



Senate Agriculture and Natural Resources Committee  
FY 2024-2025 Budget

Scott Corbitt, Chair  
May 10, 2023

Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources Committee:

I am Scott Corbitt, Chair of the Ohio Rail Development Commission (Rail 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 of a balanced transportation system for the State of Ohio.

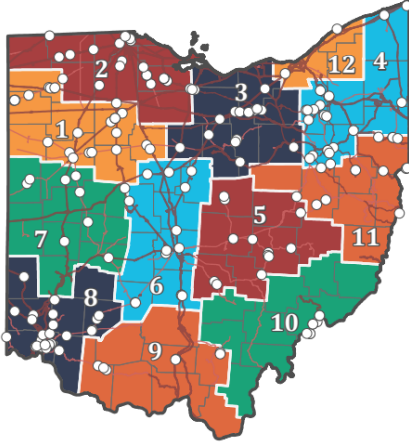
The Commission works on a variety of issues involving rail throughout the state, with the focus on two primary objectives: grade crossing safety and economic development. The Governor's proposed budget expands the state's investments in both of these areas.

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 Governor's proposed 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.

Because the Rail Commission's programs cross both the Transportation Bill (HB 23) and the Main Operating Bill (HB 33), there are critical elements to both public safety and economic development in HB 33. There has been much discussion about rail safety in the state and the Rail Commission line items in HB 33 give us the means to improve rail safety in Ohio.



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



## 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. These successes are thanks to the funding you approved in the Transportation Bill and follow decades of diligent work to improve warning devices, eliminate at-grade crossings through closure or grade separation, and educate the traveling public. Since January of 2019, the Rail Commission has entered into agreements for 172 grade crossing safety projects statewide, shown on the map at left. More detail about these projects is available at [Rail Safety Projects | Rail Development Commission \(rail.ohio.gov\)](https://rail.ohio.gov).

Even with this success, 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.

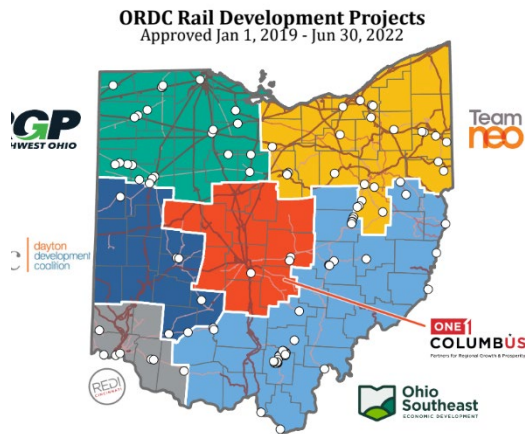
The Executive Budget Proposal introduced in HB 33 provided for a \$125 million Rail Crossing Safety Match appropriation to position Ohio communities to better compete for grade separation project funding from the Federal Railroad Administration's new Railroad Crossing Elimination Program. This Bipartisan Infrastructure Law program offers Ohio the opportunity to leverage up to \$400 million in federal funds over the next four years to improve grade crossing safety. But to compete for these grant opportunities, Ohio needs the resources up front to develop the projects, prepare federal applications, and commit matching funds to make our grant applications competitive. Grade separations are expensive. While costs can vary dramatically based on the location of the projects, a review of grade separation projects since the early 2000s estimates that the average cost of a grade separation is over \$17 million. Without state assistance, most communities do not have the resources to develop the preliminary engineering for projects of that magnitude.

Unfortunately, the \$125 million Rail Crossing Safety Match funding was eliminated in the House, and we ask that you consider reinstating this funding. Simply put, without this funding, Ohio will miss out on an opportunity to address long standing railroad crossing safety issues in communities throughout Ohio and both federal and railroad funds will go to projects in other states.

## 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, and it sponsors, administers, and provides matching funds for federal

discretionary grants. Since January of 2019, the Rail Commission 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 [Rail Development Projects | Rail Development Commission \(rail.ohio.gov\)](#).

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, the Rail Commission has won seven awards. These seven projects, which include \$2.4 million in Rail Commission 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 Rail Commission matching funds.

As you already heard from Director Marchbanks, rail is critical for the state’s business attraction efforts for sites over 100 acres. There are many more opportunities to leverage private, railroad and federal investment and attract and retain jobs in Ohio. In the past year, the Rail Commission was forced to decline \$9.4 million in funding requests, with total investments of \$16.7 million, due to a lack of funding availability. Earlier this spring, the Rail Commission received over \$8.7 million of grant requests from shortline railroads throughout the state. This amount does not include the \$3.0 million in potential economic development grant requests for rail infrastructure needed for Ohio businesses that the Rail Commission is currently tracking. The Executive Budget proposal increases the Rail Commission’s grant program to help capture these opportunities as well as to compete for \$1 billion annually in federal grants from the Federal Railroad Administration. I want to highlight that when we apply for federal grants, the Rail Commission’s average contribution is less than 10% of the total project cost, with the railroad providing the majority of the required matching funds.

The Governor’s budget proposal increased the Rail Commission’s annual funding for this program from \$2 to \$10 million. This program has not seen an increase in funding since FY 2008 so the \$10 million helps to make Ohio competitive with other states’ programs. The primary users of this program are smaller or shortline railroads, local economic development entities and private companies. This program was reduced from the Governor’s proposal by \$4 million in the House to \$6 million per year. Because so much of this funding is matched by railroads or used to leverage federal funding, based on our past projects, this reduction translates to a lost opportunity of over \$80 million in federal and railroad investment in Ohio’s rail infrastructure.

## 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. The Governor’s

proposed 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. Because of the nature of our projects, any reduction in funding to the Rail Commission has a multiplier effect in terms of lost federal, private and railroad funding for infrastructure investment in Ohio.

Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson and members of the Committee, thank you again for the opportunity to provide testimony in support of the Rail Commission's GRF budget for the 2024-2025 biennium. I am happy to answer any questions that you have.