



**Department of
Transportation**
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Mike DeWine, Governor
Jim Tressel, Lt. Governor
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Ohio Senate Agriculture and Natural Resources Committee

House Bill 96

Pamela Boratyn
Ohio Department of Transportation

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Good Morning Chairman Schaffer, Vice Chairman Koehler, Ranking Member Hicks-Hudson, and members of the Ohio Senate Agriculture and Natural Resources Committee.

I am Pamela Boratyn, Director of the Ohio Department of Transportation.

Over the last 6 years, the top transportation priorities for the DeWine Administration and ODOT have been safety and improving Ohioans' quality of life. On behalf of Governor DeWine and the agency, thank you for the opportunity to discuss how the Governor's Operating Budget supports these objectives and ODOT's mission of providing a transportation system that is safe, accessible, well maintained and positioned for the future, all key to the well-being and success of every Ohioan.

The majority of the Department's funding was determined through House Bill 54, the Transportation Budget. However, Ohio's constitution and other state and federal restrictions limit the use of motor fuel tax dollars to maintaining and improving the state's highways and bridges. Several transportation programs that do not have a direct link to roads and bridges are, therefore, funded in the operating budget through state general revenue. Today, ODOT is not just about highways. We are a multi-modal agency.

House Bill 96 provides general revenue funds totaling \$107 million over next 2 years. Per year, this provides \$6M for rail, \$10M for aviation, \$37M for transit, and \$500K for the UAS Center in Springfield to support these nonhighway modes of transportation.

Ohio Rail Development Commission

Six (6) million dollars is currently appropriated for the Ohio Rail Development Commission in the operating budget. This funding helps Ohio's short line railroads and businesses connect to the rail network so they can move raw materials and products.

Since 2019, the Ohio Rail Development Commission has approved grants for approximately 100 projects assisting Ohio's companies to access rail and Ohio's small railroads to improve their infrastructure. These projects are creating more than 1,900 jobs, retaining about 4,000 jobs, and supporting an additional 16,300 jobs for Ohioans. With the uncertainty of programs at the federal level, the state funding is more important than ever to help smaller railroads improve the safety and capacity of their infrastructure.\.

Some general revenue funded projects include on-site rail expansion at Behr Process Corp in Fairfield/Licking Counties and at Versa Pak, Ltd in Shelby County; replacement and raising of a railroad bridge at SR 212 that continually sees truck strikes in Muskingum County; the rehabilitation of a swing bridge in Toledo to keep in good order for shipping traffic on the Maumee River in Lucas County; and the project in Ross County to rehabilitate the Richland Tunnel Portal, a tunnel through which the rail traffic for businesses in Vinton and Jackson Counties pass.

Ohio is among the top 10 states in the country for the amount of goods shipped by rail, both coming into and moving out of the state. JobsOhio has noted that on average, 20% of site selection requests require rail. Funding for rail projects increases safety and improves Ohio's competitive position with our neighbors.

Airport Improvement and Airspace Protection

With regard to aviation, the Governor's budget provides \$20M to continue support for a two-year Ohio Airport Grant Program that maintains and enhances Ohio's publicly-owned, public-use airports. This program provides capital improvement grants to publicly-owned airports that do not receive certain federal entitlements. This program also provides grants to assist sponsors of these airports in meeting their local share requirements of Federal Aviation Administration (FAA) grants. Eighty-four (84) Ohio counties have publicly owned General Aviation airports. Hocking, Paulding, Preble, and Washington Counties do not have general airports. In addition, there are six [6] publicly owned

Commercial Airports in Ohio: Akron – Canton; Cleveland Hopkins; Dayton International; Rickenbacker; Toledo Express; and Columbus John Glenn.

ODOT currently provides \$9 million annually for county airport maintenance from GRF and annual Aviation Aircraft Registration fees. These revenues help these publicly owned airports invest in critical maintenance that has been deferred due to lack of funding. And, most years, applications for projects typically total between \$22,000,000 and \$25,000,000, far exceeding the available funds.

According to the most recent statewide economic impact study, these important county assets contribute more than \$13 billion to the state’s economy annually and need our continued support and funding.

ODOT Aviation Costs

In addition to the airport grant program, ODOT’s Office of Aviation’s budget funds safety and certification inspections as well as pavement condition inspections at all public-use airports on a three-year cycle. GRF allocated to Aviation are utilized to fund the administrative costs of inspections. These inspections are performed to ensure airport facilities comply with federal standards as well as the Ohio Revised Code. This Office also reviews and issues approximately 3,000 permits annually for proposed construction near airports to protect the navigable airspace in accordance with the Ohio Airport Protection Act.

The Office of Aviation maintains aircraft used by ODOT (5), the State Highway Patrol (16), and the Ohio Department of Natural Resources (3), and receives non-GRF dollars. We have about 8,000 registrations which provides \$450K in license tax annually. Funding is used on general aviation airport grants for use on safety and infrastructure projects.

Finally, ODOT supports the Ohio Airport Improvement Program created in HB 96 to help finance improvements for publicly owned and use airports with funding from the aviation fuel-related portion of petroleum activity tax [PAT] receipts.

Public Transportation

Let’s take a moment to highlight the investment in transit included in the Administration’s operating budget. Public transportation empowers individuals to be independent, seek and retain employment, receive medical treatments and visit doctors, go grocery and

other shopping, and gain access to new opportunities. ODOT's Office of Transit administers programs to support transit systems across Ohio. Funding is currently appropriated at \$37 million each fiscal year. This funding supports transit operational costs, vehicle and facility maintenance, and vehicle replacement projects. And, this investment is key in helping local agencies provide required matching funds for Federal programs.

Programs administered by the Office of Transit include the Urban Transit Program to support the 26 urban transit agencies in Ohio, the 39 Rural Transit Program for agencies in rural and small urban area with a population of less than 50,000, and the Specialized Transportation Program that provides funding for services for seniors and people with disabilities. The programs total \$36.6 M annually

ODOT makes every effort to ensure that state GRF funds are leveraging federal dollars. Recently, ODOT updated the Urban Transit Program Policy to provide more funds to small urban agencies that operate in many of Ohio's rural counties. These agencies have historically struggled to match federal dollars, and through this policy change ODOT was able to direct over \$7 million dollars in the past two years to help Ohio's small urbans match and keep the investment in Ohio.

As a result of these state investment, coupled with local initiatives, Ohio has seen significant investments in transit infrastructure, including grants that help agencies improve service quality, expand routes, and modernize fleets. For example, Allen County RTA received \$1.5 million in federal flex funds and \$800,000 in GRF for its maintenance facility and rolling stock garage expansion project. In SFY25, ODOT awarded over \$43 million of FTA and state GRF to 42 rural public transit agencies for operations and vehicle maintenance. Licking County Transit is implementing five new Fixed Route bus lines for Newark area with great success. This work followed a Transit Development Plan funded by ODOT.

Uncrewed Aircraft Systems Center – Strategic Plan for Advance Air Mobility

DriveOhio oversees ODOT's efforts to continue to build the next generation of transportation infrastructure, including technologies being deployed by the Ohio Uncrewed Aircraft Systems (UAS) Center that support advanced aviation.

The UAS Center located in Springfield provides air traffic control and radar support for the testing of uncrewed aircraft, or drones, within low altitude airspace. In addition, the

center performs drone operations for ODOT helping support ground operations, including right-of-way surveys, bridge inspections, and traffic monitoring. This year, the UAS team kicked off a research project to investigate the use of a robotic dog and assisted with researching the use of a sonar-equipped boat for underwater bridge inspections. The Center also supports other state agencies by flying drones with various sensors to find abandoned wellheads, detect radiation or hazardous materials, and to help with security around correctional facilities.

Recently passed House Bill 54 established a new ODOT Division of Advanced Air Mobility (AAM) to implement a statewide strategy to ensure Ohio remains on the leading edge of these new flight technologies. While UAS operations include drones and other autonomous systems deployed for data collection, the primary purpose of Advanced Air Mobility is the transport of people and cargo. ODOT/DriveOhio has hired a Director, Robert Tanner, to lead this new division.

The current version of House Bill 96, the Operating Budget, would also establish a Drones for First Responders pilot program to be administered by ODOT. The program intends to provide first responders in Ohio with drones, training to operate drones, resources to coordinate with the FAA, and support for integrating UAS infrastructure. ODOT is supportive of the Drones for First Responders pilot program as a critical tool for emergency response across the state. Drones can enable greater situational awareness for responders, increasing safety and ensuring that agencies send the right equipment. To ensure the program's success, ODOT has proposed updated language that would instruct the Department to provide procurement and coordination support, rather than purchasing the assets and providing training directly

The Administration's budget includes \$500,000 for each fiscal year for development of a strategic plan for advanced air mobility to maximize positive economic impact and continue Ohio's leadership in this space. AAM Director Tanner will spearhead the implementation of the state's strategy, direct investment and policy action, and partner with our manufacturers, academic institutions, and research organizations who are also seeking to accelerate the adoption of advanced aviation technology. Ohio's AAM Strategy Framework will focus on alignment with federal partners at the FAA and NASA; establishment of demonstration corridors across the state to enable data collection to make the safety case; and leveraging our strengths and partnerships to tap into real markets and business cases that exist today and can be quickly scaled (e.g. healthcare delivery, regional cargo delivery, and emergency response).

Next-generation aircrafts are being developed at blinding speed to change the way goods move and people travel. This could include the transport sensitive items like life-saving organs and medication as well as other goods and supplies to urban and rural Ohio businesses and citizens. As the nation's largest aerospace supplier with the third-largest manufacturing workforce in the U.S. Ohio is primed to lead the way, leveraging recent industry announcements by Joby and Anduril Industries to locate facilities in Ohio.

Conclusion

Governor DeWine and Lieutenant Governor Tressel are proposing continued and transformational investments to keep people and freight flowing safely and easily to and through Ohio

We sincerely appreciate the Legislature's efforts and support as we work to keep Ohio's transportation system strong. On behalf of ODOT, I appreciate the opportunity to testify today and respectfully request your approval of the multi-mode provisions included in the Operating budget.

Thank you, and I am happy to respond to any questions from the Committee.