



TESTIMONY – HOUSE BILL 96

OHIO SENATE FINANCE COMMITTEE

May 27, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and members of the Senate Finance Committee, thank you for the opportunity to present this written testimony in support of the Ohio Rail Development Commission's proposed allocations in House Bill 96.

House Bill 96 contains the line-item funding for the Ohio Rail Development Commission (ORDC), one of the small state transportation offices not funded via the gas tax. Though the agency is small, over its thirty-year history, the ORDC has delivered significant benefits for Ohio's short line and regional railroads, rail-dependent businesses around the state, and Ohio's economy and jobs.

The ORDC's mission is two-fold: working with the state's freight railroads and public authorities to improve safety at grade crossings and overall rail operations, and to partner with railroads and rail-served businesses to maximize the advantages freight rail transportation offers to Ohio's economy. Ohio has one of the densest rail networks of any state in the nation. That is because Ohio businesses rely on freight rail to efficiently move materials to production and finished goods to markets. Whether freight is moving from Lake Erie ports, the Ohio River, or from point to point in Ohio, freight rail is an integral part of the state's transportation system. In recognition of this fact, the ORDC has supported freight rail infrastructure improvements for both railroads and businesses. Over the past decade, the ORDC has leveraged General Revenue Fund allocations to access funding via federal rail improvement programs with great success, helping to make Ohio's railroads safer and more efficient.

Freight railroads are privately owned, so the state only provides funding for projects with public benefits that require public investment to come to fruition. This means that every rail infrastructure project the ORDC approves is a form of public-private partnership. According to the ORDC, since 2019 the ORDC has approved grants and loans to 101 projects. 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. According to the ORDC, the return on every dollar committed by the ORDC for all projects is approximately \$21 in related investments.

In addition to traditional grants and loans, the ORDC sponsors, administers, and financially leverages applications for federal discretionary awards. The ORDC staff have been remarkably successful in winning these competitive federal grants through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. Since the program's inception in 2017, the ORDC has won fourteen awards, bringing \$87 million in federal funding to Ohio projects. These fourteen projects were funded with \$46.7 million in private railroad funds and \$6.4 million from the ORDC.

Freight rail transportation is critical to Ohio's economy. Freight rail delivers meaningful public benefits, like lower cost transportation services for Ohio businesses. Ohio also saves wear and tear on the state's highway system since freight rail keeps millions of miles of heavy truck traffic off the road. Ohio's freight rail network is an economic development advantage for Ohio, and the ORDC helps to ensure its capacity continues to grow. Railroading is one of the most capital-intensive industries in the world, and Ohio's short line railroads often need the financial partnership of the ORDC to make timely improvements. Maintaining the short line network is important to the state's manufacturing, agribusiness, and bulk industries, to name just a few of the major short line rail users.

The ORDC has demonstrated outstanding capabilities in making the most of the limited funds available. HB 96 proposes flat funding for the ORDC at \$6 million per fiscal year. But every year, the ORDC's funding falls short of the project demand, and millions of dollars of projects are pushed back to the next fiscal year, creating a backlog of needed improvements. Making improvements to the track structure of short line railroads is one of the best public safety investments the state can make in railroads. Even a slight increase in this funding would allow more freight rail-related projects to be evaluated and funded each year, making the state's rail system safer and more efficient.

On behalf of the members of the Ohio Railroad Association, thank you for your consideration of this testimony and of our request for additional financial support for the Ohio Rail Development Commission.