

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

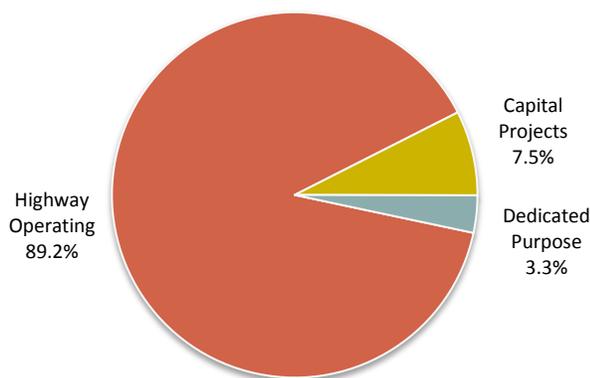
Quick look...

- H.B. 62 provides the Ohio Department of Transportation (ODOT) with funding of \$7.41 billion over the FY 2020-FY 2021 biennium.
 - ODOT’s primary funding sources include federal highway aid, the Ohio motor fuel tax (MFT), and bonds, the proceeds of which are appropriated in the transportation budget bill.
- H.B. 62 increases the Ohio MFT rate from 28 cents per gallon to 46 cents per gallon beginning in FY 2020, and indexes that rate in future years to inflation based on the Consumer Price Index.
 - This change is projected to increase revenue by around \$1.21 billion in FY 2020. Of that amount, ODOT would receive around \$750 million, local governments would receive about \$400 million, and other state agencies would bring in approximately \$54 million.
- ODOT is the state’s second largest agency by headcount with about 5,500 employees, of which around 4,900 are full-time permanent.

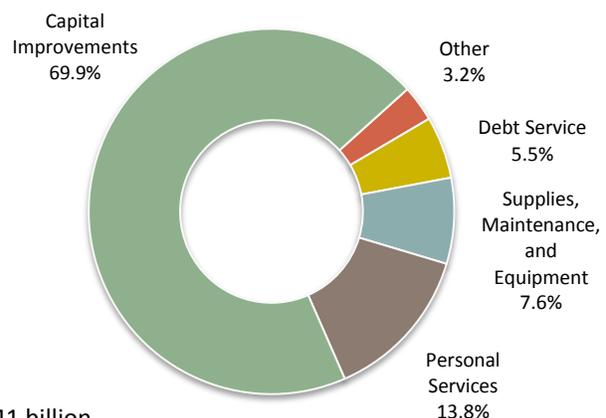
Fund Group	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Highway Operating	\$2,787.5	\$4,139.9	\$3,567.0	\$3,611.0
Dedicated Purpose	\$2.2	\$3.5	\$3.5	\$3.5
Capital Projects	\$365.5	\$440.8	\$105.7	\$121.1
Total	\$3,155.1	\$4,584.2	\$3,676.2	\$3,735.6
% change	--	45.3%	-19.8%	1.6%
<i>Highway Operating % change</i>	--	<i>48.5%</i>	<i>-13.8%</i>	<i>1.2%</i>

Note: Amounts in millions

**Chart 1: ODOT Budget by Fund Group
FY 2020-FY 2021 Biennium**



**Chart 2: ODOT Budget by Expense Category
FY 2020-FY 2021 Biennium**



Biennial total: \$7.41 billion

Overview

Appropriation summary

In H.B. 62, the Governor recommends a total appropriation of \$3.68 billion in FY 2020 and \$3.74 billion in FY 2021 for ODOT. The table and Chart 1 shown above in the “Quick Look” section present the executive recommended appropriations by fund group. Chart 1 shows that 89.2% of all appropriations to ODOT are through the Highway Operating Fund (Fund 7002). This fund receives the federal highway aid passed down to the state, as well as the Ohio motor fuel tax (MFT). Chart 2 in the “Quick Look” section presents the executive recommended appropriations by object of expense. Almost 70%, or approximately \$5.17 billion of the total, is budgeted for capital improvements, principally roads and bridge maintenance across the state. Payroll costs account for 13.8%, amounting to \$1.02 billion for the next two years. Supplies, maintenance, and equipment will make up about 7.6% of budgeted expenses, or about \$560 million. The remaining 8.7%, approximately \$648 million, is for debt service and other expenses.

Table 1 below shows the executive recommendations for the FY 2020-FY 2021 biennium by program. The vast majority of ODOT’s budget is devoted to highway construction and maintenance, comprising about \$6.43 billion (86.8%) of appropriations over the biennium. The amount appropriated for debt service is \$407.5 million (5.5%). Funding for administration, planning and research, public transit, rail, and aviation combined make up the remaining \$572.0 million (7.7%) of the recommended funding.¹

Table 1. Executive Recommendations by Program (in millions)				
Program	FY 2020	FY 2021	Biennial Total	% of Total
Highway Construction and Maintenance	\$3,183.9	\$3,248.4	\$6,432.3	86.8%
Debt Service	\$209.1	\$198.4	\$407.5	5.5%
Administration	\$107.8	\$112.1	\$219.9	3.0%
Planning and Research	\$69.3	\$69.8	\$139.2	1.9%
Transit	\$76.6	\$77.3	\$154.0	2.1%
Rail	\$19.2	\$19.2	\$38.4	0.5%
Aviation	\$10.1	\$10.3	\$20.5	0.3%
TOTAL	\$3,676.2	\$3,735.6	\$7,411.8	

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

¹ ODOT also receives some GRF funding contained in the main operating budget to support nonhighway transportation modes, including public transit, rail, and air.

H.B. 62 provisions relating to the Ohio motor fuel tax

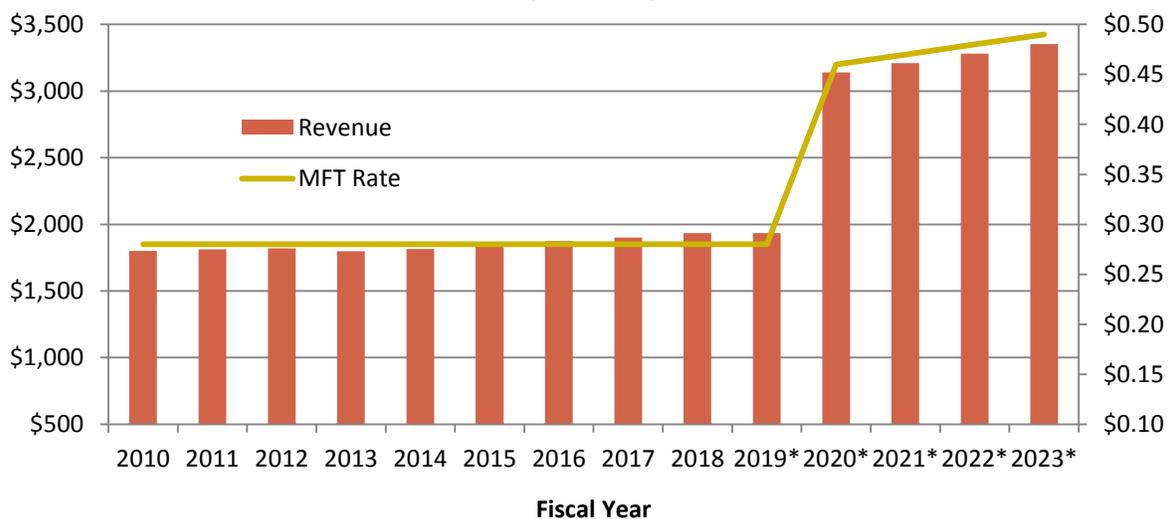
MFT rate increase

The Governor’s transportation budget bill increases the Ohio MFT by 18 cents per gallon starting July 1, 2019, resulting in a total MFT rate of 46 cents per gallon. This increase will bring in more revenue at the beginning of FY 2020, and marks the first MFT rate increase since FY 2006. The current MFT rate of 28 cents per gallon is set under section 5735.05 of the Revised Code, applying to both gasoline and diesel fuel. About 75% of the revenue comes from taxed gasoline gallonage and 25% comes from taxed diesel gallonage. The new MFT rate is projected to increase overall MFT revenues by around \$1.21 billion in FY 2020 and \$1.28 billion in FY 2021.

Beginning on July 1, 2020, the bill requires the MFT rate to be adjusted to inflation from 46 cents per gallon. Specifically, the Tax Commissioner will compute the tax adjustment factor by multiplying \$0.46 by the cumulative percentage increase in the Consumer Price Index (CPI) for all items and all urban consumers, from January 1, 2019 to December 31 of the preceding calendar year. The product of this calculation is to be rounded to the nearest one cent, and cannot be less than the tax adjustment factor for the previous year. It is projected that this inflation adjustment will increase the MFT rate by 1 cent per gallon annually through FY 2023.

Chart 3 displays the MFT tax rate and total MFT revenue from FY 2010 to FY 2018, as well as the projected tax rate and revenue from FY 2019 to FY 2023. In FY 2018, a total of \$1.86 billion of MFT revenue was distributed, up 1.3% from FY 2017. Between FY 2010 and FY 2018, the average growth rate of total MFT revenue was approximately 0.9% due to increased motor fuel consumption. Applying the new MFT rate, after the initial increase beginning in FY 2020, the MFT rate is projected to rise by one cent annually. Accounting for the inflation and a 1% rise in motor fuel consumption, LSC projects a 2.2% growth rate in MFT revenues from FY 2021 to FY 2023. Accordingly, LSC estimates MFT revenue ranging from \$3.14 billion in FY 2020 to \$3.35 billion in FY 2023.

Chart 3: Ohio MFT Rate and Total Revenue Projected, FY 2010-FY 2023
(in millions)



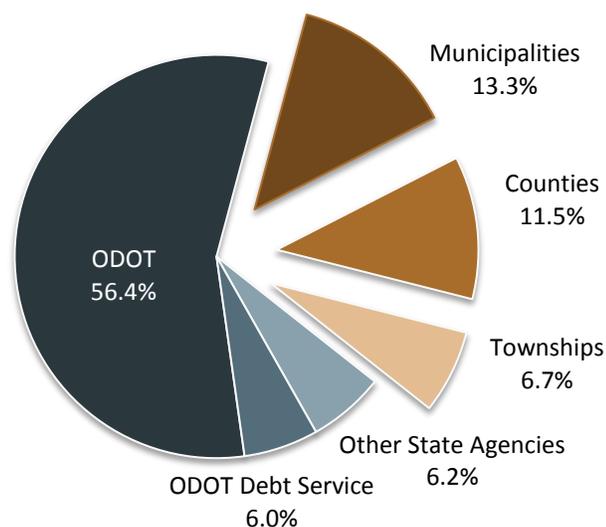
*Projected revenues

MFT rate increase – impact on distributions

H.B. 62 continues current law to distribute MFT revenue proportionally to the various state and local government entities that receive MFT distributions. Since the MFT increase of 18 cents per gallon is a 64.3% increase, each of the entities receiving MFT distributions will generally see their share rise proportionally. The MFT increase is projected to increase revenue by around \$1.21 billion in FY 2020. Of that amount, ODOT would receive approximately \$750 million, local governments would receive about \$400 million, the Public Works Commission around \$42 million, and the Department of Natural Resources about \$12 million.²

Chart 4 shows MFT distributions by use for FY 2018. Overall, ODOT received the largest share, approximately \$1.2 billion (62.4%) of MFT revenue, including \$111.4 million for debt service on highway capital improvement bonds. The \$586 million (31.5%) share distributed to local governments (municipalities, counties, and townships) accounted for the next largest outlay of MFT revenue. Among other uses of MFT, the Ohio Public Works Commission received \$63.1 million (3.4%) for the Local Transportation Improvement Program (LTIP) used to award grants to local governments for road and bridge projects. The remaining \$51.4 million (2.8%) went to various other state agencies, including: the Development Services Agency for the Roadwork Development Program, the Department of Natural Resources for boating access and safety projects, the Public Utilities Commission of Ohio for railroad safety projects, the Ohio Turnpike and Infrastructure Commission to assist with maintenance of the Ohio Turnpike, the Inspector General for its oversight costs, and the Department of Taxation for administering MFT revenue collection.

Chart 4: Percentage of MFT Distributions by Use, FY 2018 (\$1.86 billion)



² Other state agencies receiving MFT distributions are set to a fixed amount under continuing law and would not see increased revenue. Additionally, H.B. 62 changes the amount the Department of Taxation would receive from a percentage share of MFT revenue to a fixed amount.

LSC estimates total MFT revenue of around \$3.14 billion in FY 2020. While section 5735.051 of the Revised Code sets the statutory formula of MFT distributions, other law provisions affect the actual amount in MFT received by each entity, including the permanent and temporary law provisions discussed below. After factoring in those adjustments, the end result is that LSC projects MFT revenue of \$1.95 billion to ODOT. This is approximately \$785 million more in MFT revenue than ODOT received in FY 2018. Under the Governor's proposal, ODOT is allocating the additional revenue as follows for FY 2020: approximately \$250 million for Major New highway construction projects, \$250 million for safety projects, \$200 million in preservation projects, and \$50 million for other highway purposes.

Under the increased MFT rate, municipalities would receive a total of \$444 million in FY 2020 (\$196 million increase compared to FY 2018 receipts), counties \$385 million (\$172 million increase), townships \$207 million (\$83 million increase), the Public Works Commission \$109 million (\$46 million increase), and other state agencies at least \$63 million (\$12 million increase). Distributions to local governments are appropriated in the main operating budget bill through the Revenue Distribution Fund Group under Fund 7060 line item 110960.

Other permanent law changes to the MFT

H.B. 62 makes two other changes to codified law governing the MFT. First, it increases an existing reimbursement to school districts for motor fuel that they purchase so as to offset the tax rate increase. Under current law, a city, exempted village, joint vocational, or local school district, or an educational service center may apply to the Tax Commissioner for a reimbursement of six cents for each gallon of motor fuel that they purchase (if tax was paid on the fuel). The six-cent reimbursement was enacted to hold school districts harmless from the increase in tax rates that was phased in from FY 2004 to FY 2006. Similarly, the bill increases the six-cent reimbursement to 24 cents per gallon, to hold harmless the school districts from both the previous increase in tax rates and the one proposed in the bill. School districts would save approximately \$4 million annually from this provision, while revenue to the state would be decreased by a corresponding amount.

Second, the bill modifies current law governing the share of MFT revenue allocated to the Department of Taxation for its costs in administering the tax. Under current law, the Treasurer of State is required to transfer 0.275% of MFT revenue, after refunds are paid, to the Motor Fuel Tax Administration Fund (Fund 5V70) to offset, partially or in whole, the Department's administrative costs. The bill would repeal the 0.275% share and instead allocate to Fund 5V70 an amount "not to exceed the approved appropriation assigned to the fund for the biennium." The appropriation assigned to Fund 5V70 is ALI 110622, Motor Fuel Tax Administration, in the Department of Taxation's budget. This line item is appropriated in the main operating budget rather than the transportation budget, so until the main operating budget is enacted we will not know the fiscal effect of this provision. This provision effectively decouples the amount of the transfer to Fund 5V70 from the amount of MFT revenue, which may be proposed in order to keep the amount of the transfer roughly in line with past amounts. Such transfers have been roughly \$5 million annually in recent years. If that is the intent, this provision would then decrease the Department's share by about \$3 million and increase

amounts available to the Highway Operating Fund (Fund 7002), local governments, and other state agencies by a corresponding amount.

Temporary law provisions affecting the MFT

In addition to the proposed changes in codified law, the bill has three uncodified law provisions that affect MFT revenue in some way. First, the bill requires the Treasurer of State to reserve the first 2% of revenue, before any allocations in codified law, to Fund 7002. Second, the bill continues to provide a temporary reduction of the 3% evaporation credit provided in codified law, reducing it to 1%, and allowing retailers to share in the reduced credit amount. And third, the bill requires the Office of Budget and Management (OBM) to transfer \$302.6 million during FY 2020 and \$311.2 million during FY 2021, in equal monthly installments, from Fund 7002 to the Gasoline Excise Tax Fund, and specifies that the amounts transferred are to be distributed to municipalities (42.86%), counties (37.14%), and townships (20%) statewide. These three provisions are continuations of uncodified law currently in effect, so the percentages of MFT revenue to the various end users during the upcoming biennium would be little changed from those in FY 2018, detailed above.

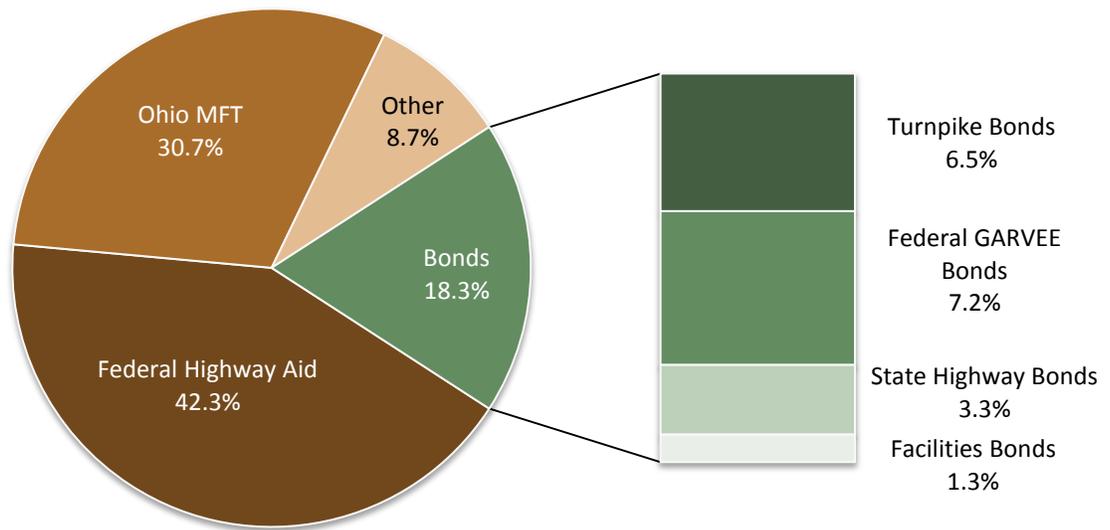
Review of ODOT revenue sources

Overview and recent history

Revenue supporting ODOT operations and capital expenditures derives from three main sources. These are (1) the federal Highway Trust Fund, (2) the Ohio MFT, and (3) highway bond proceeds. Chart 5 below displays these sources of revenue over the FY 2015 to FY 2018 period. Overall, ODOT funding in these four years totaled approximately \$13.11 billion, averaging about \$3.28 billion per year. The federal Highway Trust Fund (HTF) was the largest source of funds under the ODOT budget, providing approximately \$5.55 billion (42.3%) of the agency's total funding over the timeframe. Proceeds from the state MFT was the next largest source of revenue, generating \$4.03 billion (30.7%). Bond proceeds provided funding of \$2.40 billion, or 18.3% of revenue in the four-year period. The remaining \$1.14 billion (8.7%) of funding came from various sources.³

³ The remaining revenue sources include (1) federal transit, rail, and aviation funding, (2) local matching funds received by ODOT, (3) loan repayments from assistance provided through the State Infrastructure Bank, (4) fee revenue from various registrations and permits, and (5) a small portion from the GRF, averaging \$11.6 million per year. ODOT receives GRF money to support nonhighway modes of transportation.

Chart 5: ODOT Revenue, FY 2015-FY 2018



Federal highway funding

The federal Fixing America’s Surface Transportation (FAST) Act provides funding for the nation’s transportation infrastructure for FY 2016 through FY 2020. Ohio is slated to receive approximately \$7.10 billion in formula funding under the FAST Act during this period, averaging \$1.42 billion per fiscal year. The vast majority of the federal funding flows through formula aid under various apportionment programs, the largest being the National Highway Performance Program, followed by the Surface Transportation Block Grant Program. These two programs account for 83.1% of all FAST Act apportionment funding to Ohio, or around \$5.90 billion from FY 2016 to FY 2020. The next two highest funded programs are the Congestion Mitigation and Air Quality Improvement Program and Highway Safety Improvement Program, which account for 7% (\$496.7 million) and 5.4% (\$385.0 million) of all federal apportionment funding provided over the five years, respectively. Ohio also receives federal set-asides authorized under various smaller programs, such as competitive Transportation Investment Generating Economic Recovery (TIGER) grants. Finally, the FAST Act created a new highway freight program called the National Highway Freight Program. Ohio’s share of funding for this program is about \$42.8 million per year.

Highway bond funding

In recent years, ODOT received proceeds from three types of bond issuances in order to finance highway construction projects: (1) state highway bonds, which are retired with state MFT revenues, (2) federal grant anticipation revenue vehicle (GARVEE) bonds, which are backed primarily by federal highway program revenues, and (3) Turnpike infrastructure bonds issued by the Ohio Turnpike and Infrastructure Commission (OTIC) and paid for by Turnpike toll receipts. The Turnpike bonds were authorized in 2012, and issued in 2013 and 2018. That revenue has

been allocated to projects and, consequently, no additional projects will be funded using this source of funding.

H.B. 62 also provides funding derived from state highway and federal GARVEE bonds. Overall, the Governor's proposal provides bond appropriations of approximately \$226.7 million over the FY 2020-FY 2021 biennium using these two sources. This is an approximate \$720 million drop compared to the \$947.6 million in bond appropriations included in H.B. 26 of the 132nd General Assembly, the transportation budget for the current FY 2018-FY 2019 biennium. Under the Governor's funding plan in H.B. 62, however, is mostly offset by additional appropriations supported by the proposed increase in the MFT rate included in the bill. ODOT maintains a policy of dedicating no more than 20% of state MFT and federal highway revenue to debt service on these two types of bonds. In recent years, the actual ratio has hovered between about 10% and 13%.

State highway bonds

The Governor's proposal includes \$130 million in appropriations over the FY 2020-FY 2021 biennium to use state highway bond proceeds for highway construction and maintenance. This is a \$225.5 million drop compared to the \$355.5 million in appropriations from these funds for the current biennium. This money is appropriated under Fund 7042 appropriation item 772723, Highway Construction – Bonds.

H.B. 62 provides the authority to issue up to \$57 million in state highway bonds over the FY 2020-FY 2021 biennium under Section 203.50 of the bill. This is also a large decline from the \$255 million authorized for issuance under H.B. 26 of the 132nd General Assembly. However, the bond authorization language allows the state to issue debt above that mark, in an amount equal to the bond amounts that were authorized in prior years, but not issued. The Ohio Constitution allows up to \$220 million to be issued in any single fiscal year and no more than \$1.2 billion in outstanding principal at any one time. At the end of FY 2018, there were \$939 million in bonds outstanding.

The main operating budget includes the appropriations for debt service payments on these state highway bonds, placed under the budget of the Commissioners of the Sinking Fund. The payments have totaled approximately \$125 million per year in recent years.

Federal GARVEE bonds

The executive proposal provides GARVEE bond appropriations of \$96.8 million over the biennium. In contrast, the FY 2018-FY 2019 transportation budget provided \$592.2 million using these bond proceeds. Under the executive proposal, all of this funding will pay for pavement and bridge preservation work. The debt service on GARVEE bonds is paid out of the Highway Operating Fund (Fund 7002) and amounted to \$148.7 million in FY 2018. Appropriations for this purpose are \$190.1 million in FY 2020 and \$176.3 million in FY 2021.

Turnpike bond funding – 2013 and 2018

In 2013, the state created a way to provide additional funding for new road construction across the state by enacting H.B. 51 of the 130th General Assembly. The bill expanded the Commission's bonding authority by allowing OTIC to issue bonds to pay not only for roadway

maintenance and construction along the Turnpike route itself, but to cover the cost of certain of ODOT's "Major New" highway infrastructure projects. These projects were required to have a nexus to the Ohio Turnpike, which, at minimum, meant that the projects were to be located within 75 miles of the Turnpike. Prior to OTIC approval, the ODOT projects must have been approved by the Transportation Review Advisory Council (TRAC), the body responsible for overseeing ODOT's slate of Major New construction projects. ODOT and the Commission have approved all of the planned funding under this financing arrangement. In total, 13 projects using a total of \$1.38 billion in Turnpike bond funding were approved by ODOT and OTIC. Through December 2018, ODOT has spent approximately \$938.9 million (68.0%) of the total amount allocated. Appropriations to cover the remaining \$441 million were made in prior years and will be carried forward into the next biennium.

ODOT projects funded by Turnpike bonds

The funding for ODOT was authorized under two separate bond issuances – the first in 2013 and the second in 2018. Likewise, the ODOT projects were approved in two separate rounds by OTIC. In 2013, the Commission approved ten ODOT projects using \$930 million in bonds issued that year. In 2018, the Commission approved three additional ODOT projects using \$450 million in bond proceeds, and issued revenue bonds later in January of that year. The table below displays the funding approved by county in which these construction projects are located across Northern Ohio.

County or Counties	Number of Projects	Amount Approved by OTIC (in millions)	% of Total Approved
Cuyahoga	3	\$489.0	35.4%
Lucas	4	\$372.7	27.0%
Hancock and Wood	1	\$283.3	20.5%
Wood and Lucas	1	\$90.0	6.5%
Mahoning and Trumbull	1	\$65.5	4.7%
Summit	1	\$49.0	3.6%
Lorain	1	\$16.5	1.2%
Erie	1	\$14.0	1.0%
TOTAL	13	\$1,380.0	

Other H.B. 62 provisions affecting ODOT operations

Variable speed limits

H.B. 62 expands ODOT's authority to establish variable speed limits to all highways by removing prior restrictions that only portions of three specific highways could have variable

speed limits: Interstate Route 670, Interstate Route 275, and Interstate Route 90 between the intersections with Interstate Route 71 and the border of Pennsylvania. H.B. 62 further allows local governments to request that ODOT declare variable speed limits at certain locations on highways within their jurisdictions, if the fixed speed limit set by statute is greater than is reasonable and safe for a location. Current law only allows local governments to request that ODOT declare a reasonable and safe prima-facie speed limit at such locations. For ODOT, this provision could result in additional costs from Fund 7002 to pay for analysis, planning, and installation of signs that display variable speed limits. This also results in permissive costs to local governments that request that ODOT review and approve variable speed limits on highways in their jurisdictions, primarily for traffic enforcement and sign installation.

Temporary law provisions

Indefinite delivery indefinite quantity contracting

The Governor's proposal continues a temporary law authorization for ODOT to enter into up to two indefinite delivery indefinite quantity (IDIQ) contracts per year. 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 in setting the conditions of these IDIQ contracts, 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 operating procedure, if other variables transpired. In the current FY 2018-FY 2019 biennium, two contracts were awarded, one was rejected, and one was delayed until 2020, totaling a maximum of \$2.4 million. These contracts were for guardrail rebuilding, intelligent transportation system maintenance, and bridge maintenance.

Tow truck exception to vehicle size and weight limits

H.B. 62 continues a two-year exemption of certain towing vehicles from size and weight limitations on roads contained in H.B. 26, the transportation budget for the current FY 2018-FY 2019 biennium. The exemption applies when the vehicle is: (1) engaged in the initial towing of a wrecked or disabled motor vehicle from the site of an emergency on a public highway to the nearest storage facility, (2) en route to the site of an emergency on a public highway to tow a wrecked or disabled motor vehicle, or (3) returning from delivering a wrecked or disabled motor vehicle to the nearest site where the vehicle can be brought into conformance with the statutory size and weight requirements, the nearest qualified repair facility, or the nearest storage facility. This two-year exemption would likely result in a reduction in fine revenue over this period for the state and political subdivisions that under prior law could issue size and weight fines for towing vehicles inside their jurisdictions.

Authority for transfers of appropriations and reappropriations

The bill includes several continuing provisions of temporary law that provide for the transfer of appropriations and cash in the Highway Operating Fund (Fund 7002) and other

funds, including the reappropriation of unspent amounts. The bill allows OBM to approve requests of ODOT to (1) transfer appropriations between various line items within Fund 7002 to cover unforeseen costs and optimize the use of federal funds, (2) transfer appropriations and cash between various State Infrastructure Bank funds and line items, (3) transfer appropriations and cash from the Highway Operating Fund to the State Infrastructure Bank funds subject to certain requirements, and (4) transfer appropriations and cash from the Ohio Toll Fund and any subaccounts created within the Ohio Toll Fund. Additionally, the bill permits the Director of Transportation to request the Controlling Board to increase appropriations out of the Highway Operating Fund in the event that revenues or apportionments or allocations from the federal and local governments exceed estimates. Finally, the bill specifies that appropriations from certain funds – Fund 7002, the Highway Capital Improvement Fund (Fund 7042), and the State Infrastructure Bank funds – that remain unencumbered at the end of FY 2018 and FY 2019 be reappropriated for the same purposes in FY 2020 and FY 2021, respectively, subject to approval by OBM.

Analysis of FY 2020-FY 2021 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 seven 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 2019 and recommended appropriations for FY 2020 and FY 2021 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 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 2020-FY 2021 Budget Proposal				
Fund	ALI	ALI Name		Category
Highway Operating Fund Group				
2120	772426	Highway Infrastructure Bank – Federal	1	Highway Construction & Maintenance
2120	772427	Highway Infrastructure Bank – State	1	Highway Construction & Maintenance
2120	772430	Infrastructure Debt Reserve Title 23-49	6	Debt Service
2130	772431	Roadway Infrastructure Bank – State	1	Highway Construction & Maintenance
2130	772433	Infrastructure Debt Reserve – State	6	Debt Service
2130	777477	Aviation Infrastructure Bank – State	5	Aviation
7002	770003	Transportation Facilities Lease Rental Bond Payments	6	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
			4	Rail

Categorization of ODOT's Appropriation Line Items for Analysis of FY 2020-FY 2021 Budget Proposal

			1	Highway Construction & Maintenance
7002	772422	Highway Construction – Federal	3	Public Transportation
			4	Rail
7002	772424	Highway Construction – Other	1	Highway Construction & Maintenance
7002	772437	Major New State Infrastructure Bond Debt Service – State	6	Debt Service
7002	772438	Major New State Infrastructure Bond Debt Service – Federal	6	Debt Service
7002	773431	Highway Maintenance – State	1	Highway Construction & Maintenance
7002	775452	Public Transportation – Federal	3	Public Transportation
7002	775454	Public Transportation – Other	3	Public Transportation
7002	775459	Elderly and Disabled Special Equipment	3	Public Transportation
7002	776462	Grade Crossings – Federal	4	Rail
7002	777472	Airport Improvements – Federal	5	Aviation
7002	777475	Aviation Administration	5	Aviation
7002	779491	Administration – State	7	Administration

Dedicated Purpose Fund Group

4N40	776664	Rail Transportation – Other	4	Rail
5W90	777615	County Airport Maintenance	5	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 and federal funding for the design, purchase of right-of-way, building, and rehabilitation of the highway system.

Summary of funding sources

A group of six line items funds ODOT's highway construction and maintenance programs using a combination of federal, state, and local participation funds. Table 3 below displays the recommended appropriations from these line items by funding source.

This collection of appropriations comprises the largest component of ODOT's budget, totaling approximately \$6.38 billion in the FY 2020-FY 2021 biennium, making up approximately 86.0% of total appropriations to ODOT in the transportation budget bill.

Table 3. Funding Sources of ODOT Highway Construction and Maintenance Appropriations, FY 2020-FY 2021 (in millions)			
Funding Source	Line Item(s)	Total Biennial Appropriations	% of Total Appropriations
Federal highway aid	772422	\$2,367.9	37.1%
State motor fuel tax	772421 773431	\$3,630.0	56.9%
Local participation	772424	\$160.0	2.5%
Total Highway Operating Fund (Fund 7002)		\$6,157.9	96.4%
Federal GARVEE bonds	772428	\$96.8	1.5%
State highway bonds	772723	\$130.0	2.0%
Total Bond Funding (Fund 7042 and Fund 7045)		\$226.8	3.6%
Total All Funding Sources		\$6,384.7	

Table 3 shows that the vast majority of the recommended funding for highway construction and maintenance in FY 2020 and FY 2021 (96.4% overall) comes from the Highway Operating Fund (Fund 7002). This is in contrast to the current biennium, when approximately 17% of funding for this purpose came from bonds. Note that only the amounts used for highways are included in the table. While used predominantly for highway construction, portions of funding under these line items are used for public transit and rail, discussed in Categories 3 and 4 of this Redbook. Additionally, the table does not include appropriations for the State Infrastructure Bank (SIB), which provides funding for construction but is funded through a separate revolving loan program. Consequently, SIB appropriations are discussed in C1:8 below.

Summary of program allocations

Table 4 below summarizes the proposed highway construction and maintenance appropriations by program, as defined by ODOT.

The two most apparent differences that can be identified in the table when comparing FY 2019 estimated spending to recommended FY 2020 funding are: (1) an approximate \$284 million increase slotted for Preservation of Pavement and Bridges, (2) a \$267 million rise in Safety Program funding, and (3) an approximate \$148 million decline in Major New projects. The increases are primarily due to the MFT increase in the bill. Of the total estimated \$750 million in additional revenue from the MFT increase per year, ODOT is budgeting \$250 million for Major New projects, \$250 million for Safety projects, \$200 million in Preservation of Pavements and Bridges, and \$50 million for other highway purposes.

Program	FY 2019 Estimated Spending*	FY 2020 Introduced	FY 2021 Introduced	% of Total Allocations FY 2020-FY 2021
Preservation of Pavement and Bridges	\$884.8	\$1,169.2	\$1,240.0	37.7%
Operations	\$639.4	\$716.4	\$717.6	22.5%
Local Government Programs	\$340.6	\$415.8	\$415.8	13.0%
Safety Programs	\$91.3	\$358.5	\$358.5	11.2%
Other Construction Programs	\$268.9	\$167.8	\$168.5	5.3%
Major New Highway Construction	\$417.8	\$270.0	\$265.0	8.4%
Highway Maintenance Contracts	\$47.1	\$62.5	\$59.2	1.9%
Total All Programs	\$2,689.9	\$3,160.2	\$3,224.6	100%

* FY 2019 figures used in this table and in the narrative below regarding these allocations were estimated expenditures made by ODOT. These estimated expenditures do not necessarily match FY 2019 figures used in the Appropriation Spreadsheet, which were provided by the Office of Budget and Management and generally reflect ODOT's adjusted appropriations in FY 2019. Generally, unexpended and unused appropriations at the end of FY 2019 may be reappropriated to ODOT for the same purposes in FY 2020.

The following analysis discusses funding for these seven individual programs, all of which are funded through a mix of funding provided by six line items. Consequently, 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 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Preservation of Pavement and Bridges (\$ millions)	\$884.8	\$1,169.2	\$1,240.0
% change	--	32.1%	6.1%

The largest area of spending in the ODOT budget, this program provides funds to the 12 ODOT districts in order to maintain the existing programs on two-lane state routes (the General System); interstate routes, freeways, and multi-lane roads (the Priority System); and U.S. and state routes within municipal boundaries (the Urban System). In addition, the program remedies deficiencies in bridge paint condition, wearing surfaces, and deck condition. The funding covers costs for capital expenditures, such as engineering and design services, right-of-way acquisition, utility relocation, construction, and construction inspection. Generally, two-thirds of the program's funding is budgeted for pavement projects while the remaining

one-third is allocated to bridge preservation projects. Pavement and bridge preservation needs are usually fully funded prior to addressing new capacity or congestion reduction projects. 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 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Operations (\$ millions)	\$639.4	\$716.4	\$717.6
% change	--	12.0%	0.2%

This program funds the vast majority of operating costs of ODOT, supporting over 4,200 full-time equivalent (FTE) employees whose work relates to highway construction and maintenance. The operating costs include payroll, supplies, and equipment for all of ODOT's highway construction programs. The funding also provides for 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, 130 outposts or yard locations, and 90 rest areas. The Department maintains a fleet of around 160 trucks to manage snow and ice control.

Over the next two fiscal years, \$866.5 million (60.4%) will be directed to payroll, \$314.7 million (21.9%) to supplies and maintenance, \$115.2 million (8.0%) to equipment, \$91.6 million (6.4%) to capital expenditures related to ODOT's facilities, and \$46.0 million (3.2%) to purchased personal services and other miscellaneous expenses.

H.B. 62 provisions affecting operations

Excess road salt for local governments

The transportation budget bill allows ODOT to provide road salt to a political subdivision if the following three requirements are met: (1) the Department has excess road salt, (2) the political subdivision is otherwise unable to acquire road salt, and (3) the political subdivision is in an emergency situation. The local government is to subsequently reimburse ODOT for the price the Department paid for the salt. This is an ongoing practice, giving political subdivisions flexibility to buy salt in the most convenient and cost-effective manner. Any reimbursed moneys would be deposited into the Highway Operating Fund (Fund 7002).

Right-of-way access for maintenance of transportation facilities

The bill authorizes any agency (meaning ODOT or any other governmental or business entity that is authorized to appropriate property by eminent domain) to enter upon lands, water, and premises as necessary to access and perform maintenance on transportation facilities. The agency is required to notify the owner at least 48 hours in advance, but not more than 30 days before the entry. While the fiscal effect of this change is unclear, it may resolve

any legal ambiguity about access to transportation facilities, including district garages, parking facilities, buildings that are part of transit facilities, and so forth.

C1:3: Local Government Programs

Program	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Local Government Programs (\$ millions)	\$340.6	\$415.8	\$415.8
% change	--	22.1%	0.0%

Almost the entirety of this funding is federal highway funding that is distributed to local governments. Of the total budgeted in the next two years, about 77% is from the Federal Highway Administration (FHWA) and spent through line item 772422. Another 19% is from a local match that comes to ODOT and is sent back to local governments through line item 772424. Thus only around 3% of total appropriations come from state highway funding. However, note that local governments receive appropriations for their MFT distributions in the main operating budget bill through the Revenue Distribution Fund Group under Fund 7060 line item 110960. Table 5 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 this program.

Program	FY 2019 Estimated Spending	FY 2020 Introduced	FY 2021 Introduced
Metropolitan Planning Organizations	\$188.2	\$211.3	\$211.3
Local Participation (match)	\$65.6	\$80.0	\$80.0
County Local Bridge	\$22.6	\$34.4	\$34.4
Local Major Bridge	\$10.6	\$20.0	\$20.0
Municipal Bridge	\$5.3	\$11.0	\$11.0
Bridge Partnership	\$7.7	\$5.0	\$5.0
Subtotal – Local Bridge Programs	\$46.2	\$70.4	\$70.4
County Surface Transportation	\$18.8	\$28.6	\$28.6
Small City	\$10.1	\$10.5	\$10.5
Safe Routes to Schools	\$2.1	\$4.0	\$4.0
Enhancements/Other – discretionary	\$9.6	\$11.0	\$11.0
Total All Programs	\$340.6	\$415.8	\$415.8

Metropolitan Planning Organizations

This program provides funds to each of the 17 Metropolitan Planning Organizations (MPOs) and five large cities outside MPOs for multi-modal transportation system improvement projects and programs in Ohio's urban areas. The MPOs are located in urban regions with populations of more than 50,000 people, while the five large cities have populations between 25,000 and 50,000.

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, 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. Funding could be supplied entirely by the local government or funded 80% by the federal government with the local government supplying the 20% match.

Local bridge programs

Federal funding for local bridge projects falls under four ODOT programs: (1) the County Local Bridge Program, (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 the type of local government eligible and the administrative agency. The Local Major Bridge Program is available to both counties and municipalities. The County Local Bridge (CLB) Program is managed by the County Engineers Association of Ohio (CEAO), which is responsible for project selection, funding criteria, and program priorities. The CLB Program provides counties with ongoing federal money for bridge replacement or rehabilitation. Each county has a \$7.5 million federal funding limit for projects within any four-year program period, subject to a six-year statewide programming limit. The Bridge Partnership Program has been in operation since FY 2015. Thus far, a total of \$138 million has been allocated to utilize federal funds for 204 bridge projects. ODOT plans to continue the program with \$5 million per year in each of FY 2020 and FY 2021.

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 roadway improvements. With the standard federal share of 80%, each county is permitted to program-eligible construction projects up to a \$2 million limit 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 in Ohio. This program may be used for construction only 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 is available for a wide variety of programs and projects, from building safer street crossings to establishing programs that encourage children and their parents to walk and bicycle safely to school.

C1:4: Safety Programs

Program	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Safety Programs (\$ millions)	\$91.3	\$358.5	\$358.5
% change	--	292.7%	0.0%

Typically consisting mostly of federal funding, spending in this area provides funding for safety projects that contribute to improving safety and reducing the severity, frequency, and rate of crashes on the state highway system and local roads. Using the federal safety funding, eligible projects include signing, striping, clearing brush, traffic signal coordination, two-way left turn lanes, additional lanes, and other roadway modifications. H.B. 62 allocates \$260 million in state funding toward the program. Of this amount \$250 million is increased funding from the MFT rate increase in the bill.

The program's goals are to reduce the state's crash fatality rate by 1% annually. In CY 2017, 1,094 people were killed on Ohio roadways according to data collected by the National Highway Traffic Safety Administration. This 2017 figure is 9.2% above the average of just under 1,002 fatalities per year over the five-year period from CY 2013 to CY 2017. The number of fatalities per 100 million vehicle miles traveled (VMT), a state that smooths out state-by-state comparisons to factor in the amount of driving on roads in each state, amounted to 1.01 in 2017. This is a rise from the 0.88 fatalities per 100 million VMT in 2013, but is still below the national average of 1.16 fatalities.

C1:5: Other Construction Programs

Program	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Other Construction Programs (\$ millions)	\$268.9	\$167.8	\$168.5
% change	--	-37.6%	0.4%

There are a number of programs that fall under the Other Construction Programs banner, including, but not limited to, the following: (1) the allocation of federally earmarked

funds to the appropriate local government entity, (2) oversight of ODOT's funding of the new federal National Highway Freight Program that was created by the FAST Act, (3) the construction of the Appalachian corridor highways in Ohio, (4) assistance for geological site management projects, including slopes and slides, rockfalls, underground mines, and erosion, (5) emergency funds for the repair or reconstruction of federal-aid highways and roads on federal lands that have suffered serious damage by natural disasters or catastrophic failures from an external cause, (6) grant assistance to businesses through the Jobs and Commerce Unrestricted Program in removing transportation barriers in order to create jobs, (7) administration of the disadvantaged business enterprises and on-the-job training programs to ensure businesses owned by women and minorities can fairly compete for transportation contracts, (8) the exploration and development of public-private partnership (P3) projects, (9) funding for the replacement and rehabilitation for the rest areas on the state and national highway system, (10) 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 within the boundaries of metropolitan parks, (11) retrofitting of roadways with noise barriers statewide, and (12) transportation improvement projects that improve safety for motorists and horse drawn vehicles in areas with substantial Amish populations.

P3 Project – Portsmouth Bypass

In December 2014, ODOT entered into a public-private partnership (P3) agreement to design, build, operate, and maintain the Portsmouth Bypass in southern Ohio. Four years later, in December 2018, the roadway is open to traffic. This was not only the largest single construction project that the Department has been involved with, but also the first highway P3 agreement in ODOT's history of operations. The bypass, named the Southern Ohio Veterans Memorial Highway, is a 16-mile, four-lane highway from U.S. Route 23 north of Lucasville to U.S. Route 52 near Sciotoville. The P3 agreement was agreed to with the Portsmouth Gateway Group, the developer for the project responsible for project delivery. Now that the bypass is open, private entities are in charge of maintaining the roadway while under ODOT oversight until the year 2054.

Altogether, it cost the Portsmouth Gateway Group approximately \$557 million to complete (including costs for preconstruction activities, design, preliminary engineering, financing, and construction). To pay for these expenses, the private group used a variety of funding sources, including (1) private activity bonds, (2) a Transportation Infrastructure Financing and Innovation Act (TIFIA) loan approved by the federal government, (3) other private investment, and (4) ODOT payments. ODOT's share for the design and construction phase of the project included \$110 million paid for up-front costs, as well as around \$44 million in milestone payments.

In projecting the full amount of ODOT payments under the P3, the total cost to the state is expected to be around \$1.23 billion for construction and maintenance of the bypass. This number includes \$110 million in up-front costs already incurred by ODOT, as well as \$1.12 billion in "availability" and milestone payments to the Group. These subsequent payments cover the cost to complete construction of the road, plus the expenditures needed to

service and maintain the bypass for 35 years. To make these payments in the upcoming biennium, H.B. 62 includes appropriations of \$51.7 million for the FY 2020-FY 2021 biennium through line items 772421 and 772422.

H.B. 62 provisions affecting other construction programs

Construction at metropolitan parks and sites for other state agencies

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. Specifically, the language requires that the line item pay for work on public access roads, including support features, to and within state facilities owned or operated by the Department of Natural Resources. Additionally, the bill earmarks approximately \$2.6 million in each fiscal year from the line item to be used by the maintenance of roads within the boundaries of metropolitan parks. 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. These provisions affecting line item 772421 have also been included in recent transportation budget acts.

Earmark for transportation improvement districts

The transportation budget bill earmarks \$4.5 million in each fiscal year for distribution to transportation improvement districts (TIDs) from line item 772421, Highway Construction – State. TIDs are intergovernmental or public-private entities that designate a transportation project or program of projects to be facilitated within a defined region. There are currently 40 TIDs located around the state. The earmarked funds are to be distributed to TIDs to assist with eligible transportation improvement projects, up to \$250,000 per project. Funds may be used for preliminary engineering, detailed design, right-of-way acquisition, and construction costs, but may not be used for administrative or staffing expenses. A similar provision is in place for the current FY 2018-FY 2019 biennium.

C1:6: Major New Highway Construction

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Major New Highway Construction (\$ millions)	\$417.8	\$270.0	\$265.0
% change	--	-35.4%	-1.9%

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. Since the Major New Program is funded last on ODOT's list of funding priorities, the program usually absorbs the brunt of the impact if state and federal revenues decrease or if other program costs escalate. Because of the MFT increase in the bill, ODOT is allocating an additional \$250 million in each of FY 2020 and FY 2021 for Major New highway construction projects under the Governor's recommended budget.

Overall, \$441 million in current Turnpike bond funding remains for previously selected Major New projects, and this funding will be carried forward for these projects in the FY 2020-FY 2021 biennium. Another potential source of funding for Major New construction is financing through P3 agreements, such as the private financing used to construct the Portsmouth Bypass, estimated to cost \$1.23 billion. This financing arrangement allows for ODOT to undertake large-scale projects, paying for them over time.

C1:7: Highway Maintenance Contracts

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Highway Maintenance Contracts (\$ millions)	\$47.1	\$62.5	\$59.2
% change	--	32.7%	-5.3%

These contracts provide for the maintenance of the state highway system, including keeping the system in a safe and attractive condition, collecting traffic management information, providing tourist material and clean rest areas for the motoring public, and maintaining ODOT facilities and equipment. Other activities supported by the funding include rest area maintenance and cleaning, and roadway maintenance, such as pothole patching, guardrail repair, and vegetation control.

H.B. 62 provision – outdoor advertising device control

The bill authorizes ODOT to designate any portion of the state highway system as a scenic byway, rather than any portions of the interstate system, the national highway system, or the primary system as under current law. This could result in a potential increase in costs for ODOT to designate additional scenic byways and install signage. Regulations applying to outdoor advertising devices, such as billboards, are typically more stringent on scenic byways and vary on each byway. There are currently 27 scenic byways designated across the state. H.B. 62 clarifies that a nonconforming outdoor advertising device cannot be restored if it is destroyed by an "act of God," thereby aligning Ohio law with federal requirements.

C1:8: State Infrastructure Bank Assistance

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
2120 ALI 772426, Highway Infrastructure Bank – Federal	\$9,360,679	\$5,000,000	\$5,000,000
% change	--	-46.6%	0.0%
2120 ALI 772427, Highway Infrastructure Bank – State	\$36,339,229	\$15,250,000	\$15,250,000
% change	--	-58.0%	0.0%
2130 ALI 772431, Roadway Infrastructure Bank – State	\$12,632,918	\$3,500,000	\$3,500,000
% change	--	-72.3%	0.0%
Total State Infrastructure Bank	\$58,332,826	\$23,750,000	\$23,750,000
% change		-59.3%	0.0%

Aside from federal and MFT funding available for roadway infrastructure, ODOT oversees the State Infrastructure Bank (SIB) Program, a revolving loan program that can be tapped by local governments to finance construction. Under the program, ODOT provides direct loans and bond financing assistance to public entities for local highway projects in order to accelerate projects and spur economic development. Funds can be used for right-of-way and construction costs. Local governments may pledge their gas tax revenues as loan repayments.

Funding for the SIB Program is divided among these three line items because of particular restrictions that apply: 772426 must meet federal highway funding requirements, and 772427 is also partially limited by federal regulations, whereas 772431 is fully state funded. The availability of dollars is dependent upon SIB activity and loan repayments. SIB 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.

The SIB Program was originally capitalized in 1997 with \$142 million in funding: \$87 million from the federal government, \$40 million from the GRF, and \$15 million from the Ohio MFT. Since the program's inception, there have been approximately \$597.8 million in road and bridge funding allocated through the initiative under 199 separate projects, accounting for 83.6% of all SIB award funding, though SIB has also funded rail, transit, airport, and bikeway projects. As of the end of FY 2018, over the course of the entire SIB Program, there have been 227 loans issued totaling \$574.6 million, as well as ten bonds amounting to \$73.9 million. The average loan size is just under \$2.8 million, and the average bond amount is \$7.4 million. Airport projects have been the second most funded mode of transportation funded under SIB. The Governor's proposed bill includes \$2 million in each fiscal year for aviation SIB projects, which is discussed in greater detail in the "**Aviation**" category of this Redbook.

There are two line items under the ODOT budget that also relate to the SIB Program. Line items 772430 and 772433 are used to pay debt service on bonds issued to further capitalize the SIB Program in the mid-2000s. These line items are discussed in more detail below in “**Category 6: Debt Service**” within this Redbook.

Category 2: Planning and Research

This category of appropriations is used to support the Division of Planning within ODOT, comprised of various offices. Three offices within the Division together coordinate the management of statewide planning efforts: (1) Statewide Planning and Research, (2) Systems Planning and Program Management, and (3) Asset Inventory and Systems Integration. These three offices’ duties include long-range transportation planning, collaboration with other agencies and district offices, the production of traffic forecasts, and the conducting of research to address transportation issues. The Office of Environmental Services reviews and monitors compliance with state and federal environmental regulations. ODOT collects data on Ohio’s roadways and traffic systems through the Office of Technical Services. Finally, the Office of Local Programs coordinates construction projects with local governments

C2:1: Planning and Research (ALIs 772411 and 772412)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 771412, Planning and Research – Federal	\$58,308,731	\$41,742,250	\$41,742,251
% change	--	-28.4%	0.0%
7002 ALI 771411, Planning and Research – State	\$40,229,936	\$27,591,086	\$28,089,039
% change	--	-31.4%	1.8%
Total Planning and Research	\$98,538,667	\$69,333,336	\$69,831,290
% change		-29.6%	0.7%

Current federal law requires that states set aside 2% of their federal-aid highway program apportionments for statewide planning and research. This money is appropriated under line item 771412 in the ODOT budget. Within this set-aside, states must use at least 25% 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 Federal Highway Administration, which generates substantial research with minimal financial investment.

Overall, about \$97.9 million (70.6%) of appropriations to this category is slated for contracts, which are used for many purposes, including (1) to collect, edit, monitor, and review statewide traffic data, (2) to maintain a Geographic Information System (GIS) to support transportation facilities, engineering, and other highway activities, and (3) to conduct studies, fund management systems, and purchase data collection equipment.

Of the remaining appropriations, approximately \$32.5 million (23.3%) of this category over the biennium is budgeted for payroll, and the remaining \$8.8 million (6.1%) is to pay for equipment, supplies, and maintenance. This helps the Division of Planning staff for their planning and research operations.

In addition to being the state match for federal planning and research dollars, line item 772421 funds the Local Technical Assistance Program (LTAP), which assists local government personnel in understanding and adopting the latest data concerning roads, bridges, safety regulations, and transportation.

H.B. 62 provision – variable speed limits

The bill authorizes ODOT to establish speed limits that differ from the statutory speed limits when the Department determines that it will facilitate the safe and orderly movement of traffic. This is an expansion over the three particular interstate locations where this is now permitted. ODOT is to set criteria for determining the use of variable speed limits by considering such factors as the time of day, type of vehicle, weather conditions, and traffic incidents, among other factors that could affect the safe speed on a street or highway. Depending on the criteria established by ODOT, this provision could result in costs to the Highway Operating Fund (Fund 7002) to pay for planning, analysis, and costs to install the new signs. Most of these costs would presumably be spent from line item 771411, Planning and Research – State.

Category 3: Public Transportation

This category of appropriations funds ODOT's Office of Transit, which provides capital, operating, technical, and planning assistance to the 61 transit systems receiving state assistance. Of the total, 27 transit systems are in urban areas and 34 are in rural areas. Data gathered by ODOT show that over 117 million passenger trips were provided by the state's transit systems in 2016. Transit services are used heavily by senior citizens and the disabled, with their 14.6 million trips accounting for 12.4% of all transit ridership. The appropriations in this category cover three specific programs overseen by the Office of Transit: (1) The Public Transit Assistance Program, (2) the Elderly and Disabled Fare Assistance Program, and (3) the Technical Assistance Program.

Program	Line Item	FY 2020 Introduced	FY 2021 Introduced	% of Total Introduced FY 2020-FY 2021
Public Transit Assistance	772422	\$40.0	\$40.0	52.0%
	775452*	\$30.5	\$31.1	40.0%
	775454	\$1.5	\$1.5	1.9%
	TOTAL	\$72.0	\$72.6	93.9%
Elderly and Disabled Fare Assistance	775452*	\$3.6	\$3.7	4.8%
Technical Assistance	772452*	\$1.0	\$1.0	1.3%
Total All Programs		\$76.6	\$77.3	

*Appropriations to line item 775452 are split among each of the three programs in this category.

H.B. 62 appropriations for transit are funded by two types of federal funding: (1) FHWA money that states may “flex” to support public transit under line item 772422, and (2) Federal Transit Administration formula aid appropriated under line item 775452. Additionally, some local matching funds for transit projects are received by ODOT and appropriations are made through line item 775454. Regarding the FHWA flex funding, appropriations in H.B. 62 do not explicitly provide appropriations of \$40 million in each of FY 2020 and FY 2021. However, this is the amount that ODOT has indicated it will allocate from line item 772422, Highway Construction – Federal for public transit purposes. Note that ODOT funding for public transit is typically supplemented with GRF funding appropriated in the main operating budget bill.

C3:1: Public Transit Assistance Program (ALIs 772422, 775452, and 775454)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 772422, Highway Construction – Federal	\$33,000,000	\$40,000,000	\$40,000,000
% change	--	21.2%	0.0%
7002 ALI 775452, Public Transportation – Federal	\$69,207,812	\$35,143,571	\$35,846,442
% change	--	-49.2%	2.0%
7002 ALI 775454, Public Transportation – Other	\$2,817,387	\$1,500,000	\$1,500,000
% change	--	-46.8%	0.0%

The Public Transit Assistance Program provides subsidy assistance to transit systems in the form of both operating costs and capital purchases. The program is sub-allocated toward

three transit initiatives: (1) the Ohio Transit Preservation Partnership Program, (2) the Ohio Public Transportation Grant Program, and (3) various other FTA-supported grant programs.

Most of the FHWA flex funding directed by ODOT supports the Ohio Transit Preservation Partnership Program, which primarily assists the eight largest transit agencies in the state using flexible FHWA funding. The federal funding requires a 20% local match, with the larger transit agencies most often able to provide this match. The program is generally used for capital costs, to replace transit vehicles, and assist with facilities. Typically, most of the money is distributed through competitive grants, although there is a smaller amount allocated by formula.

The Ohio Public Transportation Grant Program receives the remainder of FHWA flex funding. This program supports rural and small urban systems, awarding grants to transit systems to cover wages, fuel, insurance, training, and vehicle and facility maintenance, and provides planning assistance. It also buys transit vehicles, computer equipment, and builds 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. Additional program funding derives from the GRF and is appropriated in the main operating budget bill. In FY 2018, the program provided about \$800,000 to urban transit systems, and about \$3 million to rural transit systems.

Finally, the Public Transit Assistance Program also oversees a number of smaller FTA grants covering other specific purposes, including rural formula grants, bus and bus facilities grants, and capital investment grants. Local match and other requirements are set on a program-by-program basis.

C3:2: Elderly and Disable Fare Assistance Program (ALI 775452)

This program consists of a portion of FTA funding through line item 775452, totaling \$3.6 million in FY 2020 and \$3.7 million in FY 2021. The program supports transit systems in the purchase of vehicles for urban and rural nonprofit agencies providing transportation services to the elderly and people with disabilities. Projects are selected through a competitive grant process. A 20% local match is required.

C3:3: Technical Assistance Program (ALI 775452)

This program consists of a different portion of FTA funding through line item 775452, totaling about \$1 million in each fiscal year. The allocation is used for the coordination of transit service, or for purposes like contract rate analysis, the establishment of an operating service plan, and the development of transit materials for employees of systems and citizens. ODOT serves as a consultant to public transit systems, offering guidance on ODOT grant programs, and conducting program reviews and quality assurance reviews, site visits, and training workshops. This includes oversight of the rail fixed guideway systems.

Category 4: 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 removal of hazardous rail crossings. ORDC also has historically received GRF funding in the main operating budget bill, used for administrative expenses as well as financial assistance to railroads, businesses, and communities for rail-related infrastructure. These appropriations are typically supplemented with GRF funding appropriated in the main operating budget bill.

Program	Line Item	FY 2020 Introduced	FY 2021 Introduced	% of Total Introduced FY 2020-FY 2021
Grade Crossing	776462	\$14.2	\$14.2	73.9%
	772421	\$1.1	\$1.1	5.9%
	772422	\$1.0	\$1.0	5.2%
	TOTAL	\$16.3	\$16.3	85.0%
Rail Development Grant and Loan	776664	\$2.9	\$2.9	15.0%
Total All Programs		\$19.2	\$19.2	

C4:1: Grade Crossing Program (ALIs 776462, 772421, and 772422)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 776462, Grade Crossings – Federal	\$17,969,587	\$14,172,000	\$14,172,000
% change	--	-21.1%	0.0%
7002 ALI 772421, Highway Construction – State	\$1,131,000	\$1,131,000	\$1,131,000
% change	--	0.0%	0.0%
7002 ALI 772422, Highway Construction – Federal	\$1,000,000	\$1,000,000	\$1,000,000
% change	--	0.0%	0.0%

Line item 776462 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. Implementing these safety measures helps to eliminate collisions between vehicles and trains. Additionally, the Governor’s proposal supplements the federal funding for grade crossing safety with about \$2.1 million per fiscal year in state MFT and federal highway funds appropriated under line item 772421 and line item 772422, respectively.

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

ORDC uses their funds to operate four grade crossing 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 finally, (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 151 projects under the programs in FY 2017 and FY 2018: 128 warning device improvements, eight grade crossing surface reconstructions, six grade crossing closures, and nine other safety improvements. According to the Railroad Information System, in Ohio there are around 5,800 public, at-grade crossings open to traffic. Of this amount, approximately 3,360 (58%) have lights and gates, 580 (10%) have lights only, and the remaining 1,860 (32%) have neither lights nor gates.

C4:2: Rail Development Grant and Loan Program (ALI 776664)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
4N40 ALI 776664, Rail Transportation – Other	\$2,875,800	\$2,875,800	\$2,875,800
% 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.

Grants for these same purposes have been provided through GRF line item 776465, Rail Development, appropriated in the main operating budget bill. In FY 2017 and FY 2018, ORDC awarded a total of \$790,000 in loans for three projects, and \$5.9 million in grants for 34 projects.

Category 5: Aviation

This category of appropriations supports the operations of the Office of Aviation and the Ohio/Indiana Unmanned Aircraft Systems (UAS) Center. These appropriations are typically supplemented with GRF funding appropriated in the main operating budget bill.

Table 8. Aviation Category Allocations (in millions), FY 2020-FY 2021

Program	Line Item	FY 2020 Introduced	FY 2021 Introduced	% of Total Introduced FY 2020-FY 2021
Aviation Administration	777475	\$7.1	\$7.3	70.4%
Aviation Infrastructure Bank	777477	\$2.0	\$2.0	19.5%
Ohio Airport Grant	777615	\$0.6	\$0.6	6.1%
	777472	\$0.4	\$0.4	4.0%
	TOTAL	\$1.0	\$1.0	10.0%
Total All Programs		\$10.1	\$10.3	

C5:1: Aviation Administration (ALI 777475)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 777475, Aviation Administration	\$13,429,318	\$7,110,974	\$7,304,945
% change	--	-47.1%	2.7%

This line item, along with a portion of a GRF allocation funded in the main operating budget bill, funds the activities of both the Office of Aviation and the UAS Center. Most of the funding supports the Office of Aviation, which is responsible for (1) maintaining the state's aircraft fleet, (2) working with airports to meet national safety standards and coordinating with the Federal Aviation Administration (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 line item also funds the oversight of about 8,000 FAA-registered general aviation aircraft based in Ohio.

A portion of the appropriations will pay the operating costs of the UAS Center, which was established in 2013 under ODOT and in partnership with the state of Indiana, operating out of Springfield. The UAS Center developed partnerships and agreements with several other entities, including 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.

C5:2: Ohio Airport Grant Program (ALIs 777615 and 777472)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
5W90 ALI 777615, County Airport Maintenance	\$620,000	\$620,000	\$620,000
% change	--	0.0%	0.0%
7002 ALI 777472, Airport Improvements – Federal	\$498,317	\$405,000	\$405,000
% change	--	-18.7%	0.0%

These line items fund 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. Grants under the program cover 90% of the cost of obstruction removal or pavement resurfacing or reconstruction, not including project design expenses. There are currently 96 publicly owned airports eligible for these grants. For FY 2019, the program awarded 19 grants totaling approximately \$5.1 million.

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

C5:3: Aviation Infrastructure Bank (ALI 777477)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
2130 ALI 777477, Aviation Infrastructure Bank – State	\$8,640,977	\$2,000,000	\$2,000,000
% change	--	-76.9%	0.0%

This line item supports the Aviation Infrastructure Bank Loan Program, which provides an additional resource that publicly owned airports may use to fund aviation projects. The Aviation Infrastructure Bank Loan Program is a part of the SIB Program. Moneys from an initial capitalization of GRF, federal, and MFT funds allow the program to operate on a revolving loan basis. The line items are 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 million each fiscal year for Aviation Infrastructure Bank loans, equal to the amounts appropriated in FY 2018 and FY 2019. Since the program's inception, \$47.6 million in loans has been authorized for 19 airport projects.

Category 6: Debt Service

This category of appropriations provides funding for debt service on bonds issued to pay for highway construction and maintenance, as well as other infrastructure projects under the State Infrastructure Bank.

Table 9. Debt Service Category Allocations (in millions), FY 2020-FY 2021				
Debt Service Type	Line Item	FY 2020 Introduced	FY 2021 Introduced	% of Total Introduced FY 2020-FY 2021
Federal GARVEE bonds	772438	\$162.7	\$151.4	77.1%
	772437	\$27.5	\$25.0	12.9%
	TOTAL	\$190.2	\$176.4	89.9%
Transportation facilities bonds	770003	\$17.7	\$20.8	9.4%
State Infrastructure Bank (SIB)	772433	\$0.7	\$0.7	0.3%
	772430	\$0.6	\$0.6	0.3%
	TOTAL	\$1.3	\$1.3	0.6%
Total All Programs		\$209.2	\$198.5	

When taking into account all types of debt service involved with ODOT, please note that the appropriations in this category do not pay debt service on (1) the state highway bonds, or (2) the availability payments that ODOT must pay off from FY 2019 to FY 2054 for the construction of the Portsmouth Bypass. These two types of payments account for another \$275 million in costs to pay off ODOT projects over the FY 2020-FY 2021 biennium.

For the state highway bonds, the debt service on state highway bonds are paid for in the main operating budget bill under appropriations to the Commissioners of the Sinking Fund. To pay this debt service, funding is transferred out of the Highway Operating Fund (Fund 7002) to the Highway Capital Improvement Bond Retirement Fund (Fund 7072). Debt service payments on these bonds have averaged approximately \$126 million annually over the five-year period from FY 2014 to FY 2018. The Portsmouth Bypass was constructed under a public-private partnership (P3) agreement, with ODOT paying the private entity for construction costs, as is discussed previously. Finally, 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.

C6:1: Federal GARVEE Debt Service (ALIs 772437 and 772438)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 772438, Major New State Infrastructure Bond Debt Service – Federal	\$160,599,300	\$162,741,000	\$151,352,500
% change	--	1.3%	-7.0%
7002 ALI 772437, Major New State Infrastructure Bond Debt Service – State	\$27,977,640	\$27,462,900	\$24,972,600
% change	--	-1.8%	-9.1%

Appropriation items 772438 and 772437 provide the annual debt service for the \$1.23 billion in federal GARVEE bond principal and interest outstanding as of the end of FY 2018. GARVEE bonds allow the state to issue debt to finance qualified construction projects using the expected federal MFT revenues appropriated from the federal Highway Trust Fund. While over three-quarters of the debt service is paid off using federal highway aid received, the state share of debt service, supported by MFT and other highway-related revenues, is paid through line item 772437.

C6:2: Transportation Facilities Lease Rental Bond Payments (ALI 770003)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 770003, Transportation Facilities Lease Rental Bond Payments	\$17,656,700	\$17,658,600	\$20,798,000
% change	--	0.0%	17.8%

This represents the amount required to cover debt service payments on bonds issued for the rehabilitation and construction of ODOT facilities. Approximately \$84.3 million in bonds were issued by the state in January 2015 for this purpose, and another \$86.5 million was issued in February 2018. H.B. 529 of the 132nd General Assembly, the capital budget bill for the FY 2019-FY 2020 biennium, provided capital appropriations of \$60 million to use the bond funding to construct or improve ODOT's full-service maintenance facilities, outposts, and supply storage facilities statewide.

C6:3: State Infrastructure Bank Debt Service (ALIs 772433 and 772430)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
2120 ALI 772430, Infrastructure Debt Reserve Title 23-49	\$625,000	\$600,000	\$600,000
% change	--	-4.0%	0.0%
2130 ALI 772433, Infrastructure Debt Reserve – State	\$774,526	\$650,000	\$650,000
% change	--	-16.1%	0.0%

Appropriation items 772433 and 772430 both pay debt service on bonds that were issued in the mid-2000s by the state to infuse capital into the SIB Program. A total of \$10 million in bonds were issued, the proceeds of which were used to make loans to political subdivisions for transportation infrastructure projects under SIB. Revenue from the loan repayments is used to make the debt service payments.

Category 7: Administration

This category of appropriations provides for the management support of all the Department's programs, including the management support needed to operate the Director's executive leadership staff, quality and human resources, financing and forecasting, information technology, and local programs.

C7:1: Administration – State (ALI 779491)

Fund/ALI	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
7002 ALI 779491, Administration – State	\$138,640,876	\$107,815,669	\$112,116,608
% change	--	-22.2%	4.0%

The line item supports approximately 430 FTE positions out of a total of over 5,100 FTE positions employed by ODOT. The Administration operating program contains about \$219.9 million over the FY 2020-FY 2021 biennium. The appropriations are allotted to fund \$111.9 million (50.9%) in personal services expenditures, \$45.5 million (20.7%) for purchased personal services, \$48.5 million (22.1%) for supplies and maintenance, and \$14.1 million (6.4%) for equipment.

Ohio Transportation System Statistics

Table 10. Ohio Transportation Statistics			
Measurement	Ohio Statistic	Ohio Ranking	50-State Average
Infrastructure			
Total area of state (square miles)	44,826	34th	75,934
Area of state that is water (%)	8.8%	15th	8.3%
Bridges	27,345	2nd	12,248
Centerline road miles	122,974	7th	82,772
Freight railroad miles	5,288	5th	2,770
Inland waterway miles	440	21st	759
Public transit vehicles (urban & rural)	3,024	12th	2,664
Annual Usage			
Motor vehicle registrations	10,686,057	6th	5,369,240
Licensed drivers per 1,000 in driving age population	856	39th	929
Vehicle miles traveled (VMT) (millions)	118,608	6th	63,416
VMT per capita	10,212	30th	10,491
Public transit passenger trips (urban and rural)	115,093,894	14th	202,181,348
Airport enplanements	9,641,985	24th	15,254,782
Commercial Activity – Freight Originating in the State (in 1,000 tons)			
Truck freight	454,525	5th	232,267
Rail freight	45,152	12th	36,704
Waterborne freight	4,376	18th	18,039
Air freight	147	13th	106

Sources: U.S. Geological Survey, Federal Highway Administration, Association of American Railroads and Federal Railroad Administration, U.S. Army Corps of Engineers, American Public Transportation Association and Federal Transit Administration, Federal Aviation Administration, FHWA, and Bureau of Transportation Statistics – Freight Analysis Framework

Roadway Type	ODOT Maintained	Locally Maintained	Total
Interstate Routes**	1,333	--	1,333
U.S. Routes	3,022	896	3,918
State Routes	11,667	2,317	13,984
Local Public Roadways	--	102,346	102,346
TOTAL	16,022	105,559	121,581

Source: Ohio Department of Transportation

*Centerline miles are used to measure the total linear mileage of a roadway, regardless of the number of lanes. For example, a one-mile road with a lane in each direction and one mile of a divided freeway with four lanes in each direction are equal in centerline mile distance.

**The Ohio Turnpike is not included in this figure. The Ohio Turnpike and Infrastructure Commission operates this 241 mile stretch of highway across northern Ohio.

Roadway Type	VMT Urban System	VMT Rural System	VMT Total	% of Total
Interstate Routes	24,871	8,762	33,633	28.4%
Other Roads	58,897	26,078	84,795	71.6%
TOTAL	83,768	34,840	118,608	
% of Total	70.6%	29.4%		

Source: Federal Highway Administration

Department of Transportation

Highway Operating Fund Group

2120 772426 Highway Infrastructure Bank - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$7,891,888	\$18,653,977	\$4,519,878	\$9,360,679	\$5,000,000	\$5,000,000
% change	136.4%	-75.8%	107.1%	-46.6%	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: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd G.A.

Purpose: This line item provides federal dollars used for State Infrastructure Bank (SIB) loans to public 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$11,166,138	\$25,497,021	\$18,869,636	\$36,339,226	\$15,250,000	\$15,250,000
% change	128.3%	-26.0%	92.6%	-58.0%	0.0%

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

Legal Basis: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd 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 772427, Highway Infrastructure Bank - State, and 772431, Roadway Infrastructure - State.

Department of Transportation

2120 772429 Highway Infrastructure Bank - Local

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$44,999,995	\$0	\$0
% change	N/A	N/A	N/A	-100%	N/A

Source: Highway Operating Fund Group: SIB bonds backed by federal SIB funding

Legal Basis: As needed line item

Purpose: This line item pays the local share of certain highway construction projects funded through the SIB Program and expended through ODOT. Unused appropriations are carried forward from one year to the next.

2120 772430 Infrastructure Debt Reserve Title 23-49

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$553,273	\$550,697	\$525,000	\$625,000	\$600,000	\$600,000
% change	-0.5%	-4.7%	19.0%	-4.0%	0.0%

Source: Highway Operating Fund Group: Loan repayments

Legal Basis: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$446,993	\$3,319,433	\$3,089,114	\$12,632,918	\$3,500,000	\$3,500,000
% change	642.6%	-6.9%	308.9%	-72.3%	0.0%

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

Legal Basis: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd 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.

Department of Transportation

2130 772432 Roadway Infrastructure Bank - Local

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$0	\$0	\$0	\$6,999,998	\$0	\$0
% change	N/A	N/A	N/A	-100%	N/A

Source: Highway Operating Fund Group: SIB bonds backed by the GRF

Legal Basis: As needed line item

Purpose: This line item pays the local share of certain highway construction projects funded through the SIB Program and expended through ODOT. Unused appropriations are carried forward from one year to the next.

2130 772433 Infrastructure Debt Reserve - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$531,120	\$529,130	\$525,474	\$774,526	\$650,000	\$650,000
% change	-0.4%	-0.7%	47.4%	-16.1%	0.0%

Source: Highway Operating Fund Group: Loan repayments

Legal Basis: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd 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 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.

2130 777477 Aviation Infrastructure Bank - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$116,656	\$446,783	\$105,699	\$8,640,977	\$2,000,000	\$2,000,000
% change	283.0%	-76.3%	8,075.1%	-76.9%	0.0%

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

Legal Basis: ORC 5531.09; Section 203.10 of H.B. 26 of the 132nd 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.

Department of Transportation

7002 770003 Transportation Facilities Lease Rental Bond Payments

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$8,182,639	\$8,154,488	\$8,154,967	\$17,656,700	\$17,658,600	\$20,798,000
% change	-0.3%	0.0%	116.5%	0.0%	17.8%

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. 26 of the 132nd 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.

7002 771411 Planning and Research - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$20,286,362	\$23,934,042	\$24,011,256	\$40,229,936	\$27,591,086	\$28,089,039
% change	18.0%	0.3%	67.5%	-31.4%	1.8%

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

Legal Basis: ORC 5501.03 and 5501.11; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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 activities.

7002 771412 Planning and Research - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$32,448,172	\$36,010,132	\$32,353,524	\$58,308,731	\$41,742,250	\$41,742,251
% change	11.0%	-10.2%	80.2%	-28.4%	0.0%

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

Legal Basis: ORC 5501.03 and 5501.11; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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 line item 771411.

Department of Transportation

7002 772421 Highway Construction - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$586,106,237	\$558,663,946	\$544,236,153	\$787,809,229	\$1,195,734,023	\$1,237,604,799
% change	-4.7%	-2.6%	44.8%	51.8%	3.5%

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

Legal Basis: ORC 5501.11 and 5501.31; Sections 203.10, 203.20, 203.30, 203.40, and 203.60 of H.B. 26 of the 132nd 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. 26 of the 132nd G.A. earmarks \$4.5 million in each of FY 2018 and FY 2019 for Transportation Improvement Districts, as well as around \$2.6 million per year for construction and maintenance of roads owned or operated by metropolitan parks. H.B. 26 also requires ODOT to use 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.

7002 772422 Highway Construction - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,176,824,518	\$1,241,252,129	\$1,175,107,315	\$1,728,390,405	\$1,217,078,291	\$1,232,839,103
% change	5.5%	-5.3%	47.1%	-29.6%	1.3%

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

Legal Basis: ORC 5501.11 and 5531; Sections 203.10, 203.45, and 203.60 of H.B. 26 of the 132nd 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. H.B. 26 of the 132nd G.A. earmarks \$33.0 million in each of FY 2018 and FY 2019 to support public transportation through the Federal Highway Administration (FHWA) flexible funding program.

Department of Transportation

7002 772424 Highway Construction - Other

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$92,077,193	\$77,679,146	\$62,891,273	\$150,307,165	\$80,000,000	\$80,000,000
% change	-15.6%	-19.0%	139.0%	-46.8%	0.0%

Source: Highway Operating Fund Group: Local matching funds

Legal Basis: ORC 5501.11; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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; pedestrian or bicycle facilities; and other local highway 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$310,674,538	\$209,528,095	\$81,245,440	\$149,936,266	\$0	\$0
% change	-32.6%	-61.2%	84.5%	-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: As needed line item (originally established in ORC 5537)

Purpose: This line item is used to fund eligible Major New highway construction projects that are 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. Eligible infrastructure projects must have a transportation-related nexus with and relationship to the Ohio Turnpike and infrastructure system. A total of \$1.38 billion was approved for ODOT projects under this funding scheme. Of that amount, ODOT has spent approximately \$939 million through December 2018. No new appropriations are needed to cover the remaining \$441 million remaining in project funding.

Department of Transportation

7002 772437 Major New State Infrastructure Bond Debt Service - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$25,787,732	\$24,635,747	\$23,409,313	\$27,977,640	\$27,462,900	\$24,972,600
% change	-4.5%	-5.0%	19.5%	-1.8%	-9.1%

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

Legal Basis: ORC 5531.10; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$150,614,228	\$126,005,109	\$125,277,779	\$160,599,300	\$162,741,000	\$151,352,500
% change	-16.3%	-0.6%	28.2%	1.3%	-7.0%

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

Legal Basis: ORC 5531.10; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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 772454 Department of Agriculture - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$60,693	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

Source: Highway Operating Fund Group: CFDA 10.687, Capital Improvement and Maintenance

Legal Basis: Discontinued line item

Purpose: These funds supported the completion of projects in which ODOT worked in cooperation with the Wayne National Forest.

Department of Transportation

7002 773431 Highway Maintenance - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$544,906,515	\$498,638,872	\$524,287,140	\$655,763,072	\$603,832,334	\$595,209,104
% change	-8.5%	5.1%	25.1%	-7.9%	-1.4%

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

Legal Basis: ORC 5501; Sections 203.10, 203.20, and 203.60 of H.B. 26 of the 132nd G.A.

Purpose: This line item funds ODOT's system maintenance program. It includes funding for the following: 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.

7002 775452 Public Transportation - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$29,851,473	\$31,858,963	\$34,144,344	\$69,207,812	\$35,143,571	\$35,846,442
% change	6.7%	7.2%	102.7%	-49.2%	2.0%

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

Legal Basis: ORC 5501.07 and 5501.071; Sections 203.10 and 203.60 of H.B. 26 of the 132nd G.A.

Purpose: This line item provides federal funding for several transit-related purposes: (1) grants to rural 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.

Department of Transportation

7002 775454 Public Transportation - Other

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$1,114,493	\$709,934	\$998,462	\$2,817,387	\$1,500,000	\$1,500,000
% change	-36.3%	40.6%	182.2%	-46.8%	0.0%

Source: Highway Operating Fund Group: Local matching funds

Legal Basis: ORC 5501.07 and 5501.071; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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.

7002 775459 Elderly and Disabled Special Equipment

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$3,140,614	\$149,193	\$0	\$0	\$0	\$0
% change	-95.2%	-100%	N/A	N/A	N/A

Source: Highway Operating Fund Group: CFDA 20.513, Capital Assistance Program for Elderly Persons and Persons with Disabilities

Legal Basis: Discontinued line item

Purpose: This line item provided federal assistance under the Specialized Transportation Program in prior years. Spending in FY 2016 and FY 2017 occurred as a result of encumbrances in prior fiscal years. Beginning in FY 2016, funding for this purpose is appropriated under Fund 7002 line item 775452, Public Transportation - Federal.

7002 776462 Grade Crossings - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$10,473,790	\$11,226,606	\$10,646,394	\$17,969,587	\$14,172,000	\$14,172,000
% change	7.2%	-5.2%	68.8%	-21.1%	0.0%

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

Legal Basis: ORC 5531.03; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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.

Department of Transportation

7002 777472 Airport Improvements-Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$58,268	\$0	\$0	\$498,317	\$405,000	\$405,000
% change	-100%	N/A	N/A	-18.7%	0.0%

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

Legal Basis: ORC 4561.08; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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.

7002 777475 Aviation Administration

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$4,839,539	\$5,686,967	\$4,798,788	\$13,429,318	\$7,110,974	\$7,304,945
% change	17.5%	-15.6%	179.8%	-47.0%	2.7%

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

Legal Basis: ORC 4561.021 and 4561.18; Sections 203.10 and 203.60 of H.B. 26 of the 132nd 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 gas 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 Ohio-Indiana Unmanned Aircraft Systems (UAS) Center is paid for through the line item, amounting to about \$1.5 million of the costs for each of FY 2018 and FY 2019. The Center conducts UAS (or "drone") research projects in collaboration with many other government and private entities.

Department of Transportation

7002 779491 Administration - State

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$84,161,258	\$94,100,612	\$108,252,597	\$138,640,876	\$107,815,669	\$112,116,608
% change	11.8%	15.0%	28.1%	-22.2%	4.0%

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

Legal Basis: ORC 5501.03 and 5501.04; Sections 203.10, 203.20 and 203.60 of H.B. 26 of the 132nd 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.

Dedicated Purpose Fund Group

4N40 776664 Rail Transportation - Other

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$2,771,070	\$1,270,763	\$1,750,223	\$2,875,800	\$2,875,800	\$2,875,800
% change	-54.1%	37.7%	64.3%	0.0%	0.0%

Source: Dedicated Purpose Fund Group: Principal and interest payments on loans, revenues from easements, and other lease payments

Legal Basis: ORC 4981.09 and 4981.14; Section 203.10 of H.B. 26 of the 132nd 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 line item 776465, Rail Development. Line item 776664 also pays for the operating costs of the Commission.

Department of Transportation

5W90 777615 County Airport Maintenance

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$117,063	\$313,127	\$454,969	\$620,000	\$620,000	\$620,000
% change	167.5%	45.3%	36.3%	0.0%	0.0%

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

Legal Basis: ORC 4561.18 and 4561.21; Section 203.10 of H.B. 26 of the 132nd 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 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$202,351,987	\$153,046,508	\$191,305,942	\$231,170,583	\$65,000,000	\$65,000,000
% change	-24.4%	25.0%	20.8%	-71.9%	0.0%

Source: Capital Projects Fund Group: General Obligation (GO) bond proceeds authorized for highway construction

Legal Basis: ORC 5528.53; Sections 203.10 and 203.50 of H.B. 26 of the 132nd G.A.

Purpose: This line item funds system preservation and major new highway construction projects. 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. H.B. 26 of the 132nd G.A. authorized the state to issue \$255 million in GO bonds to finance highway projects in the FY 2018-FY 2019 biennium.

Department of Transportation

7045 772428 Highway Infrastructure Bank - Bonds

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$111,124,484	\$140,828,938	\$174,161,487	\$209,638,454	\$40,652,556	\$56,101,265
% change	26.7%	23.7%	20.4%	-80.6%	38.0%

Source: Capital Projects Fund Group: GARVEE bond proceeds

Legal Basis: ORC 5531.10; Section 203.10 of H.B. 26 of the 132nd 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.

Federal Fund Group

3B90 776662 Rail Transportation - Federal

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
\$34,000	\$0	\$0	\$0	\$0	\$0
% change	-100%	N/A	N/A	N/A	N/A

Source: Federal Fund Group: CFDA 20.308, Local Rail Freight Assistance

Legal Basis: As needed line item

Purpose: This line item is occasionally used to provide grants to assist in acquiring railroad lines, rail property, state rail planning, and rail facility construction.

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			Estimate	Introduced	FY 2019 to FY 2020	Introduced	FY 2020 to FY 2021	
			FY 2018	FY 2019	FY 2020	% Change	FY 2021	% Change
Report For: Transportation Budget			Version: As Introduced					
DOT Department of Transportation								
2120	772426	Highway Infrastructure Bank - Federal	\$ 4,519,878	\$ 9,360,679	\$ 5,000,000	-46.59%	\$ 5,000,000	0.00%
2120	772427	Highway Infrastructure Bank - State	\$ 18,869,636	\$ 36,339,226	\$ 15,250,000	-58.03%	\$ 15,250,000	0.00%
2120	772429	Highway Infrastructure Bank - Local	\$ 0	\$ 44,999,995	\$ 0	-100.00%	\$ 0	N/A
2120	772430	Infrastructure Debt Reserve Title 23-49	\$ 525,000	\$ 625,000	\$ 600,000	-4.00%	\$ 600,000	0.00%
2130	772431	Roadway Infrastructure Bank - State	\$ 3,089,114	\$ 12,632,918	\$ 3,500,000	-72.29%	\$ 3,500,000	0.00%
2130	772432	Roadway Infrastructure Bank - Local	\$ 0	\$ 6,999,998	\$ 0	-100.00%	\$ 0	N/A
2130	772433	Infrastructure Debt Reserve - State	\$ 525,474	\$ 774,526	\$ 650,000	-16.08%	\$ 650,000	0.00%
2130	777477	Aviation Infrastructure Bank - State	\$ 105,699	\$ 8,640,977	\$ 2,000,000	-76.85%	\$ 2,000,000	0.00%
7002	770003	Transportation Facilities Lease Rental Bond Payments	\$ 8,154,967	\$ 17,656,700	\$ 17,658,600	0.01%	\$ 20,798,000	17.78%
7002	771411	Planning and Research - State	\$ 24,011,256	\$ 40,229,936	\$ 27,591,086	-31.42%	\$ 28,089,039	1.80%
7002	771412	Planning and Research - Federal	\$ 32,353,524	\$ 58,308,731	\$ 41,742,250	-28.41%	\$ 41,742,251	0.00%
7002	772421	Highway Construction - State	\$ 544,236,153	\$ 787,809,229	\$ 1,195,734,023	51.78%	\$ 1,237,604,799	3.50%
7002	772422	Highway Construction - Federal	\$ 1,175,107,315	\$ 1,728,390,405	\$ 1,217,078,291	-29.58%	\$ 1,232,839,103	1.29%
7002	772424	Highway Construction - Other	\$ 62,891,273	\$ 150,307,165	\$ 80,000,000	-46.78%	\$ 80,000,000	0.00%
7002	772425	Highway Construction - Turnpike	\$ 81,245,440	\$ 149,936,266	\$ 0	-100.00%	\$ 0	N/A
7002	772437	Major New State Infrastructure Bond Debt Service - State	\$ 23,409,313	\$ 27,977,640	\$ 27,462,900	-1.84%	\$ 24,972,600	-9.07%
7002	772438	Major New State Infrastructure Bond Debt Service - Federal	\$ 125,277,779	\$ 160,599,300	\$ 162,741,000	1.33%	\$ 151,352,500	-7.00%
7002	773431	Highway Maintenance - State	\$ 524,287,140	\$ 655,763,072	\$ 603,832,334	-7.92%	\$ 595,209,104	-1.43%
7002	775452	Public Transportation - Federal	\$ 34,144,344	\$ 69,207,812	\$ 35,143,571	-49.22%	\$ 35,846,442	2.00%
7002	775454	Public Transportation - Other	\$ 998,462	\$ 2,817,387	\$ 1,500,000	-46.76%	\$ 1,500,000	0.00%
7002	776462	Grade Crossings - Federal	\$ 10,646,394	\$ 17,969,587	\$ 14,172,000	-21.13%	\$ 14,172,000	0.00%
7002	777472	Airport Improvements-Federal	\$ 0	\$ 498,317	\$ 405,000	-18.73%	\$ 405,000	0.00%
7002	777475	Aviation Administration	\$ 4,798,788	\$ 13,429,318	\$ 7,110,974	-47.05%	\$ 7,304,945	2.73%
7002	779491	Administration - State	\$ 108,252,597	\$ 138,640,876	\$ 107,815,669	-22.23%	\$ 112,116,608	3.99%
Highway Operating Fund Group Total			\$ 2,787,449,546	\$ 4,139,915,060	\$ 3,566,987,698	-13.84%	\$ 3,610,952,391	1.23%
4N40	776664	Rail Transportation - Other	\$ 1,750,223	\$ 2,875,800	\$ 2,875,800	0.00%	\$ 2,875,800	0.00%
5W90	777615	County Airport Maintenance	\$ 454,969	\$ 620,000	\$ 620,000	0.00%	\$ 620,000	0.00%
Dedicated Purpose Fund Group Total			\$ 2,205,191	\$ 3,495,800	\$ 3,495,800	0.00%	\$ 3,495,800	0.00%

FY 2020 - FY 2021 Appropriations - As Introduced

All Fund Groups

Line Item Detail by Agency			FY 2018	Estimate FY 2019	Introduced FY 2020	FY 2019 to FY 2020 % Change	Introduced FY 2021	FY 2020 to FY 2021 % Change
DOT Department of Transportation								
7042	772723	Highway Construction - Bonds	\$ 191,305,942	\$ 231,170,583	\$ 65,000,000	-71.88%	\$ 65,000,000	0.00%
7045	772428	Highway Infrastructure Bank - Bonds	\$ 174,161,487	\$ 209,638,454	\$ 40,652,556	-80.61%	\$ 56,101,265	38.00%
Capital Projects Fund Group Total			\$ 365,467,430	\$ 440,809,037	\$ 105,652,556	-76.03%	\$ 121,101,265	14.62%
Department of Transportation Total			\$ 3,155,122,167	\$ 4,584,219,898	\$ 3,676,136,054	-19.81%	\$ 3,735,549,456	1.62%