

Greenbook

LBO Analysis of Enacted Transportation Budget – Part II

**Public Works Commission
Department of Development
Ohio Turnpike and Infrastructure Commission
Other provisions**

**Jared Cape, Budget Analyst
July 2025**

TABLE OF CONTENTS

Introduction	1
Public Works Commission.....	1
Local Transportation Improvement Program	1
LTIP grants (ALI 150701)	1
Grant application and award process	2
LTIP operating support (ALI 150402)	2
Capital budget funding for road-slip emergency projects.....	2
Department of Development	3
Roadwork Development Program	3
Ohio Turnpike and Infrastructure Commission	4
Overview	4
Operating and capital budgets for CY 2025	4
Operating	4
Capital budget	4
Other provisions.....	6
Department of Public Safety	6

Traffic cameras and Local Government Fund adjustments	6
E-Check Ease Act	6
Department of Natural Resources	7
House of Representatives	7

Attachments:

PWC Appropriation Spreadsheet

DEV Appropriation Spreadsheet

LBO Greenbook

Transportation Budget – Other Agencies

Introduction

Part II of this Greenbook covers the two other state agencies which oversee programs customarily funded in H.B. 54: the Public Works Commission (PWC), which operates the Local Transportation Improvement Program, and the Department of Development (DEV), which oversees the Roadwork Development Grant Program. These programs make up the remaining \$160.1 million of all funding under H.B. 54. Also provided is an overview of the Ohio Turnpike and Infrastructure Commission (OTIC) and its budget for calendar year (CY) 2025. OTIC is a state agency but is not appropriated money from any state funds included in the transportation budget or the main operating budget. Finally, this section of the Greenbook summarizes certain provisions of H.B. 54 that affect other state agencies and local governments. A comprehensive list of all such provisions can be found in the Comparison Document for H.B. 54 on the LSC website at lsc.ohio.gov/budget and located under the “Budget Central” tab.

Public Works Commission

Local Transportation Improvement Program

The bill provides appropriations of \$62,324,768 in FY 2026 and \$67,330,375 in FY 2027 to fund the Local Transportation Improvement Program (LTIP). This coincides with LTIP program years (PY) 39 and 40. Almost all of the funding (\$62.0 million in FY 2026 and \$67.0 million in FY 2027) is for grants to local governments for road and bridge projects, but there is a small portion used to cover PWC’s program oversight costs.

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
Fund 7052 ALI 150701, LTIP	\$62,543,100	\$62,000,000	\$67,000,000
% change	--	-0.9%	8.1%
Fund 7052 ALI 150402, LTIP – Operating	\$334,783	\$324,768	\$330,375
% change	--	-3.0%	1.7%
LTIP total:	\$62,877,883	\$62,324,768	\$67,330,375
% change	--	-0.9%	8.0%

LTIP grants (ALI 150701)

H.B. 54 appropriates \$62.0 million in FY 2026 and \$67.0 million in FY 2027 for PWC to award grants to local governments for road and bridge projects under LTIP. Although the number of projects varies from year to year, PWC anticipates that these funding levels will cover awards for approximately 300 projects over the course of the FY 2026-FY 2027 biennium. The program

is funded by a portion of Ohio motor fuel tax (MFT) revenue which is transferred to the Local Transportation Improvement Program Fund (Fund 7052). Temporary law allows for unused funds from prior fiscal years to be reappropriated for continued use in FY 2026 and FY 2027. Consequently, there may be more funding available for LTIP grants in FY 2026 and FY 2027 beyond the amounts provided in H.B. 54.

Grant application and award process

LTIP funding is allocated annually on a per-capita basis to each of the 19 district public works integrating committees (DPWICs), consisting of local officials representing all levels of government across Ohio. LTIP grants cover up to 100% of project costs. Eligible costs include property and facility acquisition, engineering and design, and construction. Each DPWIC has some discretion in evaluating and scoring applications using a locally developed methodology based on certain statutory criteria. After evaluating and scoring the projects, a DPWIC creates a list of high-priority projects. PWC then reviews the project selection and evaluation methodology to ensure fair and objective decision making. Once approved, a formal agreement is issued, with PWC providing technical assistance through the project's completion.

LTIP operating support (ALI 150402)

H.B. 54 appropriates \$324,768 in FY 2026 and \$330,768 in FY 2027 to cover PWC's administrative expenses associated with LTIP. The funding is derived from investment income generated by the holdings in Fund 7052. Administrative expenses include costs for project monitoring, processing disbursement requests, maintaining PWC's information systems, and preparing financial reports. LTIP comprises about 20% of total administrative costs among the three infrastructure programs under PWC's purview. The other 80% is paid under the operating ALIs for PWC's other grant programs: the State Capital Improvement Program (60%) and the greenspace component of the Clean Ohio Conservation Program (20%). Operating appropriations covering the administrative costs for those programs are in the main operating budget bill.

Capital budget funding for road-slip emergency projects

H.B. 54 contains a provision that provides additional funding for PWC's State Capital Improvement Program (SCIP). Specifically, H.B. 54 amends H.B. 2 of the 135th General Assembly to increase State Capital Improvements Fund (Fund 7038) ALI C15000, Local Public Infrastructure, by \$15.0 million for the FY 2025-FY 2026 capital biennium. The increase is earmarked for PWC's Emergency Program for grants to communities with road-slip emergency projects on nonstate roads or locally maintained routes and portions of interstates. Accordingly, the bill increases bond issuance authority for SCIP by this same amount.

Department of Development

Roadwork Development Program

H.B. 54 also provides funding for the Roadwork Development Program overseen by the Department of Development (DEV). This funding is appropriated under the transportation budget because it comes from a portion of motor fuel tax (MFT) proceeds transferred from the Highway Operating Fund (Fund 7002).

Fund/ALI	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
4W00 ALI 195629, Roadwork Development	\$13,458,494	\$15,200,000	\$15,200,000
% change	--	12.9%	0.0%

H.B. 54 provides continuation funding of \$15.2 million in each fiscal year for the Roadwork Development Grant Program. This is the same as has been appropriated since FY 2012, the exception being FY 2024 and FY 2025. H.B. 33 of the 135th General Assembly, the main operating budget act for the FY 2024-FY 2025 biennium, increased the appropriation by \$16.2 million in FY 2024 and \$10.0 million in FY 2025. Of these additional amounts, \$10.0 million in each of those fiscal years was earmarked for infrastructure surrounding the Intel project in Licking County. A further \$6.2 million in FY 2024 was earmarked for the Fayette County Engineer in support of infrastructure work related to the LGES-Honda joint-venture electric vehicle (EV) battery plant. Note that funding authorized in prior fiscal years does not always get spent during those fiscal years. Due to the nature of construction projects, millions of dollars may be encumbered from fiscal year to fiscal year.

The program is funded by quarterly transfers of MFT revenue to the Roadwork Development Fund (Fund 4W00) from the Highway Operating Fund (Fund 7002). Because the use of Ohio MFT is constitutionally restricted, the grants may only be used on projects that improve public roads and highways and may not be used for other economic development purposes. Eligible costs include widening, paving, road construction and reconstruction, and right-of-way infrastructure improvements such as sewer or utility lines, as well as work on roads leading to and on the grounds of public airports. All Roadwork Development grants are subject to Controlling Board approval.

Ohio Turnpike and Infrastructure Commission

Overview

The Ohio Turnpike and Infrastructure Commission (OTIC) is a state agency but is not appropriated money from any state funds included within the transportation or main operating budget bills. However, R.C. 5537.17 requires the Commission to submit its budget to the Office of Budget and Management, the General Assembly, and the Legislative Service Commission for review.

OTIC is overseen by a ten-member board charged with funding and maintaining the Ohio Turnpike that spans northern Ohio. A 241-mile east-west toll road built during the 1950s, the Turnpike is marked as portions of three federal interstate highways, stretching from eastern Ohio on I-76, running through most of northern Ohio on I-80, and ending at the western boundary of Ohio on I-90. OTIC contracts with the Ohio State Highway Patrol (District 10) to provide law enforcement and motorist assistance along the Turnpike. The chief source of revenue covering operating and capital expenses is toll collections.

Operating and capital budgets for CY 2025

Operating

The Commission's CY 2025 operating budget was adopted on December 16, 2024. The budget projects \$463.8 million in operating revenue for CY 2025, with toll revenue projected to be \$413.9 million of this total. The remainder comes from concessions, investments, fuel tax, and other sources. Operating expenditures are projected to be \$162.7 million. Debt service payments account for nearly \$131.9 million. In total, operating costs are projected to total \$294.5 million.

Capital budget

OTIC's capital budget was also adopted on December 16, 2024. It outlines \$318.9 million in spending for maintenance and construction in CY 2025. Of this amount, approximately \$299.1 million is for planned capital projects and \$19.8 million is for unidentified capital funding needs that may arise. Table 1 below breaks down the capital program costs for CY 2025 by purpose.

OTIC Capital Program Allocations, CY 2025		
Capital Program	Amount Allocated (\$ millions)	% of Total Capital Budget
Bridge Repair and Resurfacing	\$125.1	39.2%
Road Resurfacing	\$82.5	25.9%
Pavement Replacement	\$32.7	10.3%
Equipment and Facilities	\$21.1	6.6%
Uncommitted	\$19.8	6.2%
Toll Collection System Modernization	\$13.6	4.3%
Safety Devices	\$12.6	4.0%

OTIC Capital Program Allocations, CY 2025		
Capital Program	Amount Allocated (\$ millions)	% of Total Capital Budget
Service Plaza Improvements	\$5.9	1.9%
Small Projects and Others	\$5.6	1.8%
Total	\$318.9	

Note: Due to rounding, the percent of the total capital budget may not sum to 100%.

Other provisions

Department of Public Safety

Traffic cameras and Local Government Fund adjustments

H.B. 54 eliminates the authority of a county or township to operate a traffic camera program to detect and enforce traffic law violations, but continues to require applicable counties or townships that still owed Local Government Fund (LGF) adjustments based on the traffic fines collected prior to H.B. 54 to continue to comply with the adjustments. Before H.B. 54, there were three townships operating a traffic camera program. The removal of the authority would result in revenue loss, between a few hundred dollars and a couple million dollars per year, to the three townships.

E-Check Ease Act

The bill establishes an alternative, parallel system by which an owner of a motor vehicle may comply with the E-Check Program without submitting to an E-Check emissions test. Under this system, the Ohio Environmental Protection Agency (Ohio EPA) Director must issue an alternative emissions certificate (AEC) in lieu of an inspection certificate, as currently required.¹ The bill requires the Ohio EPA Director to submit the program to the U.S. EPA for approval under the federal Clean Air Act. If approved, the program becomes part of Ohio's implementation plan under the federal Clean Air Act, and the Ohio EPA Director must begin to modify rules to implement the program. However, until the U.S. EPA gives its approval, the bill postpones the requirement to implement the alternative emissions certification program. The bill may result in a potential increase in administrative costs for the Ohio EPA to implement an alternative program to meet E-Check standards, which will be offset to some degree by a decrease in state costs to pay for emissions testing under E-Check. There may also be a potential increase in costs for the Bureau of Motor Vehicles (BMV) to make necessary programming changes to implement AEC requirements and to account for the additional E-Check Program exemptions that the bill creates.

Once implemented, the Registrar of Motor Vehicles is required to (1) accept an AEC in lieu of an inspection certificate, and (2) ensure that owners registering their motor vehicles in E-Check counties receive information about the AEC process. As a result, the BMV, which currently sends and receives certain E-Check Program information via an application programming interface (API) with the Ohio EPA, may incur additional one-time programming costs to update certain documents and information as it pertains to the API. The magnitude of any costs incurred will depend on how these changes are ultimately implemented. The BMV may incur additional minimal ongoing administrative costs to implement the bill's AEC requirements and account for the additional E-Check Program exemptions.

¹ Under continuing law, an applicant for vehicle registration or renewal who resides in an E-Check county (Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit) is required to have their vehicle tested biennially and to present a certificate of inspection compliance, exemption, extension, or waiver at the time of registration or renewal.

Department of Natural Resources

The bill prohibits the Indian Lake Advocacy Group from spending any of the \$5.0 million granted to it from the One Time Strategic Community Investments Fund (Fund 5AY1) unless the expenditures directly benefit the current needs of Indian Lake water quality, infestations, dredging, or creation of enhanced waterways and erosion control. The Department of Natural Resources must receive an application and pre-approve spending by the Indian Lake Advocacy Group for this grant money.

House of Representatives

The bill removes the House Assistant Majority Whip position, with a salary of \$79,020 in CY 2025, and instead allows one or more members to receive the compensation amount for the position of House Majority Whip, with a salary of \$90,954 in CY 2025. In CY 2025, there are four House Majority Whips. Additionally, the bill establishes a compensation amount for the position of House Assistant Speaker Pro Tempore at \$99,904 for CY 2025. Members of the General Assembly that do not hold leadership roles receive a salary of \$72,343 in CY 2025. Salaries for members of the General Assembly will increase annually by 1.75% through CY 2028.

**FY 2026 - FY 2027 Final Appropriations
All Fund Groups - Detail**

H.B. 54 - Transportation Budget

Detail by Agency			FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
PWC Ohio Public Works Commission								
7052	150402	Local Transportation Improvement Program - Operating	\$338,317	\$334,783	\$324,768	\$330,375	-2.99%	1.73%
7052	150701	Local Transportation Improvement Program	\$56,552,517	\$62,543,100	\$62,000,000	\$67,000,000	-0.87%	8.06%
Dedicated Purpose Fund Group Subtotal			\$56,890,835	\$62,877,883	\$62,324,768	\$67,330,375	-0.88%	8.03%
Ohio Public Works Commission Total			\$56,890,835	\$62,877,883	\$62,324,768	\$67,330,375	-0.88%	8.03%

FY 2026 - FY 2027 Final Appropriations All Fund Groups - Detail				H.B. 54 - Transportation Budget		
--	--	--	--	---------------------------------	--	--

Detail by Agency	FY 2024	FY 2025	Appropriation FY 2026	Appropriation FY 2027	FY 2025 to FY 2026 % Change	FY 2026 to FY 2027 % Change
------------------	---------	---------	--------------------------	--------------------------	--------------------------------	--------------------------------

DEV Department of Development

4W00 195629 Roadwork Development	\$21,127,352	\$13,458,494	\$15,200,000	\$15,200,000	12.94%	0.00%
Dedicated Purpose Fund Group Subtotal	\$21,127,352	\$13,458,494	\$15,200,000	\$15,200,000	12.94%	0.00%
Department of Development Total	\$21,127,352	\$13,458,494	\$15,200,000	\$15,200,000	12.94%	0.00%