

Redbook

LBO Analysis of Executive Transportation Budget Proposal – Part I

Department of Transportation

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Attachments:

Catalog of Budget Line Items

Appropriation Spreadsheet

LBO Redbook

Department of Transportation

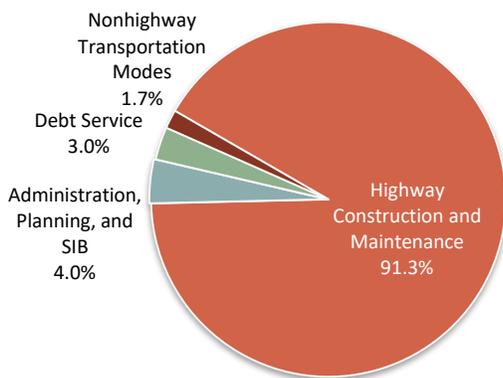
Quick look...

- The executive budget provides the Ohio Department of Transportation (ODOT) with funding of just over \$11.4 billion under the transportation budget for the FY 2024-FY 2025 biennium.
- The three primary sources of funding are (1) federal highway aid, (2) the Ohio motor fuel tax (MFT), and (3) highway bonds issued by the state.
- FY 2024 appropriations include about \$2.0 billion in federal funding allocated to Ohio for transportation-related projects under the Infrastructure Investment and Jobs Act (IIJA) enacted by the U.S. Congress in November 2021.
- Highway Operating Fund appropriations are increased substantially in FY 2024, and include \$2.9 billion for the Brent Spence Bridge Corridor project, as well as \$10.0 million for a statewide Strategic Transportation and Development study.

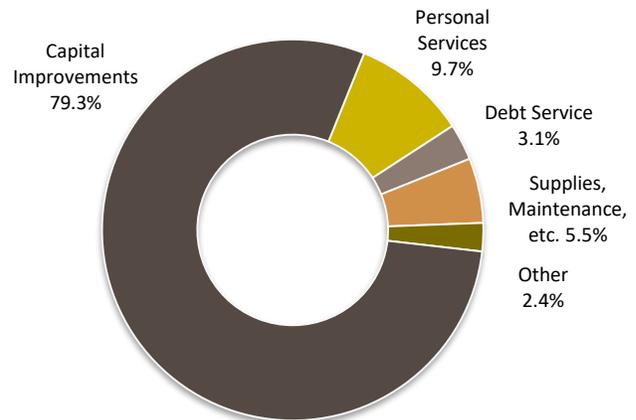
| Fund Group | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-----------------------------------|------------------|------------------|--------------------|--------------------|
| Highway Operating | \$2,929.8 | \$3,554.9 | \$7,127.9 | \$3,898.6 |
| Dedicated Purpose | \$2.1 | \$3.5 | \$13.5 | \$3.5 |
| Capital Projects | \$114.4 | \$319.8 | \$178.4 | \$178.4 |
| Total | \$3,046.3 | \$3,878.3 | \$7,319.9 | \$4,080.5 |
| % change | -- | 27.3% | 88.7% | -44.3% |
| <i>Highway Operating % change</i> | -- | <i>21.3%</i> | <i>100.5%</i> | <i>-45.3%</i> |

Note: Amounts in millions

**Chart 1: ODOT Budget by Redbook Category
FY 2024-FY 2025 Biennium**



**Chart 2: ODOT Budget by Expense Category
FY 2024-FY 2025 Biennium**



Biennial total: \$11.40 billion

Overview

Appropriation summary

Under the transportation budget, the Governor recommends a total appropriation of \$7.32 billion in FY 2024 and \$4.08 billion in FY 2025 for the Ohio Department of Transportation (ODOT). Overall, 96.7% of this funding comes from the Highway Operating Fund. This fund consists of federal highway aid, a substantial portion of revenue derived from the Ohio motor fuel tax (MFT), and the proceeds from the issuance of state highway bonds.

As Table 1 below shows, the vast majority of ODOT's budget is devoted to highway construction and maintenance, comprising about \$10.4 billion (91.3%) of appropriations over the biennium. Funding in the transportation budget for nonhighway transportation modes, including public transit, rail, and aviation, combined make up approximately \$179.2 million (1.7%) of the recommended funding.¹ Table 1 below shows the FY 2024-FY 2025 funding recommendations for ODOT in more detail, as they are presented within this Redbook.

| Program | FY 2024 | FY 2025 | Biennial Total | % of Total |
|--------------------------------------|------------------|------------------|-------------------|------------|
| Highway Construction and Maintenance | \$6,822.0 | \$3,587.1 | \$10,409.1 | 91.3% |
| Debt Service | \$174.0 | \$174.0 | \$348.0 | 3.0% |
| Administration | \$115.4 | \$115.6 | \$231.0 | 2.0% |
| Planning and Research | \$97.2 | \$86.7 | \$183.9 | 1.6% |
| Transit | \$59.0 | \$64.6 | \$123.6 | 1.1% |
| State Infrastructure Bank | \$24.6 | \$24.6 | \$49.2 | 0.4% |
| Rail | \$18.1 | \$18.2 | \$36.3 | 0.4% |
| Aviation | \$9.6 | \$9.7 | \$19.3 | 0.2% |
| Total | \$7,319.9 | \$4,080.5 | \$11,400.4 | |

Note: Figures may not add to totals due to rounding.

ODOT funding sources

Revenue supporting ODOT operations and capital expenditures derives from three main sources. These are (1) federal highway aid, (2) the Ohio MFT, and (3) highway bond proceeds. The following presents a snapshot of these funding streams, looking particularly at MFT receipts and the way that money is distributed to ODOT, political subdivisions, and other state agencies. A brief overview of ODOT's allocations of federal revenue, including some detail into what the

¹ ODOT also receives GRF funding contained in the main operating budget bill to support nonhighway transportation modes, including public transportation, rail, and aviation. H.B. 110 of the 134th General Assembly also included appropriations to support maritime efforts at port authorities.

Department is receiving under the Infrastructure Investment and Jobs Act of 2021, is also provided. And finally, the section concludes with a brief discussion of highway bond funding and how that figures into ODOT's funding.

MFT revenue in FY 2022

Total gross collections from the Ohio MFT (i.e., collections before refunds) increased 6.4% in FY 2022, from \$2.56 billion in FY 2021 to \$2.72 billion in FY 2022. FY 2022 growth was boosted artificially due to reduced vehicular travel in FY 2021 because of the COVID-19 pandemic; the growth rate was significantly higher than historical experience for years that saw no change in MFT rates.

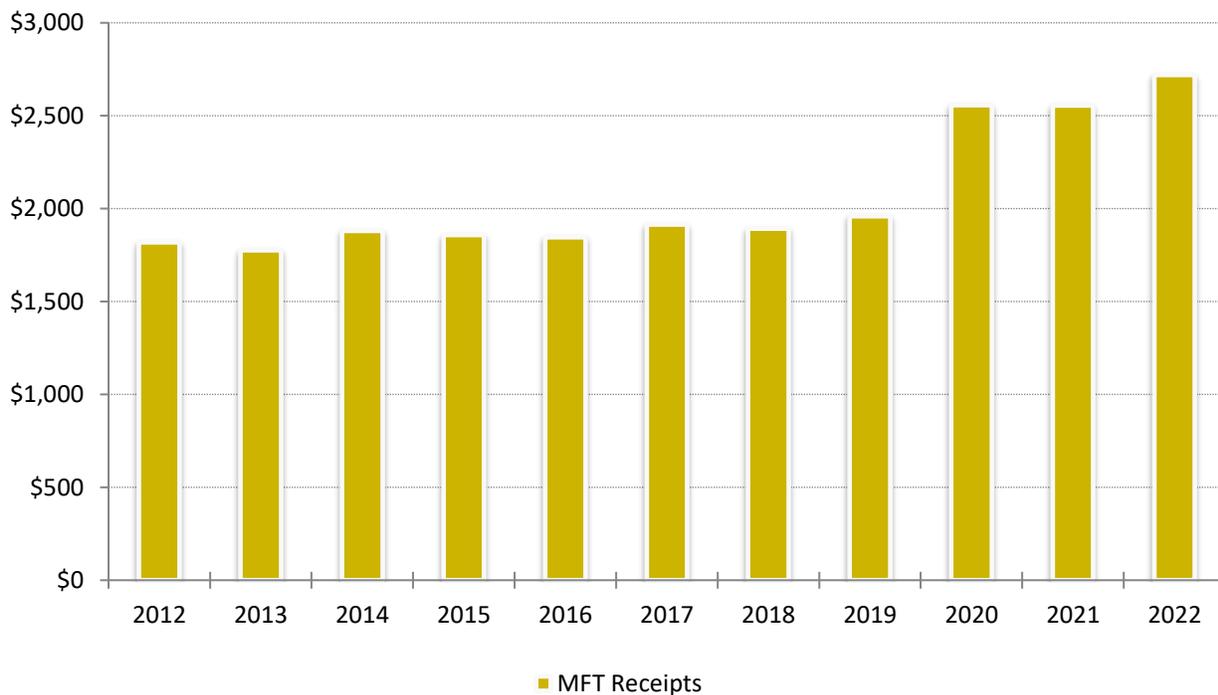
Chart 3 below displays gross MFT collections from FY 2012 through FY 2022. The chart demonstrates the consistent level of demand for gasoline and diesel fuel over the years prior to FY 2020, as the tax rate did not change (during the years shown) prior to FY 2020. The large increase in gross MFT collections between FY 2019 and FY 2020 was due entirely to changes in motor fuel tax rates, since vehicular travel and demand for motor fuel plummeted in the final quarter of FY 2020 due to the pandemic. Beginning on July 1, 2019, the motor fuel excise tax rate was increased from 28.0¢ per gallon to 38.5¢ per gallon for gasoline and from 28.0¢ per gallon to 47.0¢ per gallon for all other motor fuels. The slight decrease in gross MFT collections between FY 2020 and FY 2021 was also due to the pandemic. The notable increase between FY 2021 and FY 2022 was due to increased demand, which continued to recover from COVID-reduced levels despite prices for gasoline and diesel fuel spiking in 2022. The quantity of gasoline and other fuels purchased in Ohio increased in FY 2022.²

Department of Taxation data show that motor fuel demand through the first five months of FY 2023 is down about 3% compared to the corresponding months of FY 2022. IHS Markit, an economic forecasting firm used by LBO, recently predicted a mild recession in the second half of the year, making it unlikely that full-year tax revenue will recover to FY 2022 levels. The current economic environment exhibits numerous sources of uncertainty,³ making Ohio demand for motor fuel over the upcoming biennium difficult to predict. IHS Markit predicts that retail sales at Ohio gasoline stations will decline in FY 2024 and again in FY 2025, but retail sales numbers are not adjusted for inflation, and IHS Markit also expects a drop in FY 2024 energy commodity prices. The net effect is that motor fuel demand, and therefore MFT revenue, over the next biennium is unlikely to change significantly from the levels of FY 2022 and FY 2023.

² Other fuels include diesel, kerosene, compressed natural gas (CNG), and other consumer fuels used to power vehicles. CNG was added to the taxable base during FY 2019, and hence influenced the rise in other fuels purchased during the year.

³ Demand for motor fuel is likely to decrease somewhat due to increased consumer demand for electric vehicles (EVs), but the pace of increase in EV demand is uncertain. Also, oil prices are notoriously difficult to predict anytime, but the war in Ukraine and the shifts that many European nations are making in sources for their energy needs are making them even more difficult to predict than usual.

**Chart 3: Annual MFT Collections (Before Refunds) (\$ millions)
FY 2012-FY 2022**



Source: Ohio Department of Taxation annual reports

MFT distributions in FY 2022

According to Article XII of the Ohio Constitution, all revenue received from taxes levied on motor fuel must be used for the construction and maintenance of Ohio's public highway system.⁴ Ohio's current tax rates, explained above, were set by H.B. 62 of the 133rd General Assembly.

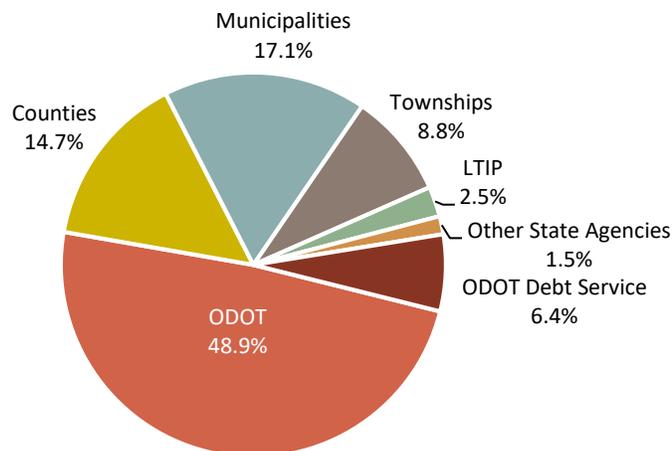
Disposition of MFT revenue is largely determined by a statutory formula described in Revised Code Chapter 5735, though is subject to some discretionary transfers, typically provided under uncodified sections in the transportation budget bill. ODOT receives the majority of funds, while the next largest portion is allocated by formula to political subdivisions. Chart 4 below displays the approximately \$2.4 billion in MFT revenue distributed in FY 2022.⁵ During the year, ODOT received approximately 55.3% of distributed funds, including amounts used to pay debt service on highway bonds. Ohio's political subdivisions received 43.2% of MFT moneys during the

⁴ Moneys may also be used to pay costs of administering tax laws and for hospitalization of indigent persons injured on public roadways. The constitutional restriction applies to taxes on motor fuel used to propel vehicles on public highways, so does not apply to fuel for boats, airplanes, etc.

⁵ Revenue distributions for FY 2022 differ from MFT revenue received during that year due to gaps in timing between tax payments and subsequent disbursements.

year,⁶ including grant funding provided through the Local Transportation Improvement Program (LTIP) in the Public Works Commission (PWC) budget. In total, 1.5% of moneys were allocated to other state agencies.⁷ Chart 4 shows allocations after fund transfers required in uncodified law by H.B. 74, the transportation budget of the 134th General Assembly.

**Chart 4: FY 2022 MFT Distributions by Use
(\$2.39 billion)**



Federal highway funding and the Infrastructure Investment and Jobs Act

From federal fiscal year (FFY) 2016 to FFY 2020, state departments of transportation received federal highway funding under the Fixing America's Surface Transportation (FAST) Act. The vast majority of the federal funding flowed through formula aid to states under various apportionment programs run by the Federal Highway Administration (FHWA), the largest being the National Highway Performance Program, followed by the Surface Transportation Block Grant Program. These two programs typically account for over 80% of all federal highway apportionment program funding. In July 2022, Congress passed continuing resolution (House Resolution 8294) to continue federal transportation funding for FFY 2023 based on prior funding levels. Under this funding resolution, the amounts apportioned for ODOT fall basically in line with allocations in prior fiscal years and provide the federal funding base for the ODOT budget.

These federal apportionments were bolstered substantially by augmented funding contained in the Infrastructure Investment and Jobs Act (IIJA) passed by Congress in November 2021. It provides approximately \$550.0 billion in infrastructure funding through direct state

⁶ MFT revenue is distributed to local governments by the Department of Taxation (TAX) and appropriated through the Gasoline Excise Tax Fund, in the Revenue Distribution Fund section of the main operating budget bill.

⁷ "Other state agencies" include TAX, the Department of Development (DEV), the Department of Natural Resources (DNR), the Office of the Inspector General (IGO), and the Public Utilities Commission of Ohio (PUCO).

allocations as well as discretionary grants. In total, ODOT is expected to receive \$9.8 billion in direct federal-aid highway apportioned program funding and up to \$483 million for bridge replacement and repair over a five-year period under IIJA. As Table 2 below illustrates, ODOT's allocations from IIJA were just over \$1.90 billion in FY 2022 and \$1.93 billion FY 2023. About \$1.87 billion of the FY 2022 allocation and \$1.71 billion of the FY 2023 allocations have been received. The FY 2023 funding is the current estimate as of January 23, 2023. Anticipated allocations for FY 2024 through FY 2026 are \$1.97 billion, \$2.01 billion, and \$2.05 billion, respectively.

| Source | FY 2022 | | | FY 2023 | | |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Allocated | Received | Spent | Allocated | Received | Spent |
| FHWA | \$1,900.8 | \$1,870.6 | \$1,393.8 | \$1,936.3 | \$1,711.3 | \$1,147.6 |
| Total | \$1,900.8 | \$1,870.6 | \$1,393.8 | \$1,936.3 | \$1,711.3 | \$1,147.6 |

In addition to IIJA funding allocated for highways and bridges, IIJA made available funding related to public transit, rail, and aviation. ODOT is slated to receive approximately \$1.4 billion in public transit funding and \$253.0 million in aviation-related funding. Also, the agency is eligible to compete for grants of \$43.5 billion for intercity passenger rail, \$10.0 billion for rail improvement, and \$5.5 billion for grade crossing safety improvements. Table 3 below shows IIJA funding and spending in these nonhighway modes in FY 2022 and FY 2023. It should be noted that supply chain and vendor delays are causing even spending across these projects.

| Project | FY 2022 | | | FY 2023 | | |
|----------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Allocated | Received | Spent | Allocated | Received | Spent |
| Transit (FTA) | \$40.2 | \$39.1 | \$24.6 | \$41.2 | \$52.3 | \$1.8 |
| Rail (FRA*) | \$28.9 | \$28.9 | \$6.6 | \$22.6 | \$22.6 | \$0.2 |
| Aviation (FAA) | \$0.4 | -- | -- | \$2.1 | \$2.1 | -- |
| Total | \$69.5 | \$68.0 | \$31.2 | \$65.9 | \$77.0 | \$2.0 |

*Includes FHWA rail allocations

Highway bond funding

Although the bulk of ODOT's funding comes from federal funding and proceeds from the state MFT, a portion of the state's highway construction budget is supported by highway bonds. In recent years, ODOT received proceeds from three types of bond issuances to finance highway

construction: (1) state highway bonds, (2) federal grant anticipation revenue vehicle (GARVEE) bonds, and (3) Turnpike bonds issued by the Ohio Turnpike and Infrastructure Commission (OTIC). Appropriations derived from state highway and federal GARVEE bonds under the Governor's funding recommendation total \$178.4 million in each fiscal year of the biennium. The Turnpike bonds were authorized in 2012 and issued in 2013 and 2018. That revenue has been allocated to projects in prior years and, consequently, no additional projects will be funded using this source of funding.

Budget highlights

Appropriations

Brent Spence Bridge Corridor

The executive proposal contains three new line items that will be specifically used to provide funding for the Brent Spence Bridge Corridor project. In total, these three new line items have appropriations of just over \$2.9 billion in FY 2024. The bill contains a provision that requires that all spending related to the Brent Spence Bridge Corridor project be documented in the state's accounting system (OAKS) and made visible in the Ohio State and Local Government Expenditure Database (the Ohio Checkbook website). The three new Highway Operating Fund ALIs, 772603, Brent Spence Bridge Corridor-State, 772604, Brent Spence Bridge Corridor-Federal, and 772605, Brent Spence Bridge Corridor-Other, are created in the bill to track the funding for the project under this requirement.

In December 2022, Ohio and Kentucky were awarded a federal grant of \$1.63 billion for the project. With this grant, ODOT intends to begin the construction on the project later in calendar year 2023. The Federal Highway Administration required Ohio and Kentucky to provide a detailed analysis of the project in order to better identify project costs. Through this analysis, the estimated total project cost is \$3.6 billion. This cost is being split proportionally between Ohio and Kentucky, with Ohio responsible for \$2.0 billion of the total project cost.

Strategic transportation study

The executive proposal contains new ALI 776672, Strategic Transportation and Development Analysis, and appropriates \$10.0 million in FY 2024 for a statewide study of the Ohio transportation system in collaboration with the Department of Development and the Governor's Office of Workforce Transformation. The study is required to examine factors such as statewide and regional demographics, economic development growth opportunities, current transportation systems and capacities, and passenger and freight travel needs over a 10, 20, and 30-year time frame. The bill specifically requires the entities involved in the study to make actionable recommendations for transportation system projects to support statewide economic growth, including improving links between Columbus and Toledo.

Highway Transportation Safety Fund

The executive proposal contains new Ohio Highway Transportation Safety Fund (Fund 5X10) ALI 772504, Ohio Highway Transportation Safety, and appropriates \$2.7 million in FY 2024 and \$1.6 million in FY 2025 for specific public safety projects in a transportation district serving communities where Local Government Fund (LGF) distributions were cut under

provisions of the traffic photo-monitoring devices law. Fund 5X10 consists of revenues from the Highway Operating Fund (Fund 7002) in amounts equating to LGF deductions incurred by political subdivisions due to their use of traffic law photo-monitoring devices.

Permanent law changes

Design-build provisions

The bill expands the type of ODOT projects that can be bid as a design-build contract to include projects pertaining to all transportation facilities, not just highways or bridges. The bill also permits ODOT to accept another bid or to reject all bids and re-bid the contract if it is determined that a best-value bidder for a design-build contract is not in the best interests of the state. This will presumably increase the number of projects that are bid under the design-build contract requirements. According to the most recent available data, ODOT has 40 anticipated projects that will be bid under design-build contract authority. Of that number, 34 of those are scheduled to be bid during the FY 2024-FY 2025 biennium. The Brent Spence Bridge project will be bid under this format.

Ohio Highway Patrol pay scale

The executive proposal for the transportation budget modifies a provision of law that was enacted in H.B. 462 of the 134th General Assembly (effective April 4, 2023) regarding pay scale changes for certain Ohio State Highway Patrol (OSHP) officers, including lieutenant colonels. Related changes inadvertently affected other state employee job classifications. The change under the executive budget narrows the focus of this provision to just OSHP lieutenant colonels. Under this revised plan, beginning July 1, 2023, OSHP lieutenant colonels are to be paid in accordance with pay range 45 in schedule E-2 of the exempt employee salary. The annual salary for E-2 pay range 45 is from \$49,941 to \$156,790. The timing of the salary change for certain lieutenant colonels (currently two) will depend on when they are scheduled to advance through the pay classifications.

Temporary law provisions

Authorization to adjust appropriations and make cash transfers

The bill includes several continuing provisions of temporary law that allow ODOT financial flexibility in managing cash resources. Cumulatively, these provisions enable the Department to seek approval of the transfer of appropriations, increase of appropriations, reappropriations, and transfer of cash in the Highway Operating Fund (Fund 7002) and other funds. Almost all of these authorizations depend on approval by the Controlling Board, and many also require approval by the Office of Budget and Management.

Among these authorizations, the bill allows ODOT to seek approval of requests to: (1) transfer appropriations between various line items within Fund 7002 to cover unforeseen costs, such as those incurred due to inclement weather, and to optimize the use of federal funds, (2) transfer appropriations and cash between various federally funded or State Infrastructure Bank funds and line items, (3) increase appropriations if state or federal revenues are in excess of budgeted amounts, and (4) reappropriate appropriations from certain funds that remain

unencumbered at the end of FY 2023 and FY 2024 for the same purposes in FY 2024 and FY 2025, respectively.

Earmarks using state-funded highway ALI 772421

Just as under H.B. 74, the transportation budget for the current biennium, the bill includes two earmarks from Highway Operating Fund (Fund 7002) ALI 772421, Highway Construction – State, which is mostly funded by state MFT revenue. The first of these earmarks is for \$4.5 million in each fiscal year to be given to transportation improvement districts (TIDs) that meet eligibility criteria. TIDs are intergovernmental or public-private entities that designate a transportation project or program of projects to be facilitated within a defined region and with local approval. There are currently 44 TIDs located around the state. Of available state funds, TIDs may receive up to \$500,000 annually for each project; however, if there are projects cosponsored by another TID, each TID may receive up to \$500,000 per year. Funds may be used for preliminary engineering, detailed design, right-of-way acquisition, and construction costs, but may not be used for administrative expenses.

The second set of earmarks are for roads and drives at Department of Natural Resources (DNR) sites and metropolitan parks. The portion going to DNR facilities each year is to be determined by the ODOT Director, although within that there is a \$1.0 million annual set-aside for roads leading up to and within state parks and wildlife areas greater than 10,000 contiguous acres. The bill also earmarks approximately \$2.6 million in each fiscal year from ALI 772421 to maintain roads within the boundaries of metropolitan parks. Finally, the bill allows Fund 7002 ALI 772421 to be used to do work on roads and support features to and within the State Fairgrounds and the Ohio History Connection facilities.

Indefinite delivery indefinite quantity contracting

The Governor's proposal continues temporary law authorizing ODOT to contract for supplies or services for up to two projects per year using indefinite delivery indefinite quantity (IDIQ) contracts. The bill defines an IDIQ contract as a contract for an indefinite quantity, within stated limits, of supplies or services that will be delivered by the awarded bidder over a defined contract period. Subject to the terms and conditions that ODOT develops, this additional flexibility could also lead to potential savings on the selected projects where the IDIQ contract format is used, depending on the supplies or services to be provided and the circumstances involved with the projects. On the other hand, the IDIQ contracts might result in higher costs than could have been agreed to under ODOT's standard bidding procedure. During the current biennium, four IDIQ contracts have been awarded for a total cost of \$2.4 million.

Analysis of FY 2024-FY 2025 budget proposal

Introduction

This section provides an analysis of the Governor’s recommended funding for each appropriation line item (ALI) in ODOT’s budget. For organizational purposes, these ALIs are grouped into eight major categories based on their funding purposes. The analysis for an ALI with a lower category or subcategory designation will appear before that for an ALI with a higher category or subcategory designation. That is, the analysis for an ALI with a category designation of C1:8 will appear before the analysis for an ALI with a category designation of C2:1 and the analysis for an ALI with a category designation of C1:3 will appear before the analysis for an ALI with a category designation of C1:8.

To aid the reader in locating each ALI in the analysis, the following table shows the category in which each ALI has been placed, listing the ALIs in order within their respective fund groups and funds. This is the same order the ALIs appear in the DOT section of the budget bill.

In the analysis each appropriation item’s estimated expenditures for FY 2023 and recommended appropriations for FY 2024 and FY 2025 are listed in a table. The exception to this is in **“Category 1: Highway Construction and Maintenance,”** where appropriations are analyzed on a program basis, since funding for the seven particular programs is dispersed in a mix among six line items. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. If the appropriation is earmarked, the earmarks are listed and described.

| Categorization of ODOT’s Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget Proposal | | | | |
|---|--------|--|---|------------------------------------|
| Fund | ALI | ALI Name | | Category |
| Highway Operating Fund Group | | | | |
| 2120 | 772426 | Highway Infrastructure Bank – Federal | 3 | State Infrastructure Bank |
| 2120 | 772427 | Highway Infrastructure Bank – State | 3 | State Infrastructure Bank |
| 2120 | 772430 | Infrastructure Debt Reserve Title 23-49 | 7 | Debt Service |
| 2130 | 772431 | Roadway Infrastructure Bank – State | 3 | State Infrastructure Bank |
| 2130 | 772433 | Infrastructure Debt Reserve – State | 7 | Debt Service |
| 2130 | 777477 | Aviation Infrastructure Bank – State | 6 | Aviation |
| 5X10 | 772504 | Ohio Highway Transportation Safety | 1 | Highway Construction & Maintenance |
| 7002 | 770003 | Transportation Facilities Lease Rental Bond Payments | 7 | Debt Service |
| 7002 | 771411 | Planning and Research – State | 2 | Planning & Research |
| 7002 | 771412 | Planning and Research – Federal | 2 | Planning & Research |
| 7002 | 772421 | Highway Construction – State | 1 | Highway Construction & Maintenance |
| | | | 5 | Rail |

Categorization of ODOT's Appropriation Line Items for Analysis of FY 2024-FY 2025 Budget Proposal

| Fund | ALI | ALI Name | | Category |
|-------------------------------------|--------|--|---|------------------------------------|
| 7002 | 772422 | Highway Construction – Federal | 1 | Highway Construction & Maintenance |
| | | | 5 | Rail |
| 7002 | 772424 | Highway Construction – Other | 1 | Highway Construction & Maintenance |
| 7002 | 772437 | Major New State Infrastructure Bond Debt Service – State | 7 | Debt Service |
| 7002 | 772438 | Major New State Infrastructure Bond Debt Service – Federal | 7 | Debt Service |
| 7002 | 772603 | Brent Spence Bridge Corridor-State | 1 | Highway Construction & Maintenance |
| 7002 | 772604 | Brent Spence Bridge Corridor-Federal | 1 | Highway Construction & Maintenance |
| 7002 | 772605 | Brent Spence Bridge Corridor-Other | 1 | Highway Construction & Maintenance |
| 7002 | 773431 | Highway Maintenance – State | 1 | Highway Construction & Maintenance |
| 7002 | 775452 | Public Transportation – Federal | 4 | Public Transportation |
| 7002 | 775454 | Public Transportation – Other | 4 | Public Transportation |
| 7002 | 776462 | Grade Crossings – Federal | 5 | Rail |
| 7002 | 777472 | Airport Improvements – Federal | 6 | Aviation |
| 7002 | 777475 | Aviation Administration | 6 | Aviation |
| 7002 | 779491 | Administration – State | 8 | Administration |
| Dedicated Purpose Fund Group | | | | |
| 4N40 | 776664 | Rail Transportation – Other | 5 | Rail |
| 5CV3 | 776672 | Strategic Transportation and Development Analysis | 2 | Planning & Research |
| 5W90 | 777615 | County Airport Maintenance | 6 | Aviation |
| Capital Projects Fund Group | | | | |
| 7042 | 772723 | Highway Construction – Bonds | 1 | Highway Construction & Maintenance |
| 7045 | 772429 | Highway Infrastructure Bank – Bonds | 1 | Highway Construction & Maintenance |

Category 1: Highway Construction and Maintenance

This category of appropriations includes the major sources of state, federal, and bond funding for maintaining and building on the 42,363 lane miles of roads on the State Highway System. To track and prioritize needs, the State Highway System is made up of three sub-systems: (1) the Priority System covering interstate routes, freeways, and multi-lane roads, (2) the Urban System covering U.S. and state routes within municipal boundaries, and (3) the General System covering two-lane state routes. Additionally, much of this funding goes to political subdivisions for local road and bridge projects through a combination of various federal programs and ODOT discretionary programs.

Table 4 shows the six ALIs that support highway maintenance and construction activities under the ODOT budget along with the Governor’s recommended funding for them. This collection of appropriations comprises the largest component of ODOT’s budget, totaling approximately \$7.50 billion in the FY 2024-FY 2025 biennium, or 65.8% of total appropriations to ODOT under the transportation budget. This does not include \$2.90 billion in construction funding that is specifically appropriated for the Brent Spence Bridge Corridor project. The appropriations in the table below, combined with the Brent Spence Bridge funding comprise 91.3% of the total appropriations to ODOT under the transportation budget.

| Table 4. Funding Sources for Highway Construction and Maintenance Appropriations, FY 2024-FY 2025 (\$ millions) | | | |
|--|----------------|--------------------------------------|----------------------------------|
| Funding Source | ALI(s) | Total Biennial Appropriations | % of Total Appropriations |
| Federal highway aid | 772422 | \$4,070.0 | 54.2% |
| State motor fuel tax | 772421, 773431 | \$2,911.4 | 38.9% |
| Local participation | 772424 | \$167.0 | 2.2% |
| Total Highway Operating Fund (Fund 7002) | | \$7,148.4 | 95.3% |
| State highway bonds | 772723 | \$188.9 | 2.5% |
| Federal GARVEE bonds | 772428 | \$167.9 | 2.2% |
| Total Bonds (Fund 7042 and Fund 7045) | | \$356.8 | 4.7% |
| Total All Funding Sources | | \$7,505.2 | |

The vast majority of the recommended funding for highway construction and maintenance in FY 2024 and FY 2025 (95.3% overall) comes from the Highway Operating Fund (Fund 7002), with the remainder (4.7%) coming from highway bond proceeds. The increase in the MFT at the beginning of FY 2020, along with federal funds allocated under the Infrastructure Investment and Jobs Act (IIJA) has made it possible to fund a larger share of highway construction from those sources, in turn reducing the share of funding coming from bond proceeds.

Summary of program allocations

Table 5 below summarizes the proposed highway construction and maintenance appropriations by ODOT program. Overall, these highway construction and maintenance programs are receiving an increase of approximately \$362.7 million in FY 2024, an 11.4% increase compared to FY 2023 estimated spending in these areas. The two areas that see the biggest increases from FY 2023 estimates are the (1) Preservation of Pavement and Bridges Program, with a \$226.8 million increase, and (2) Local Government Program, with a \$96.5 million increase. In contrast, there is a \$132.1 million drop in funding for Other Construction Programs. However, these decreases may not be as significant as they appear, since ODOT often receives approval by the Controlling Board to reappropriate unused highway funds from prior fiscal years to pay for additional Major New and other projects. As noted above, these program allocations do not include appropriations specifically dedicated to the Brent Spence Bridge Corridor project.

Table 5. Highway Construction and Maintenance Program Allocations (\$ millions)

| Program | FY 2023 Estimated Spending | FY 2024 Introduced | FY 2025 Introduced | % of Total Allocations FY 2024- FY 2025 |
|--------------------------------------|----------------------------------|-----------------------|-----------------------|--|
| Preservation of Pavement and Bridges | \$1,174.5 | \$1,401.3 | \$1,434.9 | 40.0% |
| Operations | \$665.7 | \$756.9 | \$767.9 | 21.5% |
| Local Government Programs | \$445.7 | \$542.2 | \$545.8 | 15.3% |
| Major New Highway Construction | \$262.5 | \$307.6 | \$278.9 | 8.3% |
| Other Construction Programs | \$424.9 | \$292.8 | \$278.3 | 8.0% |
| Safety Programs | \$164.9 | \$181.2 | \$182.1 | 5.1% |
| Highway Maintenance Contracts | \$45.4 | \$64.3 | \$64.5 | 1.8% |
| Total All Programs | \$3,183.6 | \$3,546.3 | \$3,552.4 | 100.0% |

The following analysis in this category discusses funding for these seven individual programs, all of which are funded by a mix of the six ALIs noted in Table 4. The allocations in Table 5 reflect ODOT's anticipated appropriations in these areas. Overall, the Governor's proposal provides slightly more funding (\$49.7 million), and those additional appropriations will be allocated across these programs. The clearest way to discuss ODOT's highway construction and maintenance funding is on a program-by-program basis.

C1:1: Preservation of Pavement and Bridges

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|---------------------|-----------------------|-----------------------|
| Preservation of Pavement and Bridges (\$ millions) | \$1,174.5 | \$1,401.3 | \$1,430.9 |
| % change | -- | 19.3% | 2.1% |

The largest area of spending in the ODOT budget, this program provides funds to the 12 ODOT districts in order to maintain the existing roads and bridges under ODOT's jurisdiction. All of the allocations to the preservation program are budgeted for capital expenditures involved with maintaining the State Highway System. The major preservation responsibilities include pavement condition monitoring and maintenance, pavement replacement, bridge inspection and repair, engineering and design services, right-of-way acquisition, and culvert improvements, among many others. Pavement and bridge preservation needs are usually fully funded prior to addressing new capacity or congestion reduction projects under ODOT's "fix it first" policy. Increases in labor costs and fluctuations in the price of fuel, asphalt, concrete, and steel products all factor into what can be accomplished with the given funding.

C1:2: Operations

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--------------------------|---------------------|-----------------------|-----------------------|
| Operations (\$ millions) | \$665.7 | \$756.9 | \$767.9 |
| % change | -- | 13.7% | 1.5% |

Funding slated for Operations totals approximately \$1.52 billion over the FY 2024-FY 2025 biennium. ODOT is the state's second largest agency by headcount with over 5,100 full-time equivalents (FTE), of which around 4,700 are full-time permanent positions. This program funds the vast majority of ODOT's operating costs, supporting about 4,300 FTEs whose work relates to highway construction and maintenance. This funding covers facilities and equipment management, aerial and geotechnical engineering, real estate management, snow and ice control, special hauling permits, coordination with federal authorities, traffic policies and procedures, legal counsel and contract administration, and construction project administration. ODOT's facilities include the central office in Columbus, 12 district headquarters, 90 full-service highway service facilities, 102 outposts or yard locations, and around 80 rest areas. The Department maintains a fleet of around 160 trucks to manage snow and ice control.

C1:3: Local Government Programs

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|---------------------|-----------------------|-----------------------|
| Local Government Programs (\$ millions) | \$445.7 | \$542.2 | \$545.8 |
| % change | -- | 21.7% | 0.7% |

Almost all of this funding for local governments is federal highway funding that is distributed to local governments. Of the total budgeted in the next two years, approximately \$450 million in each fiscal year is from the Federal Highway Administration (FHWA) and spent through line item 772422, Highway Construction – Federal. About \$167.0 million is from a local match that comes to ODOT and is sent back to local governments through Fund 7002 ALI 772424, Highway Construction – Other. Only a nominal amount of total appropriations come from state highway funding. Note that funding under this program is in addition to the MFT revenue that is distributed directly to counties, municipalities, and townships by the Department of Taxation.

Table 6 below provides a listing of each local sub-program and the amount budgeted for each program in the next two years. Many of the sub-programs entail highway funding for local governments under FHWA formula requirements. However, ODOT has discretionary authority to administer a portion of money designated for the Local Government Programs.

| Table 6. Local Government Programs Allocations (\$ millions) | | | |
|---|---|-------------------------------|-------------------------------|
| Program | FY 2023 Estimated Spending | FY 2024 Introduced | FY 2025 Introduced |
| Metropolitan Planning Organizations | \$217.3 | \$270.3 | \$275.7 |
| Regional Transportation Planning Organizations | \$1.4 | \$2.6 | \$2.6 |
| Local Participation (match) | \$97.6 | \$83.5 | \$83.5 |
| County Local Bridge | \$50.3 | \$81.4 | \$79.4 |
| Local Major Bridge | \$10.6 | \$20.0 | \$20.0 |
| Municipal Bridge | \$13.0 | \$18.5 | \$18.5 |
| Bridge Partnership | \$1.6 | \$0.0 | \$0.0 |
| Subtotal – Local Bridge Programs | \$75.5 | \$119.9 | \$117.9 |
| County Surface Transportation | \$23.4 | \$28.6 | \$28.6 |
| Small City | \$8.0 | \$10.6 | \$10.6 |
| Safe Routes to Schools | \$3.6 | \$5.0 | \$5.0 |
| Enhancements/Other/Discretionary | \$15.2 | \$13.0 | \$13.0 |
| Total All Programs | \$445.7 | \$542.2 | \$545.8 |

Metropolitan Planning Organizations

This program provides funds to each of the 17 Metropolitan Planning Organizations (MPOs) and five large cities outside MPOs, the regional entity responsible for multi-modal transportation system planning and improvement projects in urban areas with populations of more than 50,000 people. The five “large cities” in Ohio have populations between 25,000 and 50,000. Funding is mainly distributed among MPOs and large cities based on the population in each area.

Typically, a significant portion of MPO funding is under the federal Surface Transportation Block Grant Program, which provides funds to preserve local roads, bridges, pedestrian and bicycle infrastructure, and transit projects. ODOT supplies this funding for the local organizations by population. Additionally, the federal Congestion Mitigation and Air Quality Program awards moneys to MPOs and the large cities to meet federal Clean Air Act requirements. Finally, the Transportation Alternatives Program provides funding for various surface transportation projects, such as the conversion of unused railroad corridors to bike trails and the building of safe routes for nondrivers.

Local participation

Local participation funding represents the local share of construction projects to be awarded and administered by ODOT. The Department receives the local match dollars, since ODOT has a fiduciary responsibility under federal funding requirements. Local dollars are received into the Highway Operating Fund and then spent through line item 772424, Highway

Construction – Other. Most of the federal highway funding received by ODOT that is ultimately meant for local governments must be used on projects funded using 80% federal, 20% local matching funds.

Local bridge programs

Federal funding for local bridge projects falls under four ODOT programs: (1) the County Local Bridge (CLB) Program jointly overseen by ODOT and the County Engineers Association of Ohio (CEAO), (2) the Local Major Bridge Program, (3) the Municipal Bridge Program, and (4) the Bridge Partnership Program. Generally, each program requires an 80% federal, 20% local match. The programs differ by local government type, eligible costs, and the administrative agency.

County Surface Transportation Program

The County Surface Transportation Program, like the CLB Program, is managed by CEAO, and aims to provide regular construction funding for road improvements. With the standard federal share of 80%, counties may spend up to \$2.0 million in federal funding per project.

Small City Program

This federally funded program provides assistance to cities with populations between 5,000 and 24,999 and not within an MPO or large city in Ohio. There are currently 54 small cities in Ohio. This program may be used only for construction to support any road, safety, or signal project on the federal-aid highway system.

Safe Routes to Schools

This program provides funds to local communities to make walking and bicycling to school a safe and routine activity. Funding can support infrastructure projects or noninfrastructure projects. Infrastructure projects may cost up to \$400,000 and must be located within two miles of schools, such as a project to build safer street crossings. Noninfrastructure projects may cost up to \$60,000. Examples include education, evaluation, and other public awareness campaigns.

C1:4: Major New Highway Construction

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|---------------------|-----------------------|-----------------------|
| Major New Highway Construction (\$ millions) | \$262.5 | \$307.6 | \$278.9 |
| % change | -- | 17.2% | -9.3% |

This program provides funding for projects that increase mobility, provide connectivity, ease accessibility of a region for economic development, grow the capacity of a transportation facility, and reduce congestion throughout the state. These projects must have costs of \$12 million or more and be approved by the Transportation Review Advisory Council (TRAC). The Council typically approves each project annually through a series of phases before completion. These phases include planning and engineering, design, right-of-way acquisition, and construction.

The amounts listed above for Major New will likely be supplemented by reappropriations from prior fiscal years, depending upon approval by the Controlling Board. Another potential source of funding for Major New construction is through public-private partnership (P3)

agreements, such as the private financing used to construct the Portsmouth Bypass, estimated to cost \$1.23 billion over the 35-year lifespan of the project. This financing arrangement allows for ODOT to undertake large-scale projects and pay for them over time.

C1:5: Other Construction Programs

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|-----------------------------|-------------------------------|-------------------------------|
| Other Construction Programs (\$ millions) | \$424.9 | \$292.8 | \$278.3 |
| % change | -- | -31.1% | -5.0% |

There are a number of programs that fall under the Other Construction Programs banner, including, but not limited to, the following: (1) oversight of ODOT's role in the federal National Highway Freight Program, (2) the Diesel Emissions Reduction Grant (DERG) Program, (3) geological site management projects, including fixes for slopes and slides, rockfalls, underground mines, and erosion, (4) emergency funds for the repair or reconstruction of roads that have suffered serious damage by natural disasters or catastrophic failures from an external cause, (5) grant assistance to businesses through the Jobs and Commerce Unrestricted Program in removing transportation barriers in order to create jobs, (6) the disadvantaged business enterprises and on-the-job training programs to support businesses owned by women and minorities in competing for transportation contracts, and (7) oversight of P3 projects. In addition to these functions, the funding is used for the replacement and rehabilitation of rest areas, and the construction, reconstruction, and maintenance of public access roads to and within facilities owned or operated by the Department of Natural Resources, the Ohio Expositions Commission, the Ohio History Connection, and metropolitan parks' noise barriers statewide. Also included is funding for transportation improvement projects that improve safety for motorists and horse-drawn vehicles in areas with substantial Amish populations.

Earmarks under Fund 7002 ALI 772421

The executive budget provides uncodified law carried over from previous biennia specifying that portions of appropriation item 772421, Highway Construction – State, are to be used for the construction, reconstruction, or maintenance of certain roads that support local governments and other state agencies. In particular, ODOT is to set aside a portion of funding for roads leading to and within DNR facilities. Of that amount, \$1.0 million each fiscal year must go to roads leading up to and within state parks and wildlife areas greater than 10,000 contiguous acres. An additional \$2.6 million in each fiscal year is for the maintenance of roads within the boundaries of metropolitan parks.

The bill also earmarks \$4.5 million in each of FY 2024 and FY 2025 for TIDs, the same amount as budgeted under the current biennium. TIDs are intergovernmental or public-private entities that designate a transportation project or program of projects to be facilitated within a defined region with local approval. There are currently 44 TIDs located around the state. Of available state funds, TIDs may receive up to \$500,000 annually for each project; however, if there are projects cosponsored by another TID, each TID may receive up to \$500,000 per year. Funds may be used for preliminary engineering, detailed design, right-of-way acquisition, and construction costs, but may not be used for administrative expenses.

Finally, the bill allows the line item be used to perform road reconstruction or maintenance work on behalf of the Ohio Expositions Commission at the state fairgrounds and for the Ohio History Connection, at state historic sites. No actual amounts are required to be used for these purposes in the bill.

C1:6: Safety Programs

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------------------|------------------|--------------------|--------------------|
| Safety Programs (\$ millions) | \$164.9 | \$181.2 | \$182.1 |
| % change | -- | 9.9% | 0.5% |

Typically consisting mostly of federal funding, this program supports safety projects that improve safety and reduce the severity, frequency, and rate of crashes on the State Highway System and local roads. Eligible projects include signing, striping, clearing brush, traffic signal coordination, two-way left turn lanes, additional lanes, and other roadway modifications. Federal highway aid requires that safety funding be matched so that there is at least a 90% federal, 10% state cost share.

On an annual basis, the program has been used to fund all or a portion of about 300 projects in various stages of development. ODOT accepts two rounds of applications per year from ODOT districts and local government sponsors. ODOT has awarded \$125.0 million in safety awards in FY 2022 and will award the same amount in FY 2023. ODOT further indicates that this same amount will be awarded in each fiscal year of the upcoming biennium. The remaining Safety Programs funding is typically used to cover low-cost, quick-hit urgent safety improvements and system-wide safety improvements, such as upgrading guardrails and using more highly reflective pavement markings to prevent roadway departure crashes. In addition to this funding, the Governor's proposal includes \$2.7 million in FY 2024 and \$1.6 million in FY 2025 from the Ohio Highway and Transportation Safety Fund (Fund 5X10) to be used for safety projects in specific political subdivisions.

The program's goals are to reduce the state's crash fatality rate by 2% annually. In CY 2020, 1,230 people died on Ohio roadways according to data collected by the National Highway Traffic Safety Administration. This 2020 figure is an 11.8% increase over the average of around 1,100 fatalities in Ohio per year over the ten-year period from CY 2011 to CY 2020. The number of fatalities per 100 million vehicle miles traveled (VMT), a statistic that smooths out state-by-state comparisons to factor in the amount of driving on roads in each state, amounted to 1.19 in 2020, below the national average of 1.34.

C1:7: Highway Maintenance Contracts

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|------------------|--------------------|--------------------|
| Highway Maintenance Contracts (\$ millions) | \$45.4 | \$64.3 | \$64.5 |
| % change | -- | 41.6% | 0.3% |

These contracts provide for the maintenance of the State Highway System, keeping the system in a safe and attractive condition. The three main activities contracted include: (1) rest area cleaning and maintenance, (2) Intelligent Transportation System traffic management services, collecting traffic management information and distributing the information in real time, such as on digital messaging signs above or on the side of roads, and (3) roadway maintenance, for such activities as guardrail repair, lighting repair, mowing, and the removal of vegetation.

C1:8: Brent Spence Bridge Corridor

| Program | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|-------------------------|---------------------------|---------------------------|
| Brent Spence Bridge Corridor (\$ millions) | -- | \$2,901 | \$0 |
| % change | -- | -- | -- |

This category provides funding related to the Brent Spence Bridge Corridor project. Under the transportation budget, all expenditures are required to be documented in the state's accounting system (OAKS) and made visible in the Ohio State and Local Government Expenditure Database (the Ohio Checkbook website). For this reason, there are three new ALLs (772603, Brent Spence Bridge Corridor-State, 772604, Brent Spence Bridge Corridor-Federal, and 772605, Brent Spence Bridge Corridor-Other) created in the bill to track the funding for the project.

In December 2022, Ohio and Kentucky were awarded a grant of \$1.63 billion for the project. With this grant, ODOT intends to begin the construction on the project later in calendar year 2023. The Federal Highway Administration required Ohio and Kentucky to provide a detailed analysis of the project in order to better identify project costs. Through this analysis, the estimated total project cost is \$3.6 billion, the amount being split proportionally between Ohio and Kentucky. Ohio's share of the total cost is \$2.0 billion.

Category 2: Planning and Research

This category of appropriations is used to support the Division of Planning within ODOT, comprised of six offices, as follows:

1. Statewide Planning and Research, which manages statewide planning among and between the transportation modes, and produces long-term forecast documents;
2. Program Management, which coordinates highway programs, including oversight of the Transportation Review Advisory Council (TRAC), which allocates funding annually for Major New highway construction projects over periods of four or more years;
3. Local Programs, which coordinates construction projects with local governments;
4. Environmental Services, which reviews and approves environmental permits;
5. Technical Services, which collects and monitors traffic data; and
6. Transit, which manages ODOT's public transportation programs and provides technical assistance to transit systems.

C2:1: Planning and Research (ALIs 771411, 771412, and 776672)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|---------------------|---------------------|---------------------|
| 7002 771412, Planning and Research – Federal | \$39,536,364 | \$57,095,074 | \$57,095,074 |
| % change | -- | 44.4% | 0.0% |
| 7002 771411, Planning and Research – State | \$27,287,506 | \$30,078,120 | \$29,650,000 |
| % change | -- | 10.23% | -1.4% |
| 5CV3 776672, Strategic Transportation and Development Analysis | \$0 | \$10,000,000 | \$0 |
| % change | -- | -- | -- |
| Total Planning and Research | \$66,823,870 | \$97,173,194 | \$86,745,074 |
| % change | -- | 45.4% | -10.7% |

Federal law requires that states set aside 2% of their major federal-aid highway program apportionments for statewide planning and research. This set-aside is appropriated under line item 771412 in the ODOT budget. Also according to federal law, at least 25% of this funding is for research purposes, including research, development, and technology transfer activities necessary for planning, constructing, and maintaining highway, public transit, transportation alternatives, and intermodal systems. Most research and development requires a 20% state match, the funding for which is provided in line item 771411. ODOT is also required by the federal government to support urban transportation planning programs in each of Ohio's 17 MPOs, which cover 30 urban counties. Those programs are 80% federally funded with 10% matches each from the state and local governments.

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 Department's long-range plan, coordination with MPOs, and review of traffic congestion and travel demand. Research projects are conducted through contracts with research institutions. The Department also participates in pooled fund studies led by other states or the FHWA.

Planning and Research earmarking

Appropriated under Fund 5CV3 ALI 776672, Strategic Transportation and Development Analysis, \$10.0 million in FY 2024 is to be used to fund a statewide study of the Ohio transportation system in collaboration with the Department of Development and the Governor's Office of Workforce Transformation. The study is required to (1) analyze statewide and regional demographics, (2) investigate economic development growth opportunities, (3) examine current transportation systems and capacities, (4) forecast passenger and freight travel needs over a 10, 20, and 30-year time frame, (5) identify current and future transportation links, (6) evaluate and rank current and potential risks of future system congestion, and (7) make actionable

recommendations for transportation system projects to support statewide economic growth, including improving links between Columbus and Toledo.

Category 3: State Infrastructure Bank

Alongside federal highway aid, MFT revenue, and highway bond funding, ODOT oversees a revolving loan program that can be used by local governments to finance construction projects. This pool of funding is referred to as the State Infrastructure Bank (SIB) Program. Although most awards are for highway projects, some awards involve nonhighway transportation modes, such as aviation. The discussion of the SIB Program within this category covers only the SIB appropriations for highway projects. The Governor’s proposal includes \$2.4 million in each fiscal year for aviation projects, which are discussed in greater detail in the “**Category 6: Aviation**” portion of this Redbook.

The SIB Program was originally capitalized in 1997 with \$137.0 million in funding: \$87.0 million in federal highway aid, \$40.0 million from the GRF, and \$10.0 million in MFT revenue. According to ODOT’s annual report for FY 2022, the SIB portfolio consists of eight loans totaling about \$28.0 million, as well as approximately \$10.2 million generated by bond issuances. Through FY 2022, there has been approximately \$811.4 million in funding allocated through the initiative under 279 separate projects. Of that amount, \$662.2 million (81.6%) has been awarded for road and bridge projects. In total, ODOT has awarded 224 road and bridge projects, an average award of just over \$2.9 million per project. SIB highway funds can be used for right-of-way and construction costs. Participating local governments may pledge their share of future MFT revenues as loan repayments.

State Infrastructure Bank highway loans (line items 772426, 772427, and 772431)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|---------------------|---------------------|---------------------|
| 2120 ALI 772426, Highway Infrastructure Bank – Federal | \$29,921,903 | \$5,750,500 | \$5,750,500 |
| % change | -- | -80.8% | 0.0% |
| 2120 ALI 772427, Highway Infrastructure Bank – State | \$62,603,389 | \$15,099,500 | \$15,099,500 |
| % change | -- | -75.9% | 0.0% |
| 2130 ALI 772431, Roadway Infrastructure Bank – State | \$5,564,477 | \$3,750,000 | \$3,750,000 |
| % change | -- | -32.6% | 0.0% |
| Total State Infrastructure Bank | \$98,089,769 | \$24,600,000 | \$24,600,000 |
| % change | -- | -74.9% | 0.0% |

Funding for the SIB Program is divided among these three line items because of particular restrictions that apply: ALI 772426 must meet federal highway funding requirements, and ALI 772427 is also partially limited by federal regulations. ALI 772431 is fully state funded. The availability of dollars is dependent upon SIB activity and loan repayments. The SIB Program may also issue bonds on behalf of the borrower. There is no set limit and 100% financing is available.

Loans have ranged in size from \$72,000 up to \$20 million and require the borrower to pay closing costs. Loans are offered to projects that typically do not qualify for federal or state funds.

Category 4: Public Transportation

This category of appropriations funds ODOT’s Office of Transit, which provides capital, operating, technical, and planning assistance to the 65 transit systems receiving state assistance for public transportation. Of the total, 27 transit systems are in urban areas and 38 are in rural areas. Data gathered by ODOT show that in 2019 there were about 82.9 million trips taken by transit riders, of which 12.8 million trips (15.4%) serviced elderly and disabled people.

The appropriations in this category reflect (1) the Federal Transit Administration (FTA) funding received by ODOT that is spent under ALI 775452, Public Transportation – Federal, and (2) local matching funding that ODOT receives for projects and spent under ALI 775454, Public Transportation – Other. Generally, the federal funding is awarded for projects that allow an 80% federal, 20% local match. State GRF funding may be used as local match funding, if funding is available. Besides the federal transit funding flowing through ODOT, large urban transit systems also receive direct distributions from the FTA. That money does not pass through the state.

There are no state funds designated for public transit under the Governor’s proposed transportation budget. ODOT funding for public transit, such as amounts designated as “flexible funds” from ODOT’s apportionments from the FHWA funds in prior years have been supplemented with GRF funding appropriated in the main operating budget bill. The transportation budget provides \$33 million each fiscal year under the FHWA flexible spending program for public transit. The Governor’s proposal in the main operating budget provides approximately \$37.0 million in GRF funding in each fiscal year for public transit purposes.

C4:1: FTA-funded programs (ALI 775452)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|---------------------|-----------------------|-----------------------|
| 7002 ALI 775452, Public Transportation – Federal | \$54,581,118 | \$57,445,919 | \$63,004,296 |
| % change | -- | 5.3% | 9.7% |

This ALI provides federal funding Ohio receives from the FTA for several transit-related purposes: (1) grants to transit systems to assist operating costs and capital needs, (2) coordination measures and technical support for public and nonprofit entities in counties that have nonexistent or inadequate public transportation, to aid in the coordination of transportation services among local human service agencies, (3) funding through the Specialized Transportation Program, offering grants to transit systems to cover capital costs in providing services for the elderly and people with disabilities, and (4) operating costs of the Office of Transit. Under the federal Infrastructure Investment and Jobs Act (IIJA), ODOT received an additional \$39.1 million in federal funding for public transit in FY 2022, and spent \$24.6 million of that amount. For FY 2023, ODOT has received \$52.3 million. Note that vendor and supply chain delays have resulted in slower spending on these projects. Table 6 below provides a programmatic breakdown of these funding allocations, both competitive grants and formula aid.

| Table 6. FTA-Funded Transit Allocations, (\$ millions), FY 2023-FY 2025 | | | |
|--|----------------|----------------|----------------|
| Program | FY 2023 | FY 2024 | FY 2025 |
| Specialized Transportation | \$5.5 | \$5.6 | \$5.8 |
| Rural Transit | \$35.3 | \$36.2 | \$37.3 |
| Total – Competitive Grant Programs | \$40.8 | \$41.8 | \$43.1 |
| Urban Transit | \$3.3 | \$3.4 | \$3.5 |
| Rural Transit | \$1.3 | \$1.3 | \$1.4 |
| Total – Formula Aid Programs | \$4.6 | \$4.7 | \$4.9 |
| Administration/Technical Assistance | \$6.6 | \$6.8 | \$7.0 |
| Unallocated/Discretionary | \$9.4 | \$4.0 | \$8.0 |
| Total – All Transit Programs | \$61.4 | \$57.4 | \$63.0 |

Competitive grant programs

The Specialized Transportation Program allocates funding to transit projects that enhance mobility for seniors and persons with disabilities. The larger of the two competitive grant programs provides the bulk of funding for transit systems serving smaller communities under the Rural Transit Program. Specifically, the budget provides \$40.8 million in funding for these competitive grants in FY 2024 and \$43.1 million in FY 2025. ODOT awards this money for capital projects based on rural transit systems' Four-Year Capital and Operating Plans.

Formula aid programs

Within the formula aid programs, the Urban Transit Program assists the 27 transit systems in urbanized areas (areas with populations of 50,000 or greater). The formula distributions follow FTA requirements. The funding may be used for a broad array of transit projects, used for capital or operating expenditures, and to match federal FTA funding for projects. In Table 6 above, the FY 2024-FY 2025 funding provides \$6.9 million for urban systems and \$2.7 million for rural transit systems. The 38 rural transit systems can use money under the formula grant component to cover up to 80% of capital project costs and up to 50% of net operating costs.

Other purposes

Of the \$25.8 million budgeted for other transit purposes over the FY 2024-FY 2025 biennium, around \$13.8 million is for personnel costs and technical assistance, a good portion of which is budgeted for contracts. The remaining \$12.0 million is unallocated, but will primarily be used by ODOT to fund the agency's portion of the Mobility Ohio Initiative. This is a pilot initiative across state agencies and local governments to provide a more efficient way to provide human service transportation services to get clients to jobs, medical appointments, and other places they need to go through a Regional Transportation Resource Center (RTRC). A pilot proposal outlines a service area covering Coshocton, Guernsey, Muskingum, and Tuscarawas counties.

C4:2: Local matching funds (ALI 775454)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|------------------|--------------------|--------------------|
| 7002 ALI 775454, Public Transportation – Other | \$1,148,245 | \$1,570,000 | \$1,570,000 |
| % change | -- | 36.7% | 0.0% |

This ALI is used to pay for vehicles purchased through the Specialized Transportation Program. In particular, this money is used to augment transportation service beyond fixed-service operations for seniors and also enables the small urban and rural areas that qualify under the program to offer paratransit services. The FTA funding covers up to 80% of the costs of these services, but requires a 20% local match. ODOT requires the funding to be paid to the Department up front, and then purchases vehicles on behalf of the recipient agencies.

Category 5: Rail

This category of appropriations is administered by the Ohio Rail Development Commission (ORDC), an independent commission within ODOT. ORDC’s programs support economic development and rail-highway safety, including equipment upgrades and remediation of hazardous rail crossings. ORDC also has historically received GRF funding in the main operating budget bill, used for administrative expenses as well as grants to railroads, businesses, and communities for rail-related infrastructure. Table 7 below displays these proposed program allocations under both Fund 7002 ALI 776462, Grade Crossings – Federal, and 776664, Rail Transportation – Other.

| Program | ALI | FY 2024 Introduced | FY 2025 Introduced | % of Total Introduced FY 2024-FY 2025 |
|---------------------------------|--------|--------------------|--------------------|---------------------------------------|
| Grade Crossing | 776462 | \$14.1 | \$14.1 | 82.9% |
| Rail Development Grant and Loan | 776664 | \$2.9 | \$2.9 | 17.1% |
| Total All Programs | | \$17.0 | \$17.0 | |

In addition to ORDC, the Public Utilities Commission of Ohio (PUCO) also funds rail grade crossing improvements. PUCO receives transfers of \$1.2 million per year from the Highway Operating Fund, as set in statute. The PUCO appropriations for this purpose are included in the main operating budget bill. ORDC and PUCO collaborate to direct the rail safety funding.

C5:1: Grade Crossing Program (ALI 776462)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|------------------|--------------------|--------------------|
| 7002 ALI 776462, Grade Crossings – Federal | \$20,949,991 | \$14,068,961 | \$14,068,961 |
| % change | -- | -32.9% | 0.0% |

This ALI provides federal funds for a federally mandated program for eliminating hazards at highway-railroad grade crossings by installing flashing lights and gates, closing and consolidating crossings, constructing grade separations, and resurfacing grade crossings. Additionally, the Governor’s main operating budget proposal supplements the federal funding for grade crossing safety with \$125.0 million in rail safety crossing funding.

ORDC allocates their funds under four different safety programs: (1) a formula-based program, allocated by statewide hazard rankings, (2) a corridor-based program, under which stretches of track with multiple grade crossings receive upgrades and improvements, including closures of redundant crossings, (3) a constituent-identified program, based on referrals from county task forces, railroads, local governments, county engineers, and ODOT districts to identify hazards and locations where warning device upgrades may be necessary, and (4) a preemptive program to interconnect grade crossings and nearby highway traffic signals so that the normal sequence of a traffic signal is interrupted to clear the grade crossing area of vehicular traffic before a train arrives.

In total, ORDC initiated 172 grade crossing projects at 192 crossing locations from FY 2019 through FY 2022, work that entailed warning device improvements, grade crossing surface reconstructions, grade crossing closures, and other safety improvements. According to the Railroad Information System administered by PUCO, Ohio has about 5,700 public, at-grade crossings open to traffic. Of this amount, approximately 3,360 (59%) have lights and gates, 570 (10%) have lights only, and the remaining 1,770 (31%) have passive devices at gates, such as crossbucks.

C5:2: Rail Development Grant and Loan Program (ALI 776664)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|------------------|--------------------|--------------------|
| 4N40 ALI 776664, Rail Transportation – Other | \$2,911,491 | \$2,911,491 | \$2,911,491 |
| % change | -- | 0.0% | 0.0% |

ORDC awards subsidies to railroads, businesses, and communities for projects under the Rail Development Grant and Loan Program. This line item provides loans to support the rehabilitation of rail lines, the construction of rail interchanges or connections, maintenance of rail properties purchased by the state, as well as the acquisition of rail transportation or rail property. Additionally, a portion of this line item has been used to fund ORDC’s operating expenses so that all GRF funds may be used for grant projects. This funding is provided under GRF line item 776465, Rail Development, appropriated in the main operating budget bill. From

FY 2019 through FY 2022, ORDC has awarded a total of just under \$13.0 million in grants and almost \$2.2 million in loans for 66 projects.

Category 6: Aviation

This category of appropriations supports the operations of the Office of Aviation and the Ohio/Indiana Unmanned Aircraft Systems (UAS) Center. The Office works with airports to meet national safety standards and coordinate with the Federal Aviation Administration (FAA). These appropriations, given a programmatic breakdown in Table 8 below, are typically supplemented with GRF funding appropriated in the main operating budget bill.

| Program | Line Item | FY 2024 Introduced | FY 2025 Introduced | % of Total Introduced FY 2024-FY 2025 |
|------------------------------|-----------------|--------------------|--------------------|---------------------------------------|
| Aviation Administration | 777475 | \$6.6 | \$6.7 | 66.2% |
| Aviation Infrastructure Bank | 777477 | \$2.4 | \$2.4 | 23.9% |
| Ohio Airport Grant | 777615 | \$0.6 | \$0.6 | 6.0% |
| | 777472 | \$0.4 | \$0.4 | 3.9% |
| | Subtotal | \$1.0 | \$1.0 | 9.9% |
| Total All Programs | | \$10.0 | \$10.1 | |

C6:1: Aviation Administration (ALI 777475)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|--|------------------|--------------------|--------------------|
| 7002 ALI 777475, Aviation Administration | \$6,467,604 | \$6,635,945 | \$6,699,938 |
| % change | -- | 2.6% | 1.0% |

Most of the funding under this ALI supports the Office of Aviation, which is responsible for (1) maintaining the state's aircraft fleet, (2) coordinating with the FAA, (3) allocating funding to local airports to make infrastructure improvements under the Ohio Airport Grant Program, and (4) registering aircraft. ODOT aircraft are used to transport state officials, including the Governor, legislators, and state personnel on official business, and to perform ODOT missions such as aerial photography, emergency management, forestry missions, homeland security, prisoner transfers, Department of Natural Resources (DNR) missions, wild animal inoculations, and assisting in marijuana eradication. ODOT maintains a fleet of 25 state aircraft, which includes 17 owned by the Ohio State Highway Patrol, three by DNR, and five by ODOT itself. Any costs arising from nonhighway use of the aircraft, such as special mission flights for DNR, the Department of Public Safety, or other state agencies, must be reimbursed to ODOT. The ALI also funds the oversight of approximately 8,000 FAA-registered general aviation aircraft based in Ohio.

In addition to the Office of Aviation, the ALI supports operations of the UAS Center along with local and state government agencies, academia, and industry organizations. The Center performs unmanned aircraft operations for ODOT and other state agencies, exploring ways drones may be of use to state activities. For ODOT, the UAS devices assist in such purposes as right-of-way studies, bridge inspections, and traffic monitoring. ODOT expects the usage of UAS to keep expanding over time. Appropriations of \$11 million over the biennium related specifically to UAS are contained in the Governor’s main operating budget proposal. In addition to ODOT’s Division of Engineering, which uses UAS services for bridge deck inspections, thereby reducing the need to close bridges for inspections, the Department of Natural Resources and the Department of Rehabilitation and Correction also employ UAS services. Specifically, the Division of Oil and Gas within DNR has used the UAS Center to perform flight operations using a magnetometer to find abandoned well heads. The equipment and flight operations performed significantly increase DNR’s ability to detect the well heads. The Ohio Department of Rehabilitation and Correction partners with the UAS Center to support the detection of other unmanned aircraft around correctional facilities.

C6:2: Ohio Airport Grant Program (ALIs 777615 and 777472)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|---------------------|-----------------------|-----------------------|
| 5W90 ALI 777615, County Airport Maintenance | \$620,000 | \$620,000 | \$620,000 |
| % change | -- | 0.0% | 0.0% |
| 7002 ALI 777472, Airport Improvements – Federal | \$466,030 | \$405,000 | \$405,000 |
| % change | -- | -13.1% | 0.0% |

These ALIs constitute the non-GRF component of the Ohio Airport Grant Program, providing funds to publicly owned airports for pavement maintenance and obstruction removal. The GRF program funding is contained in the main operating budget bill. The main operating budget provides funding of \$12.5 million each fiscal year for airport grants. Grants under the program cover 95% of the cost of obstruction removal or pavement resurfacing or reconstruction, not including project design expenses. There are currently 95 publicly owned airports eligible for these grants. In FY 2023, there were 19 active grant projects with total grant awards of just over \$5.2 million.

The non-GRF state funding, appropriated under ALI 777615, derives from a general aviation license tax of \$15 per aircraft seat and an annual flat rate of \$15 for gliders and balloons. The proceeds are deposited into the Airport Assistance Fund (Fund 5W90), which receives around \$450,000 in revenues annually. The federal funding contained in ALI 777472 is used any time the FAA awards funding to ODOT to support airport improvements.

C6:3: Aviation Infrastructure Bank (ALI 777477)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|------------------|--------------------|--------------------|
| 2130 ALI 777477, Aviation Infrastructure Bank – State | \$3,048,538 | \$2,400,000 | \$2,400,000 |
| % change | -- | -21.3% | 0.0% |

This line item supports the Aviation Infrastructure Bank Loan Program, used to provide loans to publicly owned airports for aviation projects. The Aviation Infrastructure Bank Loan Program is a part of the SIB Program discussed earlier. Moneys from an initial capitalization of GRF, federal, and MFT funds allow the program to operate on a revolving loan basis. This funding can be used to provide low-interest loans to local governments to fund either aviation capital improvement projects at 100% or to match available federal funding. The executive recommendation provides \$2.4 million each fiscal year for Aviation Infrastructure Bank loans. Since the SIB Program's inception in 1997, a total of \$46.7 million in loans has been awarded for 19 airport projects.

Category 7: Debt Service

This category of appropriations pays for debt service on bonds issued to pay for highway construction and maintenance, as well as other infrastructure projects financed under the State Infrastructure Bank. Table 8 lists the types of debt service under ODOT's budget.

| Debt Service Type | Line Item | FY 2024 Introduced | FY 2025 Introduced | % of Total Introduced FY 2024-FY 2025 |
|---------------------------------|-----------------|--------------------|--------------------|---------------------------------------|
| Federal GARVEE bonds | 772438 | \$132.5 | \$132.5 | 76.1% |
| | 772437 | \$18.5 | \$18.5 | 10.7% |
| | Subtotal | \$151.0 | \$151.0 | 86.8% |
| Transportation facilities bonds | 770003 | \$23.0 | \$23.0 | 13.2% |
| Total All Programs | | \$174.0 | \$174.0 | |

Besides the \$348.0 million in FY 2024-FY 2025 appropriations under the three debt service ALIs above, there are other ODOT funding sources that rely on debt. That debt service is not paid under the ODOT budget, however. These funding sources include (1) state highway bonds, (2) Turnpike bonds, or (3) the Highway Operating Fund, used to pay for the construction of the Portsmouth Bypass project.

The state highway bond debt service amounts to \$155.0 million in FY 2024 and \$136.0 million in FY 2025, according to the OBM Blue Book. This is paid for in the main operating budget bill under appropriations to the Commissioners of the Sinking Fund. To provide for this debt service, MFT funding is transferred from the Highway Operating Fund (Fund 7002) to the

Highway Capital Improvement Bond Retirement Fund (Fund 7072) on a set schedule under permanent law.

The Turnpike bonds are not paid off using appropriations through the state budget. Instead, the debt service is paid by the Ohio Turnpike and Infrastructure Commission (OTIC). In the calendar year period of 2021 to 2023 (OTIC budgets on a calendar year basis), OTIC is projected to pay about \$134.8 million over the biennium in debt service for the bonds that funded ODOT projects. For more information on OTIC's budget, see Part II of the LBO Redbook for the transportation budget.

Finally, the Portsmouth Bypass project was constructed under a P3 agreement. ODOT will pay approximately \$26.3 million per year in FY 2024 and FY 2025 through the Highway Operating Fund (Fund 7002) for the project.

C7:1: Federal GARVEE Debt Service (ALIs 772438 and 772437)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|------------------|--------------------|--------------------|
| 7002 ALI 772438, Major New State Infrastructure Bond Debt Service – Federal | \$107,733,512 | \$132,500,000 | \$132,500,000 |
| % change | -- | 23.0% | 0% |
| 7002 ALI 772437, Major New State Infrastructure Bond Debt Service – State | \$15,121,239 | \$18,500,000 | \$18,500,000 |
| % change | -- | 23.0% | 0% |

ALIs 772438 and 772437 provide the annual debt service for the \$957.5 million in federal GARVEE bond principal and interest outstanding as of January 31, 2023. GARVEE bonds allow the state to issue debt to finance qualified construction projects using the expected federal MFT revenues Ohio receives from the federal Highway Trust Fund. Around 88% of the debt service is paid off using federal highway aid received. The remaining state share of about 12% is supported by MFT and other highway-related revenues and paid through ALI 772437.

C7:2: Transportation Facilities Lease Rental Bond Payments (ALI 770003)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|------------------|--------------------|--------------------|
| 7002 ALI 770003, Transportation Facilities Lease Rental Bond Payments | \$17,254,769 | \$23,000,000 | \$23,000,000 |
| % change | -- | 33.3% | 0% |

This funding represents the amount required to cover debt service payments on bonds issued for the rehabilitation and construction of ODOT facilities, such as full-service maintenance facilities, outposts, and supply storage facilities statewide. A total of around \$170.8 million has been issued in bonds for ODOT facilities since FY 2015. The most recent bond issuance was in FY 2018. Appropriations to use this bond funding are treated as capital appropriations, since they

pay for buildings and other structures, and are spent through the Transportation Building Fund (Fund 7029). No Fund 7029 capital appropriations were included in H.B. 687 of the 134th General Assembly, the capital budget act. However, the capital reappropriations bill for this time period, H.B. 597 of the 134th General Assembly, included reappropriations of \$60.0 million through Fund 7029.

Category 8: Administration

This category of appropriations provides for the management support of all the Department's programs, including the Director's executive leadership staff, quality and human resources, financing and forecasting, information technology, and local programs. Note that the bulk of personnel is funded through appropriations for highway construction and maintenance.

C8:1: Administration – State (ALI 779491)

| Fund/ALI | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|---|---------------------|-----------------------|-----------------------|
| 7002 ALI 779491, Administration – State | \$104,999,921 | \$115,424,899 | \$115,593,642 |
| % change | | -- | 9.9% |

The line item supports approximately 470 full-time equivalent (FTE) positions (9.2%) out of a total of over 5,100 FTE positions employed by ODOT. Almost all of the other FTE positions, approximately 4,300 FTEs (over 80%), are paid for within the highway-specific appropriations analyzed above in “**Category 1: Highway Construction and Maintenance**” discussed at the beginning of this analysis. Overall, the line item contains about \$231.0 million over the FY 2024-FY 2025 biennium, in line with prior funding. These expenses are allocated to cover \$132.9 million (57.5%) in personal services expenditures, \$66.6 million (28.8%) for supplies and maintenance, \$24.5 million (10.6%) for purchased personal services, and \$7.0 million (3.1%) for equipment.

Department of Transportation

Highway Operating Fund Group

2120 772426 Highway Infrastructure Bank - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$8,657,204 | \$4,641,272 | \$1,088,406 | \$29,921,903 | \$5,750,500 | \$5,750,500 |
| % change | -46.4% | -76.5% | 2,649.1% | -80.8% | 0.0% |

Source: Highway Operating Fund Group: Loan repayments, associated fees, and interest; originally capitalized by federal motor fuel tax revenues received to fund the State Infrastructure Bank

Legal Basis: R.C. 5531.09; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item provides federal dollars used for State Infrastructure Bank (SIB) loans to local government entities for highway construction projects that are eligible under federal laws and regulations. As such, only right of way purchases and construction costs may receive SIB funding. Federal funds may cover up to 80% of the project cost under this line item, with state motor fuel tax revenues covering the state match. Other sources of SIB loan funding for highway construction are expended through Fund 2120 line items 772427, Highway Infrastructure Bank - State, and 772431, Roadway Infrastructure - State.

2120 772427 Highway Infrastructure Bank - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$24,867,654 | \$12,649,955 | \$12,544,710 | \$62,603,389 | \$15,099,500 | \$15,099,500 |
| % change | -49.1% | -0.8% | 399.0% | -75.9% | 0.0% |

Source: Highway Operating Fund Group: Loan repayments, associated fees, and interest; originally capitalized by state motor fuel tax revenues

Legal Basis: R.C. 5531.09; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item is used for SIB highway construction loans from second generation funds and state motor fuel tax funds. Second generation funds are non-federal funds that were used to pay back SIB loans originally financed with federal funds. The only federal requirement placed on using these funds is that the project qualifies for eligibility as if paid through line item 772426, Highway Infrastructure Bank - Federal. No match is required to use these funds. SIB loan funding of highway construction is also spent through Fund 2120 line items 772426, Highway Infrastructure Bank - Federal, and 772431, Roadway Infrastructure - State.

Department of Transportation

2120 772430 Infrastructure Debt Reserve Title 23-49

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$548,361 | \$550,089 | \$549,093 | \$600,000 | \$0 | \$0 |
| % change | 0.3% | -0.2% | 9.3% | -100% | N/A |

Source: Highway Operating Fund Group: Loan repayments

Legal Basis: R.C. 5531.09; Section 203.10 H.B. 74 of the 134th G.A.

Purpose: This line item pays debt service on bonds issued to finance the SIB Bond Program. More specifically, the line item supports the bonds that were backed by federal SIB funding. Fund 2130 line item 772433, Infrastructure Debt Reserve - State, pays debt service on the SIB Bond Program bonds issued for non-federally funded projects.

2130 772431 Roadway Infrastructure Bank - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$3,481,420 | \$762,707 | \$1,160,152 | \$5,564,477 | \$3,750,000 | \$3,750,000 |
| % change | -78.1% | 52.1% | 379.6% | -32.6% | 0.0% |

Source: Highway Operating Fund Group: Loan repayments, associated fees, and interest; originally capitalized by state motor fuel tax revenues

Legal Basis: R.C. 5531.09; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item provides state funds for SIB loans supporting local highway infrastructure projects. No match is required to use the state funds. SIB loan funding for highway construction is also funded through Fund 2120 line items 772426, Highway Infrastructure Bank - Federal, and 772427, Highway Infrastructure Bank - State.

2130 772433 Infrastructure Debt Reserve - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$444,743 | \$475,000 | \$505,000 | \$0 | \$0 | \$0 |
| % change | 6.8% | 6.3% | -100% | N/A | N/A |

Source: Highway Operating Fund Group: Loan repayments

Legal Basis: As needed line item

Purpose: This line item pays debt service on bonds issued to finance the SIB Bond Program. More specifically, the line item supports the bonds that were backed by non-federal SIB funding. Fund 2120 line item 772430, Infrastructure Debt Reserve Title 23-49, pays debt service on the SIB Bond Program bonds issued for federally funded projects. The balance of issued SIB bonds paid for under this appropriation item were paid in full in FY 2022.

Department of Transportation

2130 777477 Aviation Infrastructure Bank - State

| FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-----------|----------|---------|-------------|-------------|-------------|
| Actual | Actual | Actual | Estimate | Introduced | Introduced |
| \$478,476 | \$27,765 | \$0 | \$3,048,538 | \$2,400,000 | \$2,400,000 |
| % change | -94.2% | -100% | N/A | -21.3% | 0.0% |

Source: Highway Operating Fund Group: Loan repayments, associated fees, and interest; originally capitalized by a cash transfer from the GRF

Legal Basis: R.C. 5531.09; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item is used to provide SIB loans for aviation projects, such as those related to hangars, safety, infrastructure, and right of way. There is no required match in order to qualify for funding.

5X10 772504 Ohio Highway Transportation Safety

| FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|----------|---------|---------|----------|-------------|-------------|
| Actual | Actual | Actual | Estimate | Introduced | Introduced |
| \$0 | \$0 | \$0 | \$0 | \$2,736,000 | \$1,600,000 |
| % change | N/A | N/A | N/A | N/A | -41.5% |

Source: Highway Operating Fund Group: Local Government Fund distributions withheld for political subdivisions operating traffic law enforcement cameras.

Legal Basis: ORC 5747.502; Section 203.10 of the pending transportation budget of the 135th G.A.

Purpose: This line item is used to fund public safety projects in areas in which political subdivisions had Local Government Fund (LGF) distributions reduced due to usage of traffic law enforcement cameras.

7002 770003 Transportation Facilities Lease Rental Bond Payments

| FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Actual | Actual | Actual | Estimate | Introduced | Introduced |
| \$16,531,342 | \$16,533,980 | \$16,535,950 | \$17,254,769 | \$23,000,000 | \$23,000,000 |
| % change | 0.0% | 0.0% | 4.3% | 33.3% | 0.0% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: Sections 203.10 and 203.20 of H.B. 74 of the 134th G.A.

Purpose: This line item is used to make debt service payments on bonds issued for the rehabilitation and construction of ODOT facilities. ODOT has three types of facilities to serve as bases for ODOT workers to maintain the roads and bridges throughout the state: full-service maintenance facilities, outposts, and yards.

Department of Transportation

7002 771411 Planning and Research - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$25,221,220 | \$23,785,841 | \$25,460,865 | \$27,287,506 | \$30,078,120 | \$29,650,000 |
| % change | -5.7% | 7.0% | 7.2% | 10.2% | -1.4% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: R.C. 5501.03 and 5501.11; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item provides the state share of funds used by ODOT's Division of Planning for the collection and review of statewide traffic monitoring data, maintenance of the state road inventory, gathering of data for the national Highway Performance Monitoring System, long-range and urban plan development, and other planning and research activities.

7002 771412 Planning and Research - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$37,921,179 | \$39,740,519 | \$36,215,270 | \$39,536,364 | \$57,095,074 | \$57,095,074 |
| % change | 4.8% | -8.9% | 9.2% | 44.4% | 0.0% |

Source: Highway Operating Fund Group: Federal Highway Trust Fund distributions

Legal Basis: R.C. 5501.03 and 5501.11; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item provides the federal share of funds used by ODOT's Division of Planning for the same purposes as described above in appropriation item 771411.

Department of Transportation

7002 772421 Highway Construction - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$527,704,683 | \$618,129,263 | \$649,601,347 | \$870,972,333 | \$902,000,000 | \$734,000,000 |
| % change | 17.1% | 5.1% | 34.1% | 3.6% | -18.6% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: R.C. 5501.11 and 5501.31; Sections 203.10, 203.20, 203.30, 203.40, and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item is used to spend the state share of costs for many highway construction purposes: pavement and bridge preservation, Major New construction; roadside rest areas; noisewalls; geologic site management; grade crossing separations; emergency road construction; and road safety projects. The line item also provides operating dollars for the payroll, supplies, and equipment associated with those programs. H.B. 74 of the 134th G.A. requires ODOT to use a portion of funding under the line item for roads owned or operated by the Department of Natural Resources, and allows the line item to be used to perform road work on behalf of the Ohio Expositions Commission for the state fairgrounds or the Ohio History Connection for their properties. Funding under the line item includes the following earmarks: (1) \$4.5 million for Transportation Improvement Districts subject to certain restrictions; (2) \$2.6 million per year for construction and maintenance of roads owned or operated by metropolitan parks; and (3) \$1.0 million in each fiscal year for the construction, reconstruction, or maintenance of park drives or park roads within or leading up to the boundaries of state parks and wildlife areas greater than 10,000 contiguous acres that were purchased in a single, or series, of transactions.

7002 772422 Highway Construction - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$1,274,206,906 | \$1,200,314,867 | \$1,174,763,923 | \$1,530,315,009 | \$2,120,000,000 | \$1,950,000,000 |
| % change | -5.8% | -2.1% | 30.3% | 38.5% | -8.0% |

Source: Highway Operating Fund Group: Federal Highway Trust Fund distributions

Legal Basis: R.C. 5501.11 and 5531; Sections 203.10, 203.45 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item is used to spend federal capital dollars for pavement and bridge preservation, local government road and bridge projects, Major New construction, special discretionary projects, Safe Routes to Schools projects, geologic site management, diesel emissions reduction projects, noise walls, grade crossing separations, emergency road construction, and road safety projects. Under the FY 2022-FY 2023 transportation budget, \$2.6 million each fiscal year is earmarked for Regional Transportation Planning Organizations to conduct a rural transportation planning grant program. The budget also earmarks \$33.0 million in each fiscal year from this appropriation item to be used to support public transportation projects statewide under the FHWA flexible spending program.

Department of Transportation

7002 772424 Highway Construction - Other

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$63,983,997 | \$59,655,394 | \$52,563,440 | \$97,574,456 | \$83,500,000 | \$83,500,000 |
| % change | -6.8% | -11.9% | 85.6% | -14.4% | 0.0% |

Source: Highway Operating Fund Group: Local matching funds

Legal Basis: R.C. 5501.11; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: Moneys in this line item comprise the local government share of funding that flows through ODOT for procedural purposes. This funding is used to match federal funding for the following types of projects: local highway and bridge design; resurfacing, restoration, replacement, and upgrading; new construction; noise walls or barriers; and other local transportation projects. The amount in local match funding for any given project depends on the type of federal funding being used.

7002 772425 Highway Construction - Turnpike

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$129,474,717 | \$148,012,248 | \$102,438,514 | \$11,366,379 | \$0 | \$0 |
| % change | 14.3% | -30.8% | -88.9% | -100% | N/A |

Source: Highway Operating Fund Group: Payments from the Ohio Turnpike and Infrastructure Commission through toll revenue bonds issued by the Commission

Legal Basis: Discontinued line item

Purpose: This line item was used to fund eligible Major New highway construction projects that were approved by the Transportation Review Advisory Council (TRAC) and recommended to the Ohio Turnpike and Infrastructure Commission for funding from the proceeds of bonds issued by the Commission. A total of \$1.38 billion was approved for thirteen ODOT projects under this funding scheme: ten projects approved in 2013 and three in 2018. Although construction on some of the projects is ongoing, no new appropriations are needed to cover the remaining project funding. These projects were to be located within 75 miles of the Ohio Turnpike, which stretches east-west across northern Ohio.

Department of Transportation

7002 772437 Major New State Infrastructure Bond Debt Service - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$25,917,922 | \$20,743,417 | \$14,796,228 | \$15,121,239 | \$18,500,000 | \$18,500,000 |
| % change | -20.0% | -28.7% | 2.2% | 22.3% | 0.0% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: R.C. 5531.10; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item provides the state share of debt service on federal grant anticipated revenue vehicle (GARVEE) bonds. These bonds are used to leverage federal motor fuel tax revenues received from the federal Highway Trust Fund. The proceeds of GARVEE bond issuances are spent through Fund 7045 line item 772428, Highway Infrastructure Bank - Bonds.

7002 772438 Major New State Infrastructure Bond Debt Service - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$153,459,959 | \$145,511,512 | \$117,295,406 | \$107,733,512 | \$132,500,000 | \$132,500,000 |
| % change | -5.2% | -19.4% | -8.2% | 23.0% | 0.0% |

Source: Highway Operating Fund Group: Federal Highway Trust Fund distributions

Legal Basis: R.C. 5531.10; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item provides the federal share of debt service on GARVEE bonds, described above in Fund 7002 line item 772437, Major New State Infrastructure Bond Debt Service - State.

7002 772603 Brent Spence Bridge Corridor - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$0 | \$0 | \$182,800,000 | \$0 |
| % change | N/A | N/A | N/A | N/A | -100% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: As proposed in Sections 203.10 and 203.47 of the pending transportation budget of the 135th General Assembly

Purpose: This line item is used to pay the state share of costs directly related to construction of the Brent Spence Bridge Corridor project, which is scheduled to begin in November, 2023. Total project costs are estimated to be \$3.6 billion, with Ohio's share of the project costs totaling approximately \$2.0 billion.

Department of Transportation

7002 772604 Brent Spence Bridge Corridor - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$0 | \$0 | \$1,909,200,000 | \$0 |
| % change | N/A | N/A | N/A | N/A | -100% |

Source: Highway Operating Fund Group: Federal Highway Trust Fund distributions and grants

Legal Basis: As proposed in Sections 203.10 and 203.47 of the pending transportation budget of the 135th General Assembly

Purpose: This line item will be used to spend federal dollars specifically allocated by ODOT for use on the Brent Spence Bridge Corridor project. In addition to any FHWA Trust Fund distributions allocated to this project, ODOT along with the state of Kentucky was awarded a FHWA grant of \$1.64 billion for the project. The current estimated total cost of the project is \$3.6 billion, with ODOT's share of the cost projected at \$2.0 billion.

7002 772605 Brent Spence Bridge Corridor - Other

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$0 | \$0 | \$809,000,000 | \$0 |
| % change | N/A | N/A | N/A | N/A | -100% |

Source: Highway Operating Fund Group: Local matching funds

Legal Basis: As proposed in Sections 203.10 and 203.47 of the pending transportation budget of the 135th General Assembly

Purpose: Moneys in this line item comprise the local government share of funding that flows through ODOT for procedural purposes. This funding is used to match federal funding received specifically for the Brent Spence Bridge Corridor project.

7002 773431 Highway Maintenance - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$594,399,281 | \$518,091,207 | \$551,569,048 | \$543,205,444 | \$635,000,000 | \$640,427,010 |
| % change | -12.8% | 6.5% | -1.5% | 16.9% | 0.9% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: R.C. 5501; Sections 203.10, 203.20, and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item funds ODOT's system maintenance program, including the following activities: rest area maintenance; guardrail maintenance; garage operations; snow and ice control; roadside maintenance; pavement and bridge maintenance; traffic system maintenance; and intelligent traffic systems. This line item also funds custodial service for ODOT buildings and the procurement of equipment, including cars, backhoes, and garage equipment. Many maintenance services are accomplished by ODOT employees while others are contracted out.

Department of Transportation

7002 775452 Public Transportation - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$33,086,957 | \$69,456,717 | \$47,794,156 | \$54,581,118 | \$57,445,919 | \$63,004,296 |
| % change | 109.9% | -31.2% | 14.2% | 5.2% | 9.7% |

Source: Highway Operating Fund Group: FAL 20.509, Formula Grants for Rural Areas; FAL 20.505, State Planning and Research; FAL 20.513, Capital Assistance Program for Elderly Persons and Persons with Disabilities

Legal Basis: R.C. 5501.07 and 5501.071; Sections 203.10, 203.47 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item provides federal funding for several transit-related purposes: (1) grants to transit systems to assist operating costs and capital needs; (2) coordination measures and technical support for public and nonprofit entities in counties that have nonexistent or inadequate public transportation, to aid in the coordination of transportation services among local human service agencies; (3) funding through the Specialized Transportation Program, offering grants to transit systems to cover capital costs in providing services for the elderly and people with disabilities; and (4) operating costs of the Office of Transit. H.B. 74, the Transportation Budget, earmarks \$5,000 in FY 2022 to the Ohio Domestic Violence Network to provide travel vouchers, gas cards, or ridesharing credits to eligible clients.

7002 775454 Public Transportation - Other

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$1,353,821 | \$1,211,793 | \$548,766 | \$1,148,245 | \$1,570,000 | \$1,570,000 |
| % change | -10.5% | -54.7% | 109.2% | 36.7% | 0.0% |

Source: Highway Operating Fund Group: Local matching funds

Legal Basis: R.C. 5501.07 and 5501.071; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item is used to help pay for vehicles purchased through the federal Specialized Transportation Program described above in Fund 7002 line item 775452, Public Transportation - Federal. The Federal Transit Administration requires a 20% local match to federal funding. ODOT requires the local portion of funding to be paid to the Department up front, and then purchases vehicles on behalf of the recipient agencies.

Department of Transportation

7002 776462 Grade Crossings - Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$17,689,027 | \$14,161,875 | \$12,531,602 | \$20,949,991 | \$14,068,961 | \$14,068,961 |
| % change | -19.9% | -11.5% | 67.2% | -32.8% | 0.0% |

Source: Highway Operating Fund Group: FAL 20.205, Highway Planning and Construction - Federal-Aid Highway, Federal Lands Highway

Legal Basis: R.C. 5531.03; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

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

7002 776475 Rail - Federal Rail Administration

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$4,147,202 | \$4,227,769 | \$0 | \$0 |
| % change | N/A | N/A | 1.9% | -100% | N/A |

Source: Highway Operating Fund Group: FAL 20.325, Consolidated Rail Infrastructure and Safety Improvements

Legal Basis: As needed line item

Purpose: The Ohio Rail Development Commission uses this appropriation to fund the Improving Transportation in Support of the American Steel Industry Project. The FY 2021 funding was approved by the Controlling Board on July 13, 2020.

7002 777472 Airport Improvements-Federal

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$0 | \$466,030 | \$405,000 | \$405,000 |
| % change | N/A | N/A | N/A | -13.1% | 0.0% |

Source: Highway Operating Fund Group: FAL 20.106, Airport Improvement

Legal Basis: R.C. 4561.08; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item may be used to provide supplementary funding for the Ohio Airport Grant Program if ODOT receives Federal Aviation Administration (FAA) support for this purpose. GRF line item 777471, Airport Improvements - State, is the primary source of funding for the program. ODOT may also use this federal line item for other purposes as outlined by the FAA.

Department of Transportation

7002 777475 Aviation Administration

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$4,572,535 | \$5,159,524 | \$5,496,700 | \$6,467,604 | \$6,635,945 | \$6,699,938 |
| % change | 12.8% | 6.5% | 17.7% | 2.6% | 1.0% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues; flight fees

Legal Basis: R.C. 4561.021 and 4561.18; Sections 203.10 and 203.60 of H.B. 74 of the 134th G.A.

Purpose: This line item pays for maintenance and operating costs related to ODOT's aircraft, which are used to transport state officials, including the Governor, legislators, and officials from ODOT and other departments. If the aircraft are used for highway purposes, expenses are paid with Ohio motor fuel tax revenues, while if the aircraft are used for non-highway purposes, the user is billed for the cost of the flight. In addition, the line item funds the oversight of about 11,000 aircraft registered in the state. Finally, the Unmanned Aerial Systems (UAS) Center is paid for through the line item. The Center conducts UAS (or "drone") research projects in collaboration with other government and research entities.

7002 779491 Administration - State

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$98,533,781 | \$92,625,892 | \$102,208,557 | \$104,999,921 | \$115,424,899 | \$115,593,642 |
| % change | -6.0% | 10.3% | 2.7% | 9.9% | 0.1% |

Source: Highway Operating Fund Group: State motor fuel tax revenues and other highway-related revenues

Legal Basis: R.C. 5501.03 and 5501.04; Sections 203.10, 203.20 and 203.60 of H.B. 74 of the 134th 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 legal counsel.

Department of Transportation

Dedicated Purpose Fund Group

4N40 776664 Rail Transportation - Other

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$2,036,375 | \$1,723,083 | \$1,999,257 | \$2,911,491 | \$2,911,491 | \$2,911,491 |
| % change | -15.4% | 16.0% | 45.6% | 0.0% | 0.0% |

Source: Dedicated Purpose Fund Group: Loan repayments, revenues from easements, and other lease payments

Legal Basis: R.C. 4981.09 and 4981.14; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item is used by the Ohio Rail Development Commission to provide loans to public entities, businesses, and railroads for the rehabilitation of rail lines, the construction of rail interchanges or connections, or the acquisition or preservation of rail property. Grant funding for these purposes is awarded through GRF appropriation item 776465, Rail Development. Appropriation item 776664 also pays for the operating costs of the Commission.

5CV3 776672 Strategic Transportation and Development Analysis

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$0 | \$0 | \$0 | \$0 | \$10,000,000 | \$0 |
| % change | N/A | N/A | N/A | N/A | -100% |

Source: Dedicated Purpose Fund Group: FAL 21.027, Coronavirus State Fiscal Recovery

Legal Basis: Section 203.10 and 203.47 of the pending transportation budget of the 135th G.A.

Purpose: This line item will be used to a statewide study of the Ohio transportation system, in collaboration with the Department of Development and the Governor's Office of Workforce Transformation. The study must analyze statewide and regional demographics, investigate economic development growth opportunities, examine current transportation systems and capacities, forecast passenger and freight travel needs over a ten, twenty, and thirty year timeframe and provide actionable recommendations of transportation projects to support statewide economic growth.

Department of Transportation

5W90 777615 County Airport Maintenance

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$179,329 | \$645,202 | \$129,069 | \$620,000 | \$620,000 | \$620,000 |
| % change | 259.8% | -80.0% | 380.4% | 0.0% | 0.0% |

Source: Dedicated Purpose Fund Group: General aviation license revenue; other aviation fee revenue

Legal Basis: R.C. 4561.18 and 4561.21; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item provides supplementary funding for the Ohio Airport Grant Program. GRF line item 777471, Airport Improvements - State, is the primary source of funding for the program.

Capital Projects Fund Group

7042 772723 Highway Construction - Bonds

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$161,357,181 | \$35,188,434 | \$33,102,718 | \$177,291,879 | \$94,450,000 | \$94,450,000 |
| % change | -78.2% | -5.9% | 435.6% | -46.7% | 0.0% |

Source: Capital Projects Fund Group: Bond proceeds authorized for highway construction

Legal Basis: Section 2m of Article VIII of the Ohio Constitution; R.C. 5528.53; Sections 203.10 and 203.50 of H.B. 74 of the 134th G.A.

Purpose: This line item funds system preservation and major new highway construction projects. H.B. 74 authorizes the state to issue \$57.0 million in bonds during the FY 2022-FY 2023 biennium, in addition to amounts already authorized, provided that not more than \$1.2 billion in overall principal is outstanding. Debt service on the bonds issued for these projects is paid from state motor fuel tax revenues via Fund 7072 appropriation item 155902, Highway Capital Improvement Bond Retirement Fund, which is under the budget of the Commissioners of the Sinking Fund.

Department of Transportation

7045 772428 Highway Infrastructure Bank - Bonds

| FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimate | FY 2024 Introduced | FY 2025 Introduced |
|-------------------|-------------------|-------------------|---------------------|-----------------------|-----------------------|
| \$238,668,179 | \$131,509,762 | \$81,302,607 | \$142,496,175 | \$83,950,000 | \$83,950,000 |
| % change | -44.9% | -38.2% | 75.3% | -41.1% | 0.0% |

Source: Capital Projects Fund Group: GARVEE bond proceeds

Legal Basis: R.C. 5531.10; Section 203.10 of H.B. 74 of the 134th G.A.

Purpose: This line item funds system preservation and Major New highway construction projects using the proceeds from federal grant anticipated revenue vehicle (GARVEE) bonds issued against and retired with ODOT's state and federal highway revenues. The debt service on these bonds is paid out of Fund 7002 line items 772437, Major New State Infrastructure Bond Debt Service - State, and 772438, Major New State Infrastructure Bond Debt Service - Federal.

FY 2024 - FY 2025 Appropriations - As Introduced

All Fund Groups

| Line Item Detail by Agency | | | Estimate | Introduced | FY 2023 to FY 2024 | Introduced | FY 2024 to FY 2025 | |
|---|--------|--|-------------------------------|-------------------------|-------------------------|----------------|-------------------------|----------------|
| | | | FY 2022 | FY 2023 | FY 2024 | % Change | FY 2025 | % Change |
| Report For: Transportation Budget | | | Version: As Introduced | | | | | |
| DOT Department of Transportation | | | | | | | | |
| 2120 | 772426 | Highway Infrastructure Bank - Federal | \$ 1,088,406 | \$ 29,921,903 | \$ 5,750,500 | -80.78% | \$ 5,750,500 | 0.00% |
| 2120 | 772427 | Highway Infrastructure Bank - State | \$ 12,544,710 | \$ 62,603,389 | \$ 15,099,500 | -75.88% | \$ 15,099,500 | 0.00% |
| 2120 | 772430 | Infrastructure Debt Reserve Title 23-49 | \$ 549,093 | \$ 600,000 | \$ 0 | -100.00% | \$ 0 | N/A |
| 2130 | 772431 | Roadway Infrastructure Bank - State | \$ 1,160,152 | \$ 5,564,477 | \$ 3,750,000 | -32.61% | \$ 3,750,000 | 0.00% |
| 2130 | 772433 | Infrastructure Debt Reserve - State | \$ 505,000 | \$ 0 | \$ 0 | N/A | \$ 0 | N/A |
| 2130 | 777477 | Aviation Infrastructure Bank - State | \$ 0 | \$ 3,048,538 | \$ 2,400,000 | -21.27% | \$ 2,400,000 | 0.00% |
| 5X10 | 772504 | Ohio Highway Transportation Safety | \$ 0 | \$ 0 | \$ 2,736,000 | N/A | \$ 1,600,000 | -41.52% |
| 7002 | 770003 | Transportation Facilities Lease Rental Bond Payments | \$ 16,535,950 | \$ 17,254,769 | \$ 23,000,000 | 33.30% | \$ 23,000,000 | 0.00% |
| 7002 | 771411 | Planning and Research - State | \$ 25,460,865 | \$ 27,287,506 | \$ 30,078,120 | 10.23% | \$ 29,650,000 | -1.42% |
| 7002 | 771412 | Planning and Research - Federal | \$ 36,215,270 | \$ 39,536,364 | \$ 57,095,074 | 44.41% | \$ 57,095,074 | 0.00% |
| 7002 | 772421 | Highway Construction - State | \$ 649,601,347 | \$ 870,972,333 | \$ 902,000,000 | 3.56% | \$ 734,000,000 | -18.63% |
| 7002 | 772422 | Highway Construction - Federal | \$ 1,174,763,923 | \$ 1,530,315,009 | \$ 2,120,000,000 | 38.53% | \$ 1,950,000,000 | -8.02% |
| 7002 | 772424 | Highway Construction - Other | \$ 52,563,440 | \$ 97,574,456 | \$ 83,500,000 | -14.42% | \$ 83,500,000 | 0.00% |
| 7002 | 772425 | Highway Construction - Turnpike | \$ 102,438,514 | \$ 11,366,379 | \$ 0 | -100.00% | \$ 0 | N/A |
| 7002 | 772437 | Major New State Infrastructure Bond Debt Service - State | \$ 14,796,228 | \$ 15,121,239 | \$ 18,500,000 | 22.34% | \$ 18,500,000 | 0.00% |
| 7002 | 772438 | Major New State Infrastructure Bond Debt Service - Federal | \$ 117,295,406 | \$ 107,733,512 | \$ 132,500,000 | 22.99% | \$ 132,500,000 | 0.00% |
| 7002 | 772603 | Brent Spence Bridge Corridor - State | \$ 0 | \$ 0 | \$ 182,800,000 | N/A | \$ 0 | -100.00% |
| 7002 | 772604 | Brent Spence Bridge Corridor - Federal | \$ 0 | \$ 0 | \$ 1,909,200,000 | N/A | \$ 0 | -100.00% |
| 7002 | 772605 | Brent Spence Bridge Corridor - Other | \$ 0 | \$ 0 | \$ 809,000,000 | N/A | \$ 0 | -100.00% |
| 7002 | 773431 | Highway Maintenance - State | \$ 551,569,048 | \$ 543,205,444 | \$ 635,000,000 | 16.90% | \$ 640,427,010 | 0.85% |
| 7002 | 775452 | Public Transportation - Federal | \$ 47,794,156 | \$ 54,581,118 | \$ 57,445,919 | 5.25% | \$ 63,004,296 | 9.68% |
| 7002 | 775454 | Public Transportation - Other | \$ 548,766 | \$ 1,148,245 | \$ 1,570,000 | 36.73% | \$ 1,570,000 | 0.00% |
| 7002 | 776462 | Grade Crossings - Federal | \$ 12,531,602 | \$ 20,949,991 | \$ 14,068,961 | -32.85% | \$ 14,068,961 | 0.00% |
| 7002 | 776475 | Rail - Federal Rail Administration | \$ 4,147,202 | \$ 4,227,769 | \$ 0 | -100.00% | \$ 0 | N/A |
| 7002 | 777472 | Airport Improvements-Federal | \$ 0 | \$ 466,030 | \$ 405,000 | -13.10% | \$ 405,000 | 0.00% |
| 7002 | 777475 | Aviation Administration | \$ 5,496,700 | \$ 6,467,604 | \$ 6,635,945 | 2.60% | \$ 6,699,938 | 0.96% |
| 7002 | 779491 | Administration - State | \$ 102,208,557 | \$ 104,999,921 | \$ 115,424,899 | 9.93% | \$ 115,593,642 | 0.15% |
| Highway Operating Fund Group Total | | | \$ 2,929,814,335 | \$ 3,554,945,996 | \$ 7,127,959,918 | 100.51% | \$ 3,898,613,921 | -45.31% |

FY 2024 - FY 2025 Appropriations - As Introduced

All Fund Groups

| Line Item Detail by Agency | | | FY 2022 | Estimate | Introduced | FY 2023 to FY 2024 | Introduced | FY 2024 to FY 2025 |
|---|--------|---|-------------------------|-------------------------|-------------------------|--------------------|-------------------------|--------------------|
| | | | | FY 2023 | FY 2024 | % Change | FY 2025 | % Change |
| DOT Department of Transportation | | | | | | | | |
| 4N40 | 776664 | Rail Transportation - Other | \$ 1,999,257 | \$ 2,911,491 | \$ 2,911,491 | 0.00% | \$ 2,911,491 | 0.00% |
| 5CV3 | 776672 | Strategic Transportation and Development Analysis | \$0 | \$0 | \$ 10,000,000 | N/A | \$ 0 | -100.00% |
| 5W90 | 777615 | County Airport Maintenance | \$ 129,069 | \$ 620,000 | \$ 620,000 | 0.00% | \$ 620,000 | 0.00% |
| Dedicated Purpose Fund Group Total | | | \$ 2,128,326 | \$ 3,531,491 | \$ 13,531,491 | 283.17% | \$ 3,531,491 | -73.90% |
| 7042 | 772723 | Highway Construction - Bonds | \$ 33,102,718 | \$ 177,291,879 | \$ 94,450,000 | -46.73% | \$ 94,450,000 | 0.00% |
| 7045 | 772428 | Highway Infrastructure Bank - Bonds | \$ 81,302,607 | \$ 142,496,175 | \$ 83,950,000 | -41.09% | \$ 83,950,000 | 0.00% |
| Capital Projects Fund Group Total | | | \$ 114,405,325 | \$ 319,788,054 | \$ 178,400,000 | -44.21% | \$ 178,400,000 | 0.00% |
| Department of Transportation Total | | | \$ 3,046,347,987 | \$ 3,878,265,541 | \$ 7,319,891,409 | 88.74% | \$ 4,080,545,412 | -44.25% |