



Finance Subcommittee on Transportation

FY 2024-2025 Budget

Scott Corbitt, Chair
February 15, 2023

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

I am Scott Corbitt, Chair of the Ohio Rail Development Commission. Thank you for the opportunity to address you today regarding the Rail Commission's 2024-2025 budget.

Rail transportation is critical to Ohio's economy and delivers both public benefits and public costs. The Rail Commission's role is to help the state take advantage of opportunities for public benefit and to help mitigate the public costs.

The Commission consists of 15 members appointed by the Governor and the General Assembly. The Directors of the Ohio Department of Transportation and the Ohio Department of Development also serve on the Commission. The Commission appointments are volunteer appointments. We are here because we all believe rail is a necessary component to a balanced transportation system for the State of Ohio.

The Commission staff works on a variety of issues involving rail throughout the state, with the work focusing on two primary objectives: grade crossing safety and economic development. The proposed budget expands the state's investments in both of these areas.

All of the Rail Commission's work is some form of public-private partnership. The key to our success is the ability to leverage funding and resources to capitalize on development opportunities and improve safety throughout the state. The funding in this budget will help to ensure our continued success to compete with other states for federal funds and for private investments from railroads and companies seeking to do business in Ohio. While the percentage increase is significant, the new funds for grade crossing safety improvements and increased funds for freight rail grants will make Ohio's funding in these areas more consistent with other states' programs.

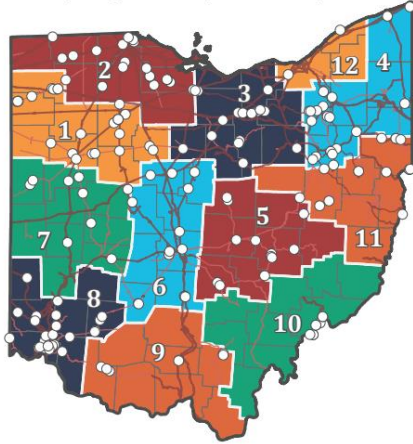
The Rail Commission's programs cross both the Transportation Budget Bill and the Main Operating Bill, so this testimony gives you a full overview of the Commission's work.

Railroad-Highway Grade Crossing Safety

Ohio's extensive roadway and railroad networks intersect at close to 5,700 at-grade public crossings in the state. Ohio's crossing inventory is the fourth largest in the country (behind Texas, Illinois, and California). The number of incidents at railroad-highway crossings has fallen significantly over time.



ORDC Rail Safety Projects
New Project Agreements Jan 1, 2019 - Jun 30, 2022



These successes follow decades of diligent work to improve warning devices, eliminate at-grade crossings through closure or grade separation, and educate the traveling public. However, Ohio continues to see approximately 64 crashes with about 8 fatalities each year. Most frustrating for us is that in 2021, 81% of crashes happened at crossings with active warning devices.

Since January of 2019, ORDC has entered into agreements for 172 grade crossing safety projects statewide, shown on the map at left. These projects have current funding commitments of \$43.6 million and will improve 192 crossing locations. The improvements to be made include upgrades from passive warning devices (crossbucks) to lights and gates and from flashing lights to lights and gates, as well as other warning device improvements, queue management installations, roadway surface reconstructions, and crossing

closures. The projects touch each of ODOT’s 12 districts. More detail about these projects is available at [ORDC Rail Safety Projects | Rail Development Commission \(ohio.gov\)](#).

The Executive Budget Proposal includes over \$153 million in grade crossing safety investments in the 2024-2025 biennium. The \$125 million Rail Crossing Safety Match appropriation will position Ohio communities to better compete for grade separations and other grade crossing safety projects in the Federal Railroad Administration’s new Railroad Crossing Elimination Program. This Bipartisan Infrastructure Law program offers \$500 million in new funds annually to improve grade crossing safety. To compete for these discretionary grants, Ohio needs to develop projects and federal applications, as well as commit to provide non-federal matching funds.

The Executive Budget also maintains funding for the Rail Commission’s grade crossing safety improvement program at prior years’ levels. This program will continue to primarily focus on upgrade of passive warning devices (crossbucks) to lights and gates and from flashing lights to lights and gates. However, recognizing that the data says we need to do more, we will also make other warning device improvements, install queue management features, reconstruct roadway surfaces, and eliminate crossings.

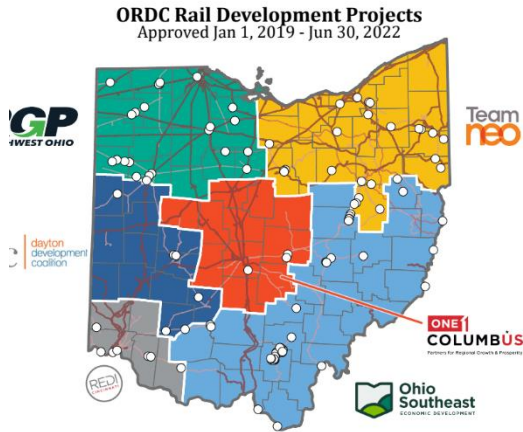
Funding for the Rail Commission’s Grade Crossing Safety Programs is as follows:

Funding Source (Fund, ALI)	FY 2024	FY 2025
Highway Construction – State (7002, 772421)	\$1,100,000	\$1,100,000
Grade Crossings – Federal (7002, 776462)	\$14,068,961	\$14,068,961
Rail Crossing Safety Match (5ZPO, 776505)	\$125,000,000	

Rail-Related Economic Development

The Rail Commission invests in rail development projects where high public benefits will result *and* public investment helps secure those benefits. The Commission makes direct grants and loans to railroads and companies as well as sponsors, administers, and provides matching funds for federal

discretionary awards. Since January of 2019, ORDC has approved grants and loans to the 66 projects shown on the map at left.



These projects, which received funding assistance of \$15.15 million, are creating more than 1,300 jobs, retaining 2,100 jobs, and supporting an additional 8,100 jobs, for a total of 11,500 jobs positively impacted. More information about these projects is available at [ORDC Rail Development Projects | Rail Development Commission \(ohio.gov\)](https://www.ohio.gov/ORDC-Rail-Development-Projects).

The Rail Commission has been very successful in winning federal discretionary grants through the Federal Railroad Administration’s Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. Since the program’s inception in 2017,

ORDC has won seven awards. These seven projects, which include \$2.4 million in ORDC matching funds, attracted \$23.4 million in federal discretionary funds and \$16.1 million in private railroad funds. Total leveraging is approximately \$16:\$1 - \$16 in other investment to every \$1 of ORDC matching funds.

There are many more opportunities to leverage non-state investment and attract and retain jobs and investment in Ohio. In the past year, ORDC has declined to fund \$9.4 million in funding requests, with total investments of \$16.7 million, due to a lack of funding availability. The Executive Budget proposal increases the Rail Commission’s grant program to help address these opportunities, which include CRISI discretionary grants of \$1 billion per year.

Funding for the Rail Commission’s Development Programs is as follows:

Funding Source (Fund, ALI)	FY 2024	FY 2025
Highway Construction – Federal (7002, 772422)	\$1,000,000	\$1,000,000
Rail Development – State Special Revenue (4N40, 776664)	\$2,911,491	\$2,911,491
Ohio Rail Development Commission (GRF, 776465)	\$10,000,000	\$10,000,000

Conclusion

The Rail Commission is uniquely positioned to help the state take advantage of rail-related development opportunities and to mitigate the public costs of rail operations. This budget will allow our programs to address needs in Ohio’s communities, with our long history of partnering with local, state, federal, and private entities to complete projects.

Chairman Patton, Ranking Member Skindell and members of the Committee, thank you again for the opportunity to provide testimony in support of the Rail Commission’s budget for the 2024-2025 biennium. I am happy to answer any questions that you have.