

# **Greenbook**

## **LBO Analysis of Enacted Budget**

### **Department of Transportation**

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# LBO Greenbook

## Department of Transportation

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### Quick look...

- H.B. 96 provides the Ohio Department of Transportation (ODOT) with \$140.8 million to fund nonhighway transportation modes, including public transit, rail, aviation, maritime, and drone operations. GRF funding totals \$124.8 million of this total.
- Most ODOT funding is contained in H.B. 54 and goes toward highway maintenance, repair, and construction supported by federal and state motor fuel tax, as well as bond proceeds. However, H.B. 54 also contains additional funding for nonhighway transportation modes beyond what is included in H.B. 96.

Fund Group	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
General Revenue	\$92,030,238	\$74,532,792	\$64,665,636	\$60,164,636
Dedicated Purpose (DPF)	\$13,659,023	\$5,344,066	\$11,000,000	\$5,000,000
Total	\$105,689,261	\$79,876,858	\$75,664,636	\$65,164,636
% change	--	-24.4%	-5.3%	-13.9%
GRF % change	--	-19.0%	-13.2%	-7.0%

### Overview

H.B. 96 provides the Ohio Department of Transportation (ODOT) with a total of \$140.8 million in funding over the FY 2026-FY 2027 biennium to support nonhighway transportation modes, such as public transit, rail, aviation, and maritime, as well as drone operations. Of this amount, \$124.8 million (88.6%) comes from the GRF. The remaining \$16.0 million (11.4%) comes from other designated revenue sources. Among the transportation modes, approximately \$74.0 million over the biennium is for public transit, \$41.3 million is for aviation, \$12.0 million is for rail, and \$10.0 million is for maritime, and \$3.5 million is for drone operations overseen by ODOT.

### Highlights

#### Transportation Land Royalty Fund

H.B. 96 codifies the Transportation Land Royalty Fund (Fund R074). This fund was created by the Controlling Board to receive proceeds from signing fees, rentals, and royalty payments for leases of land for the exploration, development, and production of oil and natural gas on properties controlled by ODOT. In FY 2025, nearly \$1.3 million was credited to the fund.

## Highway Transportation Safety Fund

H.B. 96 appropriates \$6.0 million in FY 2026 from the Ohio Highway and Transportation Safety Fund (Fund 5XI0) to be used to identify and fund short-line rail development infrastructure projects that enhance capacity and improve safety. Fund 5XI0 consists of Local Government Fund (LGF) distributions withheld from political subdivisions that operate traffic law enforcement cameras. These LGF payments into Fund 5XI0 are intended to fund public safety projects in the political subdivisions from which the funds were diverted. Since the fund was created in H.B. 23 of the 135<sup>th</sup> General Assembly, \$17.8 million in LGF payments have been diverted to Fund 5XI0.

## Aviation-related earmarks

H.B. 96 appropriates almost \$21.7 million in FY 2026 and \$19.7 million in FY 2027 under GRF ALI 777471, Airport Improvements – State, for various airport improvement projects. In addition to the continuing Airport Grant Program, which is typically allocated \$7.5 million in each fiscal year, H.B. 96 includes three new airport-related earmarks. Details about these earmarks can be found under the description of GRF ALI 777471, Airport Improvements – State, within the following section.

## Analysis of FY 2026-FY 2027 budget

### Unmanned Aerial Systems Center (ALI 772456)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>GRF ALI 772456, Unmanned Aerial Systems Center</b>					
\$0	\$0	\$0	\$199,978	\$3,000,000	\$500,000
% change	--	--	--	1,400.2%	-83.3%

This ALI supports the costs of the Unmanned Aerial Systems (UAS) Center located in Springfield. The Center performs unmanned aircraft operations for ODOT and other state agencies, exploring ways drones may be of use to state activities. ODOT, for example, uses UAS devices to assist with right-of-way studies, bridge inspections, and traffic monitoring. The ALI also provides ODOT's share of costs for SkyVision, a joint project ODOT runs along with the Air Force Research Laboratory. The radar system allows experimental unmanned aircraft to operate safely over 200 square miles around the Springfield Airport. Note that H.B. 54, the transportation budget, provides additional support for the UAS Center under Fund 7002 ALI 777475, Aviation Administration.

H.B. 96 earmarks \$2.5 million in FY 2026 to be used to establish the Drones for First Responders Pilot Program. The program focuses on specific goals, including the acquisition of unmanned aerial vehicle systems for first responders, training, obtaining necessary Federal Aviation Administration (FAA) approvals, and integrating state infrastructure. The bill requires the ODOT Director to award program funding to participating municipal corporations for buying unmanned aerial systems for first responders, training support, assisting in navigating federal processes and approvals, and supporting the integration of statewide operations. Any residual funding remaining at the end of FY 2026 is authorized for use in FY 2027.

## Public Transportation – State (ALI 775470)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>GRF ALI 775470, Public Transportation – State</b>					
\$47,561,414	\$36,735,679	\$46,251,210	\$41,702,772	\$37,014,636	\$37,014,636
% change	-22.8%	25.9%	-9.8%	-11.2%	0.0%

This ALI is used to support rural and small urban transit systems, awarding grants to transit systems to cover wages, fuel, insurance, training, vehicle and facility maintenance, as well as planning assistance for these transit systems. Funding under the program is also used to buy transit vehicles, computer equipment, and construct transit buildings. Program funding is allocated to transit systems based on the number of passengers transported, miles traveled, cost per mile, and the amount of local funds contributed.

The programs funded under this ALI include the Ohio Transit Partnership Program (OTP2), the Rural Transit Program (RTP), the Urban Transit Program (UTP), the Specialized Transportation Program (STP), and discretionary state grants. ODOT's Office of Transit uses a small share of the funding to cover operating costs. Allocations for the various programs supported by this GRF funding are shown in the table below.

Public Transit Funding by Program (\$ in millions)		
Program	FY 2026	FY 2027
Urban Transit Program	\$23.2	\$23.2
Ohio Transit Partnership Program	\$4.1	\$4.1
Rural Transit Program	\$6.8	\$6.8
Specialized Transportation Program	\$2.5	\$2.5
Discretionary State Grants	\$0.2	\$0.2
Administration	\$0.4	\$0.4
<b>Total</b>	<b>\$37.0</b>	<b>\$37.0</b>

Note: Amounts may not add up exactly due to rounding.

## Rail Development (ALI 776465)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>GRF ALI 776465, Rail Development</b>					
\$518,811	\$829,076	\$2,287,279	\$4,530,272	\$3,000,000	\$3,000,000
% change	59.8%	175.9%	98.1%	-33.8%	0.0%

This ALI provides money for grants awarded by the Ohio Rail Development Commission (ORDC) under the Rail Development Grant and Loan Program. The sizeable increase in spending in FY 2024 and FY 2025 was due to matching funds for competitive grants from the Infrastructure Investment and Jobs Act (IIJA). In particular, the program provides financial assistance to railroads, businesses, and communities for the rehabilitation, acquisition, preservation, or construction of rail and rail-related infrastructure. Loan funding is appropriated in the transportation budget under Fund 4N40 line item 776664, Rail Transportation. Fund 4N40 line item 776664 also includes appropriations for ORDC's payroll and administrative costs.

## Airport Improvements – State (ALI 777471)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>GRF ALI 777471, Airport Improvements – State</b>					
\$2,982,215	\$5,737,277	\$6,948,297	\$7,432,616	\$21,650,000	\$19,650,000
% change	92.4%	21.1%	7.0%	191.3%	-9.2%

This ALI mainly supports the Ohio Airport Grant Program, which provides grants for airport pavement rehabilitation and obstruction removal or marking to publicly owned airports in Ohio that do not receive FAA Air Carrier Enplanement Funds or FAA Air Cargo Entitlements. Grant funds may be used for construction costs associated with airport pavement resurfacing, obstruction removal, and marking projects.

GRF funding for airport grants is augmented by funding included in H.B. 54. Most of that funding comes from aircraft license tax revenues deposited into the Airport Assistance Fund (Fund 5W90). The remainder comes from the Highway Operating Fund (Fund 7002). A portion of the funding is also used to pay operating costs for the Office of Aviation. In addition to these purposes, H.B. 96 provides \$11.7 million in FY 2026 and \$9.7 million in FY 2027 for new purposes discussed below.

### Airport Improvement Program

The budget provides \$4,650,000 in each fiscal year to fund the newly created Airport Improvement Program. The Office of Aviation will use this funding to provide financial support to publicly owned, public-use airports in Ohio. This funding will be used to largely provide grants to airports for projects and expenses not currently eligible under the Ohio Airport Grant Program.

### Airport Infrastructure Grant match

The budget provides \$5.0 million in each fiscal year to provide matching funds for eligible airports that have been awarded Airport Infrastructure Grant funding through the federal IIJA. Airports apply directly for these federal grants and are required to provide matching funds of 20% of the total project cost. These grants are generally for larger scale construction or expansion projects.

### Eastern Ohio Military Affairs Commission

The final earmark of additional funding for airport improvements in H.B. 96 is \$2.0 million in FY 2026 awarded to the Eastern Ohio Military Affairs Commission (EOMAC). This funding will

be used by EOMAC to support construction and repair projects at the Youngstown Air Reserve Station, the Youngstown-Warren Regional Airport, and the Camp James A. Garfield Military Training Center.

### Ohio Maritime Assistance Program (ALI 776670)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>DPF ALI 776670, Ohio Maritime Assistance Program</b>					
\$7,842,214	\$8,393,320	\$13,659,023	\$5,344,066	\$5,000,000	\$5,000,000
% change	7.0%	62.7%	-60.9%	-6.4%	0.0%

The Ohio Maritime Assistance Program provides grants to maritime port authorities to build new marine cargo terminals or improve existing ones. Qualifying port authorities must both (1) be within a federally qualified opportunity zone, and (2) have an active marine cargo terminal with a stevedoring operation located on the shore of either Lake Erie or the Ohio River. Eligible project costs include land acquisition, site development, construction of infrastructure and logistics facilities related to the terminals, acquisition of cargo handling equipment and machinery, and planning and design services associated with construction. Port authorities must provide 1:1 matching funds to qualify for grant funding. Fund 5QT0 is typically capitalized with cash transfers from other sources. For the FY 2026-FY 2027 biennium, the program is funded via a cash transfer of \$10.0 million from the GRF.

### Ohio Highway Transportation Safety (ALI 772504)

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Appropriation	FY 2027 Appropriation
<b>DPF ALI 772504, Ohio Highway Transportation Safety</b>					
--	--	--	--	\$6,000,000	\$0
% change	--	--	--	N/A	-100.0%

This ALI provides \$6.0 million in FY 2026 from the Ohio Highway and Transportation Safety Fund (Fund 5XI0) to be used in conjunction with the Ohio Rail Development Commission to identify and fund short-line rail development infrastructure projects that enhance capacity and improve safety. Fund 5XI0 consists of Local Government Fund (LGF) distributions withheld from political subdivisions that operate traffic law enforcement cameras. The LGF payments into Fund 5XI0 are to be used for public safety projects in the political subdivisions from which the funds were diverted. Since it was created in H.B. 23, the FY 2024-FY 2025 transportation budget of the 135<sup>th</sup> General Assembly, \$17.8 million in LGF payments have been diverted to Fund 5XI0.