



Ohio House Finance Subcommittee on Transportation

Testimony on House Bill 110, FY 22-23 State Operating Budget

William O’Gorman
Ohio Department of Transportation

February 23, 2021

Chairman Patton, Ranking Minority Member Skindell, and members of the Ohio House Finance Subcommittee on Transportation:

I am William O’Gorman, Legislative Director at the Ohio Department of Transportation. Thank you for the opportunity to address you again today regarding the next two-year state operating budget.

As you know, the vast majority of ODOT’s funding for the next biennium is still being debated in House Bill 74, the biennial transportation budget. However, our transportation system is more than the roads and bridges funded by motor vehicle fuel tax revenue, so we are here today to discuss a few ways ODOT funds other modes of transport that help make our system complete.

Specifically, we use state general revenue to fund certain functions of our rail, aviation, and public transit systems.

Rail

In Ohio, most of our public rail investments are managed by the Ohio Rail Development Commission, of which Director Marchbanks is an *Ex Officio* member. The Commission’s Executive Director will be before this committee today to discuss in more detail their program and budget request, so I won’t spend much more time on that today.

I do want to remind the committee, however, that rail has always played, and will continue to play, an important role in our economic growth in Ohio. At approximately 5200 miles, Ohio’s rail network is 4th in the nation and 3rd in the nation for intermodal terminals. Effective, well-maintained rail services, either directly or via intermodal facilities, is commonly cited by new and growing businesses in the state as a major factor in their decisions to invest here.

The Administration’s state general revenue appropriation for rail upgrades and investments is \$2 million per fiscal year. Due to the economic impact of our rail system in Ohio, we strongly recommend maintaining this appropriation at the executive budget proposal level.

Aviation

Strong, thriving airports are also essential to maintaining a robust multi-modal transport system in the state. At ODOT, our state flight operations activities and investments are managed through ODOT's Office of Aviation. This office also supplies aircraft and pilots for our state flight operations activities and missions that include transportation of state officials, aerial photo and LIDAR services for our Aerial Engineering Office. As well we support the Bureau of Criminal Investigation Drug Interdiction Network and provide aerial support the Ohio Department of Natural Resources.

The State of Ohio Airport system is made up of 104 publicly owned airports. Eight of those provide commercial passenger services. In addition to flying missions, the Office of Aviation also administers airport programs, performs airport inspections and processes registrations for the 7,832 aircraft registered in the state.

For State Fiscal Years 22 and 23, the recommended state general revenue appropriation for these activities is \$6.4 million each year. This includes operating costs, airspace programs, maintain and provide aeronautical charts, administer an aviation airport grant program, and for other related expenses such as directory publishing and software maintenance. These numbers are similar to appropriations for the previous biennium. We urge your approval of funding at this level.

Public Transit

Transit is defined as publicly owned and operated multi-passenger bus, rail, or non-emergency medical transportation services. In Ohio, these services are provided by regional transit authorities, local governments and non-profit agencies. Transit can include local fixed routes (what you probably think of as a traditional bus or rail line) and on-demand (or, door to door) services.

Ohio has 67 transit agencies that offer a range of services that are broadly categorized into fixed route or demand response services. Historically, nearly 77% of the total transit funding in Ohio is raised locally in the form of sales tax, property & earnings taxes, combined with local government contributions.

Additionally, in 2020, the federal government provided slightly under \$201 million to transit systems in Ohio. Funds from Federal Transit Administration are designated for transit agencies operating in either urban or rural areas and require that local entities contribute funds. The combined total investment in Ohio's 67 transit agencies is more than \$1 billion annually. In March of 2020, The FTA allocated \$478 million in CARES funding in response to COVID-19. Those funds have been instrumental in allowing Ohio's Transit agencies to maintain service and help respond to individual community needs. Just recently in January, FTA announced an additional allocation of just over \$194 million in CRRSAA stimulus funds, however these funds were only awarded in six of Ohio's Cities, Cincinnati, Cleveland, Columbus, Akron, Canton and Toledo.

That said, the appropriation in this legislation (\$7.3 million each year) is still important. This appropriation item includes about \$400,000 in annual administrative costs we are required to fund in order to be eligible for federal funding. About \$2 million annually is used to fund the Elderly & Disabled fare reimbursement program for small urban and rural transit systems. The remainder is used for grants that help rural and small urban transit systems provide their required match to receive federal grant dollars.

These grants are vitally important to the small urban and rural transit systems that rely on them. Removing funding for these programs would likely mean the end of services for many of these transit systems. Given the benefit they give to Ohioans that rely on their services, we strongly recommend, at a minimum, maintaining funding at these levels, in order to ensure continued services.

At around \$15.78 million each year, these rail, aviation and transit investments may seem small when compared to the more than \$3 billion annual expenditure on roads and bridges, however these programs are vitally important to our state's transportation system. More importantly, these programs cannot be funded by state motor vehicle fuel tax dollars. They are wholly reliant on this state general revenue appropriation to continue to provide these essential services and draw down federal dollars to invest in the state.

I respectfully urge your approval and acceptance of the executive funding proposal for these programs.