

Ohio Department of Transportation
GRF Budget Testimony
Finance Transportation Subcommittee
3-15-17

CHAIRMAN MCCOLLEY, VICE CHAIR GREEN AND RANKING
MEMBER REECE, I AM HERE TO TESTIFY ON THE OHIO DEPARTMENT
OF TRANSPORTATION'S PORTION OF THE GENERAL REVENUE FUND
BUDGET.

OUR DEPARTMENT MISSION STATEMENT IS - TO PROVIDE EASY
MOVEMENT OF PEOPLE AND GOODS FROM PLACE TO PLACE. ODOT'S
CURRENCY IS TIME, SAFETY AND MONEY. WE CREATE AND
MAINTAIN AN EFFICIENT, EFFECTIVE MULTI-MODEL
TRANSPORTATION SYSTEM THAT GETS PEOPLE AND GOODS WHERE
THEY WANT TO GO IN A TIMELY AND SAFE MANNER.

THE DEPARTMENT OF TRANSPORTATION IS PRIMARILY FUNDED
THROUGH THE STATE AND FEDERAL MOTOR FUELS TAX, WHICH
ALLOWS US TO BUILD AND MAINTAIN OUR HIGHWAY AND BRIDGE
SYSTEM.

HOWEVER, A TRULY MULTI-MODAL TRANSPORTATION SYSTEM CONSISTS OF MORE THAN JUST ROADS AND BRIDGES. IT ALSO MUST TAKE INTO ACCOUNT PUBLIC TRANSIT, RAIL, AND THE AVIATION COMPONENTS OF OUR TRANSPORTATION SYSTEM. ALL OF THESE COMPONENTS ARE FUNDED THROUGH THE GENERAL REVENUE FUND BUDGET.

THE ODOT OFFICE PERFORMS A NUMBER OF DIVERSE FUNCTIONS TO MEET THE NEEDS OF AVIATION CUSTOMERS. THE OFFICE OF AVIATION SUPPLIES AIRCRAFT AND PILOTS FOR MISSIONS THAT INCLUDE TRANSPORTATION OF STATE OFFICIALS AND ODOT EMPLOYEES, AERIAL PHOTO WORK FOR ODOT'S AERIAL ENGINEERING OFFICE, AERIAL SUPPORT FOR THE BUREAU OF CRIMINAL INVESTIGATION DRUG INTERDICTION WORK, AND AERIAL SUPPORT FOR OHIO'S DEPARTMENT OF NATURAL RESOURCES, RANGING FROM AERIAL APPLICATION OF PESTICIDES TO WILDLIFE SURVEY AND MANAGEMENT.

THE OFFICE OF AVIATION ALSO MAINTAINS THE STATE'S DIVERSE FLEET OF AIRCRAFT.

THE AIRCRAFT MAINTENANCE SECTION IS RESPONSIBLE FOR THE OPERATIONAL RELIABILITY OF THE 25 FLEET AIRCRAFT THAT ARE ROUTINELY FLOWN 12,000 HOURS ANNUALLY BY THE OFFICE OF AVIATION, THE OHIO HIGHWAY PATROL AND ODNR.

AVIATION IS A CRITICAL PART OUR STATE'S ECONOMY. THE MOST RECENT STATEWIDE AIRPORT SYSTEM PLAN ESTIMATES THAT OHIO'S AVIATION INDUSTRY CONTRIBUTES MORE THAN \$13 BILLION IN ECONOMIC ACTIVITY AND HELPS CREATE MORE THAN 123,000 JOBS WITH AN ANNUAL PAYROLL OF OVER \$4 BILLION.

OHIO CURRENTLY HAS 153 PUBLIC USE GENERAL AVIATION AIRPORTS. OF THOSE, 124 ARE PAVED AND LIGHTED. OHIO HAS ABOUT 18,000 PILOTS AND 11,000 AIRCRAFT. THE STATE'S EIGHT COMMERCIAL AIRPORTS AVERAGE 11 MILLION ENPLANEMENTS EACH YEAR.

ODOT'S OFFICE OF AVIATION REGISTERS ALL PRIVATE AIRCRAFT IN THE STATE. WE ALSO INSPECT SMALL, PUBLICLY-OWNED AIRPORTS AND HELP THEM MAINTAIN AND RESURFACE THEIR RUNWAYS AND OTHER INFRASTRUCTURE NECESSARY FOR THE SAFE OPERATION OF AIRCRAFT.

THE LEVEL OF FUNDING WE ARE REQUESTING TO MAINTAIN THESE PROGRAMS IS \$6 MILLION PER FISCAL YEAR, THE SAME AS THE PRIOR BIENNIUM.

PUBLIC TRANSIT IS ALSO CRITICAL TO OHIO'S ECONOMY. OHIO HAS 27 URBAN AND 35 RURAL TRANSIT SYSTEMS AND THE 12TH HIGHEST PUBLIC TRANSIT RIDERSHIP IN THE NATION. OHIO'S TRANSIT SYSTEMS PROVIDE AN ESTIMATED 500,000 RIDES EACH WORK DAY. IN THE URBAN AREAS, 60 PERCENT OF THE TRIPS ARE WORK-RELATED. IN OUR RURAL AREAS, MORE THAN 50 PERCENT OF THE RIDERS ARE EITHER SENIOR CITIZENS OR PEOPLE WITH DISABILITIES. OF THE 62 TRANSIT SYSTEMS IN OHIO, ONLY 10 HAVE A DEDICATED SOURCE OF TAX REVENUE.

THAT'S WHERE ODOT COMES IN. THE ODOT OFFICE OF TRANSIT PROVIDES FINANCIAL AND TECHNICAL ASSISTANCE TO PUBLIC TRANSIT SYSTEMS, LOCAL GOVERNMENTS, AND HUMAN SERVICE AGENCIES THROUGHOUT THE STATE. THE FUNDING IS USED FOR THE PLANNING, ESTABLISHMENT, AND OPERATION OF PUBLIC TRANSPORTATION SYSTEMS.

WE RECOGNIZE PUBLIC TRANSPORTATION IS IMPORTANT, NOT ONLY TO URBAN DWELLERS, BUT TO OHIO'S RURAL COMMUNITIES. WE ALSO RECOGNIZE THE IMPORTANCE OF ACCESS TO MOBILITY FOR OHIO'S OLDER ADULTS, PEOPLE WITH DISABILITIES AND PEOPLE WITH LOW-INCOMES.

ODOT DEVOTES 65 PERCENT OF ITS \$7.3 MILLION GRF APPROPRIATION TO LOCAL TRANSIT SYSTEM INVESTMENTS IN OHIO'S SMALL URBAN RURAL COMMUNITIES. THESE GRF DOLLARS ALLOW LOCAL ENTITIES TO DRAW DOWN FEDERAL TRANSIT ADMINISTRATION DOLLARS.

APPROXIMATELY 30 PERCENT OF THE GRF DOLLARS ARE ALSO USED TO SUPPORT THE ELDERLY AND DISABLED TRANSIT FARE ASSISTANCE PROGRAM.

THIS PROGRAM ALLOWS OLDER ADULTS AND PEOPLE WITH DISABILITIES TO RIDE PUBLIC TRANSIT FOR HALF THE STANDARD FARE. LESS THAN FIVE PERCENT IS USED FOR ADMINISTRATION AT ODOT WHICH ALLOWS US TO MANAGE BOTH THE STATE AND FEDERAL INVESTMENT IN PUBLIC TRANSPORTATION.

ODOT CONTINUALLY SEEKS FEDERAL DISCRETIONARY GRANT OPPORTUNITIES TO FURTHER THE INTERESTS OF OHIO'S TRANSIT PROGRAMS. WE ARE ALSO ALWAYS LOOKING FOR OPPORTUNITIES TO RECOMMENDATIONS FROM THE TRANSIT NEEDS STUDY ODOT COMPLETED IN JANUARY OF 2015. THIS TRANSIT NEEDS STUDY IS AN IMPORTANT PLANNING DOCUMENT THAT PROVIDED INFORMATION AND RECOMMENDATIONS ABOUT NOT ONLY WHERE ADDITIONAL INVESTMENTS WERE NEEDED, BUT ALSO HIGHLIGHTED AREAS WHERE OHIO COULD AMPLIFY CURRENT RESOURCES AND INCREASE ACCESS TO MOBILITY FOR ALL OHIOANS.

SIMILAR TO ODOT'S APPROACH TO TAKING CARE OF OUR ROADS AND BRIDGES, OHIO NEEDS TO WORK TO PRESERVE OUR CURRENT INVESTMENT.

THE TRANSIT NEEDS STUDY IDENTIFIED THE NEED FOR REPLACEMENT OF OHIO'S ROLLING STOCK: THAT IS... BUSES, VANS AND OTHER VEHICLES. AS VEHICLES AGE, THEY COST MORE TO REPAIR AND OPERATE.

WHEN ODOT TESTIFIED ON THE STATE TRANSPORTATION BUDGET, WE SAID THAT WE WERE GOING TO INCREASE THE AMOUNT OF FEDERAL HIGHWAY MONEY FLEXED TO SUPPORT TRANSIT BY \$10 MILLION FROM ABOUT \$23 MILLION TO \$33 MILLION. THESE ADDITIONAL DOLLARS WILL BE INVESTED TO IMPROVE OHIO'S ROLLING STOCK.

ODOT HAS ALSO BEEN WORKING TO IDENTIFY AND SECURE OTHER GRANT OPPORTUNITIES TO BRING ADDITIONAL FUNDS FOR TRANSIT NEEDS IN OHIO. ODOT APPLIED FOR AND RECEIVED A COMPETITIVE FTA DISCRETIONARY PROGRAM IN THE AMOUNT OF \$6.6 MILLION TO REPLACE RURAL TRANSIT VEHICLES. THESE DOLLARS WILL ALLOW OHIO TO REPLACE 112 LOCALLY OPERATED TRANSIT VEHICLES THAT HAVE MET THEIR USEFUL LIFE CRITERIA.

THE TRANSIT NEEDS STUDY ALSO IDENTIFIED THE NEED FOR IMPROVED TRANSIT TECHNOLOGY.

OHIO'S RURAL TRANSIT SYSTEMS ARE CHALLENGED WITH A WIDE ARRAY OF SCHEDULING AND DISPATCHING APPROACHES. THEY OPERATE IN AREAS WITH LIMITED OR NO CELLULAR SERVICE.

TO ADDRESS THIS NEED, OHIO APPLIED FOR AND WAS AWARDED A FEDERAL TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY GRANT, OR TIGER GRANT, IN THE AMOUNT OF \$6.8 MILLION IN FEDERAL MONEY TO IMPROVE THE COMMUNICATIONS, SCHEDULING AND DISPATCHING OF MORE THAN 30 RURAL TRANSIT OPERATORS LOCATED IN OHIO AND TO EXPAND BROADBAND INTO AREAS OF OHIO WITH INSUFFICIENT BROADBAND ACCESS.

RELIABLE COMMUNICATIONS WILL PERMIT RURAL TRANSIT OPERATOR'S TO RESPOND TO EMERGENCY SITUATIONS MORE RAPIDLY AND DRIVERS TO REMAIN WITH THEIR VEHICLES WHEN INVOLVED IN AN EMERGENCY OR AN INCIDENT, THEREBY IMPROVING SAFETY.

ODOT IS ALSO WORKING MEDICAID AND 13 OTHER STATE AGENCIES ON THE MOBILITY TRANSFORMATION EFFORT TO STREAMLINE HOW OHIO PROVIDES HEALTH AND HUMAN SERVICES TRANSPORTATION TO OHIOANS.

CURRENTLY, 14 STATE AGENCIES INVEST OVER \$500 MILLION TO PROVIDE THIS SERVICE – WITH MEDICAID INVESTING THE MOST.

EACH AGENCY HAS DEVELOPED THEIR OWN PROGRAMS, POLICIES, AND PROCEDURES AND ARE NOT DIRECTLY COORDINATING WITH OTHER AGENCIES. THE CURRENT ENVIRONMENT CAUSES FRUSTRATION ON MULTIPLE LEVELS. TRANSPORTATION PROVIDERS FIND IT DIFFICULT TO ENGAGE IN THE BUSINESS OF PROVIDING TRANSPORTATION, AS THERE ARE MANY DIFFERENT RULES, REGULATIONS AND POLICIES TO FOLLOW.

WE ARE HOPING TO REVIEW AND ALIGN EXISTING POLICIES ACROSS THE 14 AGENCIES THAT WILL ALLOW FOR BETTER COORDINATION, CUT REGULATORY RED TAPE, AND INCREASE ACCESS TO MOBILITY TO OUR CUSTOMERS.

FINALLY, A WORD ABOUT THE OHIO RAIL DEVELOPMENT COMMISSION, OF WHICH I AM AN EX-OFFICIO MEMBER.

RAIL TRANSPORTATION PLAYS A KEY ROLE FOR OHIO'S INDUSTRIES AND THE RAIL COMMISSION'S PROGRAMS SERVE AS A CATALYST FOR ECONOMIC GROWTH. EFFECTIVE RAIL SERVICE, EITHER DIRECTLY OR VIA INTERMODAL SERVICE, IS COMMONLY A PREREQUISITE FOR BUSINESS ATTRACTION AND RETENTION IN THE STATE.

DURING FISCAL YEARS 2015 AND 2016, THE COMMISSION PROVIDED GRANT OR LOAN ASSISTANCE FOR RAIL INFRASTRUCTURE TO 39 ECONOMIC DEVELOPMENT PROJECTS. THESE PROJECTS ARE EXPECTED TO AFFECT 27,600 OHIO JOBS AND TO LEVERAGE \$37 MILLION IN OTHER INVESTMENTS, ALMOST ALL PRIVATELY FUNDED, FOR EVERY \$1 OF ORDC SUPPORT.

IN ADDITION TO EMPLOYMENT BENEFITS AND TRANSPORTATION COST SAVINGS FOR SHIPPERS, THE RAIL INFRASTRUCTURE WE ASSISTED WITH OVER THIS PERIOD IS EXPECTED TO GENERATE OTHER PUBLIC BENEFITS INCLUDING MORE THAN \$16 MILLION IN FUEL SAVINGS VS. HIGHWAY TRANSPORTATION, MORE THAN \$2 MILLION IN HIGHWAY MAINTENANCE COST SAVINGS, AND THE ELIMINATION OF MORE THAN 177,000 TRUCK TRIPS.

RAIL IS OFTEN A KEY TRANSPORTATION LINK FOR OHIO COMPANIES TO THEIR SUPPLIERS AND CUSTOMERS WORLDWIDE. IN 2014, OHIO COMPANIES SHIPPED MORE THAN 134.8 MILLION TONS OF FREIGHT, THE EQUIVALENT OF 7.5 MILLION TRUCKS, INTO AND OUT OF OHIO.

FOR ALL OF THESE REASONS, WE AT ODOT HEARTEDLY
ENDORSE THE RAIL COMMISSION'S GRF REQUEST.

AS YOU KNOW, UNDER OHIO CONSTITUTIONAL LAW, ODOT IS
PROHIBITED FROM SPENDING STATE MOTOR FUEL TAXES ON MOST
OF THESE PROGRAMS, WHETHER IT BE RAIL, PUBLIC TRANSIT OR
AVIATION. FUNDING THROUGH THE GRF IS VITALLY IMPORTANT TO
OUR NON-ROAD AND BRIDGE TRANSPORTATION ASSETS AND WILL
ALLOW OUR AVIATION, TRANSIT, AND RAIL PROGRAMS TO
CONTINUE TO FUNCTION IN A SAFE AND EFFICIENT MANNER.

I THANK YOU FOR YOUR TIME MR. CHAIRMAN AND MEMBERS
OF THE COMMITTEE. AND I WILL BE HAPPY TO TAKE ANY
QUESTIONS.