2) issue marine certificates of title in the offices of the clerks of the courts of common pleas as provided in ORC Chapter 1548., and (3) to implement Sub. S.B. 59 of the 124th General Assembly.

Liquor Control Fund Group

043 767-321 Liquor Enforcement - Operations

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,630,101	\$9,333,615	\$9,653,151	\$10,423,976	\$11,435,527	\$11,546,052
	-3.1%	3.4%	8.0%	9.7%	1.0%

Source: LCF: Moneys appropriated from the Liquor Control Fund, which consists primarily of revenue associated with wholesale and retail liquor sales

Legal Basis: ORC 4301.12; Section 203.06.12 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: These moneys are appropriated from the Liquor Control Fund (Fund 042) for the purpose of funding the Investigative Unit's operating expenses (payroll, purchased personal services, supplies, and equipment).

Agency Fund Group

5J9 761-678 Federal Salvage/GSA

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,234	\$0	\$207,073	\$5,730,750	\$1,500,000	\$1,500,000
		N/A	2667.5%	-73.8%	0.0%

Source: AGY: Moneys received from local governments for the purpose of making purchases of surplus federal property from the U.S. General Services Administration (GSA)

Legal Basis: Section 203.06 of Am. Sub. H.B. 68 of the 126th G.A. (originally established by Controlling Board on September 27, 1999)

Purpose: Moneys deposited to the credit of the fund are used to make purchases of surplus federal property on behalf of local governments.

Holding Account Redistribution Fund Group

R24 762-619 Unidentified Motor Vehicle Receipts

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,333,118	\$1,482,965	\$1,462,633	\$1,887,483	\$1,885,000	\$1,885,000
	11.2%	-1.4%	29.0%	-0.1%	0.0%

Source: 090: (1) Moneys received by the Department of Public Safety that are provisional in nature or for which proper identification or disposition cannot immediately be determined (deputy registrar receipts, reinstatement, abstracts, contingent money for licenses or inspection fees, photographic copies, accident reports and similar evidentiary material, and other miscellaneous fees), and (2) all investment earnings of the fund; most of the receipts are eventually transferred to Fund 051, Auto Registration Distribution, for distribution to the taxing districts; prior to FY 2006, fund consisted exclusively of moneys being held by the Bureau of Motor Vehicles

Legal Basis: ORC 4501.26; Section 203.06.24 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Refunds and other disbursements from the fund are made once proper identification and disposition is determined. Prior to FY 2006, the fund was referred to as the Unidentified Motor Vehicle Receipts Fund. Effective July 1, 2005, the fund was: (1) renamed the Unidentified Public Safety Receipts Fund, and (2) the Highway Patrol Fee Refund Fund (Fund R27) was eliminated and its revenue and purpose merged with the Unidentified Public Safety Receipts Fund (Fund R24).

R27 764-608 Patrol Fee Refunds

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$19,580	\$16,349	\$0	\$0	\$0	\$0
	-16.5%		N/A	N/A	N/A

Source: 090: (1) Contingent money received by the Ohio State Highway Patrol for licenses or inspection fees, copies of photographs, accident reports, and similar evidentiary material; or for performing other services, and (2) all investment earnings of the fund

Legal Basis: Discontinued line item; ORC 4501.12 (originally established by Controlling Board in FY 1969)

Purpose: Moneys in the fund were used to make refunds of such money to the appropriate individual, agency, or fund. Effective July 1, 2005, the fund was eliminated; its revenue stream and purpose were transferred to the Unidentified Public Safety Receipts Fund (Fund R24), formerly referred to as the Unidentified Motor Vehicle Receipts Fund.

R52 762-623 Security Deposits

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$214,511	\$249,668	\$309,834	\$350,000	\$350,000	\$350,000
	16.4%	24.1%	13.0%	0.0%	0.0%

Source: 090: (1) All security deposits that the Registrar of Motor Vehicles requires to be paid under ORC 4509.12, and (2) prior to FY 2006, all investment earnings of the fund; effective, July 1, 2005, pursuant to ORC 122.14, all investment earnings of the fund are directed for deposit to the credit of the Roadwork Development Fund (Fund 4W0), which is administered by the Department of Development

Legal Basis: ORC 4509.27; Section 203.06.24 of Am. Sub. H.B. 68 of the 126th G.A.

Purpose: Moneys in the fund may be applied only to the payment of a judgment for damages arising out of an accident as provided in ORC 4509.28 and to the return of security deposits as provided in ORC 4509.25 and 4509.29.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DHS Public Safety, Department of								
4P6	768-601	Justice Program Services	\$ 16,783	\$100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
4S2	764-660	MARCS Maintenance	\$ 522,338	\$612,186	\$ 335,862	-45.1%	\$ 389,149	15.9%
4S3	766-661	Hilltop Utility Reimbursement	\$ 253,742	\$500,000	\$ 500,000	0.0%	\$ 500,000	0.0%
533	763-601	State Disaster Relief	\$ 10,428,246	\$8,779,172	---	N/A	---	N/A
General Services Fund Group Total			\$ 11,221,109	\$ 9,991,358	\$ 935,862	-90.6%	\$ 989,149	5.7%
329	763-645	Individual Household Grants--Federal	\$ 5,047,416	\$21,717,710	\$ 13,831,920	-36.3%	\$ 13,848,251	0.1%
337	763-609	Federal Disaster Relief - State Assistance	\$ 50,626,110	\$27,819,161	\$ 27,700,200	-0.4%	\$ 27,707,636	0.0%
339	763-647	Emergency Management Assistance and Training	\$ 106,713,302	\$129,622,000	\$ 85,121,692	-34.3%	\$ 85,265,885	0.2%
3AY	768-606	Federal Justice Grants	\$ 2,451,774	\$11,500,000	\$ 13,019,284	13.2%	\$ 13,060,000	0.3%
3BF	764-692	Federal Contraband, Forfeiture, and Other	\$ 965,027	\$1,942,040	---	N/A	---	N/A
3L5	768-604	Justice Program	\$ 26,580,878	\$25,214,623	\$ 11,880,083	-52.9%	\$ 12,056,300	1.5%
3N5	763-644	US DOE Agreement	\$ 31,764	\$275,000	\$ 175,000	-36.4%	\$ 175,000	0.0%
Federal Special Revenue Fund Group Total			\$ 192,416,271	\$ 218,090,534	\$ 151,728,179	-30.4%	\$ 152,113,072	0.3%
4V3	763-662	EMA Service and Reimbursement	\$ 473,050	\$696,446	\$ 650,000	-6.7%	\$ 650,000	0.0%
539	762-614	Motor Vehicle Dealers Board	\$ 130,823	\$239,902	\$ 200,000	-16.6%	\$ 200,000	0.0%
5B9	766-632	Private Investigator and Security Guard Provider	\$ 960,291	\$1,188,716	\$ 1,288,730	8.4%	\$ 1,289,883	0.1%
5BK	768-687	Criminal Justice Services Operating	\$ 0	\$ 0	\$ 400,000	N/A	\$ 400,000	0.0%
5BK	768-689	Family Violence Shelter Programs	\$ 417,910	\$750,000	\$ 750,000	0.0%	\$ 750,000	0.0%
5CM	767-691	Federal Investigative Seizure	\$ 63,380	\$642,175	\$ 642,175	0.0%	\$ 642,175	0.0%
622	767-615	Investigative Contraband and Forfeiture	\$ 254,025	\$404,111	\$ 375,000	-7.2%	\$ 375,000	0.0%
657	763-652	Utility Radiological Safety	\$ 1,169,307	\$1,260,000	\$ 1,260,000	0.0%	\$ 1,260,000	0.0%
681	763-653	SARA Title III HAZMAT Planning	\$ 255,135	\$271,510	\$ 271,510	0.0%	\$ 271,510	0.0%
850	767-628	Investigative Unit Salvage	\$ 65,985	\$120,000	\$ 100,000	-16.7%	\$ 100,000	0.0%
State Special Revenue Fund Group Total			\$ 3,789,906	\$ 5,572,860	\$ 5,937,415	6.5%	\$ 5,938,568	0.0%
036	761-321	Operating Expense - Information and Education	\$ 2,893,068	\$3,645,599	\$ 3,645,598	0.0%	\$ 3,645,598	0.0%
036	761-401	Lease Rental Payments	\$ 13,217,918	\$14,407,000	\$ 13,929,500	-3.3%	\$ 14,017,100	0.6%
036	761-402	Traffic Safety Match	\$ 277,137	\$277,137	\$ 277,137	0.0%	\$ 277,137	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DHS Public Safety, Department of								
036	764-033	Minor Capital Projects	\$ 1,717,964	\$1,250,000	\$ 1,250,000	0.0%	\$ 1,250,000	0.0%
036	764-321	Operating Expense - Highway Patrol	\$ 226,956,905	\$237,364,989	\$ 253,967,276	7.0%	\$ 267,539,597	5.3%
036	764-605	Motor Carrier Enforcement Expenses	\$ 2,499,007	\$2,670,912	\$ 3,061,817	14.6%	\$ 3,340,468	9.1%
036	766-321	Operating Expense - Administration	\$ 4,036,735	\$4,461,836	\$ 4,461,836	0.0%	\$ 4,461,836	0.0%
4W4	762-321	Operating Expense - BMV	\$ 63,731,549	\$73,702,629	\$ 90,394,299	22.6%	\$ 85,145,103	-5.8%
4W4	762-410	Registrations Supplement	\$ 23,999,341	\$32,480,610	\$ 32,480,610	0.0%	\$ 32,480,610	0.0%
5AY	764-688	Traffic Safety Operating	\$ 2,173,181	\$1,999,437	---	N/A	---	N/A
5V1	762-682	License Plate Contributions	\$ 1,573,782	\$2,388,568	\$ 2,100,000	-12.1%	\$ 2,100,000	0.0%
830	761-603	Salvage & Exchange - Administration	---	\$22,070	\$ 20,000	-9.4%	\$ 20,000	0.0%
831	761-610	Information & Education - Federal	\$ 1,313,574	\$2,379,118	\$ 468,982	-80.3%	\$ 468,982	0.0%
831	764-610	Patrol - Federal	\$ 2,985,738	\$3,047,698	\$ 2,455,484	-19.4%	\$ 2,455,484	0.0%
831	764-659	Transportation Enforcement - Federal	\$ 4,740,024	\$5,027,091	\$ 5,665,690	12.7%	\$ 6,132,592	8.2%
831	765-610	EMS/Federal	\$ 1,898,570	\$632,007	\$ 582,007	-7.9%	\$ 582,007	0.0%
831	767-610	Liquor Enforcement - Federal	\$ 295,256	\$514,184	\$ 514,184	0.0%	\$ 514,184	0.0%
831	769-610	Food Stamp Trafficking Enforcement - Federal	\$ 943,773	\$1,032,135	\$ 1,032,135	0.0%	\$ 1,032,135	0.0%
831	769-631	Homeland Security - Federal	---	\$0	\$ 1,500,000	N/A	\$ 1,552,500	3.5%
832	761-612	Traffic Safety - Federal	\$ 11,035,166	\$16,577,564	\$ 16,577,565	0.0%	\$ 16,577,565	0.0%
835	762-616	Financial Responsibility Compliance	\$ 4,159,373	\$6,551,535	\$ 5,843,830	-10.8%	\$ 6,063,600	3.8%
837	764-602	Turnpike Policing	\$ 8,877,843	\$10,240,900	\$ 10,893,146	6.4%	\$ 11,553,959	6.1%
838	764-606	Patrol Reimbursement	\$ 75,619	\$222,108	\$ 175,000	-21.2%	\$ 175,000	0.0%
83C	764-630	Contraband, Forfeiture, Other	\$ 1,153,017	\$622,894	\$ 622,894	0.0%	\$ 622,894	0.0%
83F	764-657	Law Enforcement Automated Data System	\$ 6,638,779	\$7,544,260	\$ 7,945,555	5.3%	\$ 8,275,898	4.2%
83G	764-633	OMVI Enforcement/Education	\$ 523,981	\$820,927	\$ 650,000	-20.8%	\$ 650,000	0.0%
83J	764-693	Highway Patrol Justice Contraband	---	\$2,113,824	\$ 2,100,000	-0.7%	\$ 2,100,000	0.0%
83M	765-624	Operating Expenses - Trauma and EMS	\$ 2,218,933	\$2,587,628	\$ 2,587,627	0.0%	\$ 2,587,627	0.0%
83N	761-611	Elementary School Seat Belt Program	\$ 132,616	\$447,895	\$ 375,000	-16.3%	\$ 375,000	0.0%
83P	765-637	Trauma and EMS	\$ 3,937,133	\$5,836,744	\$ 4,429,290	-24.1%	\$ 4,562,912	3.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DHS Public Safety, Department of								
83R	762-639	Local Immobilization Reimbursement	\$ 558,139	\$850,000	\$ 750,000	-11.8%	\$ 750,000	0.0%
83T	764-694	Highway Patrol Treasury Contraband	---	\$21,000	\$ 21,000	0.0%	\$ 21,000	0.0%
840	764-607	State Fair Security	\$ 1,119,951	\$1,496,283	\$ 1,396,283	-6.7%	\$ 1,396,283	0.0%
840	764-617	Security and Investigations	\$ 9,902,934	\$8,145,192	\$ 6,231,916	-23.5%	\$ 6,155,385	-1.2%
840	764-626	State Fairgrounds Police Force	\$ 748,634	\$788,375	\$ 788,375	0.0%	\$ 788,375	0.0%
840	769-632	Homeland Security Operating	---	\$0	\$ 1,913,276	N/A	\$ 1,989,807	4.0%
841	764-603	Salvage and Exchange - Highway Patrol	\$ 2,773,026	\$1,339,399	\$ 1,339,399	0.0%	\$ 1,339,399	0.0%
844	761-613	Seat Belt Education Program	\$ 596,190	\$482,095	\$ 395,700	-17.9%	\$ 411,528	4.0%
846	761-625	Motorcycle Safety Education	\$ 1,975,894	\$2,991,171	\$ 3,698,084	23.6%	\$ 4,010,865	8.5%
849	762-627	Automated Title Processing Board	\$ 10,727,287	\$13,146,218	\$ 23,487,248	78.7%	\$ 19,240,839	-18.1%
State Highway Safety Fund Group Total			\$ 422,408,036	\$ 470,129,032	\$ 510,027,743	8.5%	\$ 516,663,269	1.3%
043	767-321	Liquor Enforcement - Operations	\$ 9,653,151	\$10,423,976	\$ 11,435,527	9.7%	\$ 11,546,052	1.0%
Liquor Control Fund Group Total			\$ 9,653,151	\$ 10,423,976	\$ 11,435,527	9.7%	\$ 11,546,052	1.0%
5J9	761-678	Federal Salvage/GSA	\$ 207,073	\$5,730,750	\$ 1,500,000	-73.8%	\$ 1,500,000	0.0%
Agency Fund Group Total			\$ 207,073	\$ 5,730,750	\$ 1,500,000	-73.8%	\$ 1,500,000	0.0%
R24	762-619	Unidentified Motor Vehicle Receipts	\$ 1,462,633	\$1,887,483	\$ 1,885,000	-0.1%	\$ 1,885,000	0.0%
R52	762-623	Security Deposits	\$ 309,834	\$350,000	\$ 350,000	0.0%	\$ 350,000	0.0%
Holding Account Redistribution Fund Group Total			\$ 1,772,467	\$ 2,237,483	\$ 2,235,000	-0.1%	\$ 2,235,000	0.0%
Total All Budget Fund Groups			\$ 641,468,013	\$ 722,175,993	\$ 683,799,726	-5.3%	\$ 690,985,110	1.1%

Local Infrastructure Improvement Fund Group

038 150-321 SCIP-Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$773,021	\$778,891	\$754,224	\$1,058,273	\$879,237	\$918,912
	0.8%	-3.2%	40.3%	-16.9%	4.5%

Source: LIF: Investment income

Legal Basis: ORC 164.08 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item funds the operating expenses of the State Capital Improvement Program.

Local Transportation Improvement Program Fund Group

052 150-402 LTIP-Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$252,003	\$255,658	\$241,837	\$401,494	\$291,537	\$306,178
	1.5%	-5.4%	66.0%	-27.4%	5.0%

Source: 052: Investment income

Legal Basis: ORC 164.14 (originally established by Am. Sub. H.B. 298 of the 119th G.A.); ORC 5735.23

Purpose: This line item funds the operating expenses of the Local Transportation Improvement Program.

052 150-701 Local Transportation Improvement Program

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$71,492,577	\$65,336,260	\$0	\$168,877,801	\$67,500,000	\$67,500,000
	-8.6%		N/A	-60.0%	0.0%

Source: 052: One cent of the motor vehicle fuel tax

Legal Basis: ORC 164.14 (originally established by Am. Sub. H.B. 381 of the 118th G.A.); ORC 5735.23

Purpose: This line item funds grants to local governments to finance road and bridge projects.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<i>PWC Public Works Commission</i>								
038	150-321	SCIP-Operating Expenses	\$ 754,224	\$1,058,273	\$ 879,237	-16.9%	\$ 918,912	4.5%
Local Infrastructure Improvement Fund Group Total			\$ 754,224	\$ 1,058,273	\$ 879,237	-16.9%	\$ 918,912	4.5%
052	150-402	LTIP-Operating	\$ 241,837	\$401,494	\$ 291,537	-27.4%	\$ 306,178	5.0%
052	150-701	Local Transportation Improvement Program	---	\$168,877,801	\$ 67,500,000	-60.0%	\$ 67,500,000	0.0%
Local Transportation Improvement Program Fund Group Total			\$ 241,837	\$ 169,279,295	\$ 67,791,537	-60.0%	\$ 67,806,178	0.0%
Total All Budget Fund Groups			\$ 996,061	\$ 170,337,568	\$ 68,670,774	-59.7%	\$ 68,725,090	0.1%

State Special Revenue Fund Group

4W0 195-629 Roadwork Development

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$10,780,699	\$9,742,225	\$14,068,140	\$13,999,900	\$18,699,900	\$18,699,900
	-9.6%	44.4%	-0.5%	33.6%	0.0%

Source: SSR: Department of Transportation Highway Operating Fund (Fund 002)

Legal Basis: ORC 122.14; Section 227.10 of H.B. 67 of the 127th G.A. (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: Roadwork development moneys are used for road improvements associated with economic development opportunities that retain or attract business for Ohio. The Department of Transportation, under the direction of the Department of Development, provides these funds in accordance with all guidelines and requirements established for line item 195-412, Business Development. Moneys may be spent only after the Controlling Board approves the agency's planned use of funds.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2006</i>	<i>Estimated 2007</i>	<i>Executive 2008</i>	<i>% Change 2007 to 2008</i>	<i>Executive 2009</i>	<i>% Change 2008 to 2009</i>
<i>DEV</i>		<i>Development, Department of</i>						
4W0	195-629	Roadwork Development	\$ 14,068,140	\$13,999,900	\$ 18,699,900	33.6%	\$ 18,699,900	0.0%
State Special Revenue Fund Group Total			\$ 14,068,140	\$ 13,999,900	\$ 18,699,900	33.6%	\$ 18,699,900	0.0%
Total All Budget Fund Groups			\$ 14,068,140	\$ 13,999,900	\$ 18,699,900	33.6%	\$ 18,699,900	0.0%