



Budget Testimony to the Transportation Committee

Executive Director Matthew Dietrich

February 6, 2025

Chair Willis, Ranking Member and ORDC Commissioner Grim, and members of the Transportation Committee, thank you for the opportunity to testify today on behalf of the Executive Budget Proposal for the Ohio Rail Development Commission.

Rail transportation is critical to Ohio's economy and delivers valuable public benefits such as shipping savings to Ohio companies and savings to the state with fewer trucks on the road. Railroads also have impacts on the communities in which they operate. ORDC's role is to help the state take advantage of the opportunities railroads provide to Ohio while mitigating any negative consequences to communities as a result of rail traffic.

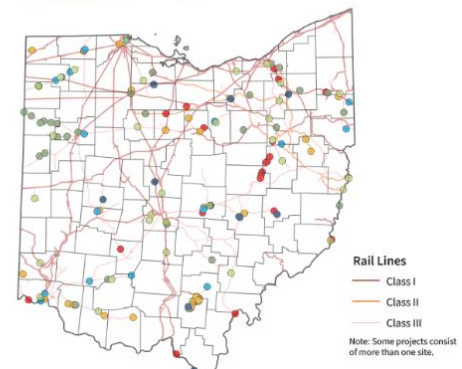
With the FY 2026-2027 budget, ORDC will continue to advance Governor DeWine's priorities of public safety and economic development by:

- Responding to rail development opportunities, including federal discretionary grant programs that leverage private and federal funds; and,
- Improving railroad-highway grade crossing safety through the Ohio Grade Crossing Elimination Program and through traditional funding provided via the Federal Highway Administration for improvements at grade crossings.

Development Opportunities

Freight railroads are privately owned so the state only provides funding for projects with public benefits that require public investment to come to fruition. Since 2019, ORDC has approved grants and loans to 101 projects, shown on the map at right. These projects, which received funding assistance of \$28.9 million, are creating more than 1,900 jobs, retaining about 4,200 jobs, and supporting an additional 16,300 jobs, for a total of 22,400 jobs positively impacted.

 **Rail Development
Commission** **Development Projects**
Approved State Fiscal Year 2019 - 2024



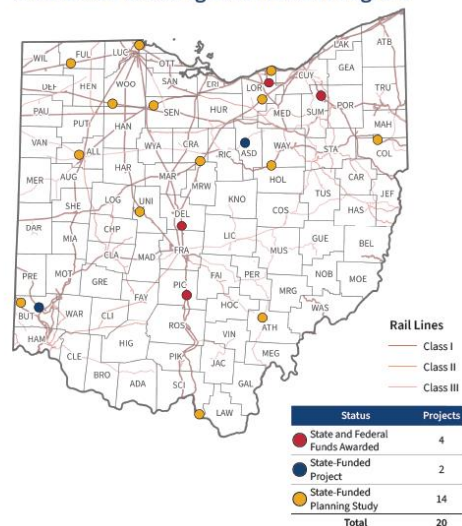
In addition to traditional grants and loans, the Rail Commission sponsors, administers, and financially leverages federal discretionary awards. ORDC has been very successful in winning federal discretionary grants through the Consolidated Rail Infrastructure and Safety Improvements Program. Since the program's inception in 2017, ORDC has won fourteen awards, bringing \$87 million in federal funding to Ohio projects. These investments include \$6.4 million in Rail Commission and leverage \$46.7 million in private railroad funds. Total leveraging is approximately \$21 in other investment to every \$1 of ORDC matching funds.

Public Safety

The Ohio Grade Crossing Elimination Program was launched in 2023 to enhance safety by identifying and funding improvements such as grade separations at existing at-grade crossings, as well as helping communities leverage federal funding opportunities for projects that would not be financially feasible otherwise. Last month, we learned that all four community-initiated projects that the ORDC submitted to the Federal Railroad Administration were selected for funding. These projects will receive \$81 million in funding for construction. Our analysis of the federal awards showed that of 123 grants awarded, only 34 received construction funding, and four of those are from Ohio. The Ohio Grade Crossing Elimination Program helped Ohio communities go to the front of the line for construction funding.

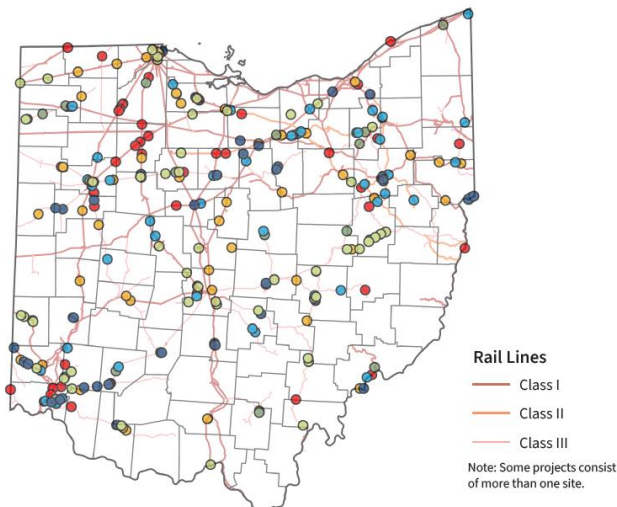
Two additional projects have been approved for state funding and 14 more locations are being assessed for potential projects and future grant applications. To date, the Rail Commission has awarded \$25.6 million in Ohio Grade

Ohio Grade Crossing Elimination Program



Safety Projects

New Encumbrances State Fiscal Year 2019 - 2024



Crossing Elimination Program funds. The ORDC's budget request includes temporary law language to allow continued project development and selection in the next biennium.

Since January of 2019, ORDC has entered into new agreements for 301 grade crossing safety projects statewide, shown on the map at left. These projects will improve 331 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 ORDC is also administering two targeted programs sponsored by the last General Assembly. The \$10 million Wayside Detector System Expansion Program is funding the installation of defect detectors on shortline railroads in the state. The \$1 million Orphan Rail Crossing Program is addressing community concerns about railroad crossings that lack a defined owner or a party responsible for maintenance. All funding for these two programs has been committed to projects.

The FY 2026-2027 budget request will maintain momentum across all of the ORDC's programs. ORDC is uniquely positioned to help the state take advantage of rail-related development opportunities and to mitigate the public impacts of rail operations. The budget proposal will allow our programs to address needs in Ohio's communities, building on our long history of partnering with local, state, federal, and private entities to complete valuable projects.